

Annual Registration Statement and Annual Report 2021

(Form 56-1 One Report)

TISCO Financial Group PLC.



Annual Registration Statement and Annual Report 2021

(Form 56-1 One Report)

TISCO Financial Group Public Company Limited



Contents

	Page
Report from the Board of Directors	1
Part 1 Business Operations and Performance	
1. Group Structure and Business Operations	4
2. Risk Management	31
3. Driving Business for Sustainability	46
4. Management Discussion and Analysis	53
5. General and Other Important Information	64
Part 2 Corporate Governance	
6. Corporate Governance	65
7. Corporate Governance Structure and Important Information Concerning the Board of Directors, Board Committees, Executives, Employees and Others	69
8. Report on Important Operational Results of Corporate Governance	91
9. Internal Control and Related Party Transactions	113
Part 3 Financial Statements (Financial Statements of the Past 3 Years)	117
Attachment	
Attachment 1 Profiles of Directors, Executives, Controlling Persons, Chief Financial Officer, Accountant, and Corporate Secretary	124
Attachment 2 Information on Directors of Subsidiaries	144
Attachment 3 Information on Internal Audit Head and Compliance Head	147
Attachment 4 Asset for Business Operation and Details on Asset Valuation	149
Attachment 5 Policy and Guidelines on Corporate Governance and Business Ethics	150
Attachment 6 Report of the Audit Committee	151
Attachment 7 Report of Other Sub-Committees	153
Attachment 8 Statement of the Board of Directors' Responsibility for Financial Statements	159
Attachment 9 Independent Auditor's Report, Financial Statement, and Notes to consolidated financial statements	160

Report from the Board of Directors

In 2021, the domestic economy once again faced myriad difficulties from the COVID-19 pandemic. Business activity was hit hard by travel restrictions and lockdown measures implemented during the year. However, following higher vaccination coverage in the second half, the government eased lockdown measures and reopened the country to tourist arrivals, albeit with restrictions, in November, blowing life into the economy. For full year 2021, the economy was weak with GDP growth at 1.6% and inflation rose 1.2%. In the midst of the pandemic, domestic consumption was subdued, even with various stimuli from the government. The tourism sector, typically a main growth engine for the economy, was a big drag throughout the year with only modest improvement after a limited reopening in the last quarter of the year. On the other hand, the export sector expanded strongly thanks to high demand from trading partners and weakening of the baht. Private investment was mostly at a standstill due to Covid-19 outbreaks in industrial areas and construction sites.

Once again, TISCO faced a challenging year when it comes to striking a balance between assisting clients and evolving our business strategy to withstand changes in the banking environment. Backed by our resiliency in the capital market businesses and improved asset quality, TISCO was able to deliver upbeat operating results with net profit of 6,785 million baht, up 11.9% from the previous year. Loan portfolio still contracted by 9.7%, but this was due to our cautious underwriting policy. This conservative strategy enabled TISCO to sustain high business margin while controlling business costs. With digital transformation happening in every industry, including the banking sector, TISCO has ramped up investment in digital platforms that cater to our areas of expertise.

In the core banking business, lending was impacted by pandemic uncertainty. Loan portfolio shrank but NPLs also fell to 2.4% of total loans. This, together with a high loan loss coverage ratio of 237%, strengthened our cushion against potential risks from the pandemic. TISCO has continued to support affected clients by using sustainable debt restructuring and offering different types of assistance measures. In addition, a new debt forgiveness program was introduced to the public in 2021, “Returning Cars, Ending Debts (Kuen Rod Job Nee)”, specifically designed to help clients who can no longer repay their debts. This helped pandemic-affected clients end their obligations without staining their credit profile.

Meanwhile, the capital markets businesses played a key role in the strong reported revenue. TISCO Asset management delivered extraordinary performance through the successful launch of new megatrend funds, bringing AUM growth to over 13% for the year. In recognition of the excellent results, TISCO Asset Management received the “Outstanding Asset Management Company” award from the SET Awards 2021 and “Best Asset Management Company” award from the International Financial Awards 2021. TISCO Asset Management retained a firm grasp on its no.1 rank in the provident fund business, a reflection of the long-standing trust earned from corporate clients. The success of the provident fund business was also recognized with the “Decade of Excellence – Provident Fund Management Thailand 2021” award from Global Banking and Finance Review.

TISCO Securities also did exceptionally well, riding the capital market flows and unwinding of investor confidence amid a search-for-yield environment. Offering quality and timely research and advisory services, the TISCO team gained trust from investors as seen in the rise in new accounts and higher trading volume. In addition, TISCO Securities actively participated in investment banking services such as financial advisory, M&As, and IPOs, including one of the biggest IPOs in 2021 - “PTT Oil and Retail Business Public Company Limited (OR)”. TISCO Securities was recognized as the “Best Domestic Brokerage in Thailand” in 2021 by Asiamoney, affirming its long-held commitment to provide the best possible service.

Weathering various difficulties, TISCO maintained a solid financial position with a strong capital base and capital adequacy ratio as high as 25% while offering a high Return on Equity (ROE) of 16.8%. This outstanding business performance was recognized by the Stock Exchange of Thailand which granted TISCO the “Outstanding Company Performance” award at the SET Awards 2021. Besides the financial aspects, TISCO also garnered praise for its fair treatment and quality service for all stakeholders. Indeed, TISCO continued to adhere to high corporate governance standards, complying with anti-corruption business practices and consistently supporting sustainable development. In a time of crisis such as the pandemic, TISCO emphasized providing financial aid to affected clients along with educating the public on financial literacy, with the objective to relieve clients from over-indebtedness and create long-lasting financial stability. TISCO remained determined to create sustainable value for all stakeholders, validated by maintaining its position as a “ESG100 Company” for the seventh consecutive year and a Thailand Sustainability Investment (THSI) stock for the fifth consecutive year.

An award that TISCO is particularly proud of is the “Best Employer Thailand Award 2021” from Kincentric Thailand, bestowed upon TISCO Financial Group and Hi-Way for excellent employee support and development. TISCO has long sought to create a “Happy Organization” as we consider human resources the key asset that propels the company to its final goals. This achievement was reflected in employee satisfaction, employee engagement, and maintenance of an inspiring work environment.

Transitioning into the digital era, TISCO has continually invested in digital platforms in the areas of our expertise, with an aim to balance short term benefits and build infrastructure for the future. Digitizing customer services and relationship management, as well as e-market place and service innovations have been our key development focus. In this, TISCO has revamped the core mobile banking applications, rebranded as “TISCO My Wealth”, which enriched users with distinctive “Hybrid Advisory” features offering comprehensive financial and investment advisory on top of typical financial transactions. Digital relationship manager applications which digitize sales and customer services have been rolled out across customer touchpoints and selective business partners. Another notable development launched was “Freedom”, the platform to provide financial planning, savings and debt management with objective to aid customers in achieving financial freedom and successful retirement plan. In terms of technology infrastructure, TISCO has migrated most of our core systems onto cloud computing platforms, to become most agile and adaptive in responding to fast changing needs from new developments and innovations.

Entering 2022, there remains a plethora of uncertainties associated with the pandemic and potential economic recovery. That said, Thailand’s domestic economy is expected to carve out a path to recovery on the back of higher vaccination rates and a more balanced approach to managing new virus waves. Recovery in the tourism sector will be slow as it will take longer for tourist arrivals to reach the pre-COVID level. But exports are expected to remain strong thanks in part to high demand from trading partners. Supported by the government’s stimulus programs, domestic demand and consumption should gradually gain steam along with consumer confidence, while the high level of household debt could hinder gains. Private investment should be able to expand alongside economic reopening and infrastructure project resumption.

Thailand’s banking industry still faces significant challenges, particularly in asset quality with a sizable number of loans under debt relief measures and debt serviceability still fragile. Nonetheless, the industry has already bolstered loan loss reserves to mitigate potential downside risk. With economic recovery expected, all banks will retrain their focus on growth momentum to recharge core revenue. Looking ahead, developments in the banking industry revolve around new technology adoption, digitalization and financial technology. Many banks are expanding their business via digital channel updates, increasing digital services, and entering technological businesses. In short, the industry is adjusting to remain relevant and competitive in the new technology and market environments.

For the year ahead, TISCO will align its growth with customer needs, our areas of expertise, and risk-adjusted return that is optimal for an environment of volatility. Core businesses are expected to recover alongside revival in customer demand while asset quality is becoming less of a concern as the pandemic ebbs. Nevertheless, prudent policies remain at play to safeguard against any unexpected downturns.

The Board would like to thank our shareholders, clients, and business partners for their support and trust while expressing special appreciation to our management team and staff for their dedication and commitment to the company, especially during this most difficult time. We wholeheartedly believe that with our steadfast teamwork and professionalism, TISCO can overcome any future obstacles and generate sustainable business performance for the years to come.

The Board of Directors

Part 1 Business Operations and Performance

1. Group Structure and Business Operations

1.1 Policies and Overview of TISCO's Business

Background

TISCO was established in 1969 as the first investment bank in Thailand with Bankers Trust New York as the major shareholder. TISCO operated in the form of an investment bank, similar to businesses abroad, with an objective to respond to the needs of Thailand's fast-growing economy during that time. The TISCO logo was developed from the Company's English name: Thai Investment and Securities Company Limited.

In 1973, TISCO became the first company in Thailand to receive a securities business license from the Ministry of Finance. TISCO was also one of the founding members of the Stock Exchange of Thailand. The Company was listed on the Stock Exchange of Thailand in 1983 and steadily grew into a leading financial institution, offering both financial and investment services. An early mover in the industry, TISCO has played a key role in the development of Thailand's capital markets. TISCO transformed into a full commercial bank and opened a banking business in 2005 under the name "TISCO Bank Public Company Limited". In 2009, TISCO successfully restructured into a holding company, setting up TISCO Financial Group Public Company Limited, a non-bank public company limited, as a holding company and the parent company of the Group, in place of TISCO Bank, in accordance with the consolidated supervision regulations of the Bank of Thailand.

Currently, TISCO Financial Group Public Company Limited operates as a holding company and is involved in no other major businesses. TISCO Bank Public Company Limited is the core company of the group, providing a broad range of financial services across the commercial banking, lending, and capital markets businesses.

Thai Economy in 2021 and Outlook for 2022

In 2021, the prolonged COVID-19 pandemic affected economic activity around the world, including Thailand. To stem the rise in infections and deaths from the virus, the Thai government tightened containment measures during the year. These measures ultimately damaged the income of individuals and businesses and thus, household debt soared. To ease the pressure, the government introduced economic remedies and rehabilitation measures under an act authorizing the Ministry of Finance to borrow an additional 500 billion baht. Moreover, the Bank of Thailand (BOT) kept its policy rate at a record low for the full year 2021.

For 2022, the global economy is expected to continue the expansion started in late-2021 as acceleration in vaccine distribution around the world helps ease restrictions, boosting economic recovery. Meanwhile, fiscal and monetary policy should remain largely accommodative. Similarly, the Thai economy is widely expected to expand further amid gradual reopening of economic activity as vaccine distribution has progressed while the reopening to foreign tourists will support domestic spending and overall tourism activity. However, the recovery in foreign tourist arrivals is likely to be only gradual as outbound tourism policies of key countries could remain restrictive. Apart from economic reopening, the Thai government is likely to continue introducing domestic stimulus measures under the aforementioned act authorizing the Ministry of Finance to borrow an additional 500 billion baht. On the monetary side, the Bank of Thailand is expected to keep its dovish policy stance to support economic recovery. We assume policy rate will be kept at a record low throughout 2022 with a greater focus on enhancing liquidity and debt restructuring for the private sector. All considered, we expect the Thai economy to grow 3.3% (YoY) in 2022, improving from 1.6% (YoY) in 2021. However, the economy still faces several significant downside risks, namely the spread of COVID-19, prolonged supply disruption, and inflation overshoot, all of which tilt economic risk to the downside.

Vision, Mission, Values for Business Operations and Business Strategy

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

Our **Vision** is encapsulated in the motto “Wealth of Possibilities”.

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

Our **Core Values** are the essence of the services we offer our customers and the qualities we cultivate and seek in our people. Through induction, training and comprehensive corporate guidelines, these values are transferred into TISCO’s culture and shape our professional attitude. TISCO’s core values consist of:

- 1) **Mastery** Our staff are obligated to continually learn and develop themselves, striving for outstanding capabilities and skills to maximize customer satisfaction.
- 2) **Integrity** All of our employees must conduct themselves with honesty and follow a code of ethics of the highest standards.
- 3) **Reliability** The organization creates added value in our financial services through the professional skills and reliable performance of our team.
- 4) **Advice** Because our staff hold a wide range of financial expertise, we can provide customers the best financial advisory service in a friendly and open-minded manner, understanding exactly what they need so we can help them achieve their goals.
- 5) **Creativity** Our expertise derives not only from deep industry knowledge and experience, but also from our creativity. Supplied with advice that is accurate as well as creative, our clients enjoy a wider breadth of financial possibilities.
- 6) **Learning** TISCO’s employees approach learning with enthusiasm in order to enhance future skills and position themselves for global changes. A deeper knowledge bank can also be fruitful by raising overall service standards beyond customer expectations.
- 7) **Empathy** Empathy is a key quality of TISCO’s business as it ensures that concepts and methods applied are appropriate for efficient, sustainable response to the needs of stakeholders.

Strategic Plan

In formulating a 3-year business plan, TISCO considers both the external business environment and internal factors. The external business environment includes economic conditions, regulations, and government policies while internal factors are the Group’s strengths, weaknesses, opportunities, risks, critical success factors as well as priority issues. Management takes all of these issues into consideration in determining a Corporate Theme and Core Business Strategy which aligns with the Vision of the Company. TISCO Group focuses on being a niche financial service company with selective focus strategies. The overall value proposition for our customers is built around TISCO’s strong position as trusted financial advisor, life-time partner in financial services, and provider of value-added services. This position furthers our strategic objectives to sustain long-term growth and financial soundness while remaining resilient amidst the changing business environment.

Although Thailand’s overall economy is recovering gradually on domestic consumption and improvement in the export sector, the recovery of the tourism sector, a main income driver for the country, still lags behind normal levels and is facing continued risks from COVID-19 uncertainty. TISCO hence retains a prudent business policy to

cushion against the uncertainty and potential risks while at the same time adjusting its business model to be ready for digital transformation and rapid global changes in technology. TISCO's strategic plan for 2022 focuses on the following:

- Accelerate growth in high margin hire purchase loans and consumer lending with a focus on expanding the hire purchase businesses for used cars, trucks and title loans for cars and motorcycles.
- Boost income from fee-based businesses through life and non-life bancassurance and wealth management. Growth in bancassurance will be driven by customer touchpoints including business partners, digital channels, and internal customer base, while the wealth management business will focus on penetrating the mass-affluent segment through investment services, brokerage, and advisory services.
- Capture customers through digital platforms by integrating digital technology into key business areas in order to transform the business operations and services. This, in turn, will increase opportunities for providing customer service and maintaining long-term customer relationships.
- Expand distribution channels organically to support business growth by increasing the Somwang distribution network in the upcountry, while also leveraging business partners to gain distribution and market access.
- Digitize operations and speed up IT & Data capabilities to enable business growth. Cultivate positive mindsets and an open-minded learning culture to foster organizational readiness for the changing competitive environment.
- TISCO emphasizes risk management by balancing a long-term view of risk and strategic direction with short-term growth. Such management also involves proactive governance and an aim to become a sustainable bank.

Important Changes and Developments During the Past Three Years

- In 2019, TISCO Securities Company Limited, a subsidiary of TISCO Group, signed an agreement to terminate "Deutsche TISCO Investment Advisory Company Limited", a joint venture between TISCO Securities and Deutsche Bank that operated under an investment advisory license in Thailand. The agreement was effective from 9 September 2019-onward. Furthermore, Hi-Way Company Limited, a subsidiary operating in the motorcycle hire purchase business and motorcycle title loans, raised capital to 600 million baht from 100 million baht in May 2019 to support business growth.
- In 2020, TISCO Securities announced a co-brand alliance with Jefferies Hong Kong Limited. Under this agreement, TISCO Securities aims to develop and provide equity research of Thai listed companies, in addition to offering investment advisory, trading facilities and corporate access services to the institutional investors of Jefferies worldwide. The co-brand alliance with Jefferies was effective from October 21, 2020-onwards.

TISCO also developed an online application for financial relief programs to help COVID-affected customers in the most effective manner. TISCO has assisted affected clients by easing their financial burdens since March 2020, in compliance with Bank of Thailand guidelines.

- In 2021, the COVID-19 pandemic was still severely impacting business operators. To mitigate client difficulties, the Company continued to provide assistance to affected customers in accordance with the assistance measures of the Bank of Thailand. These included the "Returning Cars, Ending Debts" program, which ended with TISCO providing support to over 3,800 clients. For corporate and SME clients, TISCO coordinated with the Bank of Thailand to restore business operations through two programs: the Soft Loan program and the Asset Warehousing program. TISCO also participated in debt restructuring for the multi-creditors business (DR BIZ) as requested by the Bank of Thailand, aiming to expedite the negotiation and debt restructuring process. In addition, TISCO expanded business partnerships in the automotive sector, broadening the auto-insurance service with two corporate groups: the Great Wall Motor (GWM) group and the Nissan Motor group under "Nissan Premium Protection (NPP)".

General Information

Company Name	:	TISCO Financial Group Public Company Limited
Stock Ticker	:	TISCO
Type of Business	:	Holding Company
Registration Number	:	0107551000223
Total registered capital	:	8,007,032,950 Baht at par value of 10.00 Baht per share
Paid-up Capital	:	8,006,554,830 Baht comprised of 800,645,624 common shares and 9,859 preferred shares
Address	:	48/49 TISCO Tower, 21 st Fl., North Sathorn Road, Silom, Bangrak, Bangkok 10500
Telephone	:	(66) 2633 6000
Home Page	:	www.tisco.co.th

1.2 Nature of Business

Revenue structure of TISCO Group

	2021		2020		2019	
	Amount	Percent	Amount	Percent	Amount	Percent
Interest Income	14,792	78.5	16,757	88.6	17,881	92.0
Interest Expense	(2,332)	(12.4)	(3,659)	(19.4)	(5,089)	(26.2)
Net Interest Income	12,460	66.1	13,098	69.3	12,792	65.8
Fees and Services Income	6,130	32.5	5,512	29.2	6,540	33.6
Commercial Banking Business	1,689	9.0	1,862	9.8	2,822	14.5
Capital Market Business	3,387	18.0	2,571	13.6	2,593	13.3
Other Businesses	1,053	5.6	1,079	5.7	1,125	5.8
Fees and Services Expense	(515)	(2.7)	(395)	(2.1)	(354)	(1.8)
Net Fees and Services Income	5,615	29.8	5,146	27.2	6,185	31.8
Gain (loss) on financial instruments measured at fair value through profit or loss	404	2.1	257	1.4	-	-
Net gains (losses) on trading and foreign exchange transactions	-	-	-	-	(24)	0.1
Net gain (loss) on investments	6	0.0	12	0.1	7	0.0
Dividend income	70	0.4	59	0.3	65	0.3
Other operating income	281	1.5	331	1.8	410	2.1
Non-Interest Income	6,375	33.8	5,806	30.7	6,643	34.2
Total operating income	18,836	100.0	18,904	100.0	19,436	100.0

Information on Products and Services

1) Types of Products/Services and Business Innovation Development

Retail Banking

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

- **Retail Loans**

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

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

Amid the spread of COVID-19 in 2021, TISCO Bank focused on cautious loan underwriting and asset quality control, along with providing assistance in accordance with the BOT's guidelines and debt restructuring to ease the financial burden of clients. TISCO Bank launched the "Returning Cars, Ending Debts" program for hire purchase and auto title customers who were severely impacted by the resurgence of COVID-19. This program expedited help for clients who can no longer service their debts and offered the option to return the vehicles, of which the Bank was fully responsible for under its terms and conditions. In case of a loss on car sale incurred, the Bank would not pursue further legal claim on the clients. Furthermore, the Bank continued to develop the capabilities of the "TISCO My Car" application by adding new functions that facilitate self-service transactions and are accessible anytime, anywhere.

Consumer Loans, primarily offered by TISCO Bank, are in accordance with market needs and have a strong focus on acceptable risk-adjusted return on capital (RAROC). The consumer loans segment has 3 main categories, which consist of mortgage loans, home equity loans, and consumption loans.

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

- **Consumption Loans** are operated by TISCO Bank Plc, and Hi-Way Co., Ltd. under the brands TISCO Auto Cash and Somwang Ngern Sang Dai. These multi-purpose loans are provided to individuals and business owners in need of cash who have ownership of vehicle registrations covering cars, trucks and motorcycles. These products respond to clients in need of short-term loans or working capital financing. Repayment periods are up to 72 months with the permission of prepayment and without transfer of vehicle registration.

In 2021, TISCO Bank modified various features of its auto title loans to meet the needs of customers during the pandemic. These efforts supported business continuity and provided seamless cash flow for households without the need of informal lending. A variety of marketing campaigns were launched, including "Pay less Happy more" – a step-up repayment plan in which the borrower pays a small installment during the first 6-months of plan, and "Borrow now, Pay later for 60 days" – loans with 60 day grace periods. Moreover, the Bank adjusted credit criteria to be more accessible through the "Fast & Easy" campaign. In terms of branch network, the Bank continued to expand Somwang branches to ease customer access to services. At the end of 2021, there were 356 Somwang branches nationwide.

- **Commercial Lending**

Commercial lending provides commercial credit facilities, mainly to small and medium-sized businesses (SMEs), such as inventory financing for car dealers, working capital loans, and hire-purchase loans for commercial

assets such as commercial trucks, bus, machinery, and medical equipment, as well as commercial loans with a credit guarantee from the Thai Credit Guarantee Corporation (TCG).

As the COVID-19 pandemic broadly affected business operations, TISCO Bank collaborated with the Bank of Thailand to provide assistance for SME clients via two measures: a new Soft Loan scheme and an Asset Warehousing program. The new Soft Loan scheme offered liquidity injection for businesses impacted by a decline in income and liquidity shortage from the pandemic. Existing clients could get a loan of up to 30% of their previous credit line, while new clients could get a loan of up to 50 million baht with an interest rate charged at 2% per annum in the first 2 years and an average 5-year interest rate not exceeding 5%. The government will compensate for the first 6-month interest rate without loan service and TVD guarantee fee of 1.75% per annum for 5 years. The Asset Warehousing program was aimed at helping the affected businesses that need more time to recover, by allowing the businesses to suspend or reduce their debt burden under contract conditions. The businesses are offered the right to repayment with assets transferred as collateral; said right can be exercised to retrieve the assets. This eases current debt burden and increases liquidity for clients.

- **Bancassurance**

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

In 2021, TISCO focused on bringing our expertise in the insurance agent business to expand into comprehensive coverage for customer needs at every age. TISCO emphasized 3 segments: individuals, wealth clients, and business partners. For the individual customer segment, TISCO expanded the development of insurance products to increase risk coverage, including home insurance, auto part insurance, and income compensation insurance. For the wealth clients segment, TISCO extended its expertise in financial advisory to become a “Holistic Financial Advisory” that offers options and advice on various insurance products, including health insurance, critical illness insurance or insurance for financial planning and retirement. These products aim to protect or reduce any potential risk that can harm a customer’s wealth in the future. Lastly, for the business partner segment, TISCO focused on providing protection and after-sales service to offer the best service for business partners.

This year, TISCO is expanding its business partnerships in the automotive sector to support auto insurance services with two new business groups: GWM group, the manufacturer and dealer of Haval H6 and ORA Good Cat, and Nissan Motor Group under “Nissan Premium Protection - NPP”. The new partnerships are in addition to the existing partnership with Ford Group under “Ford Ensure” and Mazda Group under “Mazda Premium Insurance - MPI”. TISCO supplies our business partners with full after-sales services through our Line Official channel, facilitating accident reporting and loss compensation advisory and ensuring insurance coverage consistency. In addition to business partnership expansion and product development, TISCO understood that during the COVID-19 pandemic, customers were looking for convenience, accessibility, and safety. Thus, TISCO developed its insurance advisory services and after-sales service through the Line Official account “TISCO Insure”. Despite the pressures of the pandemic, TISCO remained committed to contributing back to society with its fourth consecutive year of the “Fighting Cancer” program through which the Company donates part of its income from selling healthcare and critical illness insurance to the Ramathibodi Foundation to support research on pediatric cancer.

Corporate Banking

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

- **Corporate Lending**

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

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

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

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

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

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

- **Investment Banking**

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

In 2021, TISCO's investment banking arm provided customers with various financial advisory services, including issuance & offering of equity securities, mergers & acquisitions, and project valuation in various industries, such as energy & alternative energy, construction, leasehold rights of warehouses and factories, and leasehold rights of office and commercial space. The highlighted transactions in 2021 include 1) financial advisory for an initial public offering of PTT Oil and Retail Business Public Company Limited, a deal awarded "the Best Deal of the year and Best IPO for Retail Investors in Southeast Asia" from Alpha Southeast Asia, 2) independent financial advisory for the shareholders of CP ALL Public Company Limited for the acquisition of C.P. Retail Holding Company Limited, which holds the retail business under the name Lotus's in Thailand and Malaysia, 3) tender agent for a real estate company, and 4) share valuation for a construction business. In addition, the investment banking team was appointed as co-lead manager for the public offering of shares of Siam Makro Public Company Limited. Currently, the investment banking team is providing acquisitions advisory for various companies.

Wealth & Asset Management

TISCO offers a full range of financial and investment advisory services, aiming to be a “Top Advisory House” that provides comprehensive wealth management services, including banking, securities brokerage, and asset management under the brand “TISCO Wealth”. Our professional relationship managers provide at-hand advice and recommendations on both onshore and offshore investment instruments as well as protection products for clients. Furthermore, TISCO has expanded client investment opportunities through an Open Architecture platform that offers mutual fund trading and insurance. The platform enables customers to invest in various mutual funds from 12 leading asset management companies, including TISCO Asset Management, and to purchase protection plans from 8 leading insurance companies with fund selection and comprehensive wealth advisory services offered as a one-stop service at TISCO Bank’s branches nationwide.

TISCO aims to expand its individual client base, enlarging assets under management, enhancing staff service abilities, in parallel with improving digital services. In 2021, TISCO Wealth continued to focus on service excellence as a customer-centric “Holistic Financial Advisory”. As Thailand is becoming an aging society, TISCO Wealth has transformed its retirement planning to be in alignment with current and future demographic themes. Similarly, TISCO Wealth plans to upgrade its traditional financial planning by integrating “Wealth Creation” and “Wealth Protection” to stay abreast of future trends. Finally, TISCO, as an expert financial advisor, is evolving its retirement planning service under the theme of “Megatrend Retirement Planning”, aiming to shift from conventional financial planning towards helping customers achieve their ‘dream lives’ after retirement. The core strengths to be utilized include:

- 1) Good Products: Offering mutual funds and insurance products from leading asset management companies.
- 2) Good Research: Bespoke financial planning and access to research from “TISCO Investment Portfolio Strategy”, which provides in-depth analysis of economic outlook and recommended strategies for portfolio management across various global assets.
- 3) Good Advice: Service from investment advisors with Single Licenses who aim to become financial planners that can respond to a wider range of customer needs.

Moreover, TISCO Wealth is continuing to develop its digital platform, increasing the application capability of the banking, asset management, and brokerage arms to be more in line with customer needs. The Wealth & Asset Management group provides 8 service types, as seen below:

- **Private Banking**

TISCO provides comprehensive global financial and investment advisory services across multiple asset classes, including deposits, fixed income, equities, and alternative assets. Services are offered to high net-worth clients with investment of more than 20 million baht by professional investment advisors who are competent, skilled in maintaining close relationships with clients, and deeply experienced in investment management.

- **Retail Deposit**

TISCO offers a variety of deposit products and related financial transaction services. In recent years, customer behavior has been fast-changing, especially the shift to the digital channel. In December 2021, TISCO Bank launched “TISCO My Wealth”, a mobile application developed from customer data trends and to respond to customer demand. In essence, the Bank’s investment advisory has integrated the competency of wealth managers with the utilization of digital technology to form “Hybrid Advisory” services. Design of such services is customer-centric and aimed at facilitating self-transactions that cover a range of financial transactions and investments.

- **Mutual Fund Sales Agent**

Mutual Fund Sales Agent, operated by TISCO Bank, offers advice on mutual fund products and services via an Open Architecture platform. The platform allows clients to enjoy benefits from 12 asset management companies with select services, advisory and buying/selling of over 500 funds, including funds from TISCO Asset Management. In addition, TISCO Bank provides research and investment strategy, including fund selection that suits the present market

and customer situation. The investment planning services create consistent returns for customers and brought in an investment flow of 28,276 million baht during the year.

- **Private Sales Brokerage**

Private Sales Brokerage is operated by TISCO Securities Co., Ltd (“TISCO Securities”) which is member number two on the Stock Exchange of Thailand, offering brokerage services to retail clients through the head office in Bangkok and four other branches upcountry: Chiang Mai, Nakhon Pathom, Nakhon Ratchasima, and Udon Thani. The Thai stock market over the past year remained volatile with an overall rise in the SET index and higher trading volume compared to the previous year, mainly from retail investors. The number of new accounts of retail investors continued to increase as TISCO Securities developed an electronic account opening (e-Opening) system that allows for the opening of equity trading, derivatives, and fund trading accounts. Other services were improved, including online service (e-Service) and the Mobile Application in order to facilitate customer usage and support an increase in the number of online transactions from retail investors in the future. TISCO Securities also provides a fund sales agent service with an Open Architecture approach, enabling customers to invest in various funds from leading asset management companies through the Streaming for Fund Application. TISCO Securities taps investment advisors’ knowledge to offer the best services to customers, including fund information and asset allocation which align with the Thai and global economic situations. Apart from domestic investment, TISCO Securities also provides international brokerage services through TISCO Global Trade. The service provides investment opportunities for customers seeking to invest in world-class companies in five leading markets: the United States of America, the United Kingdom, Japan, Hong Kong, and Singapore. Moreover, TISCO has developed and improved its online after-sales service through both its PC and mobile application, enhancing customer convenience.

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

- **Institutional Brokerage**

TISCO Securities Co., Ltd provides institutional brokerage services via a highly experienced and professional team that specializes in comprehensive equity research and world-class investment strategy for both local and foreign institutional investors. As a reflection of our outstanding services, TISCO was voted the Best Domestic Brokerage in Thailand for 2021. The survey, conducted on 5,734 investors from global institutional investing firms and wealth management firms from 2,876 institutions, was organized by Asiamoney, a leading financial magazine in the Asia-Pacific region. TISCO Securities is also now collaborating with Jefferies Hong Kong Limited, a leading global investment banker, to provide securities research of Thai companies and brokerage services for international investors. This collaboration has reinforced TISCO Securities’ position as a leader in investment advisory.

- **Asset Management**

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

Provident Funds: TISCO Asset Management Co., Ltd provides provident fund management and advisory services for establishment of provident funds and registrar and advisory services for provident fund committees. Fund investments cover multiple asset classes, including bonds, debentures, equities, and mutual funds covering both domestic and international. Amidst the economic downturn in 2021 caused by the spread of COVID-19, TISCO Asset Management was trusted by 220 companies to set up provident funds. Additionally, over 1,200 million baht was transferred from other funds to the TISCO Master Pooled Fund during the year. Meanwhile, TISCO Asset Management launched the LINE Official Account “Freedom by TISCO PVD”, a new service for provident fund members to provide

balance inquiries with greater convenience. It also provides members with financial knowledge & tips which cover savings, debt management, protection, and tax and financial planning that suit all stages of life, in addition to privileges and activities for our provident fund members.

Private Funds: TISCO Asset Management Co., Ltd provides private fund management services for individuals and legal entities. The services take into account client risk-return profile and include a wide range of investment alternatives including equities, fixed income, and mutual funds. Investment policies are customized in accordance with investment goals, as well as the appropriate and acceptable risk level of each customer. Fund performance summaries are provided to customers on a regular basis.

Mutual Funds: Currently, TISCO Asset Management Co., Ltd has more than 140 mutual funds with a wide range of investment policies, covering both domestic and international markets. Tax-saving funds are also offered, which include SSF, RMF, and RMF for provident funds, which are funds for customers who transfer investments from provident funds. With outstanding performance among Thai equity funds, the TISCO Strategic Fund (TSF) was awarded the “Best Mutual Fund of the Year Award 2020” in the Equity general category from Money and Banking Magazine. Following steady fund inflow throughout the year, TSF is now the largest Thai equity fund in TISCO Asset Management with AUM over 4 billion baht. For foreign investment funds, TISCO Asset Management issued new IPOs under the Mega Trend themes to meet long-term investment needs, e.g. the TISCO Genomic Revolution Fund, the TISCO New Energy Fund, and the TISCO China Consumer Fund.

For the digital channel, TISCO Asset Management has developed the TISCO My Fund application to increase convenience for customers, allowing for easier access to services through online account opening. Consequently, the number of new customers using the TISCO My Funds channel has steadily climbed over the past year. In addition, in 2021, thanks to outstanding fund performance, the TISCO Mid/Small Cap Equity Fund (TISCOMS) received the “Best Equity Fund Award 2020 for Medium and Small Equity Funds” from Morningstar Thailand for the second consecutive year. Moreover, TISCO Asset Management received the “Outstanding Asset Management Company Award” from the Stock Exchange of Thailand for the third consecutive year. On philanthropic efforts, TISCO Asset Management donated part of its commission fees to the CU Cancer Immunotherapy, the Faculty of Medicine, Chulalongkorn University for the purpose of cancer treatment activities. In addition, TISCO Asset Management has supported sustainability initiatives (ESG-Environmental, Social, and Governance) by donating commission fees from the TISCO ESG Fund to the TISCO Foundation and Thaipat Institute.

- **Cash Management Services**

The Bank’s Cash Management Services include cash inflow and cash outflow management for corporate clients, aimed at enhancing operational efficiency and reducing operating costs for clients. Cash Management Services are across three business areas: TISCO Collection, TISCO Payment, and TISCO Liquidity Management. Additionally, TISCO E-Cash Management was introduced to facilitate business transactions, consolidate account information enquiries, and for payroll processing service for customers.

- **Custodian Services**

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

Corporate Support

Corporate Affairs & CSR aim to promote business operational efficiency while ensuring that business ethics and a strong sense of social responsibility are incorporated into the core corporate values. Aiming for sustainable value creation for all stakeholders, TISCO has placed great emphasis on building a strong support network among our stakeholders to promote long-term social development, environmental awareness, and arts & cultural programs. Furthermore, all governance and support functions are centralized at the Company while subsidiary companies shall

outsource all such activities back to the Company. These include the functions of Enterprise Risk Management, Corporate Governance, Human Resources Management, the Economic Strategy Unit, Data Analytics and Management, and Corporate Service and Procurement

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

2) Market and Competition

Commercial Banking Business

As of December 31, 2021, there were 29 commercial banks in Thailand's entire commercial banking system, comprising 18 domestically-registered commercial banks and 11 subsidiaries and branches of foreign banks. At the end of 2021, TISCO Bank ranked twelfth in asset size among the domestically-registered commercial banks with market shares of assets, deposits, and net loans of 1.1%, 1.1% and 1.4%, respectively.

Net loans of the 18 domestically-registered commercial banks totaled 13.5 trillion baht, up by 5.7% (YoY) due partly to debt relief programs for retail and SME borrowers affected by COVID-19. At the end of 2021, the average minimum lending rate (MLR) and the average minimum overdraft rate (MOR) remained stable at 5.31% and 5.85%, respectively. Meanwhile, the average minimum retail rate (MRR) increased from 5.98% to 6.03% (YoY). TISCO Bank's net loans totaled 188,215 million baht, declined by 12.4% (YoY)

Total industry deposits were at 15.2 trillion baht, up by 4.0% (YoY). At the end of 2021, the average 3-month fixed deposit rates of the Top-4 commercial banks decreased from 0.37% to 0.33% (YoY) while all lending rates of the Top-4 commercial banks also declined from the previous year. During the year, the Bank of Thailand kept its policy rate at 0.50%, unchanged from the previous year. TISCO Bank's deposits totaled 167,925 million baht, declined by 17.5% (YoY).

(Unit: Million baht)

Commercial Banks	Assets	Market Share (%)	Deposits	Market Share (%)	Net Loans	Market Share (%)
1. Bangkok Bank Plc.	3,753,832	18.0%	2,665,646	17.5%	2,025,671	15.0%
2. Krung Thai Bank Plc.	3,462,922	16.6%	2,619,066	17.2%	2,401,462	17.8%
3. Kasikorn Bank Plc.	3,437,504	16.5%	2,590,807	17.0%	2,219,173	16.4%
4. Siam Commercial Bank Plc.	3,300,014	15.8%	2,469,201	16.2%	2,160,070	16.0%
5. Bank of Ayudhya Plc.	2,331,179	11.2%	1,760,331	11.6%	1,641,531	12.1%
6. TMB Bank Plc.	1,754,689	8.4%	1,343,728	8.8%	1,324,479	9.8%
7. UOB Bank Plc.	725,455	3.5%	520,846	3.4%	476,263	3.5%
8. Kiatnakin Phatra Bank Plc.	418,905	2.0%	288,904	1.9%	300,967	2.2%
9. CIMB Thai Bank Plc.	394,879	1.9%	182,779	1.2%	202,709	1.5%
10. ICBC (Thai) Plc.	253,732	1.2%	158,931	1.0%	107,455	0.8%
11. Land & House Bank Plc.	251,531	1.2%	192,513	1.3%	170,144	1.3%
12. TISCO Bank Plc.	228,615	1.1%	167,925	1.1%	188,215	1.4%
13. Standard Chartered Bank (Thai) Plc.	168,051	0.8%	71,809	0.5%	39,948	0.3%
14. The Thai Credit Retail Bank Plc.	115,580	0.6%	88,736	0.6%	95,513	0.7%
15. Sumitomo Mitsui Bank (Thai) Plc..	98,514	0.5%	21,838	0.1%	62,384	0.5%
16. Bank of China (Thai) Plc	70,952	0.3%	44,605	0.3%	47,856	0.4%
17. ANZ Bank (Thai) Plc.	45,521	0.2%	16,598	0.1%	22,058	0.2%
18. Mega International Commercial Bank Plc.	29,519	0.1%	19,194	0.1%	26,177	0.2%
Total	20,841,395	100.0%	15,223,458	100.0%	13,512,075	100.0%

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

2021 was another challenging year for bank operations amid the pandemic. Thailand's economic growth stalled during the year with the third quarter of 2021 proving a particularly difficult quarter due to the emergence of the severe Delta variant and the resulting tightening of containment measures. Economic activities ground to a halt, resulting in deterioration in the debt servicing ability of businesses and individuals. In addition, with international travel restrictions not eased until November 1st, tourism-related sectors were unable to find firmer footing. But vaccination rollout, relaxation of control measures, and rollout of government support measures prompted a nascent economic recovery in the fourth quarter of 2021. Against this backdrop, commercial banks have been focused on quality growth and prudent monitoring of asset quality in tandem with offering debt relief measures to struggling businesses and individuals.

Thailand's commercial banks recorded an increase in net profit of 23.6 % (YoY) for 2021, attributed largely to a fall in expected credit loss as commercial banks had already set aside an elevated level of provision in 2020. Non-interest income recovery also helped earnings. Net interest income, meanwhile, picked up a bit thanks to loan expansion. Total outstanding loans expanded by 6.5% (YoY), owing primarily to corporate loans and retail loans, particularly mortgage and consumer loans. SME loans, meanwhile, also picked up due to the BoT-backed rehabilitation scheme. With limited room for yield expansion, net interest margin (NIM) edged down to 2.46%. On the positive side, non-interest income was cushioned by solid business in the capital markets, especially asset management and wealth management. The Bank of Thailand played a supportive role during the year, backing debt relief measures and relaxation of loan classification. These helped curtail deterioration in bank asset quality, resulting in NPL ratio actually edging down to 2.98%. In short, Thailand's banking system remained resilient in 2021 with an adequate overall coverage ratio and solid capital base which mitigated impact on debtors amid the high uncertainty brought by the pandemic.

Competition outlook for 2022

Looking ahead to 2022, Thailand's banking industry is expected to strengthen in line with domestic economic recovery. This should be driven by export growth, private consumption recovery, and gradual tourism resumption. Note, however, that the emergence of the Omicron variant at the end of 2021 poses downside risk to momentum in the first half of 2022. By sector, retail loans should lead loan growth, especially auto loans and unsecured loans where banks have higher risk appetites. Corporate loans should pick up as higher bond yields make bank loans more attractive versus the bond market. Finally, the SME segment should see relatively benign loan growth as related credit risk remains high.

- Hire Purchase Business

In 2021, competition in the hire purchase business remained intense driven by the offering of competitive financial terms & conditions. Total domestic car sales were at 759,119 units, down by 4.2 (YoY) following the weakening of purchasing power and consumer confidence caused by pandemic. Together with the semiconductor chip shortages, major car manufacturers were unable to deliver cars as targeted. However, car dealers maintained a focus on the launch of new car models combined with attractive promotional campaigns. Meanwhile, domestic car sales accelerated during the fourth quarter of 2021 after the government eased the containment measures and international travel restrictions, resulting in higher demand for hire purchase financing. In addition, the launch of new hybrid vehicle and electric vehicle (EV) models has grabbed consumer attention and are being widely accepted. In addition, the introduction of the government's EV policy, consisting of import and excise tax reductions, will lower EV prices. Hire purchase financing for used cars showed decent growth in 2021, due partly to higher demand for used cars together with supply-demand issues in the new car market.

- Wealth Management Business

The high-income segment accounts for around only 1% of Thailand's total population but possesses an asset value of more than 80% of Thailand's total wealth with continuous growth. Seeking growth opportunities as well as global wealth management services, wealth-segment clients are demanding financial advice in numerous financial

areas and look for investment instruments and service channels tools to manage their wealth. In line with these trends, market competition has intensified among global players, especially foreign private-banking houses, including joint ventures between local and global private banking businesses, with a focus on private and personalized financial services. Furthermore, the digital-adoption trend currently forces players to develop digital platforms to raise their level of service and provide holistic financial solutions to clients whose needs are changing over time. In addition, some banks have collaborated with leading foreign private banks to provide a broader range of foreign investment services.

Securities Brokerage

In 2021, the capital markets remained volatile, as seen the previous year, amidst the spread of COVID-19 and global investor concerns about the Federal Reserve (Fed)'s monetary policy, specifically the raising of interest rates and shrinking of balance sheet. Amid economic recovery and rising inflation, the SET Index still fluctuated, but improved to 1,657.62 points from 1,449.35 points at the end of 2020 on government stimulus and reopening of the country. Given lower return in the bond market and ample liquidity, most investors turned from the bond market to invest in capital markets in search of higher return. In 2021, the average daily turnover surged to 88,443 million baht from 67,335 million baht in 2020. Foreign investors remained net sellers with a net selling value of 48,578 million baht, while local institutions switched to a net sell of 63,663 million baht after continually selling since September 2021. Retail investors were net buyers with a net buying value of 112,241 million baht during the year. For the proportion of market trade value in 2021, the local institutional sector declined from 20.8% to 16.9% (YoY), while the foreign institutional sectors rose 36.5% to 39.2% (YoY). Meanwhile, the proportion of retail investors to total market trading value increased to 43.9% from 42.7% (YoY).

Capital market conditions and TISCO's market share

	2021	2020	2019
SET index (points)	1,657.62	1,449.35	1,579.84
Market capitalization (million baht)	19,538,095	16,107,633	16,747,455
Trading turnover (million baht)	21,314,782	16,362,358	12,802,090
Average daily turnover (million baht)	88,443	67,335	52,467
Dividend yield (%)	2.10	3.32	3.14
Price to earnings ratio (times)	20.78	28.84	19.40
Number of listed companies on the SET	593	568	556
Derivative contract volume (contracts)	135,117,308	120,193,573	104,521,995
TISCO Securities Market Share (exclude proprietary trade)	1.30%	1.47%	2.12%

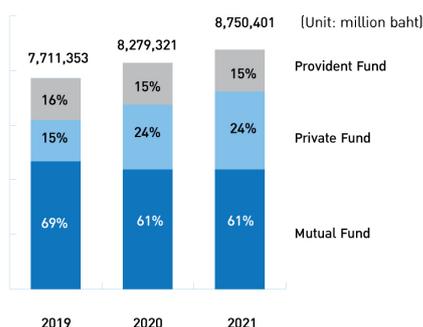
Source: The Stock Exchange of Thailand

In 2021, brokerage market competition remained fierce as most market players adopted price cutting strategies and/or issued IPOs to expand market share, especially in margin loan service, which had been growing since 2020. This resulted in a downtrend in brokerage commission income, while brokerage firms that provided margin loan service to customers saw a significant increase in interest income. The foreign investor segment saw the lowest margin as most transactions were from direct market access. Some market players adopted revenue diversification strategies, tapping new sources of income, including proprietary trading, derivatives warrants, derivatives trading, block trade and securities borrowing and lending, fund sales, and global equity market services to offset declining revenue from commission fees. Moreover, the trading service of brokerage firms changed from Execution-only service to Portfolio Advisory with Execution service and Investment Strategy, in accordance with customer goals and risk appetite. Open Architecture service was also employed, offering mutual funds from AMCs which enhance investment opportunities for clients. TISCO Securities Co., Ltd has no policy for aggressive price cutting, focusing instead on serving existing and fundamental investors rather than speculative investors by producing high quality research to both local and foreign institutional investors. TISCO Securities Co., Ltd also provides portfolio advisory services as an alternative for investors. As of December 31, 2021, the market share of TISCO Securities Co., Ltd (excluding proprietary trading) was 1.30%.

Asset Management Business

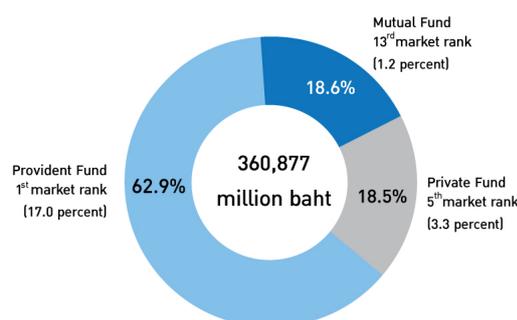
For the asset management industry, there are 27 players in Thailand, including asset management companies, commercial banks, securities companies, and insurance companies. As of December 31, 2021, the assets under management of the asset management market totaled 8,750,401 million baht, increased by 5.7% (YoY), with the biggest contribution from the provident fund and mutual fund businesses. For the provident fund business, assets under management totaled at 1,338,070 million baht, increased by 7.2% (YoY) while mutual fund AUM totaled 5,368,924 million baht, expanded by 6.6% (YoY). Meanwhile, private funds totaled 2,043,408 million baht, also increased by 2.5% (YoY). TISCO Asset Management's market share in provident funds, private funds, and mutual funds was 17.0%, 3.3%, and 1.2%, respectively as of end-2021.

Asset Management Industry as of December 31, 2021



Source: Association of Investment Management Companies

TISCO's asset under management by type of fund business as of December 31, 2021



With the pandemic still impacting the overall economy and investment markets, affected employers and employees needed to temporarily halt their provident fund contribution while some companies withdrew from provident funds. Nevertheless, TISCO Asset Management Co., Ltd. continued to generate outstanding long-term fund performance despite the volatile market situation, especially in comparison to the leading asset management companies which carried out aggressive marketing campaigns for attractive prices, greater variety of funds, and fund performance to attract customers. Moreover, TISCO Asset Management has emphasized the importance of retirement savings by recommending members contribute funds at a maximum of 15% of their wages with an appropriate Employee's Choice. As a result, in 2021, TISCO's provident fund business grew by 10.3% (YoY), compared with industrial growth of 7.2% (YoY). TISCO Asset Management Co., Ltd was named The Decade of Excellence in Provident Fund Management Thailand 2021 by Global Banking and Finance Review, one of the world's leading financial magazines, for the 4th consecutive year, reflecting our excellent fund performance and high customer service standards.

In the private fund business, assets under management grew by a steady 2.5% (YoY) to 2.0 trillion baht as of end-2021. Due to low interest rates, various institutional investors have turned to professional investment management services through the establishment of private funds. However, there are still 24 players in the private fund business with intense pricing competition for new funds, especially from institutional investors such as universities, cooperatives, insurance companies, foundations, and other companies. For the individual investor market, the competition is not as intense as the institutional market, remaining focused on the credibility of the organization and management team, service, and customer relationships.

For the mutual fund business, competition was intense on the issuance of new funds with a variety of investment policies, especially the launch of private equity for high net-worth clients. In terms of fund flow, due to lower market interest rate and unattractive return, fund flows turned from fixed income funds to equity funds, especially foreign equity funds. Such funds saw fund inflow of around 200-300 billion baht, mainly in the global equity markets with thematic investment policies or growth industries, such as the technology and renewable energy sectors. In addition, there was substantial fund inflow into the China equity markets, while European and Vietnam equity funds also gained popularity in the past year. For tax saving funds, many asset management companies, including TISCO Asset Management, accelerated issuance of Super

Savings Funds (SSFs) to increase investment options for their customers. In 2021, SSFs had inflow of around 15-20 billion baht, while Retirement Mutual Funds (RMFs) were still popular with more than 40 billion baht of fund inflow.

As of December 31, 2021, TISCO Asset Management managed 60 provident funds, accounting for assets under management (AUM) of 227,117 million baht, up 10.3% (YoY). In total, TISCO Asset Management has been trusted by 4,711 companies with 652,079 members to manage provident funds. Meanwhile, the market share of TISCO's provident fund business was 17.0%, holding first place in the overall market. For the private fund business, total AUM was at 66,740 million baht, up from 59,240 million baht the previous year (+12.7% YoY) with a total of 186 private funds, ranking fifth in the private fund market. The AUM of the mutual fund business was at 67,020 million baht, up a strong 25.7% (YoY) compared with industry growth of 6.6% (YoY), mainly from growth in both equity funds and foreign investment funds.

Awards and Recognition in 2021

TISCO Financial Group Public Company Limited

Business Performance

Stock Exchange of Thailand

- Outstanding Company Performance Award

Money & Banking Thailand

- 300 Best Public Companies of the Year (Ranked 5th)

Branding

Chulalongkorn University

- Thailand's Top Corporate Brands 2021 in Banking Sector (1st recognition)

Corporate Governance

Stock Exchange of Thailand

- Thailand Sustainability Investment –THSI (5th recognition)

Thaipat Institute

- 100 listed companies with outstanding ESG performance - the ESG 100 (7th consecutive year)
- The Sustainability Disclosure

Thai Institute of Directors

- Excellent CG Scoring of Thai Listed Companies (15th consecutive year)
- A full 100 score in the AGM Checklist (7th recognition)

Human Resources Management

The Kincentric Thailand and Sasin

- The Best Employer Thailand

Products & Services

Stock Exchange of Thailand

- Outstanding Investor Relations Company Award

TISCO Bank Public Company Limited

Transaction Banking

The Asset

- Top Sellside firm in the Secondary Market (13th recognition)
- Best Individual in Trading, Thai Baht bonds (7th recognition)

TISCO Asset Management Company Limited

Business Performance

Stock Exchange of Thailand

- Outstanding Asset Management Company

The International Financial

- Best Asset Management Company

Products & Services

The Morningstar Thailand

- Best Thailand Equity Mid/Small Cap (2nd recognition)

The Asset

- Top Investment Houses in Asian Local Currency Bonds

The Global Banking and Finance Review

- Decade of Excellence Provident Fund Management Thailand

TISCO Securities Company Limited

Asiamoney

- Best Domestic Brokerage in Thailand

The Alpha Southeast Asia

- Best Deal of the Year and Best IPO for Retail Investors in Southeast Asia

Hi-Way Company Limited

The Kincentric Thailand and Sasin

- Best Employer Thailand Awards (4th recognition)

3) Provision of Products and Services

Commercial Banking Business

- Sources of Funds

TISCO Group has specified a policy for management of funding that is in line with the business strategy and market conditions of each period, balanced between financial cost and liquidity risk management, and which maintains sufficient funding sources against the use of funds. In addition, the Company's major source of funds is deposits. As of December 31, 2021, the funding structure as shown in the consolidated financial statements was comprised of 202,418.24 million baht in liabilities and 41,197.26 million baht in shareholders' equity, resulting in a debt-to-equity ratio of 4.9 times. The major source of funds on the liabilities side was deposits, which accounted for 68.4% of total source of funds. Other sources of funds included interbank and money market items which accounted for 3.3% of total source of funds vs. 11.4% of debentures and other liabilities, and 16.9% of shareholders' equity.

- Credit Granting Policy

Commercial loans

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

Collateral policies vary by type of credit and are employed with effective procedures to stabilize collateral values under the specified conditions and to minimize potential losses. However, TISCO Group may selectively grant

loans without collateral to certain borrowers judged to have high creditworthiness, on a case-by-case basis. For the appraisal of collateral values, the Bank has a policy to have the collateral appraised by an independent appraiser or the internal asset appraisal unit before any loan can be drawn. TISCO Group's Appraisal Sub-Committee is responsible for approving the appraisal value proposed by the internal unit and independent appraisers under the company's guidelines, in compliance with the regulations of the BoT.

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

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

Retail loans

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

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

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

- **Credit Approval Limits and Authorities**

The Credit Committee is responsible for overseeing the credit approval process under the credit policies and guidelines set forth by the Executive Board. Credit approval policies are clearly stated, specifying the terms of credit limits and delegation of authority. All corporate loan transactions must be reviewed and approved by the Credit Committee while loan facilities which are considered material in size must be approved by the Executive Board.

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

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

- **Credit Risk Management**

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

To ensure independence in carrying out the credit approval process and reporting to the Risk Management Committee, credit quality control functions are clearly separated from marketing functions. Moreover, credit review

functions assigned by the Internal Control function and the Audit Committee are responsible for reviewing the ongoing credit approval processes and ensuring transparency in overall credit granting procedures.

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

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

- **Credit Collection**

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

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

- **Debt restructuring**

The objective of debt restructuring is to resolve problem loans which have been affected by economic downturns or the borrower's financial difficulties. TISCO Group's procedures for debt restructuring involve various methods, such as relaxing of payment conditions, debt-to-asset conversion, debt-to-financial-instrument conversion, and debt-to-equity conversion.

Debt restructuring can be conducted with every borrower, regardless of status. The corporate lending function is responsible for the debt restructuring process, including the decision to select borrowers for restructuring. The delegated officers will evaluate the borrower's credit qualities and related financial and operating environment and perform projections on repayment possibilities. In 2021, the Bank engaged in debt restructuring to support pandemic-impacted clients on a case-by-case basis.

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

- **Capital Adequacy**

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

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

- **Liquidity Management**

The Risk Management Committee is responsible for monitoring and determining assets-to-liabilities direction and funding structure details. The Committee also establishes various liquidity limits to serve as early warning triggers, such as liquid assets, contractual maturity mismatch, funding concentration, and daily deposit/withdrawal levels.

Furthermore, a liquidity contingency plan has been established to outline clear procedures and responsibilities for liquidity management in times of crisis.

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

- **Loan Classification, Provisions and Write-offs**

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

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

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

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

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

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

Financial assets are assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset occur. The Group recognizes expected credit loss at an amount equal to expected credit loss over the expected lifetime of the financial assets.

Capital Markets Business

- **Sources of Funds**

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

- **Capital Adequacy Credit approval and authorization**

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

- **Capital Adequacy Ability**

The Net Capital Rule (NCR) ratio of TISCO Securities Co., Ltd. as of December 31, 2021 was 33.14%, well above the 7.0% regulatory requirement of the SEC.

4) Business Assets

Main Fixed Assets for Business Operations

Premises and Equipment

As of December 31, the Company and its subsidiaries' premises and equipment which are not used for mortgage and pledges, consisted of the following:

	<i>(Unit: Million baht)</i>		
	2021	2020	2019
Land	18	18	18
Premises, buildings, and building improvement	3,299	3,291	3,289
Furniture, fixtures, computers, and equipment	1,891	1,175	1,215
Vehicles	162	169	174
Total	4,570	4,653	4,696
<u>Less</u> Accumulated Depreciation	1,789	1,731	1,712
Land, premises, and equipment – Net	2,781	2,922	2,984

Right-of-use Agreement

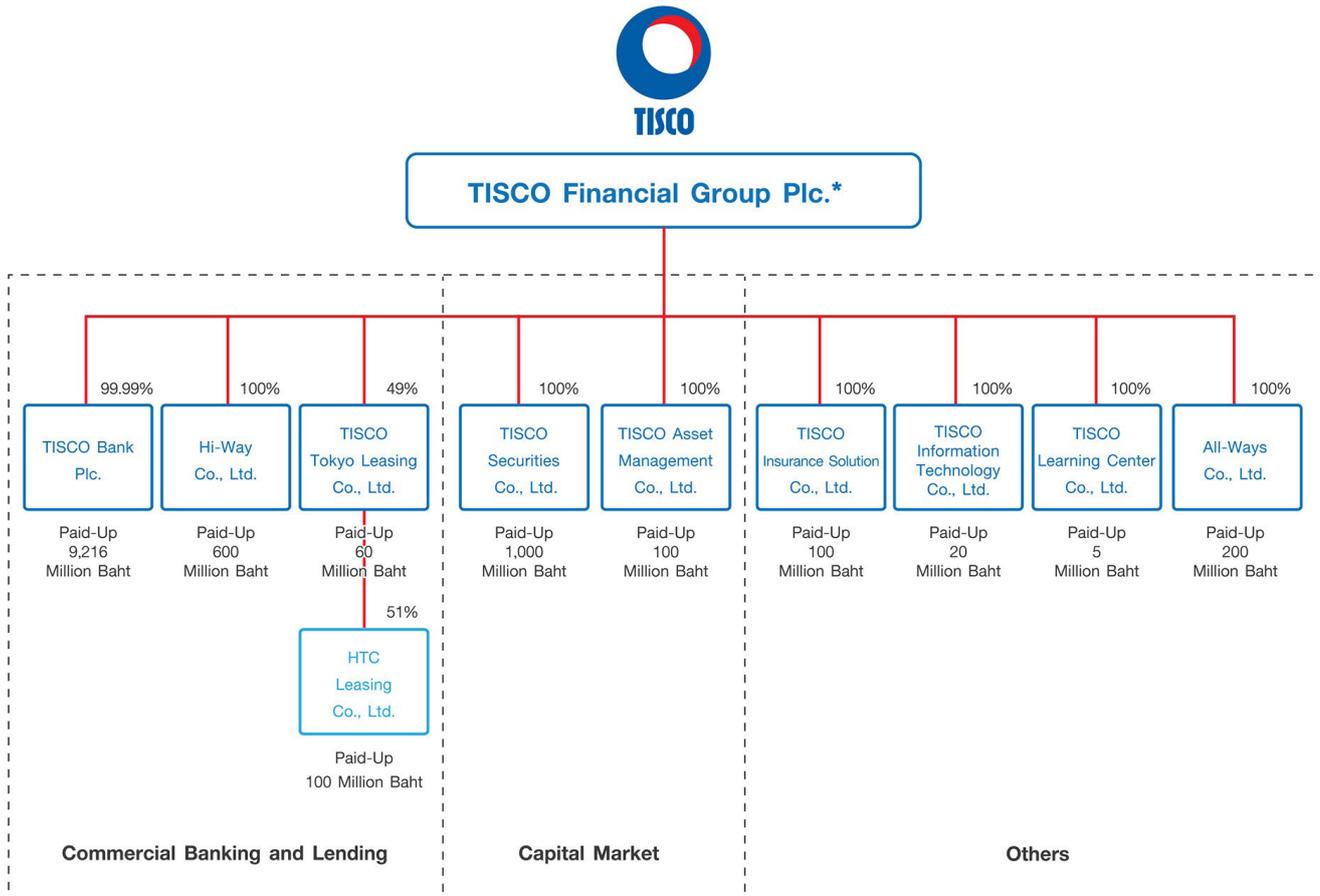
The Company and its subsidiaries have lease agreements and recognize right-of-use assets in accordance with TFRS 16.

	2021	2020
Book Value	1,206,655	1,147,064
<u>Less</u> Accumulated Depreciation	453,826	261,578
Net Book Value	752,829	885,486

1.3 Shareholding Structure

1.3.1 Shareholding Structure of TISCO Group

As TISCO Financial Group Public Company Limited operates as a shareholder in its subsidiaries and engages in no other major business, its competitive position is best examined through the business operations of the companies in TISCO Group. These companies operate in commercial banking and lending as well as capital markets and offer various financial services that satisfy a diverse range of customer needs. TISCO Group’s structure as of December 31, 2021 is shown below.



*Listed in The Stock Exchange of Thailand

Investments of the Company in Other Companies

As of December 31, 2021, the following is a list of companies in which TISCO Financial Group Plc. has made investments in the form of a shareholding of 10 percent or more of the total number of shares issued.

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

¹ Core company of TISCO Group

² in the liquidation process

1.3.2 Shareholders

1) The Company's Major Shareholders

The Top 10 shareholders of TISCO Financial Group Public Company whose names appeared in the share registration book as of December 30, 2021, are as follows:

No.	Shareholders	Holder Type	Total Stock	Percentage (%)
1.	THAI NVDR CO., LTD.	Juristic person	95,152,064	11.88
2.	CDIB & PARTNERS INVESTMENT HOLDING PTE.LTD.	Foreign Juristic Person	80,065,320	10.00
3.	TOKYO CENTURY CORPORATION	Foreign Juristic Person	39,482,767	4.93
4.	SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED	Foreign Juristic Person	38,520,308	4.81
5.	STATE STREET BANK AND TRUST COMPANY	Foreign Juristic Person	37,118,245	4.64
6.	STATE STREET EUROPE LIMITED	Foreign Juristic Person	32,648,661	4.08
7.	SOUTH EAST ASIA UK (TYPE A) NOMINEES LIMITED	Foreign Juristic Person	15,852,940	1.98
8.	SOCIAL SECURITY FUND	Juristic person	13,862,530	1.73
9.	THE BANK OF NEW YORK MELLON	Foreign Juristic Person	13,846,900	1.73
10.	MRS. DUANGCHAI VALAISATHIEN	Ordinary person	11,035,300	1.38
TOTAL SHAREHOLDING OF TOP 10 SHAREHOLDERS			377,585,035	47.16
OTHER SHAREHOLDERS			423,070,448	52.84
GRAND TOTAL			800,655,083	100.00

Remarks: CDIB & Partners Investment Holding Pte. Ltd. is 100% owned by CDIB & Partners Investment Holding Corporation (Taiwan) via CDIB & Partners Investment Holding Corporation (Cayman). CDIB & Partners Investment Holding Corporation (Taiwan) is 28.71% and 4.95% owned by CDIB Capital Group and KGI Bank, respectively. Both CDIB Capital Group and KGI Bank are 100% subsidiaries of China Development Financial Holding Corporation which is a listed company on the Taiwan Stock Exchange.

2) Major Shareholders of the Company

The Top 10 shareholders of TISCO Bank Public Company Limited, whose names appeared in the share registration book as December 30, 2021, were as follow.

No.	Shareholders	Holder Type	Total Stock	Percentage (%)
1.	TISCO Financial Group Public CO., LTD.	Foreign Juristic Person	921,452,725	99.99
2.	MR. KITTICHAJ KRAIKORKIT	Ordinary person	30,247	0.00
3.	MS. PORNSUK PORNPRAPA	Ordinary person	8,100	0.00
4.	MS. SUPAVADEE PIYAMONGKOLVNG	Ordinary person	6,000	0.00
5.	MS. RACHIT KOWATTANAKUL	Ordinary person	6,000	0.00
6.	MR. SUCHART TANGKVIVIJ	Ordinary person	5,000	0.00
7.	BANK JULIUS BAER & CO., LTD.	Foreign Juristic Person	4,800	0.00
8.	MR. PRACHA LEELAPRACHAKUL	Ordinary person	3,624	0.00
9.	MR. PRAPAT SRINUWATTIWONG	Ordinary person	3,000	0.00
10.	MR. SONGRIT KONGPIPATCHAISIRI	Ordinary person	3,000	0.00
TOTAL SHAREHOLDING OF TOP 10 MAJOR SHAREHOLDERS			921,522,496	100.00
OTHER SHAREHOLDERS			45,196	0.00
GRAND TOTAL			921,567,692	100.00

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

3) The company enters into a shareholders' agreement with effect on security offerings and issuance or the management power of the company.

- None -

1.4 Registered and Paid-up capital

Company

1.4.1 Total registered capital was 8,007,032,950 Baht with paid-up share capital of 8,006,554,830 Baht, comprised of 800,645,624 common shares and 9,859 preferred shares at par value of 10.00 Baht per share

1.4.2 Other Securities

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

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

As of December 30, 2021, Thai NVDR Co., Ltd., a subsidiary wholly owned by the SET, issued Non-Voting Depository Receipts (NVDRs), which have the Company's shares as underlying securities, totaling 95,152,064 shares, or 11.88% of paid-up capital, consisting of 95,144,764 common shares and 7,300 preferred shares. Although all financial benefits received by NVDR investors are similar to the benefits earned from the Company's shares, NVDR investors shall have no voting rights at shareholder meetings, except in the case of a delisting decision. Therefore, if a great number of the Company's shares are sold to investors as NVDRs, the proportion of shares with voting rights will be reduced.

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

Subsidiary Company Operating as a Core Business of the Group

1.4.3 TISCO Bank Public Company Limited, a Subsidiary Company operating as a Core Company of the Group, has registered capital of 9,215,676,920 baht and paid-up capital of แล้ว 9,215,676,920 baht, comprising 921,567,588 common shares and 104 preferred shares at par value of 10.00 Baht per share.

1.5 Other Securities

1.5.1 Debentures Issuance

The Company

As of December 31, 2021, TISCO Financial Group Public Company Limited has unsubordinated, unsecured, short-term debentures without bondholder representation with an interest rate of 0.7% per annum. Total outstanding debentures was at 6,065 million baht.

Subsidiary and Affiliate Companies

As of December 31, 2021, TISCO Bank Plc. has outstanding subordinated and unsubordinated debentures totaling 8,860 million baht. Details are provided as follows:

Name	Coupon Rate per annum (percentage)	Tenor (years)	Maturity Date	Issue Size (million baht)	Payment Date
1. The Debenture of TISCO Bank Plc. No. 1/2020 Tranche 1 Due 2022 (TISCO223B) Issuing Date: March 30, 2020 TRIS Issue Rating: "A"	1.40	2	March 30, 2022	2,200	Twice a year
2. Subordinate Instruments intended to qualify as Tier 2 Capital of TISCO Bank Plc. No. 1/2017 Due 2027 (TISCO272A) with the Issuer's right to early redemption, which may be required to be written off (fully or partially) should regulatory authorities decide to grant financial assistance to the Issuer Issuing Date: February 23, 2017	4.00	10	February 23, 2027	1,000	4 times a year
3. Subordinate Instruments intended to qualify as Tier 2 Capital of TISCO Bank Plc. No. 2/2017 Due 2027 (TISCO27NA) with the Issuer's right to early redemption, which may be required to be written off (fully or partially) should regulatory authorities decide to grant financial assistance to the Issuer Issuing Date: November 15, 2017	3.70	10	November 15, 2027	600	4 times a year
4. Subordinate Instruments intended to qualify as Tier 2 Capital of TISCO Bank Plc. No. 1/2019 Due 2029 (TISCO292A) with the Issuer's right to early redemption, which may be required to be written off (fully or partially) should regulatory authorities decide to grant financial assistance to the Issuer Issuing Date: February 1, 2019	4.00	10	February 1, 2029	1,200	4 times a year
5. Subordinate Instruments intended to qualify as Tier 2 Capital of TISCO Bank Plc. No. 2/2019 Due 2029 (TISCO292B) with the Issuer's right to early redemption, which may be required to be written off (fully or partially) should regulatory authorities decide to grant financial assistance to the Issuer Issuing Date: February 22, 2019	4.00	10	February 22, 2029	1,200	4 times a year

Name	Coupon Rate per annum (percentage)	Tenor (years)	Maturity Date	Issue Size (million baht)	Payment Date
6. Subordinate Instruments intended to qualify as Tier 2 Capital of TISCO Bank Plc. No. 1/2019 Due 2030 (TISCO306A) with the Issuer's right to early redemption, which may be required to be written off (fully or partially) should regulatory authorities decide to grant financial assistance to the Issuer Issuing Date: June 10, 2020	3.15	10	June 10, 2030	690	4 times a year
7. Subordinate Instruments intended to qualify as Tier 2 Capital of TISCO Bank Plc. No. 2/2019 Due 2030 (TISCO300A) with the Issuer's right to early redemption, which may be required to be written off (fully or partially) should regulatory authorities decide to grant financial assistance to the Issuer Issuing Date: October 21, 2020	3.50	10	October 21, 2030	1,250	4 times a year
8. Subordinate Instruments intended to qualify as Tier 2 Capital of TISCO Bank Plc. No. 2/2021 Due 2031 (TISCO317A) with the Issuer's right to early redemption, which may be required to be written off (fully or partially) should regulatory authorities decide to grant financial assistance to the Issuer Issuing Date: July 7, 2021	3.25	10	July 7, 2031	700	4 times a year

Subsidiary Companies

As of December 31, 2021, TISCO Bank had outstanding short-term bills of exchange totaling 36.92 million baht with a 2.50% coupon rate, all in the form of callable bills of exchange.

As of December 31, 2021, Hi-Way Company Limited had outstanding short-term bills of exchange totaling 3,310 million baht with a 1.65% coupon rate, all in the form of callable bills of exchange.

1.6 Dividend Policy

The Company

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

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

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

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

Subsidiary Companies

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

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

Dividend payments for the past five years were as follows:

	2021	2020	2019	2018	2017
Earnings per share (Baht)	8.47	7.57	9.08	8.76	7.61
Dividend per share (Baht)		6.30	7.75	7.00	5.00
Dividend payout ratio (%)		83.2	85.4	79.9	65.7

2. Risk Management

2.1 Risk Management Policy

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

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

(1) Consolidated and Centralized Risk Management

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

(2) Business Line Accountability, Independent Risk Oversight

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

(3) Comprehensive Risk Assessment

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

(4) Capital Management Based on Standardized Risk Tools

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

(5) Risk Tolerance Level and Capital Allocation

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

(6) Adequate Return for Risk and Risk-adjusted Performance Management

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

(7) Portfolio Management, Diversification, and Hedging

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

(8) Strong Risk Awareness Culture

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

(9) Effective Risk Modeling and Validation

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

(10) Regulatory Best Practice

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

(11) New Businesses or Products

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

(12) Related Party Transactions

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

(13) Stress Testing

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

(14) Risk Management for Foreign Exposure

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

of economic and political risk factors that may adversely affect the value of foreign exposure positions, as well as the country-specific liquidity, market and correlation risks. In case foreign exposures is substantial and exceeds the threshold limit of 50% of regulatory Tier-I capital, TISCO Group will establish detailed guidelines for managing foreign exposure risks, in accordance with the BOT's regulations.

(15) Policy for Recovery Planning

The global financial crisis of 2008-09 demonstrated the necessity of having financial institutions prepared to deal with financial distress. Development of a recovery plan is the preparation of advance mechanisms to deal with potential stress conditions and ensures that commercial banks have a framework that may be adapted as appropriate to the circumstances in the times of actual stress. The recovery plan shall at a minimum cover the key processes and provide the necessary information as set out in the BOT's guidelines on Recovery Planning. The plan includes a set of tools and procedures to enable the recovery or continuation of TISCO Group under extreme risk events. The Board of Directors, through the Executive Board and Risk Oversight Committee, oversee the recovery plan framework while the Risk Management Committee formulates the recovery plan with support from the Enterprise Risk Management function. Such plan aims to facilitate all related business units, consolidate all necessary information, and define appropriate recovery triggers and recovery options in according with possible economic conditions and market environments. Moreover, the Recovery Plan will be reviewed at least once a year or when there is a material change that may affect the plan and the effective implementation of recovery options. The recovery trigger events and options in the Recovery Plan will be reviewed by the Risk Oversight Committee and approved by the Executive Board.

Risk Management Framework

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

Specific-area risk authorities are then established to manage in-depth, transaction-level risks in each particular area, such as the Credit Committee, Problem Loan Committee, IT Risk Management Committee, and Compliance & Operation Control Committee. These mechanisms are in turn supported by the credit control and other supporting functions, including compliance and the legal office. Business lines are fully accountable for managing their own risks within the policy and guidelines established by the Risk Management Committee and specific-area risk authorities. All the business operations are under the risk limit approved by the Risk Management Committee, including new business analysis in each business line, while risk limits triggered and new businesses shall be reported monthly to the Risk Management Committee for acknowledgement. Additionally, the Risk Oversight Committee shall review the sufficiency and effectiveness of overall risk management policy and strategies and shall report risk exposures and key risk management issues. Moreover, to assure the proper implementation of approved risk management policy and

guidelines, the risk management system shall be subject to the oversight of the Audit Committee through the Internal Audit Function.

At the present, Information Technology (IT) is integral to serving business needs and opening customer channels to access information and services, for example via Financial Technology (FinTech), and must be in accordance with the laws and regulations which have been announced for IT good governance. TISCO Group has set up the IT Risk Management function to manage in-depth and transaction-level IT risks and to support the Risk Oversight Committee as well as the Risk Management Committee with IT risks that are integral to operational risk and with the IT Risk Committee in specific-area risk authorities.

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

- Board of Directors

The Board of Directors of the Company shall ensure the institution of an effective risk management system for the Bank and that the Company has adopted and adheres to the TISCO Group Risk Management Policy. The Board appoints the Executive Board for the managing and monitoring of risk activities and delegates the authority of overseeing risk management activity to the Risk Oversight Committee. This involves setting risk limits and risk appetites and ensuring the establishment of effective risk management systems and procedures, in accordance with the standard practices of risk identification, assessment, monitoring and control, all of which must be in line with risk management guidelines and under the risk limit oversight of the Risk Oversight Committee.

- Board of Directors of Subsidiaries

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

- Risk Oversight Committee

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

- Risk Management Committee

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

- **Specific-Area Risk Authorities**

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

2.2 Risk Factors

The risk management of TISCO Group considers five risk factors: 1) Credit Risk 2) Liquidity Risk 3) Market Risk 4) Operational Risk 5) Strategic Risk, and 6) Emerging Risks. The overall risk of TISCO Group is at a manageable level, with amount of capital fund remaining strong for further business expansion, as assessed by the BOT. Moreover, TISCO Group has guidelines for risk management of each specific type of risk.

2.2.1 Credit Risk

Credit Risk is defined as the possibility of an obligor's failure to meet the contract agreement with TISCO Group. Failure requires the bank to maintain higher provisions for expected credit loss, adversely impacting the net income and capital of TISCO Group.

- **Default Risk**

Default risk rises as credit quality worsens. As of December 31, 2021, the NPL ratio of TISCO Group had decreased to 2.44% from 2.50% at the end of 2020, resulting from combination of decline in loan base and effective asset quality control, including long-term debt restructuring and debt relief programs. Moreover, in order to prevent rise in credit risk, an increase in expected loss was absorbed by the expected credit loss (ECL) set up during the year. Non-performing loan (NPL) management was prudent, including advanced risk management tools and stringent loan collection, debt restructuring and write-offs. Additionally, the NPL ratio of retail loans decreased from 3.17% at the end of 2020 to 3.12% as of the end of 2021, while corporate loan NPL ratio increased to 0.05%. Total NPLs were 4,957.31 million baht, decreased by 661.18 million baht or 11.8%; bank NPLs represented 4,305.07 million baht while NPLs of other subsidiaries amounted to 652.24 million baht.

Since January 1, 2020, TISCO Group has been using the Expected Credit Loss framework in place of the provision impairment loss method, in accordance with the new Thai Financial Reporting Standard No. 9 (TFRS 9). The new framework has a different loan classification and impairment model, taking into account the potential credit loss and additional risks from forward looking macroeconomic factors (Forward Looking Model). Meanwhile, as of December 31, 2021, total allowance for expected credit loss on loans of TISCO Group was 11,740.17 million baht, of which the allowance for expected credit loss on loans of the Bank amounted to 10,666.20 million baht. Excess reserve has been fully amortized as of the end of December 2021. Hence, the loan loss coverage ratio for TISCO Group stood at 236.8% at the end of 2021, reflecting the prudent provisioning policy to mitigate potential risk.

- **Concentration Risk**

Concentration risk is the risk associated with borrower concentration. As of December 31, 2021, hire purchase and corporate loans represented 55.4% and 17.6% of the total credit portfolio, respectively. The hire purchase portfolio, in which concentration was very low, had 112,400.47 million baht of loans outstanding. Top-10 borrower exposure in the hire purchase portfolio stood at 50.63 million baht or 0.05% of the total hire purchase portfolio, or equal to 0.02% of the total credit portfolio.

The corporate loan portfolio is diversified across three different sectors: manufacturing and commerce, 1,166.68 million baht; real estate and construction, 19,755.72 million baht; and public utilities and services, 14,879.61 million baht. Lending to the above industrial sectors represented 3.3%, 55.2%, and 41.6% of the total corporate loan

portfolio, and represented 0.6%, 9.7%, and 7.3% of the total credit portfolio, respectively. With top-10 borrower exposure stood at 31,161.79 million baht or 15.4% of the total credit portfolio, there is slight concentration in public utilities and services and the real estate and construction sectors which are managed under the risk management procedure. Moreover, the corporate loan portfolio is almost fully collateralized. In the loan approval process, an appropriate proportion of collateral value and financing is maintained to ensure that risks are kept within a manageable level. Furthermore, collateral values are regularly appraised and an effective loan drawdown procedure has been implemented. Portfolio credit quality is closely monitored.

- **Collateral Risk**

Collateral risk occurs from borrower defaults in which the value after selling collateral in the debt collection process cannot cover the original debt amount. As of December 31, 2021, the lending portfolio of TISCO Group came mostly from TISCO Bank, whereby 83.2% of the portfolio was asset or collateral backed. For the hire purchase portfolio, the underlying assets under the loan agreements are still owned by TISCO Group. Thus, in case the borrowers of hire purchase loans cannot meet the terms and conditions, TISCO Group can follow up and seize the underlying assets immediately. After repossession, the process of asset liquidation can be completed within one month.

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

Historically, the recovery rate for asset liquidation in the secondary market has been fairly high at 70-90% of the remaining net financed amount, which has helped in absorbing losses from defaulted loans. TISCO Group has attempted to minimize credit risk by regularly monitoring trends in the used car market, requiring high-value collateral and sufficient average down payment, and favoring well-known brands in the secondary market.

For commercial and mortgage loans, most collateral used as loan guarantees in 2021 were in the form of real estate, of which the value could be deducted for the purpose of expected credit loss provisioning. Collateral values were appraised in accordance with the regulations of the BOT. The proportion of collateral value used in deducting the provisioning requirements for NPLs was 96.6% of the NPLs of commercial loans and mortgage loans.

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

- **Property Risk from Foreclosed Assets**

Property risk from foreclosed assets is the impairment of assets transferred from loans, hire purchase receivables on which debtors had defaulted on their repayment obligations under the loan contracts, or restructured receivables. The value of repossessed assets is stated at the lower of cost and net realizable value. Outstanding assets in the process of liquidation held by TISCO Group as of December 31, 2021 were worth 120.52 million baht, or 0.05% of total assets. Allowance for impairment stood at 12.0% of total foreclosed assets.

- **Credit Risk Management Framework**

The Risk Management Committee is delegated to oversee the credit risk management of the corporate portfolio. The committee is responsible for formulating credit risk strategies and establishing guidelines and limits, as well as advising other credit risk authorities and retaining accountability on related issues. It also monitors and reviews credit risks at the portfolio level and reports essential credit risk information to the Board. In addition, the Risk Oversight Committee shall advise the Board of Directors on risk governance framework to ensure that top management and heads of risk management functions follow the Board of Directors' approved risk management policy, strategies, and

risk appetites, while reviewing the sufficiency and effectiveness of overall risk management policy and strategies. The Risk Oversight Committee shall also report on risk exposure, effectiveness of the risk management system, the risk governance culture of the organization, and any significant factors or required improvements to the Board of Directors. The Committee also advises or participates in the evaluation of the heads of the risk management functions.

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

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

Monitoring of concentration risk is also essential in credit portfolio risk management. Appropriate guidelines on concentration risk are set up to reflect appropriate business practice and the Company's risk capital capacity.

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

2.2.2 Liquidity Risk

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

As of December 31, 2021, TISCO Group's value of liquid assets is 42,713.02 million baht, comprised of cash of 1,103.43 million baht (compared to 1,220.21 million baht on December 31, 2020), net transactions with interbank and money market of 30,489.21 million baht (compared to 38,212.03 million baht on December 31, 2020) and net current investments of 9,107.33 million baht (compared to 11,120.39 million baht as of December 31, 2020).

Currently, liquidity risk from maturity mismatch is moderate once adjustments for the historical behavior of creditors and debtors such as loan defaults or rollovers are taken into account. According to the maturity mismatch profile for 1 year, the cumulative gap shows matured assets over matured liabilities accounted for 62,138.62 million baht. In addition, emergency credit lines, cash flow from operations, and inter-bank borrowing shall be utilized as a cushion against funding risk.

As of December 31, 2021, the Bank reported deposits of 166,541.93 million baht, outstanding long-term debentures (both subordinated and unsubordinated) of 6,640.00 million baht, short-term debentures of 8,285.00 million baht, and bills of exchange of 36.92 million baht.

- **Liquidity Risk Management Framework**

Funding risk management is overseen by the Risk Management Committee who delegates day-to-day management of liquidity positions to the accountable business lines, subject to independent oversight and compliance

with the approved risk policies and regulatory requirements. In addition, the Risk Oversight Committee shall advise the Board of Directors on risk governance framework to ensure that top management and the heads of risk management functions follow the Board of Directors' approved risk management policy, strategies, and risk appetites.

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

2.2.3 Market Risk

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

- **Equity Price Volatility**

As of December 31, 2021, the equity portfolio stood at 2,081.06 million baht, of which 183.02 million baht was listed equity, 58.95 million baht was unit trust, 1,048.82 million baht was ETF at current market value, and 790.26 million baht was non-listed equity measured at fair value in accordance with the Thai Financial Reporting Standards No. 9 (TFRS 9).

- (1) **Listed Equity Risk and ETF**

TISCO Group is exposed to price risk from the market price volatility of listed equities, unit trusts, and ETF investments. Investment portfolio measured at fair value through profit or loss (FVTPL) stood at 1,290.79 million baht. As of December 31, 2021, mark-to-market gain from the investment portfolio equaled 46.64 million baht.

TISCO Group calculates Value at Risk (VaR) for risk assessment purposes and files reports to management in charge as well as to the Risk Management Committee on a daily basis. VaR is the maximum potential loss at a predefined confidence level and time horizon. Three-month investment horizon VaR at a 99.0% confidence level excluding unrealized gain/loss, as of December 31, 2021, was 188.34 million baht, decreased from 268.29 million baht as of December 31, 2020 mainly from fall in risk exposure via lower market value. For effective risk management and control, trigger limits are set up to monitor the overall market risk profile, in accordance with internal guidelines, such as concentration trigger limit, stop-loss trigger limit, etc.

- (2) **Non-Listed Equity Risk**

Measured at fair value, the non-listed equity portfolio stood at 790.26 million baht at end-2021, increased from 772.57 million baht at the end of 2020. The current investment strategy of TISCO Group is not to increase the size of the non-listed equity portfolio, but rather to seek liquidation opportunities while monitoring portfolio quality on a regular basis.

- **Interest Rate Risk**

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

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

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

The Risk Management Committee also acts as the Assets and Liabilities Management Committee (ALCO), which is responsible for managing and maintaining interest rate risk at an appropriate level. TISCO Group's interest-bearing assets and liabilities structure, as of December 31, 2021, is provided in the following table.

(Unit: Million baht)

Interest Bearing Assets and Liabilities	Change within 1 month	Change within 2-12 months	Change within 1-2 years	Change after 2 years	Total
Assets	81,368.43	59,410.63	36,842.96	61,220.87	238,842.89
Liabilities	(73,886.77)	(105,683.32)	(1,592.34)	(9,656.62)	(190,819.05)
Net Gap	7,481.66	(46,272.69)	35,250.61	51,564.25	48,023.83

Under change of interest rate within 1 year, TISCO Group's liabilities over assets within 2-12 months was 46,272.69 million baht as of end-2021. Considering the outlook for a gradual interest rate uptrend, the repricing gap structure was still within an acceptable risk level.

(2) Fixed-Income Risk

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

TISCO Group's fixed-income portfolio as of December 31, 2021 stood at 8,042.76 million baht, down from 9,953.26 million baht at the end of 2020. Average duration of the bond portfolio was 0.25 years, down from 0.30 years at the end of 2020. However, fixed-income risk was still within acceptable risk and also meets the purpose of maintaining liquidity reserves as required by the BOT.

- **Market Risk Management Framework**

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

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

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

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

2.2.4 Operational Risk

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

- **Operational Risk Management Framework**

The operational risk management policy is set by TISCO Financial Group Public Company Limited for coherent adoption across all subsidiary companies in TISCO Group. Duties of the Operational Risk Management function include supporting and compelling all functions to operate in accordance with the framework stipulated in the operational risk management policy as well as to provide assurance on the adequacy of control systems established for each business under risk-return perspectives. Compliance functions shall have a duty to oversee that all functions operate in compliance with the rules and regulations of the supervisory authorities. The IT Risk Management function performs IT risk analysis and provides proper recommendations to all IT and business functions for appropriate IT control level as well as IT compliance. The Internal Audit function shall independently conduct audits and provide assurance on the internal control system and whole risk management process under the supervision of the Audit Committee.

In 2021, TISCO Group added new digitalized service channels for customers and new business products. This led to operational risk increasing in line with the business expansion. Nevertheless, the risks inherent in all aspects of such new businesses were analyzed and kept within acceptable levels under the prudent control process established by the TISCO New Business Guidelines prior to being launched. As a result of the business expansion and current uptrend in complex fraudulent behavior, TISCO has enhanced the capacity of its Suspicious Transaction Monitoring System. The system shall be capable of detecting irregularities that can be further investigated for appropriateness in terms of transactional execution and thus can minimize the possible losses incurred either to customers or TISCO.

The operational risk management process of TISCO Group starts with the establishment of an operational risk management culture. Such culture builds control awareness within all business units and supports a general understanding of the stipulations of the operational risk management framework. In practice as risk owners, all functions must participate and take accountability for managing the operational risk of functions under their supervision. The Operational Risk Management function shall have the duty of managing enterprise-wide operational risk in addition to supporting and overseeing that all functions proceed in accordance with the determined operational risk management framework. The operational risk assessment process calls for key operational risks to be identified together with an assessment of control effectiveness. A remedial action plan as well as the Key Risk Indicators would be subsequently determined in order to mitigate the revealed residual risks, prevent the incurrence of risks, and properly contain such risks within levels appropriate to each business (Risk Appetite). The results of the risk assessment at the corporate level would be reported to the Risk Oversight Committee, the Risk Management Committee, the Compliance and Operational Control Committee, and the Audit Committee for acknowledgement.

Information technology has a crucial part of the business operations of TISCO Group, alongside the expansion of digitalized service channels. These have resulted in a significant increase in IT risk, including but not limited to cyber threats. The IT Risk Management function is responsible for supervising and governing this IT risk. The function also has the duty to assess the appropriateness and efficiency of control measures related to IT risk, determine appropriate IT risk management, and follow IT risk through IT KRI for proper mitigation of risks within an acceptable risk level. The IT Risk Committee has thus been set up with the aim of governing the efficiency of IT risk management of TISCO Group.

In regard to the incident management process which is treated as an integral part of operational risk management, TISCO Group has arranged a supporting system to log and track such incidents. The purpose of the system arrangement is to ensure a systematic and integrated remedial process with monitoring control for timely responses. The incident and loss database are used for monitoring purposes to minimize error rate and enhance operational efficiency. In addition, TISCO has formulated guidelines and delegated authority for the consideration and approval of compensation to customers in order to have a standardized practice that is fair to affected customers. The incident summary, notable operational incidents, as well as compensation paid to customers would be reported to the relevant committees for acknowledgement and determination of appropriate remedial actions. With respect to the complaint handling and management process, TISCO has arranged various channels for accepting complaints and has determined measures for handling and resolving complaints within the determined timeframe. The complaint cases shall be analyzed and the results summarized and reported to the relevant management for improvement of the operational processes.

Given that TISCO Group operates in the financial services business, continuity of service for customers is a matter of particular emphasis for the Company. To minimize disruptions, TISCO has a fully developed plan that ensures the readiness of every system and process relating to continuity of critical business operations (Business Continuity Plan). The Business Continuity Plan also covers the process of recovering critical systems within a determined period and other relevant contingencies and backup plans, including alternative sites and a work-from-anywhere strategy. The Business Continuity Plan is to be tested on a regular basis in order to make all relevant business units understand their roles and responsibilities and the actions required to be taken when an extreme event occurs. Regarding potential impacts on the safety of employees, customers, counterparties or other relevant parties, an Emergency Plan has been established as an integral part of the Business Continuity Plan. The Emergency Plan shall determine appropriate action plans for managing various emergency situations associated with external events with the primary objective being to secure the safety and minimize possible losses. In order to support and enhance the efficiency of the proceedings in accordance with the Business Continuity Plan, TISCO Group has determined channels for communication between management and employees, including channels with external parties, in order to convey situation updates and corporate action plans to all relevant persons in a timely manner.

At the present, cyber threats are a growing risk and could cause damage to the organization's business operations either in the form of financial effects or other forms, such as corporate reputation. TISCO is well aware of the impact of such threats and proactively prepares preventive measures and a proper response plan for such events. To raise awareness among all employees and reduce the possibility of being affected, education on cyber threats is regularly conducted through organizational training, office postings, and announcements on the corporate website. Additionally, study of potential cyber-crime attacks, monitoring, and assessment of possible IT risks and cyber threats are regularly conducted in order to effectively improve the quality of risk management. Such assessments bolster security and help establish a response plan, including communication with both internal and external parties.

2.2.5 Strategic Risk

Strategic Risk is a form of uncertainty stemming from the possibility that TISCO Group might make an adverse business decision, implement an improper strategy, or incur a misalignment between strategy, target, organization structure, competition and/or resources that affects TISCO Group's earnings and capital.

- **Risk from Economic Conditions and Business Competition**

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

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

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

- **Risk from Capital Adequacy**

TISCO Bank's capital requirements are based on the Basel III Internal Rating Based Approach (IRB). As of December 31, 2021, the regulatory capital adequacy ratio (BIS ratio) stood at 25.20%, higher than the 11% required by the BOT. The Tier-I and Tier-II adequacy ratios stood at 20.16% and 5.04%, respectively, in which the Tier-I adequacy ratio also remained higher than the minimum requirement at 8.5%. For TISCO Group, the projected BIS ratio, Tier-I and Tier-II ratios stood at 23.27%, 18.65% and 4.63%, respectively, also higher than the minimum capital requirement. Meanwhile, the net capital rule (NCR) of TISCO Securities Co., Ltd. remained strong at 33.14%, well above the minimum required ratio by the SEC of 7.0%.

As an internal risk measurement of capital adequacy (ICAAP), the risk-based capital requirement of TISCO Group stood at 11,777.58 million baht, accounting for 29.1% of total projected capital base under Basel III - IRB of 40,475.36 million baht, with capital surplus for future risks and business expansion totaling 28,697.78 million baht.

- **Risk from Subsidiary Financial Performance**

TISCO Financial Group Plc. was established with the sole purpose of investing in other companies. Therefore, the performance of the Company depends on the performance of invested companies. Subsidiary risks can involve risk with the operations of TISCO Bank, a core business of the Company, as well as the operations of other subsidiaries' businesses. The Company holds the shares of all 8 subsidiaries, including TISCO Bank. However, as most of the net income comes from dividends received from its subsidiaries, volatility in the performance of subsidiaries may affect the overall performance of the company. As such, the dividend payment to shareholders may also be volatile.

Profit recognition of TISCO Group comes from all subsidiaries, including TISCO Bank. As of December 2021, the net profit of TISCO Bank and other subsidiaries was 6,629.01 million baht, with 2,626.81 million baht from subsidiaries, excluding TISCO Bank. While the subsidiaries experienced outstanding business performance and generated profits to the Company, investment strategy is of greater importance for long-term sustainability. Therefore, the Board of Directors has defined an investment policy for TISCO Group whereby the company will invest in businesses which support the competitive efficiency of the Group. In addition, market and industry trends, the competitive environment, and long-term profitability together with prudent risk management shall be considered.

Net income from subsidiaries, excluding TISCO Bank, accounted for 39.6% of total net income in 2021, significantly affecting TISCO Group's overall income. Net income from brokerage and investment banking are from TISCO Securities while net income from asset management is from TISCO Asset Management.

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

The internal control and risk management of subsidiaries is centralized at the Company which applies a universal set of standards and guidelines for all. The Company sends its representatives to serve as directors at

subsidiaries, making up at least half of the total directors, and to participate in establishing important business policies. Indeed, the annual business plans of subsidiaries require approval by the Company.

- **Strategic Risk Management Framework**

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

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

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

2.2.6 Emerging Risks

TISCO Group is aware of and prepares to deal with emerging risks and mega trends, constantly monitoring changing landscapes and market fluctuations. It also analyzes risk factors that may affect or damage its businesses for risk-management purposes. Such efforts are made to efficiently handle or reduce adverse impacts from the risks, both in the short term and in the long run. In 2021, TISCO Group identified emerging risks and issued risk-management guidelines, as follows:

- **Emerging Diseases**

Emerging diseases are defined as infectious diseases having been recently recognized within a population and whose incidence have increased significantly. These included infectious diseases which have become resistant to drugs or common treatments such as bird flu, SARS, and coronavirus disease (COVID-19).

In 2020, the COVID-19 outbreak shook the Thai economy and various industries, especially the tourism and related business sectors, in addition to the financial sector. The resulting economic recession led to social problems and deterioration in living conditions due to lower income and soaring unemployment rates, worsening the household debt crisis. To minimise adverse impacts, the government launched a range of ad-hoc measures, including help for small borrowers and small and medium enterprises (SMEs) who suffered from the impacts of COVID-19. The government also implemented measures to encourage the hiring of new graduates. Such measures were designed to ensure people and debtors had adequate cash flow for their daily living or businesses until the economy rebounded. It will take some time for economic recovery to materialize even after COVID-19 has begun to ease.

TISCO Group has actively followed the COVID-19 situation to assess risk and predict economic trends while staying cautious on risk management by formulating and reviewing plans to ensure efficient operations during the crisis. Furthermore, it has prepared to respond to the government and Bank of Thailand's economic-stimulus packages. For SMEs, TISCO Group has offered debt reduction, repayment postponement and debt restructuring so as to enhance their cash flow. The Company has even provided soft loans and set up a Corporate Bond Stabilization Fund (BSF) to limit the impacts of COVID-19 on the stability of the private bond market.

- **Digital Disruption**

Digital transformation and new business models are taking shape these days as a result of digital disruption and rapid changes in consumer behavior. In the wake of the COVID-19 outbreak, a New Normal materialized that saw people significantly change their lifestyles, demanding a greater level of digital services. TISCO Group has studied all these changes and made preparations to deal with them. It has developed financial products and digital channels with modern technologies such as Cloud computing. However, such digital adoption comes with cyber threats that may harm IT infrastructure and operation systems. Ransomware, data-security breaches and theft of personal data are among such threats. TISCO Group has always accorded importance to IT risk management and personal data protection, in line with the Personal Data Protection Act. Backed by its constant monitoring of risks, studies and preparations, TISCO Group has successfully increased its IT security. It also reviews its management and internal-control systems on a regular basis to ensure efficiency.

- **Regulatory Risk**

TISCO Group has a duty to comply with applicable laws, regulations, standards and guidelines issued by the relevant authorities. Regulatory changes or new measures have a direct effect on TISCO Group's business operations. For example, authorities may introduce new laws or revise the laws/rules which TISCO must conform to promptly or declare ad-hoc measures in response to special circumstances. For example, during the COVID-19 crisis, authorities issued loan measures to help small borrowers and SMEs hit by the pandemic. They have also pushed the financial sector towards socially and environmentally responsible operations and Sustainable Banking – Responsible Lending. Not only has TISCO Group abided with such laws and applicable rules, it has also complied with the industry's agreements, standards, and good practice. Throughout its operations, TISCO Group has constantly upheld its compliance with laws and proper standards.

- **Climate Change**

Natural disasters caused by environmental changes are occurring more frequently and more severely, leading to increasing climate change risk. These threats have impact on physical risk which directly affects the business sector through the supply chain. For instance, flooding results in damages to the businesses of the bank's customers. Moreover, there are indirect impacts from transition risk involving rules and regulations for long term solutions to environmental problems, especially the transition to a low-carbon economy. These may affect the cost of doing business in various ways and may also have impact on corporate image.

TISCO Group recognizes the importance of climate change risks which may affect the corporate image and may lead to financial loss, both directly and indirectly. TISCO Group has thus started integrating environmental impact management into its operating system, while implementing environmentally friendly processes, including activities that have impact on energy savings and reduce greenhouse gas emissions. In addition, TISCO Group participates in encouraging the local communities in which the company operates to promote shared environmental management, while also increasing awareness among employees to make the most valuable use of resources. In this regard, TISCO Group will continue to study methods to improve climate change risk management.

- **Cyber Risk**

Nowadays, societies have become increasingly dependent on digital technology, while the COVID-19 situation has also driven a 'new normal' lifestyle. This lifestyle tends to increase the risk as well as damages from cyber threats. Moreover, cybercrime has changed its attack patterns to become faster and more sophisticated. For instance, cyber-attacks are using phishing methods to defraud the bank's customers or ransomware and other methods. These cybercrimes may affect both the customers and the organization, where damages to the bank can occur on several levels, such as disruption of banking services, financial losses, or customer confidence in the bank.

TISCO Group has established measures to manage and control cyber risks by providing systematic and continuous measures and guidelines for managing information technology risks to be able to identify and assess risks

and control the cyber risks to be within the risk appetite. Cyber risk management is conducted under the principle of information security which focuses on the balanced protection of confidentiality, integrity, and availability of data and IT systems. TISCO Group also focuses on building a corporate culture that fosters continuous awareness of cyber threats at all levels, from the Board of Directors and executives to employees.

- **Emerging Market Risk**

Due to the global economic slowdown as a result of the COVID-19 outbreak since 2019, countries around the world have incurred greater public debt to support domestic economies. The resulting economic recession leads investors to invest mainly in high-risk assets especially in emerging markets as well as to reduce their investment in safe-haven assets in developed countries as the interest rates are still very low. This can result in an economic bubble from rising asset prices in the emerging markets exceeding the fundamental asset prices, resulting in increasing market risk since the financial markets and exchange rates will become more volatile as investors rush to sell assets.

TISCO Group has monitored and assessed the potential impact of emerging market risk and has taken measures to eliminate foreign exchange risk using futures contracts for loans exposed to foreign exchange risk. In addition, risk limits for foreign exposure are set to keep risk within the bank's appetite. Moreover, TISCO Group has regularly assessed and monitored credit risk to identify affected debtors to be reported to management, and conducts stress tests to ensure that TISCO Group has sufficient levels of capital to cover potential losses.

3. Driving Business for Sustainability

3.1 Sustainability Policies and Goals

TISCO Group has pushed forward and integrated sustainable development into its operations through the Environment, Social and Governance (ESG) framework with the goal of promoting tangible sustainable development. Key ESG topics have been considered in TISCO Group's decision-making process. TISCO Group has formulated policies for sustainable development as well as responsible lending. In addition, it has drawn up Sustainable Banking strategies for all its subsidiaries to embrace. The details are as follows:

- 1) Environment (E): Conducting business in an environmentally friendly manner by promoting resource efficiency and environmentally friendly businesses
- 2) Social (S): Improving living conditions in society by raising financial literacy and access to financial services needed to upgrade quality of life
- 3) Governance (G): Fostering a strong corporate governance and risk management culture by promoting the principles of corporate governance and risk management at all levels, supporting anti-corruption guidelines, preventing TISCO Group from being used for money laundering or terrorism funding; practicing socially/environmentally responsible lending, conducting fair operations, and reducing household-debt in a manner that enables TISCO Group to operate sustainably with satisfactory return and growth.

The sustainability goals and strategies of TISCO Group are as follows:

Wealth of Possibility

Sustainable Development Framework					
	Goal	Commitment	SD Policy and Stakeholder Engagement	Sustainability Strategic Focus	Sustainability Contribution to the Nation
Environment 	Being a responsible corporate citizen to support low carbon economy 	We are committed to reducing GHG emission and preserve the environment 	<ul style="list-style-type: none"> Managing environmental impact of our business operation Supporting the environmentally friendly business and circular economy 	Support EV / Solar Loans Support for Clean Energy 	
Society 	Being a responsible corporate citizen to promote social well-being 	We are committed to collaboration with employees, business partners and society to increase prosperity 	<ul style="list-style-type: none"> Ensuring financial products are responsible to ESG in corresponding to every customer's life stage and digital lifestyle Financial inclusion and financial literacy Promoting recognition of responsibilities to employees 	Customer Centricity, Digital Banking, Responsible Lending and CSR in process 	
Governance 	Being a responsible corporate citizen to create sustainable growth for all 	We are committed to strong risk management culture and integrated ESG in business process 	<ul style="list-style-type: none"> Enhancing Risk Management Ensuring Data Governance and Data Protection Promoting good governance and supplier management with responsibility and fairness 	Governance, Risk and Control 	

The Sustainability Framework, which was approved by TISCO Group's high-level executives, provides the basis for TISCO Group's three-year Sustainability Roadmap. Reviewed on a regular basis, the Sustainability Roadmap sets the operational guidelines for all companies under TISCO Group. Both the Sustainability Framework and the Sustainability Roadmap are key to driving TISCO Group towards sustainability in a tangible manner.

3.2 Management of Impacts on Stakeholders in TISCO Group's Value Chain

TISCO Group has accorded importance to the disclosure of management and value-creation data related to six types of capital, namely financial capital, manufactured capital, intellectual capital, human capital, social and relationship capital, and natural capital in pursuit of stability and sustainability in the short, medium, and long term. Financially Material topics have been addressed through the management of resources and all six types of capital, the Sustainability Framework, and the Sustainability Roadmap. TISCO Group has adopted such an approach to ensure work efficiency, the comprehensive creation of value for all stakeholders, and ESG-balanced business operations.

The aforementioned disclosure of management and value-creation data is in line with the guidelines prepared by the Office of Securities and Exchange Commission and the Stock Exchange of Thailand, which seek to encourage listed companies to upgrade their data disclosure to be on par with international practices/standards and also to demonstrate a stronger focus on ESG. Moreover, to secure sustainable growth and contribute to the Bio Economy, Circular Economy and Green/BCG Economy, TISCO Group has placed considerable emphasis on collaborating with the financial sector for improved business operations based on a Responsible Banking strategy.

TISCO Group Impact Value Chain

Input	Business Activities	Output
<p>Financial Capital</p> <ul style="list-style-type: none"> Total Equity (attributable to TISCO): 41,200 million baht Deposits: 166,579 million baht 	<p>TISCO Financial Group has structured our businesses into three groups, as follows:</p> <p>1. Retail Banking</p> <ul style="list-style-type: none"> Retail loans <ul style="list-style-type: none"> Hire purchase loans Housing loans Consumer loans SME loans Life and Non-Life Bancassurance <p>2. Corporate Banking</p> <ul style="list-style-type: none"> Corporate loans <ul style="list-style-type: none"> Working capital loans Project financing and Long-term loans Other commercial loans; Guarantee and AVAL Service Financial advisory and other lending services Custodian services Investment banking Corporate insurance <p>3. Wealth and Asset Management</p> <ul style="list-style-type: none"> Private banking Retail deposits Securities brokerage for individual and institutional clients Asset management <ul style="list-style-type: none"> Provident funds Private funds Mutual funds Financial management services Bancassurance Mutual Fund and Insurance sales via an Open Architecture platform 	<p>Products and Services</p> <ul style="list-style-type: none"> Loans outstanding: 202,950 million baht Fee based income: 6,130 million baht Asset under management: 360,877 million baht Digital banking products
<p>Manufactured Capital</p> <ul style="list-style-type: none"> Premises and Equipment - net: 1,339 million baht 		<p>Channels</p> <ul style="list-style-type: none"> Branches: 411 branches (55 bank branches, 356 Somwang branches) TISCO mobile application TISCO e-Invest TISCO e-Trade LINE official accounts
<p>Intellectual Capital</p> <ul style="list-style-type: none"> Goodwill and Other Intangible Assets - net: 131 million baht including Financial innovation development and financial literacy 		<p>Intellectual Capital</p> <ul style="list-style-type: none"> ESG Investment Products New platforms: Bantao Digital Platform, MEP, My Wealth, Freedom Other financial products and services as part of relief measures to ease the impact of COVID-19 Financial literacy program (Please see details in SR 2021*)
<p>Human Capital</p> <ul style="list-style-type: none"> Total Employees: 4,879 Employee Expenses: 5,727 million baht Training on communication skills, education, technical skills, creativity, experience, problem-solving skills, mental health, and personal resilience 		<ul style="list-style-type: none"> Increased breadth of work skills and ability to work more efficiently
<p>Social and Relationship Capital</p> <ul style="list-style-type: none"> Contribution to Social Development: 47.18 million baht 		<ul style="list-style-type: none"> CSR Projects (please see details in SR 2021*) Timely provision of assistance or participation in charity programs as deemed appropriate or in the event of crisis/ natural disasters Sharing of financial advice and knowledge with public Provision of socially-responsible products/services, conforming to market conduct and fair treatment
<p>Natural Capital</p> <ul style="list-style-type: none"> Green Loans (Outstanding): 9,156 million baht Energy Consumption: 5,440,844 kWh Water Consumption: 29,422 m³ Paper Consumption : 111 ton 	<p>Sustainable Development Framework (Please see details in SR 2021*)</p>	<ul style="list-style-type: none"> GHG Emissions (Scope 1 and Scope 2): 3,433.4 tCO₂e
<p>Fundamental Resources: Human Capital, IT Infrastructure, Risk Management & Compliance</p>		
<p>* SR 2021 : Sustainability Report 2021</p>		

Outcome	
TISCO	Stakeholders
<p>Financial Capital</p> <ul style="list-style-type: none"> • Total Operating Income - net: 18,836 million baht • Cost to Income Ratio: 49.4% • Return on Average Equity (ROE): 16.8% 	<p>Financial Capital</p> <ul style="list-style-type: none"> • Earnings Per Share (EPS): 8.47 baht • Use of products that are responsive to customer needs and expectations and are suitable to their profiles • Minimize customer pain points with optimal product and service offerings • Gain convenient access to financial products and services • Access to user-friendly and secured service channels
<p>Manufactured Capital</p> <ul style="list-style-type: none"> • Market share (Loans): 1.4% • Market share (Brokerage): 1.3% • Market share (Asset Management): 4.1% 	<p>Manufactured Capital</p> <ul style="list-style-type: none"> • Customers: 9.8 Million • 100% of projects have passed ESG Assessment • Ethical business operations with social & environmental responsibility • Products, services and financial service channels that match community requirements and ways of life
<p>Intellectual Capital</p> <ul style="list-style-type: none"> • AUM of all ESG Funds amounting to 232 million baht • Provision of products/services that not only respond to consumers' needs but also facilitate comprehensive delivery of financial services • Help for customers affected by COVID-19, e.g. the "Car Debt Haircut" for > 3,800 customers 	<p>Intellectual Capital</p> <ul style="list-style-type: none"> • Improved financial literacy for community and customers via the "Smart Saving & Smart Use" program under the theme "Awareness of Risks in the New-Normal Age", and via Student Camps, and TISCO Financial Network's Clubs
<p>Human Capital</p> <ul style="list-style-type: none"> • Employee Satisfaction: 86% • Retention Rate: 93.6% 	<p>Human Capital</p> <ul style="list-style-type: none"> • Employees have higher competency and skill development • Remunerated with a fair and attractive scheme • Work-life balance • Career path advancement • Continued competency development • Being part of a Happy Organization
<p>Social and Relationship Capital</p> <ul style="list-style-type: none"> • Overall evaluation of TISCO: NPS at 21 • PR Value: Baht 202.2 Million, including Press Releases, Photo Releases, Article and Gossip from TISCO Group, TISCOBank, TISCOASSET, TISCOSEC and Somwang 	<p>Social and Relationship Capital</p> <ul style="list-style-type: none"> • Number of people who have benefited from social service activities: 120,324 • Implementation of Sustainable Banking helps alleviate impacts on environment and society • Continuation of philanthropy and charitable activities to help society
<p>Natural Capital</p> <ul style="list-style-type: none"> • New revenue stream from green financing • New business opportunities from green financing • Contribution to climate risk mitigation • Reduction of GHG emissions: 22.50% compared with base year 2017 	<p>Natural Capital</p> <ul style="list-style-type: none"> • Increased use of renewable energy • Reduced GHG emissions
Fundamental Resources: Human Capital, IT Infrastructure, Risk Management & Compliance	
* SR 2021 : Sustainability Report 2021	

TISCO Group has divided its stakeholders into six groups namely, shareholders, employees, regulators, business partners - including creditors and customers – community, and society. Such categorization aims to create a framework and guidelines for efficiency in communications, decisions on communication frequency, addressing of stakeholder expectations, related operations, and reporting; and to comprehensively respond to such expectations.

3.3 ESG-Based Sustainability Management

Summary of 2021 Sustainability Operations

Governance (G)	Social (S)	Environmental (E)
<ul style="list-style-type: none"> ● TISCO Group's corporate governance has been graded as "excellent" by an external assessor; ● TISCO Group has emerged as the winner with the highest brand value in the banking-sector category of ASEAN and Thailand's Top Corporate Brands 2021, which was jointly organized by the Chulalongkorn Business School's Master's in Branding and Marketing (MBM) Program and the Stock Exchange of Thailand; ● TISCO Group has supervised its market conduct to assure customers that its services prioritize customers' benefits; ● TISCO Group has demonstrated its anti-corruption commitment through collaborations with several organizations, associations and groups that fight graft; ● TISCO Group has improved its business partners' Code of Conduct and informed them of the updated content in support of environmentally and socially responsible business operations with 100% of business partners acknowledging the revised Code of Conduct; ● TISCO Group has properly operated its businesses in line with its risk-management policies and has efficiently responded to incidents that have occurred; ● TISCO Group has improved its information security management guidelines and policies. It has also raised awareness/understanding of cyberthreats across its organization; ● TISCO Group has managed and monitored risk management; 	<ul style="list-style-type: none"> ● TISCO Group has provided access to funding sources by increasing the number of "Somwang Ngern Sang Dai" branches to 356; ● TISCO Group has provided financial knowledge to customers as follows: <ul style="list-style-type: none"> - Somwang branches: 92,162 customers - Seminars and online channels: 28,083 customers ● TISCO Group has imparted youth with financial knowledge via TISCO Financial Camp, TISCO Financial Group's Network, and virtual training programs conducted in collaboration with the Thai Bankers Association. Such educational efforts have covered 930 participants; ● TISCO Group has supported Responsible Banking operations through responsible lending. The following actions have been taken: <ul style="list-style-type: none"> - TISCO Group has formulated Responsible Lending policies; - TISCO Group has not only drawn up Responsible Lending guidelines but has also prepared a No Lending list; - TISCO Group has granted loans to environmentally friendly businesses; - TISCO Group has prepared measures to help curb the impacts of COVID-19 on loan customers. For example, it has implemented the "Return Car to Clear Car Loan Debt" project that has assisted more than 3,800 customers. When combined with other programs, TISCO Group has helped over 150,000 customers during the COVID-19 situation; ● TISCO Group has developed financial products/services that not only focus on ESG but also respond well to the digital lifestyles of customers across all age groups. For instance, a Digital RM Platform has been developed to serve 	<ul style="list-style-type: none"> ● TISCO Group's electricity consumption rate dropped by 588,469 kilowatt – hour in 2021, which had a financial value of 2,519,791.49 baht, or by 9.76% from 2020; ● TISCO Group has reduced paper usage and paid serious attention to the efficient use of water; ● TISCO Group has replaced PCs with Zero Client devices between 2015 and 2021, thus lowering electricity consumption by 1,090,461.50 kilowatt-hours over the years. The replacement has already saved 3,271,384.51 baht that would have otherwise been spent on electricity; ● Regarding climate change management, TISCO Group has taken the following actions: <ul style="list-style-type: none"> - TISCO Group has curbed TISCO Tower's greenhouse-gas emissions by 379,461 Kg. of CO₂e in 2021 from 2020, and by 22.50 per cent from base year 2017 (Tier 1 and Tier 2 only); - TISCO Group has been certified by the Low Emission Support Scheme (LESS) for switching to LED devices and for the implementation of the We Separate Our Waste project, which have curbed greenhouse-gas emissions by 351.469 tons of CO₂e. The benefits are equal to what growing 36,996 large trees would deliver ● TISCO Group has conducted campaigns to promote green mindfulness among employees, business partners and communities around TISCO Group's business venues, including <ul style="list-style-type: none"> - Continuing the ban on foam-based food boxes at all business venues of TISCO Group; - Reducing the usage of disposable plastic bags and promoting their recycling; and - Collaborating with Yomaraj Condominium legal entity in the "Donate Your Old Calendar" campaign, which sent donated desk calendars to the Foundation for the Blind under Her Majesty's Royal Patronage as materials for braille teaching/learning.

Governance (G)	Social (S)	Environmental (E)
<ul style="list-style-type: none"> TISCO Group, in addition to closely monitoring the COVID-19 situation, has been consistent with implementation of its COVID-19 response plan TISCO Group has assessed emerging risks. 	<p>business partners and customers quickly and in one stop. The Motorcycle Eco-System Platform, meanwhile, has been launched to take care of motorcycle customers while the Freedom Platform has been created to help office-worker customers plan their finances or clear their debts;</p> <ul style="list-style-type: none"> TISCO Group's Call Center has scored 97.28 points out of a possible 100, with its mistake rate standing at 0.0052%; Employee Care <ul style="list-style-type: none"> TISCO Group, including its subsidiary Hi-Way Company Limited, won the Best Employer Thailand Award 2021; Employee satisfaction and engagement scores stand at 86% while employee retention rate is 93.6%; TISCO Group has enhanced employees' digital skills and knowledge. It has also required its employees take compulsory tests on data classification, phishing awareness, money-laundering prevention, anti-corruption, risk management, Responsible Banking, and Marketing Conduct, etc. e-Learning courses have been provided to all employees prior to the tests; TISCO Group has funded cancer research and innovations. For seven consecutive years, TISCO Group has given part of its sales fee income from its mutual funds and healthcare products to the CU Cancer Immunotherapy Fund of Chulalongkorn University's Faculty of Medicine and the Thai Children Fund under the Royal Patronage of H.R.H. Princess Soamsawali Krom Muen Suddhanarinatha, the Ramathibodi Hospital. In all, financial donations to support opportunities for cancer patients have totaled 8,465,150 baht; TISCO Group has raised 1,213,800 cc of blood via its blood-donation campaigns; and TISCO Group donated drinking water and necessary commodities to 181 hospitals, field hospitals, vaccination centres, and communities in 50 provinces, including Bangkok, between April and November 2021. 	

For more information, please see the Sustainability Report for 2021.

4. Management Discussion Analysis

4.1 Operation and Financial Statement Analysis

The Management Discussion and Analysis compares operating performance and financial position of TISCO Group for the year 2021, with those of the year 2020

Movement of Money Market and Capital Market

In 2021, the world including Thailand encountered the spread of COVID-19 Delta variant which was severe and caused the government to reimpose the business lockdown measure throughout the nation. Thai economy was severely affected by a slowdown in economic activities and declining household income, coupled with decreasing private consumption and investment. Meanwhile, COVID-19 vaccination progress continued to improve throughout the year, along with a sign of lower new cases from the pandemic. Accordingly, in the fourth quarter, the government started to reopen the country for tourist arrival.

Nevertheless, at the end of 2021, there was a new COVID-19 Omicron variant spreading all over the world. To response to the new variant, the government has increased the control measures while maintained the country reopening. Tourism sector started to recover at a slow pace, while export sector expanded substantially thanks to growing demands from trading partners and weakened Thai Baht. The domestic car sale for 2021 totaled 759,119 units, decreased by 4.2% comparing to last year. The headline inflation for the year 2021 increased by 1.2% from rising oil price. TISCO has projected economic growth (GDP) for 2021 at 1.1%.

On the banking industry, the Bank of Thailand has continued the assistance programs to support affected clients by extending the program period to offer comprehensive assistance, namely debt moratorium for SMEs and retail clients, Soft Loans program, Asset Warehousing scheme and particularly long-term debt restructuring for sustainable recovery. The Bank of Thailand has supported the financial institutions by allowing relaxation on asset classification for loans under assistance programs. In addition, the FIDF contribution from commercial banks that has been reduced from 0.46% to 0.23% ending in 2021 is now extended to the end of 2022.

The Bank of Thailand's policy rate remained unchanged at 0.50% in 2021. The average 3-month fixed deposit rates of Top-4 commercial banks declined from 0.37% to 0.33% (YoY). For the lending rates of Top-4 commercial banks, the average minimum lending rate (MLR) and the average minimum overdraft rate (MOR) remained stable at 5.31% and 5.85% respectively from the previous year. Whilst, the average minimum retail rate (MRR) increased from 5.98% to 6.03% (YoY).

The capital market in 2021 was volatile amid the intensified COVID-19 pandemic during the middle of the year, rising global inflation rates and increasing potential from US Federal Reserve to speed up an increase in interest rate and Quantitative Tightening (QT). Nonetheless, domestic capital market showed a sign of improved investor sentiment from the unraveled COVID-19 situation and the increasing number of vaccination rate. Therefore, market trading volume increased from the previous year with the average daily turnover of 88,443.08 million baht, increased from 67,334.80 million baht in 2020. SET index closed at 1,657.62 points, increased by 208.27 points or 14.4% (YoY).

4.1.1 Operating Performance

TISCO Financial Group Public Company Limited (“the Company”) had net profit from operations in the year 2021 on a standalone basis totaling 4,760.92 million baht, mainly contributed by dividend income. As a holding company, TISCO Financial Group Public Company Limited operates as shareholder in other company and no other major business. Therefore, the analysis was based on the Company’s consolidated operating performance and financial position which comprised of 2 main businesses: commercial banking business and capital market business.

Operating Results for the year 2021

The net profit for the year 2021 was reported at 6,784.59 million baht, increased by 721.11 million baht or 11.9% (YoY), primarily contributed by a growth in capital market businesses especially asset management business, the recognition of gain on investment and lower expected credit loss (ECL). In 2021, non-interest income expanded by 9.8% (YoY), which consisted of asset management fee growth of 47.3% (YoY) driven by the successful issuances of new mutual funds that received good responses, coupled with fund performance fee that was recognized in the fourth quarter. Brokerage fee also increased by 8.1% (YoY) following higher market trading volume. Moreover, the Company recorded gain on financial instruments measured at fair value through profit or loss (FVTPL) that increased in value. On the contrary, banking fee softened caused by a slowdown in economic activities amid the lockdown during the year, and the regulatory adjustment on the reduction of fee ceiling rate.

Net interest income decreased by 4.9% (YoY) aligning with loan portfolio contraction. Meanwhile, ECL expense declined (YoY) to 1.0% of average loans which was in consistence with well-controlled asset quality amid the unraveled pandemic situation, together with prudent provisioning policy that has set up the upfront provisions in advance since last year. Non-performing loans (NPLs) declined to 2.4% of loans, resulting in loan loss coverage ratio at 236.8%.

Basic earnings per share for the year 2021 were 8.47 baht per share, increased from 7.57 baht per share in 2020. The return on average equity (ROAE) was reported at 16.8%.

Income Statement

The Company and its subsidiaries' income statement in 2020 and 2021 are illustrated in Table 1.

Table 1: Income Statement for year 2020 -2021

Statement of Comprehensive Income Unit: Million baht	2021	2020	%YoY
Interest income			
Interest on loans	7,124.39	8,002.72	(11.0)
Interbank and money market items	151.94	251.33	(39.5)
Hire purchase and financial lease income	7,431.94	8,360.38	(11.1)
Investments	83.42	142.27	(41.4)
Total interest income	14,791.69	16,756.71	(11.7)
Interest expenses	(2,331.86)	(3,659.00)	(36.3)
Net interest income	12,459.83	13,097.71	(4.9)
Fee income	6,130.36	5,512.09	11.2
Fee expenses	(514.99)	(366.06)	40.7
Net fee income	5,615.37	5,146.03	9.1
Gain (Loss) on the financial instruments measured at fair value to PL and investments	410.11	269.86	52.0
Share of profit from investment under equity method	7.22	(1.72)	(520.4)
Other operating income	343.40	392.06	(12.4)
Total operating income	18,835.92	18,903.94	(0.4)
Operating expenses	(8,279.19)	(8,011.82)	3.3
Expected credit loss	(2,063.98)	(3,330.60)	(38.0)
Profit before tax and minority interest	8,492.76	7,561.52	12.3
Corporate income tax expenses	(1,707.76)	(1,497.65)	14.0
Profit before minority interest	6,784.99	6,063.86	11.9
Non-controlling interests of subsidiaries	(0.40)	(0.38)	5.7
Net profit	6,784.59	6,063.48	11.9

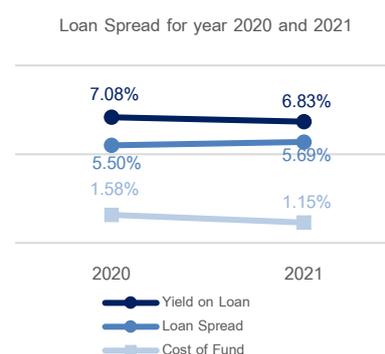
1) Net Interest Income

In 2021, the net interest income totaled 12,459.83 million baht, decreased by 637.88 million baht (4.9% YoY). Total interest income was 14,791.69 million baht, dropped by 1,965.02 million baht (11.7% YoY) following loan contraction. Whilst, interest expense was 2,331.86 million baht, declined by 1,327.14 million baht (36.3% YoY).

Yield on loans decreased from 7.08% in 2020 to 6.83% following lower proportion of high-yield loans. The cost of fund decreased from 1.58% to 1.15% (YoY) owing to an effective cost management during a declining interest rate environment. Consequently, loan spread improved from 5.50% to 5.69% (YoY) whereas the net interest margin also increased from 4.62% to 4.84%.

Table 2: Loan Spread

	2021 (%)	2020 (%)
Yield on Loans	6.83	7.08
Cost of Fund	1.15	1.58
Loan Spread	5.69	5.50
Net Interest Margin	4.84	4.62



2) Non-interest Income

Non-interest income totaled 6,376.10 million baht, grew by 9.8% (YoY) mainly caused by asset management fees which included basic fee deriving from new fund issuances, and fund performance fee that occurred in the fourth quarter. Non-interest income from core businesses totaled 5,901.42 million baht, increased by 2.0% (YoY). Asset management basic fee increased by 322.30 million baht (20.6% YoY) totaling 1,889.80 million baht driven by successful issuances of new funds that received good responses. Brokerage fee income increased by 63.76 million baht (8.1% YoY) to 848.56 million baht following higher market trading volume. Whereas, banking fee declined by 271.43 million baht (8.2% YoY) to 3,048.98 million baht due to a slowdown in bancassurance business that was affected by a slowdown in economic activities amid the lockdown, as well as a decrease in loan-related fee following the regulatory adjustments on the reduction of fee ceiling rate.

For other non-interest income, the Company recorded asset management performance fee amounting 502.73 million baht that mostly occurred during the fourth quarter, comparing with 56.95 million baht in the same period of 2020. Furthermore, in 2021, there was gain on financial instruments measured at fair value through profit or loss (FVTPL) amounting 403.83 million baht, compared to gain of 257.49 million baht in 2020, contributed by an increase in investment value.

Table 3: Non-Interest Income from Core Businesses

Type of Incomes Unit: Million baht	2021	2020	%YoY
Banking Fee	3,048.98	3,320.41	(8.2)
<i>Bancassurance Fee</i>	2,104.74	2,222.94	(5.3)
<i>Other Banking Fee</i>	944.23	1,097.47	(14.0)
Asset Management Basic Fee	1,889.80	1,567.50	20.6
Brokerage Fee	848.56	784.80	8.1
Investment Banking Fee	114.08	115.60	(1.3)
Non-Interest Income from Core Businesses	5,901.42	5,788.31	2.0
Gain (Loss) from Financial Instruments and Net Investments	410.11	269.86	52.0
Share Profit from subsidiaries	7.22	(1.72)	(520.4)
Dividend Income	69.61	58.90	18.2
Asset Management Performance Fee	502.73	56.95	782.8
Fee Expenses	(514.99)	(366.06)	40.7
Total Non-Interest Income	6,376.10	5,806.23	9.8

3) Operating Expenses

Operating expenses totaled 8,279.19 million baht, increased by 267.36 million baht (3.3% YoY), resulting from an increase in variable expenses associated with revenue and profit growth. The Company still maintained effective operating cost control with cost to income ratio at 44.0%.

4) Expected Credit Loss

Expected credit loss (ECL) totaled 2,063.98 million baht, declined (YoY) comparing with 3,330.60 million baht in 2020, and accounted for 1.0% of average loans. This was resulting from effective asset quality control in light of the pandemic improvement as well as the increased rate of domestic vaccination. Despite the ongoing risk of Omicron variant during the year end, the uncertainty level remained within the ECL estimation where the provision level comparing to the asset quality was still highly sufficient. Therefore, the Company reduced the ECL expense comparing to last year, and reflecting the improved credit quality of loan portfolio. With the sufficient level of provision, coverage ratio stood at 236.8%.

5) Corporate Income Tax

The corporate income tax for 2021 was 1,707.76 million baht, equivalent to the effective tax rate of 20.1%. The Company has complied with law and regulations as stipulated by Revenue Department.

Table 4: Summary of Revenue, Net Profit and Income Tax Expenses 2020 and 2021

2021 Unit: Million baht				2020 Unit: Million baht			
Total Staffs	Total Revenue	Net Profit	Corporate income tax expenses	Total Staffs	Total Revenue	Net Profit	Corporate income tax expenses
4,879	18,835.92	6,784.99	1,707.76	5,013	18,903.94	6,063.48	1,497.65

The Management Discussion and Analysis on operating results on financial status is a comparison between the financial positions as December 31, 2021 and December 31, 2020

1) Assets

As of December 31, 2021, the Company's total assets were 243,621.93 million baht, decreased by 11.6% (YoY). Loan portfolio declined to 202,949.67 million baht (9.7% YoY), interbank and money market decreased to 30,489.21 million baht (20.2% YoY), financial assets measured at fair value through profit or loss decreased to 2,081.05 million baht (4.2% YoY), and net investments dropped to 8,042.76 million baht (19.2% YoY).

Table 5: Assets Breakdown as of December 31, 2020 and 2021

Assets Unit: Million baht	As of Dec 31, 2021	As of Dec 31, 2020	%YoY
Cash	1,103.43	1,220.21	(9.6)
Interbank and money market items	30,489.21	38,212.03	(20.2)
Derivatives	-	62.09	(100.0)
Financial assets measured at fair value through Profit or Loss	2,081.05	2,173.02	(4.2)
Investments - net	8,042.76	9,953.26	(19.2)
Investments in subsidiaries and JV	809.63	804.92	0.6
<i>Loans</i>	202,949.67	224,811.55	(9.7)
<i>Accrued interest receivables</i>	1,712.50	1,901.98	(10.0)
<i>Allowance for expected credit loss</i>	(11,740.17)	(11,825.54)	(0.7)
Loans and accrued interest receivables – net	192,922.00	214,887.99	(10.2)
Other assets	8,173.86	8,129.70	0.5
Total assets	243,621.93	275,443.21	(11.6)

2) Liabilities

As of December 31, 2021, total liabilities were 202,421.55 million baht, decreased by 14.2% (YoY). Total deposits decreased to 166,578.85 million baht (18.1% YoY), whereas interbank and money market increased to 8,080.70 million baht (39.1% YoY), and debentures increased to 14,925.00 million baht (16.7% YoY).

Table 6: Liabilities Breakdown by Area as of December 31, 2020 and 2021

Liabilities Unit: Million baht	As of Dec 31, 2021	As of Dec 31, 2020	%YoY
Deposits	166,578.85	203,509.74	(18.1)
Interbank and money market items	8,080.70	5,807.65	39.1
Debentures	14,925.00	12,789.00	16.7
Others	12,837.01	13,874.74	(7.5)
Total liabilities	202,421.55	235,981.13	(14.2)

3) Shareholders' Equity

As of December 31, 2021, shareholders' equity was 41,200.38 million baht, increased by 1,738.30 million baht (4.4% YoY) from an increase in retained earnings of the year 2021. As a result, the book value per share (BVPS) as of December 31, 2021 was 51.46 baht per share.

4) Liquidity

As of December 31, 2021, The Company's cash was 1,103.42 million baht, increased by 9.6% (YoY). There was net cash flow received in operating activities total of 2,937.47 million baht mainly contributed by an increase of interbank and money market and short-term debts issued and borrowings while net cash flow received in investing activities totaled 2,245.68 million baht, primarily from the cash received from disposal of investment in securities held. Meanwhile, the net cash flows used in financing activities totaled 5,299.92 million baht, mainly driven by the dividend paid.

5) Sources and Uses of Funds

As of December 31, 2021, the funding structure as shown in the consolidated financial statement comprised of 202,418.24 million baht in liabilities and 41,197.26 million baht in shareholders' equity, resulting in a debt-to-equity ratio of 4.9 times. The major source of funds on liabilities side was deposits, which accounted for 68.4% of total source of funds. Other sources of funds included interbank and money market items accounted for 3.3% of total source of funds, 11.4% of debenture and other liabilities, and 16.9% of shareholders' equity, respectively. The Company's major use of funds was loans, amounting 202,949.67 million baht, resulting in a loan-to-deposit ratio¹ of 121.8%. The other uses of funds include interbank and money market items, and various securities.

6) Contingent liabilities

As of December 31, 2021, TISCO Bank, a subsidiary of The Company, had avals, guarantees, and commitments totaled 3,052.04 million baht, increased by 0.9%(YoY).

4.1.2 Business Segment Performances

1) Banking Business

Loans

Total loans and receivables as of December 31, 2021 were 202,949.67 million baht, declined by 9.7% (YoY) mainly due to the cautious lending policy amid rising risks from the intensified COVID-19 situation throughout the year 2021.

Retail Lending portfolio totaled 156,014.51 million baht, decreased by 10.8% (YoY). The total retail portfolio as of December 31, 2021 consisted of 72.0% car and motorcycle hire purchase loans, 20.3% loans against auto licenses and 7.7% housing loans. The outstanding hire purchase loans totaled 112,400.47 million baht, dropped by 11.6% (YoY) following a prudent loan underwriting policy amid economic slowdown caused by the spread of COVID-19 and rising risks. The domestic car sale for the year 2021 was 759,119 units, decreased by 4.2% (YoY), compared to 792,110 units in 2020. The car penetration rate of TISCO for the year 2021 declined to 4.5% (YoY) aligning with cautious lending policy.

Loans against auto licenses ("Auto Cash") totaled 31,674.29 million baht, contracted by 6.5% (YoY) following the cautious underwriting policy amid declining purchasing power and household income. Loans from "Somwang" channels amounted 17,922.50 million baht, declined by 0.7% (YoY), and accounted for 56.6% of total loans against auto licenses. At the end of 2021, "Somwang" loan offices totaled 356 branches nationwide.

Housing loans totaled 11,939.75 million baht, dropped by 13.9% (YoY) following highly competitive market condition and rising risk

Corporate Lending portfolio totaled 35,802.01 million baht, declined by 4.4% (YoY), mainly due to early loan repayment of one client in public utilities and services sector.

Commercial Loans portfolio totaled 8,474.30 million baht, declined by 15.6% (YoY) from a slowdown in car inventory financing business.

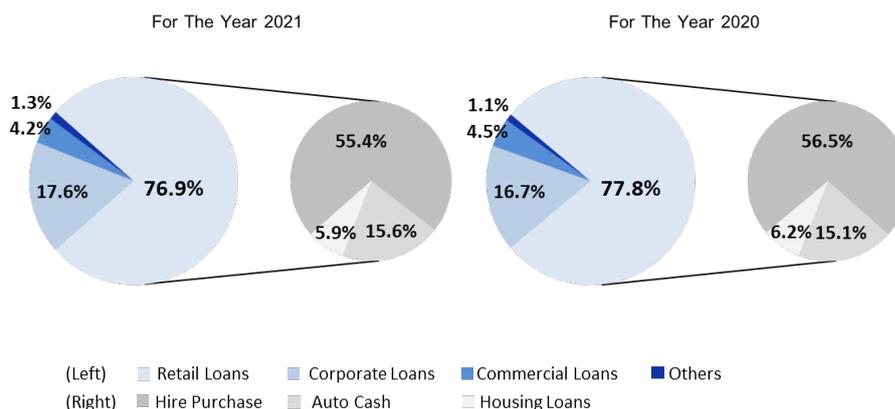
Other Loans portfolio totaled 2,658.85 million baht, increased by 7.6% (YoY).

Table 7: Loans and Receivables Breakdown

Loans Unit: Million baht	As of Dec 31, 2021	As of Dec 31, 2020	%YoY
Hire purchase	112,400.47	127,110.32	(11.6)
Loans against auto licenses	31,674.29	33,889.01	(6.5)
Housing loans	11,939.75	13,871.64	(13.9)
Retail loans	156,014.51	174,870.98	(10.8)
Corporate loans	35,802.01	37,433.59	(4.4)
Commercial loans	8,474.30	10,035.11	(15.6)
Others	2,658.85	2,471.87	7.6
Total loans	202,949.67	224,811.55	(9.7)

¹ Deposit includes short-term borrowings from the Bank's regular client base

Loan Breakdown



COVID-19 Debt Relief Programs according to the BOT guideline, TISCO Group continued to provide the assistance programs for all affected customers throughout the year, mainly focusing on long-term debt restructuring for retail clients to support sustainable recovery. At the end of 2021, the outstanding loans under the assistance programs accounted for 7.8% of total loans, and the outstanding retail loans under the program was 4.2% of total loans. In terms of liquidity support for SMEs clients through Soft Loans scheme, the outstanding soft loans totaled approximately 2,900 million baht. Furthermore, “Car Debt Haircut” program, which is a special program that was launched to help clients who were severely affected by COVID-19 and can no longer service their debts, was opened for applications for 2 phases. As of December 31, 2021, total approved loans in this program were approximately 3,800 accounts.

Asset Quality and Expected Credit Loss

At the end of 2021, the Company reported NPLs amounting 4,957.31 million baht, decreased by 661.18 million baht (11.8% YoY), and accounted for NPL ratio of 2.4% of total loans, declined from 2.5% at the end of the previous year. The asset quality was improved thanks to effective credit quality control, together with long-term assistance programs that enabled restructured clients of hire purchase and Auto Cash loans to resume debt serviceability after the outbreak unraveled. Despite the resurgence of new variant at the end of the year, NPLs of the group remained better than anticipated. Throughout the year, the Company maintained the stringent loan classification to be in accordance with TFRS 9.

Table 8: Loan Classification

Loan Classification Unit: Million baht	As of Dec 31, 2021	As of Dec 31, 2020	%YoY
Stage 1 loans (Performing)	175,837.30	189,675.65	(7.3)
Stage 2 loans (Under-performing)	22,155.06	29,517.41	(24.9)
Non-performing loans (NPLs)	4,957.31	5,618.48	(11.8)
Total loans	202,949.67	224,811.55	(9.7)

Table 9: NPLs Breakdown by Area

NPLs Unit: Million baht, %	As of Dec 31 2021		As of Dec 31, 2020	
	Million baht	%	Million baht	%
Hire purchase	2,681.63	2.39	3,267.99	2.57
Loans against auto licenses	1,173.22	3.70	1,295.44	3.82
Housing loans	1,015.48	8.51	986.35	7.11
NPLs - Retail loans	4,870.34	3.12	5,549.77	3.17
NPLs - Corporate loans	19.04	0.05	-	-
NPLs - Commercial loans	65.71	0.78	64.03	0.64
Others	2.22	0.08	4.68	0.19
Total NPLs	4,957.31	2.44	5,618.48	2.50

At the end of 2021, total allowance for expected credit loss of the Company was 11,740.17 million baht, and excess reserve was fully amortized for 2 years in accordance with the Bank of Thailand's guideline. Loan loss coverage ratio further increased to 236.8%.

Deposits and Borrowings

Total deposits and borrowings amounted 181,503.85 million baht, decreased by 16.6% (YoY). Total deposits reported at 166,578.85 million baht, decreased by 36,930.90 million baht (18.1% YoY) aligning with the contraction of loan portfolio, while debentures totaled 14,925.00 million baht, increased by 2,136.00 million baht (16.7% YoY). As of December 2021, the Bank had high-quality liquid assets according to the Liquidity Coverage Ratio (LCR) of 37,128 million baht, decreased by 20.9% (YoY). Thus, the high-quality liquid assets were accounted for 20.5% of total deposits and borrowings, and LCR ratio was at 168.4%.

Table 10: Deposits Structure

Deposits Unit: Million baht	As of	As of	%YoY
	Dec 31, 2021	Dec 31, 2020	
Current accounts	2,162.08	3,199.91	(32.4)
Saving accounts	46,931.70	50,319.59	(6.7)
Fixed accounts	34,891.07	43,882.32	(20.5)
Negotiate certificate deposits	82,557.06	106,071.01	(22.2)
Short-term borrowings	36.92	36.92	0.0
Total deposits	166,578.85	203,509.74	(18.1)

2) Securities Business

In 2021, brokerage fee income of TISCO Securities increased by 8.1% (YoY) to 848.56 million baht (YoY) following higher market trading volume. Average daily turnover of TISCO Securities increased from 1,768.61 million baht in 2020 to 2,073.13 million baht. Nonetheless, TISCO Securities' overall market share declined to 1.3% from a decline in the market share of retail investors from 1.5% to 1.4% (YoY). On the other hand, the market share of local institutions (excluding proprietary trading) increased from 6.7% to 6.9% (YoY), and the market share of foreign institutions increased from 0.03% to 0.2% (YoY). TISCO brokerage volume comprised of 41.1% of local institutions, 6.8% of foreign institutions, and 52.1% of retail investors.

3) Asset Management Business

As of December 31, 2021, assets under management of TISCO Asset Management reported at 360,876.82 million baht, grew by 13.3% (YoY) from all business areas, particularly mutual fund business following the issuances of new funds that received good responses from investors. Consequently, basic fee income grew by 20.6% (YoY),

totaling 1,889.80 million baht. Additionally, TISCO Asset Management recorded fund performance fee amounting 502.73 million baht mostly happened in the fourth quarter.

The composition of total asset under management was 62.9% provident fund, 18.5% private fund, and 18.6% mutual fund. Total market share of TISCO Asset Management as of December 31, 2021 was 4.1%, ranking 8th in the market. The market share of provident fund was 17.0%, ranking 1st in the market. The market share of private fund was 3.3%, ranking 5th in the market and the market share of mutual fund was 1.3%, ranking 13th in the market.

Table 11: Assets under Management Breakdown by Type of Fund as of December 31, 2020 and 2021

Funds Unit: Million baht	As of Dec 31, 2021	As of Dec 31, 2020	%YoY
Provident fund	227,117.13	205,993.72	10.3
Private fund	66,740.15	59,240.02	12.7
Mutual fund	67,019.55	53,333.79	25.7
Total AUMs	360,876.82	318,567.53	13.3

4.1.3 Capital Requirements

As of December 31, 2021, TISCO Group's internal capital (ICAAP) stood at 37,851.67 million baht comprising of Tier-I capital and available reserve adjustment. The integrated risk capital declined by 1,241.72 million baht from the end of 2020 to 11,778.56 million baht mainly resulting from a decrease in credit risk capital. In addition, the capital surplus remained strong at 26,073.11 million baht or 68.9% of total capital.

Comparing to the end of 2020, the credit risk capital decreased by 1,386.17 million baht, or 13.6%, to 8,802.61 million baht mostly resulting from a decrease in loan base. Loan portfolio contracted by 9.7% (YoY) mostly in retail portfolio, while non-performing loans of TISCO Group decreased from 2.5% to 2.4% (YoY) mainly due to an effective asset quality control.

The market risk capital increased from 73.09 million baht to 350.81 million baht as a result of an increase in exposures of investment portfolio, as well as higher volatility in both domestic and offshore markets during the period. Meanwhile, the overall duration gap decreased from 0.70 year to 0.58 year, which remained in a manageable level. The assets duration fell from 1.27 year to 1.22 year, while the liabilities duration excluding saving and current accounts, which was less sensitive to the interest rate movement, increased from 0.57 year to 0.64 year.

Table 12: Average Duration Mismatch of Assets and Liabilities and Its Impact

	Duration Unit: Years		1-Y Net interest income change to 1% interest rate increase Unit: Million baht	
	Dec 31, 2021	Dec 31, 2020	Dec 31, 2021	Dec 31, 2020
Assets	1.22	1.27	1,109.43	1,218.16
Liabilities ¹	0.64	0.57	(844.59)	(1,095.93)
Net gap	0.58	0.70	264.84	122.23

Note: ¹ Exclude saving and current account

In terms of regulatory capital requirement of the Bank, TISCO Group, and Securities Company, the positions were strong and in sufficient levels to cushion for the expansion of assets in the future. At the end of December 2021, the regulatory capital based on IRB approach of the Bank was 39,213.44 million baht, while the capital adequacy ratio (BIS ratio) stood at 25.2%, higher than 11.0% required by the Bank of Thailand. The Tier-I and Tier-II ratios of the Bank stood at 20.2% and 5.0%, respectively, in which Tier-I ratio also remained higher than the minimum requirement at 8.5%. For TISCO Group, the regulatory capital based on IRB approach was 40,480.72 million baht, with BIS ratio, Tier-I and Tier-II ratios at 23.2%, 18.6% and 4.6%, respectively, which also remained higher than the minimum capital requirement. Meanwhile, the net capital rule (NCR) of TISCO Securities Co., Ltd. stood at 33.14%, which was higher than the minimum required ratio by the SEC of 7.0%.

Table 13: Regulatory Capital Requirement

Capital Adequacy Unit: %	As of Dec 31, 2021	As of Dec 31, 2020
TISCO Financial Group		
Tier-I	18.6	17.5
Tier-II	4.6	4.4
BIS Ratio	23.2	21.9
TISCO Bank		
Tier-I	20.2	18.1
Tier-II	5.0	4.7
BIS Ratio	25.2	22.8

4.1.4 Credit Rating

The Company got credit rating 'A-' and rating outlook "Stable" as at April 21, 2021 from TRIS Rating Co., Ltd. The ratings reflect the Company's strong asset quality, capital base, profitability. The detail of credit ratings is shown as follows;

	Unsolicited Rating
TRIS Rating	
Company Rating	A-
Rating Outlook	Stable

4.2 Forward Looking

The macro factors that stand to impact the Company's operating performance can be broken down into economic health, market interest rate trends, and loan and financial service demand. Details on these follow below:

First, the Company believes the domestic economy has already bottomed out and will recover at a slow, uneven pace across business sectors - the so-called "K-shaped recovery" - amidst various uncertainties and volatilities. COVID-19 infections, health of the global economy, and fragility in the domestic environment are heightening risk to the economy. Nonetheless, the COVID-19 situation appears to be improving, supported by higher vaccination rates. Indeed, the country's mass vaccination programs should eventually bring infections under control, in turn catalyzing private consumption and investment recovery – Thailand's key economic drivers. We flag high household debt as a key factor pressuring purchasing power and increasing the fragility of financial positions. But accommodative fiscal and monetary policies should continue to support private spending.

On market interest rates, the Company anticipates the Bank of Thailand retaining an accommodative monetary policy to shore up economic conditions alongside government stimulus measures aimed at bolstering the fragile economic recovery. However, inflationary pressure has intensified, as seen in higher food and energy prices, and is being exacerbated by efforts to raise interest rates in developed economies. These factors cast a shadow over the outlook for monetary policy.

The Company expects the credit business to improve in line with Thailand's economic conditions. Domestic car sales, key to the Company's hire-purchase business, are expected to show a modest rise from the previous year, driven by launch of new models and attractive promotional campaigns. Meanwhile, the auto cash business is expected to exhibit steady growth thanks to rise in loan demand. Moderate growth is likely for corporate loans as borrowers seek investment opportunities in the energy and property sectors. For the wealth management business, the Company also expects moderate growth, driven by search for yield amid the low interest rate environment and Thailand's aging society. These factors increase interest in long-term financial planning, including life and health insurance. In addition, the development of services via digital channels, including lending, capital markets, and transactional banking, will continue as the Company seeks to stay abreast of changes in consumer behavior.

Looking ahead, the domestic economy should gradually recover along with the global economy. But with plenty of uncertainty still surrounding the outlook, the Company will focus on cautious growth in business segments that provide decent return for modest risk, while at the same time providing assistance to COVID-19 impacted clients, in accordance with the BOT's guidance. The Company will continue to adhere to good corporate governance and disciplined risk management while developing a digital platform to drive existing businesses. The goal is to deploy technology and innovation that improve services and cater to shifts in customer needs in order to ensure business continuity and resiliency over the long run.

4.3 Important Financial Ratios

Important Financial Ratios		2021	2020	2019
Profitability Ratio				
Gross Profit Margin	(%)	86.4	81.9	77.8
Net Profit Margin	(%)	36.0	32.1	37.4
Return on Average Shareholders' Equity	(%)	16.8	15.4	18.9
Interest Income Ratio	(%)	5.7	5.8	5.9
Interest Expense Ratio	(%)	1.1	1.6	2.0
Interest Spread	(%)	4.5	4.3	3.9
Return on Investment	(%)	5.5	4.3	2.3
Efficiency Ratio				
Net Interest Income to Total Assets	(%)	4.8	4.6	4.3
Return on Average Assets	(%)	2.6	2.1	2.4
Total Asset Turnover	(times)	7.3	6.6	6.5
Financial Ratio				
Debt to Equity Ratio	(times)	4.9	6.0	6.6
Total Loans to Total Borrowing and Deposits	(%)	111.8	103.9	100.7
Total Loans to Public Borrowing	(%)	121.9	110.5	112.4
Public Borrowing to Total Liabilities	(%)	82.3	86.2	83.4
Dividend Payout Ratio	(%)	N..A.	83.2	85.4
Asset Quality Ratio				
Allowance for Doubtful Account to Total Loans and accrued interest receivable	(%)	5.8	5.3	4.4
Bad Debt and Doubtful Account to Total Loans and accrued interest receivable	(%)	1.7	1.7	1.6
Non-accrued loans ¹ to Total Loans	(%)	N..A.	N..A.	2.8
Allowance for Doubtful Account to Non-performing loans	(%)	236.8	210.5	183.7
Accrued Interest Receivable to Total Loans	(%)	0.8	0.8	0.5
Other Ratios				
Capital Funds to Risk Weighted Asset (BIS) ²	(%)	25.21	22.78	22.10
Net Capital Rule (TISCO Securities)	(%)	33.1	43.5	67.2

¹ According to the Bank of Thailand's definition

² BIS Ratio of TISCO Bank Plc.

5. General and Other Important Information

5.1 General Information of Referenced Entities

Share Registrar	:	Thailand Securities Depository Co., Ltd. 93 Rachadapisek Road, Dindaeng, Dindaeng, Bangkok 10400 Tel. (66) 2009 9000 Fax (66) 2009 9991 SET Contact Center: (66) 2009 9999 Email: SETContactCenter@set.or.th Website : www.set.or.th/tsd
Auditor	:	Ms. Somjai Khunapasut CPA License No. 4499 EY Office Limited 33rd Fl., Lake Rajada Office Complex, 193/136-137 Rajadapisek Road, Bangkok 10110 Tel. (66) 2264 0777 Fax. (66) 2264 0789-90
Legal Advisor	:	Not appointed

5.2 Other Important Information

- None -

5.3 Legal Disputes

As of December 31, 2021, the Company and its subsidiaries had 35 unresolved cases from its regular business operations, all of which are related to either the banking business (TISCO Bank Plc.) or the asset management business (TISCO Asset Management Co., Ltd.). The cases involve an estimated total of 175.58 million baht, which represents less than 5% of shareholder equity. Potential for adverse or significant impact on the business operations of the Bank and the Group companies cannot be expressed in specific numbers. Additional details on the legal disputes are presented in the Notes to Financial Statements, item 3.36.2 Litigation. Management of TISCO Group believes that neither the Company nor its subsidiaries will suffer material loss as a result of the aforementioned lawsuits. In addition, there are no claims against the Company by the directors, management or any related persons of the Company or its subsidiaries.

Part 2 Corporate Governance

6. Corporate Governance Policy

TISCO Group is committed to providing customers with competitive and innovative financial solutions. Our commitment to the highest ethical standards and sound corporate governance stems from our conviction that a truly successful business is one that behaves ethically and responsibly in the communities in which it operates. This can only be accomplished by fully protecting the rights and interests of all stakeholders, including shareholders, employees, customers, business partners, creditors, competitors, society, and the environment, through maximum accountability, transparency, equitable treatment, adequate disclosure, and customer data protection. This commitment is made on behalf of TISCO and its subsidiaries, directors, management, and employees.

Along with adhering to the Securities and Exchange Commission's 2017 Corporate Governance Code for publicly traded companies, TISCO Group reviews its Corporate Governance Policy annually to ensure that it reflects the Group's business and social sustainability objectives, including maximization of shareholder value and benefits for all stakeholders, and to establish a framework for directors, management, and TISCO Group employees to follow in accordance with applicable law. The Corporate Governance Committee reviews and recommends changes to the Policy to the Board of Directors for approval.

TISCO's Corporate Governance Policy encompasses the organization's composition, roles, and responsibilities as reflected in the Corporate Governance Structure, Corporate Governance Practices, Governance Structure, Corporate Compliance Roles and Responsibilities, and Centralized Policies. The Company and its subsidiaries, including directors, management, and employees, are expected to adhere strictly to the Group's Corporate Governance Policy and the following corporate governance principles: Shareholder Rights, Equitable Treatment of Shareholders, Stakeholder Roles, Disclosure and Transparency, Board Responsibilities, and Integrity and Ethics. This compliance is necessary to ensure that the TISCO Group's subsidiaries carry out their responsibilities with the utmost accountability, transparency, and equity toward all stakeholders, thereby promoting managerial integrity, effectiveness, and efficiency throughout the Group. (Corporate Governance Policy details are available at www.tisco.co.th).

TISCO adheres to both domestic and international regulations, as evidenced by the ASEAN Corporate Governance Scorecard 2019. TISCO is one of 42 ASEAN Asset Class PLCs with a minimum 97.50 score in the ASEAN Capital Markets Forum's (ACMF) and Asian Development Bank's (ADB) assessment, which is comprised of each ASEAN country's capital market authority. For the 13th consecutive year since 2007, TISCO received an Excellent Corporate Governance Report from the Thai Institute of Directors (IOD) in 2020. Given that 692 publicly traded companies were assessed for corporate governance, one can be certain that TISCO followed a sound corporate governance policy. Additionally, TISCO as a publicly traded company passed the 2020 Annual General Meeting Checklist with a perfect score of 100 for the sixth consecutive year. The Thai Investor Association conducted the evaluation, which included 712 companies, in collaboration with the Securities and Exchange Commission and the Thai Listed Companies Association. TISCO was recognized for its corporate governance efforts in the areas of sustainable development, environmental stewardship, social responsibility, and good governance. These objectives demonstrate the Company's commitment to developing financial products and services that are beneficial to shareholders and demonstrate good corporate governance by benefiting society and the environment. For more than 50 years, these have been critical components of the organization's sustainable development. The Company presented the assessment results to the Corporate Governance Committee, which then reported them to the Board of Directors for review and improvement of the TISCO Group's corporate governance.

TISCO Group has a policy that encourages all employees to understand the critical nature of adhering to the Company's excellent Corporate Governance Policy by planning events that encourage oversight on a continuous

basis. This is to guarantee that all directors, executives, and employees are familiar with and comprehend the rules, regulations, and codes of conducts that govern their organizations and capable of carrying their responsibilities effectively and responsibly.

In 2021, TISCO Group conducted an assessment of its Corporate Governance Policy compliance and has reviewed such policy and recommended to the Board of Directors. To ensure compliance with statutory requirements and best practices, organized actions to promote corporate governance were implemented, such as lectures to educate directors, executives, and all employees about the good corporate governance principles, the employee Code of Conduct, Policy for the prevention of exploitation of duties, risk management and fraud prevention, internal control and observance of applicable laws and regulations.

6.1 Overview of Corporate Governance Policies and Guidelines

6.1.1 Policies and Guidelines regarding the Board of Directors

The Company has established important policies and guidelines regarding the Board of Directors in order to ensure transparency and fairness in the Company's business operations. These policies and guidelines address the nomination and compensation for directors and executives, independence of the Board of Directors from the management, professional development for directors, performance assessment of the Board of Directors and supervision of subsidiary companies.

6.1.2 Policies and Guidelines regarding Shareholders and Stakeholders

Rights and Equitable Treatment of Shareholders

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

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

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

Interest of Stakeholders

To ensure that operations are sustained and stakeholder expectations are met, TISCO continues to develop processes for listening to stakeholder opinions and concerns, building mutual understanding, encouraging co-operation in matters that are of interest to stakeholders, and taking part in positive societal and environmental development. TISCO treats all stakeholders fairly and responsibly in accordance with TISCO Sustainability Development Policy, Responsible Lending Policy, and their legal rights, either established by law or through mutual agreements. These stakeholders include TISCO's shareholders, employees, customers, business partners and creditors, competitors, and society at large.

6.2 Business Ethics

The Board of Directors has promoted the establishment of a Statement of Business Conduct and a Code of Conduct in compliance with the Company's Vision and Core Values, which designated the basic principles concerning the execution of duties and compliance with professional standards by directors and employees. They perform their duties with integrity, in compliance with the law and the Company's rules and regulations, based on a business approach that is transparent, honest, and fair, for the development of the organization towards attaining international standards. Details of the Statement of Business Conduct and the Code of Conduct can be found on the Company's website, www.tisco.co.th, under the "Corporate Governance" section.

The Company has identified important regulations and practical guidelines that are in accordance with the Code of Conduct, which are detailed and disseminated to employees, and encouraged companies within TISCO FINANCIAL GROUP to establish operational procedures in accordance with the nature of their businesses and requirements of governing authorities.

In addition, practices and actions that are in line with the Code of Conduct have been communicated to directors, executives, and employees. The Bank has also conducted an assessment on understanding of the Code of Conduct with executives and employees and monitored compliance with the Code of Conduct on a regular basis.

6.3 Significant Changes and Developments in Corporate Governance Policies, Guidelines and Systems in 2021

6.3.1 Significant Changes and Developments

In 2021, the Company evaluated its Corporate Governance Policy, Guidelines, and Systems for increased efficiency and an upgrading to corporate governance standards consistent with the Office of the Securities and Exchange Commission's 2017 Corporate Governance Code for Listed Companies. The following significant steps were taken:

- The Board of Directors Meeting No. 1/2021 on February 24, 2021 approved the revision of the Corporate Governance Policy to be comply with the business, transparent in operation, and consistent with the official guidelines.
- The Nomination and Compensation Committee assigned an external consultant to set guidelines and provide recommendations for Group Chief Executive and Senior Management, including making recommendations for development or improvement to conform to worldwide standards.
- Modernize corporate values to be more memorable and easier to understand
- TISCO conducts an annual mandatory Compliance and Human Resource Policy Test via the TISCO Intranet. The exam results are analyzed in order to increase employee awareness of their duties and responsibilities in accordance with sound corporate governance principles. Employees taking the test will be able to immediately benefit from the answers supplied to all questions. The Company created and changed the test in response to changes in applicable laws and regulations. All employees are obliged to pass the test as one of the mandatory Key Performance Indicators. All new employees employed throughout the year must pass the test in addition to attending orientation. The test findings will be included in their evaluation. To guarantee that all management and staff understand and effectively carry out their responsibilities in accordance with applicable rules and business ethics codes, as well as to promote sustainable business operations.

6.3.2 Application of the Principles, in Corporate Governance Code for Listed Companies 2017 of the Office of the Securities and Exchange Commission

The Company reviewed the application of the principles, in Corporate Governance Code for Listed Companies 2017 of the Office of the Securities and Exchange Commission at least once a year through the Corporate Governance Committee. At the Board of Directors at Meeting No.7/2021 on December 20, 2021 has considered the application of

the principles, i.e., Corporate Governance Code for Listed Companies 2017 of the Office of the Securities and Exchange Commission, the Banking Industry Code of Conduct set by the Thai Banker's Association and Corporate Governance for Financial Institution prescribed by the Bank of Thailand, then, recorded them as a board resolution.

6.3.2 Compliance with Other Good Corporate Governance Principles

The Company recognize the important of and and adheres to the good corporate governance principles including international standards with transparency and appropriate of TISCO's business operation. In 2021, in comparison with the Corporate Governance Code for listed Companies as prescribed by the Office of Securities and Exchange Commission and the Thai Institute of Directors Association, there remained some issues in which TISCO Group has divergent practices from the above guidelines:

- The board of directors should comprise at least 5 but no more than 12 directors, appropriate size, nature, and complexity of business. As of December 31, 2021, the Company's Board of Directors was composed of 13 members – a number suitable for the nature, expansion, and complexity of business and to accommodate independent directors who have served for more than nine years and whose terms terminate in 2022, the Company required directors with experience, knowledge, and a breadth of skills to assist the Board of Directors in carrying out its responsibilities efficiently.
- The company should appoint an external consultant to set guidelines and provide recommendations for a board assessment at least once every three years. This information should be disclosed in the Annual Report. In 2021, the Nomination and Compensation Committee assigned an external consultant to set guidelines and provide recommendations for Group Chief Executive and Senior Management, excluding the directors. The Board of Directors agreed with the Corporate Governance Committee that the current assessment is appropriate. However, an external advisor could still be used in the future.

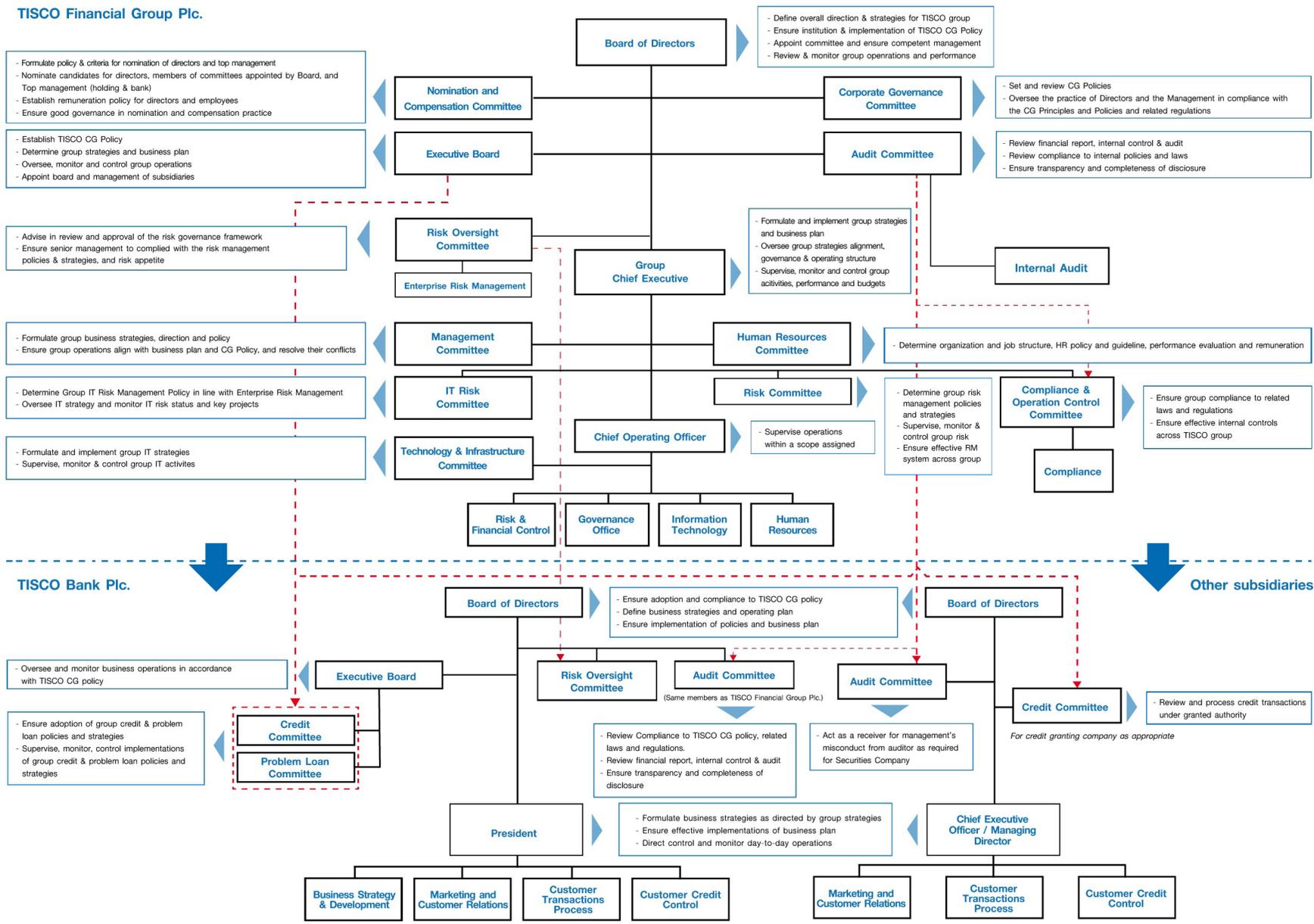
7. Corporate Governance Structure and Important Information Concerning the Board of Directors, Board Committees, Executives, Employees and Others

7.1 Corporate Governance Structure

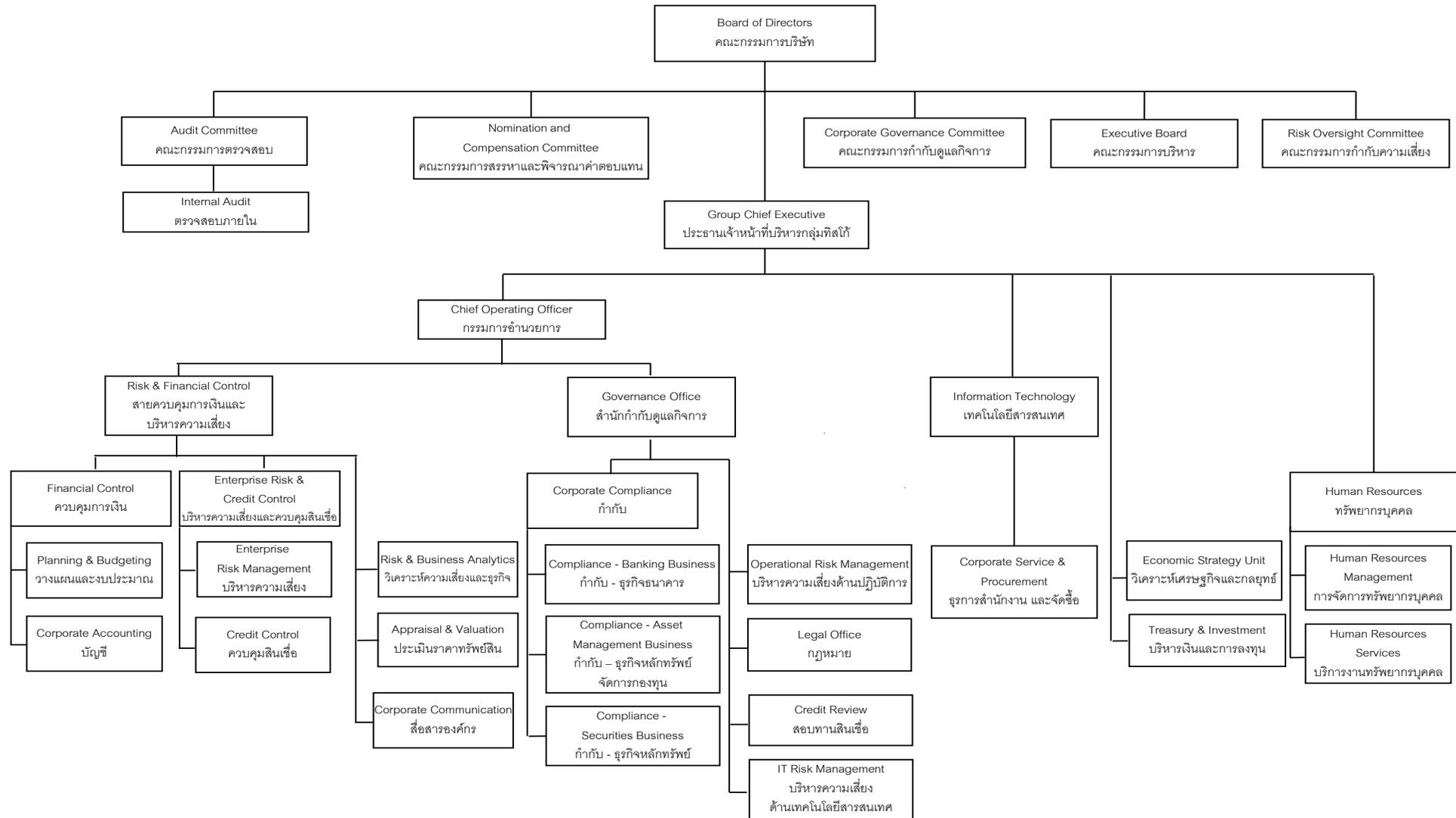
TISCO Financial Group Public Company Limited, the parent company of TISCO Group, oversees, and monitors business operations of all subsidiary companies to ensure that all companies in TISCO Group operate under the same standard to maximize shareholders' benefit. The corporate governance, risk management,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

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

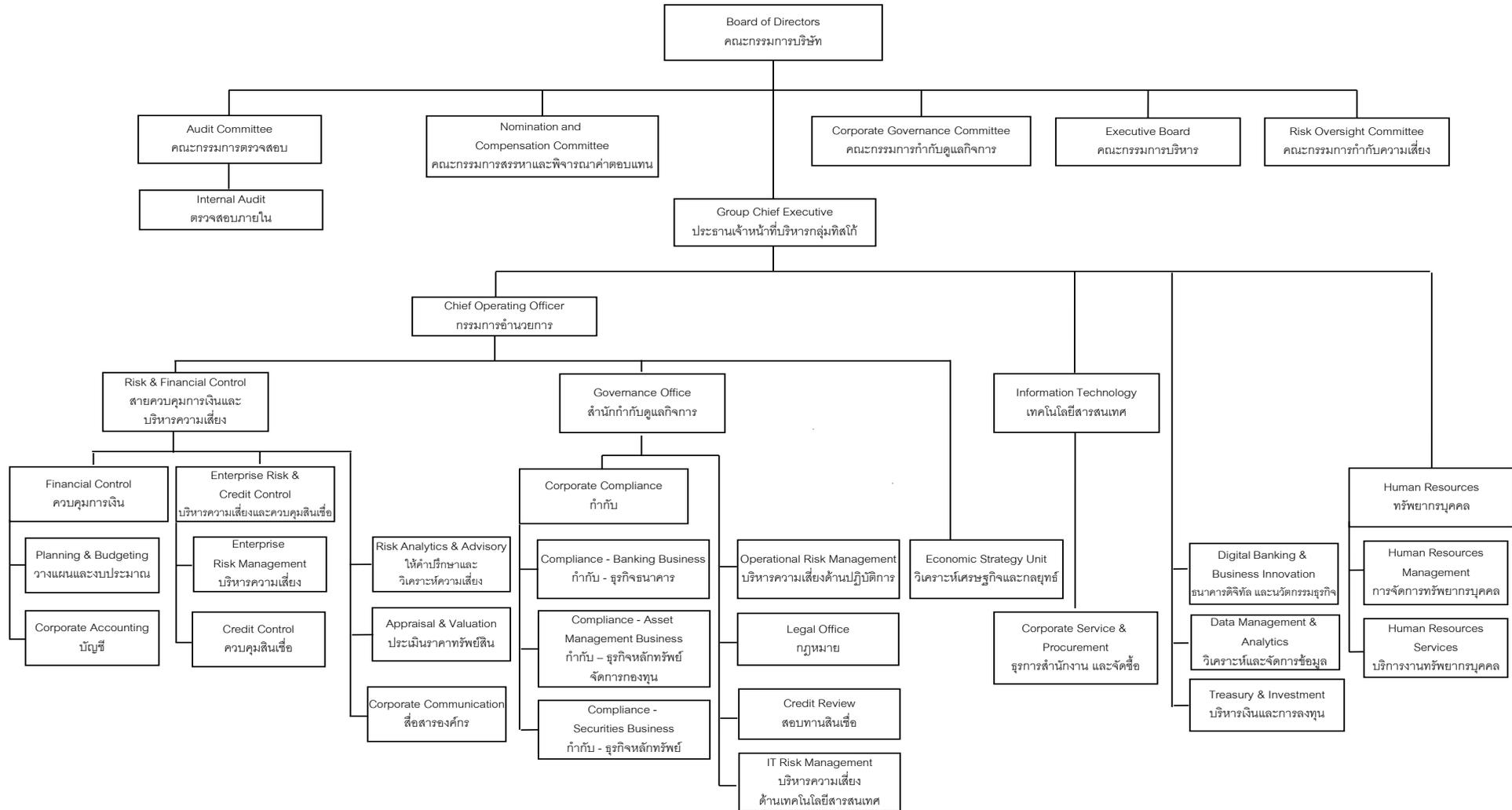
Governance Structure



Management Structure of TISCO Financial Group Public Company Limited as of December 31, 2021



Management Structure of TISCO Financial Group Public Company Limited as of January 1, 2022



7.2 Details of the Board of Directors

7.2.1 Composition of the Board of Directors

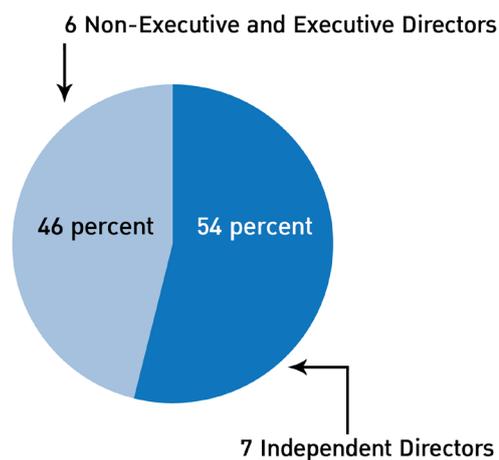
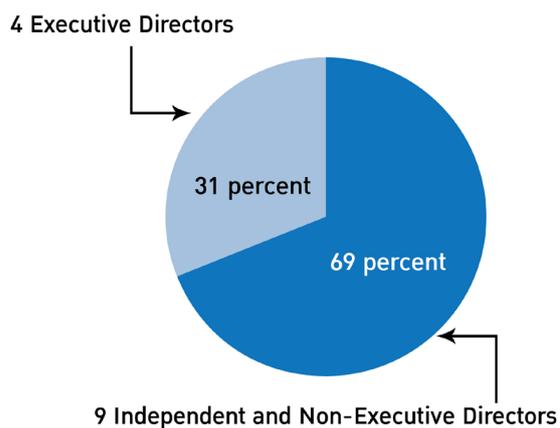
The Board of Directors was comprised of Directors with diverse backgrounds and experiences who possessed an acceptable level of knowledge in banking and finance, accounting, economics, strategy, law, and information technology. The Board of Directors consists of 13 members as of December 31, 2021; this number is appropriate for the Company's business operations. The Board of Directors was elected in accordance with shareholder resolutions, applicable laws and regulations, and the Company's Articles of Association. The composition complies with the Bank of Thailand's notifications, the Capital Market Supervisory Board's regulations, and the Securities and Exchange Commission's laws, as well as the variety of profession, skill, age, gender, experience, and any other relevant criteria. The following directors served on the Board of Directors as of December 31, 2021:



10 Male Members, accounting for 77 percent of all Board members



3 Female Members, accounting for 23 percent of all Board members



7.2.2 Details of Directors and Controlling Persons

Board of Directors

As of December 31, 2021, the Board of Directors comprised the following 13 directors:

Name	Position	Type of Director
1. Mr. Pliu Mangkornkanok	Chairman	Independent Director
2. Mr. BaDung Le ¹	Vice Chairman / Member of the Nomination and Compensation Committee	Non-Executive Director
3. Mr. Suthas Ruangmanamongkol	Chairman of the Executive Board	Executive Director
4. Assoc. Prof. Dr. Angkarat Priebjriwat	Chairperson of the Risk Oversight Committee / Member of the Audit Committee	Independent Director
5. Prof. Dr. Pranee Tinakorn	Chairperson of the Nomination and Compensation Committee	Independent Director
6. Prof. em. Dr. Teerana Bhongmakapat	Chairman of the Corporate Governance Committee	Non-Executive Director
7. Mr. Sathit Aungmanee	Member of the Audit Committee / Member of the Nomination and Compensation Committee	Independent Director
8. Dr. Charatpong Chotigavanich	Member of the Risk Oversight Committee Member / Member of the Corporate Governance Committee	Independent Director
9. Dr. Kulpatra Sirodom	Chairperson of the Audit Committee / Member of Corporate Governance Committee	Independent Director
10. Mr. Kanich Punyashthiti	Member of the Nomination and Compensation Committee	Independent Director
11. Mr. Chi-Hao Sun (Howard Sun)	Member of the Executive Board	Executive Director
12. Mr. Satoshi Yoshitake	Member of the Executive Board	Executive Director
13. Mr. Sakchai Peechapat	Member of the Executive Board / Member of the Risk Oversight Committee / Group Chief Executive	Executive Director

Remark ¹ Mr. BaDung Le was appointed as Non-Executive Director in replacement of Mr. Hon Kit Shing (Alexander H. Shing). He was also appointed as Vice Chairman and Member of the Nomination and Compensation Committee, effective December 1 and 20, 2021, respectively.

The authorized directors with signatory authority on behalf of the Company are Mr. Suthas Ruangmanamongkol, or Mr. Chi-Hao Sun, or Mr. Satoshi Yoshitake, or Mr. Sakchai Peechapat: two out of these four directors jointly sign with the Company's seal affixed.

7.2.3 Roles and Duties of the Board of Directors

The Board of Directors is accountable to the Company's shareholders. Each director represents all shareholders and takes part in supervisory and regulatory functions in the Company's operations, in an independent and impartial manner, for the benefit of all shareholders and other stakeholders. The Board has duties and responsibilities designated in the Board of Directors Charter as follows:

Authority and Responsibilities of the Board of Directors

1. Approve TISCO Corporate Governance Policy as well as oversee TISCO Group Governance and corporate governance disclosure.
2. Approve TISCO Company Statement: Vision and Mission.
3. Approval and monitoring of Group's business model, corporate strategies, business plan, financial budgets, and policies.
4. Approval of M&A, investment, divestment and disposal transaction involving high risk or materially impact TISCO in line with risk management policies, strategies and appetite.
5. Oversee TISCO fair market conduct according to the Bank of Thailand Notification on Market Conduct Guidelines, which cover all service operation processes.
6. Ensure and monitor the effectiveness of whistle-blowing policy and internal control system.
7. Realize the problem of corruption, oversee the measure of anti-bribery and ensure that TISCO has a framework of internal control which is suitable for anti-bribery
8. Approval of the Risk Governance Framework and oversee the cultivation of risk awareness culture and remuneration structure promoting risk awareness.
9. Approval of the appointment, relocation and dismissal of head of risk management functions namely Enterprise Risk Management, Operational Risk Management, and IT Risk Management, as advised by the Risk Oversight Committee.
10. Select and appoint a Chairman and Vice Chairman of the Board from the candidates of the Board as proposed by the Nomination and Compensation Committee.
11. Oversee the annual evaluation of the Board's performance as a whole and on individual director level in the forms of self-assessment and cross-evaluation or third party evaluation (if necessary).
12. Select, appoint, and evaluate Group CEO from the candidates as well as a succession plan as proposed by the Nomination and Compensation Committee.
13. Work in partnership with the Group CEO and senior management in defining overall direction and strategies of TISCO Group concerning sustainable business and ensuring coherent implementation of those strategies through the institution of a Corporate Governance Policy to produce long-term value for shareholders.
14. Together with the Group CEO and senior management, set example at the top that establishes a culture of legal compliance and integrity.
15. Appoint Board Committees, namely, TISCO Audit Committee, TISCO Nomination and Compensation Committee, TISCO Corporate Governance Committee, TISCO Risk Oversight Committee, and TISCO Executive Board as proposed by TISCO NCC, to carry out the tasks assigned by the Board.
16. Appoint a Corporate Secretary to take care of the Board's and directors' activities and administer critical corporate matters in full compliance with all relevant laws and related regulations. The Corporate Secretary's responsibilities also include monitoring compliance to the Board's resolutions and handling the Board and Shareholders' Meetings on matters concerning notices, minutes and other duties as required by related laws and regulations.

The following activities require approval of the Board of Directors

1. Vision, Mission, Brand and Corporate Value, including TISCO Group's Policy
2. TISCO's business model, corporate strategies, business plan, and Corporate Budget & Major Expenditure includes Head Count and Resource of TISCO
3. Merger & Acquisition, investment, divestment and disposal transaction involving high risk or materially impact TISCO
4. Appointment of Board of Directors and Subcommittees as well as delegation of authority
5. Nomination and appointment names of qualified candidates for Group Chief Executive

Authority and Responsibilities of Chairman of the Board

1. Provide leadership to the board and be responsible for the board's effectiveness of overall functioning, including maintaining a relationship of trust with board members. The Chairman will ensure that the Board and its committees work in conformity to the highest standards of corporate governance.

2. With supporting from Group CEO and Company Secretary, set agenda which are primarily focused on strategy, performance, value creation and accountability, and ensure that issues relevant to those areas are considered by the Board. The Chairman is accountable to the Board that directors will perform their duty with accountability and due care, and in compliance with the related laws and regulations, and in the best interest of TISCO.

3. Communicate relevant Board decisions within TISCO where deems appropriate. The Chairman shall also ensure effective communication with shareholders, government agencies and other relevant stakeholders and that the views of these groups are understood by the Board.

4. Ensure that the Board members receive adequate, accurate, timely and relevant information, particularly about TISCO's performance; the Board's decisions are made on a sound and well-informed basis; and the expression and discussion of dissenting views are encouraged within the decision-making process.

5. Ensure good working relationship between the executive and non-executive directors and between the Board members and management, meanwhile ensure adequate time for discussion of all agenda, particularly strategic issues as well as support the Board to independently uses their discretion and express their opinion.

6. Ensure that the Board understands the nature and extent of the significant risks TISCO is willing to take in the implementation of its strategy, and review on an ongoing basis the effectiveness of risk management and internal control systems.

7. Provide access, advice and support to the Group CEO in the development of strategy. The Chairman also maintains access to senior management for vital information related to TISCO business as is necessary and useful.

8. Promote effective relationships and communications between non-executive directors and senior management.

9. Ensure that the performance and effectiveness of the Board and Board Committees are formally evaluated on an annual basis.

10. Monitor and ensure that management has taken appropriate action and/or is properly following up on the recommendations and resolutions made by the Board and Board Committees.

Authority and Responsibilities of Vice Chairman of the Board

A vice chairman has the duties as specified in the Public Companies Act and the articles of association in respect of the business entrusted by the chairman of the board, including taking the role as the acting Chairman of the Board during the period when the Chairman is absent, and the normal functions of the Chairman cannot be carried out until the Chairman resumes his normal duties or a new Chairman has been elected and appointed by the Board.

7.2.4 Details of Directors and Controlling Persons of TISCO Bank Public Company Limited, the Core Company

TISCO Bank's Board of Directors

As of December 31, 2021, TISCO Bank's Board of Directors comprised the following 12 directors:

Name	Position	Type of Director
1. Mr. Pliu Mangkornkanok	Chairman	Independent Director
2. Mr. Suthas Ruangmanamongkol	Chairman of the Executive Board	Executive Director
3. Assoc. Prof. Dr. Angkarat Priebjrivat	Chairperson of the Risk Oversight Committee / Member of the Audit Committee	Independent Director
4. Prof. Dr. em. Teerana Bhongmakapat	Director	Non-Executive Director
5. Mr. Sathit Aungmanee	Member of the Audit Committee	Independent Director
6. Dr. Charatpong Chotigavanich	Member of the Risk Oversight Committee	Independent Director

Name	Position	Type of Director
7. Dr. Kulpatra Sirodom	Chairperson of the Audit Committee	Independent Director
8. Mr. Kanich Punyashthiti	Director	Independent Director
9. Mr. Chi-Hao Sun (Howard Sun)	Member of the Executive Board	Executive Director
10. Mr. Satoshi Yoshitake	Member of the Executive Board	Executive Director
11. Mr. Sakchai Peechapat	Member of the Executive Board, Member of the Risk Oversight Committee	Executive Director
12. Mr. Metha Pingsuthiwong	Member of the Risk Oversight Committee / President	Executive Director

The authorized directors with signatory authority on behalf of the Bank are Mr. Suthas Ruangmanamongkol, or Mr. Chi-Hao Sun, or Mr. Satoshi Yoshitake, or Mr. Sakchai Peechapat, or Mr. Metha Pingsuthiwong: two out of these five directors jointly sign with the Bank's seal affixed.

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

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

1. Approve business & operating plan of the Bank, as directed by TISCO Group's corporate strategies and business plan.
2. Ensure the institution of internal business codes and ethics, codes of conduct for directors, management and employees.
3. Continuously review the Bank's operations to ensure that its directors, management, and employees conduct the Bank's businesses in compliance with TISCO Corporate Governance Policy as well as related laws and regulations.
4. Ensure competent management of the Bank including appointing senior management.
5. Ensure the institution of effective systems for internal control and audit.
6. Ensure that the Bank's management refers significant issues to the Bank's Board of Directors.
7. Ensure that the Bank's management has in place risk management policies, processes and controls of all risk types. The Board shall be responsible for approval of adoption and ongoing implementation of such risk management policies and guidelines.
8. Appoint other committees according to the needs and suitability to carry out specific tasks to ensure that the operations are in compliance with established Corporate Governance Policy.
9. Ensure that the Bank has policies, guidelines and controls procedures for granting credit and investment transactions with related parties.
10. Ensure that there is a process for prompt submission of management letters from the external auditor and management to the Bank's Board of Directors.
11. Ensure that there exists appropriate check and balance in the management and/or major shareholders of the Bank, in particular, the proportion or the number of independent directors on the Board.
12. Ensure that the Board and the parent company receive sufficient information to effectively discharge its authorities, duties, and responsibilities.
13. Report business activities and financial performance to the parent company's Executive Board on a regular basis, in compliance with the Consolidated Supervision Principle of the Bank of Thailand.

7.3 Details of Board Committees

7.3.1 Board Committees

The Board of Directors may assign any other committees or an attorney to conduct the businesses on behalf of the Board of Directors. Such assignment of power shall not allow the committee member or the attorney to have authority to approve transactions that they or persons who may have a conflict of interest - as defined by the Securities and Exchange Commission - with stakeholders or may have any other conflict of interest with the Company or subsidiary companies. Details of members and authorities of the sub-committee are shown in 7.3.2

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

7.3.2 Details of Members and Authority of the sub-committee

Executive Board

As of December 31, 2021, the Executive Board which was appointed by the Board of Directors comprised the following four Executive Directors:

- | | |
|---------------------------------|----------|
| 1. Mr. Suthas Ruangmanamongkol | Chairman |
| 2. Mr. Chi-Hao Sun (Howard Sun) | Member |
| 3. Mr. Satoshi Yoshitake | Member |
| 4. Mr. Sakchai Peechapat | Member |

The Executive Board had twelve meetings per year and reviewed performance on a regular basis in accordance with the Executive Board Charter. The Executive Board convened twelve meetings throughout the year 2021 and reported to the Board of Directors. Report of the Executive Board in 2021 are shown in attachment of this 56-1 One Report.

Authority and responsibilities of Executive Board

1. Determine and propose group business strategy, merger & acquisition transactions, new business ventures, and new products involving high risk to TISCO Board for approval.
2. Review and oversee the TISCO Group business plan and budget, monitors performance and institutes TISCO Group's Centralized Policies on all important operational and control areas.
3. Approve credit with substantial amounts and/or transactions that involve high risks under TISCO Group's business framework.
4. Promote innovative strategy and the use of technology to enhance competitiveness in which respond to stakeholder concerns & expectations and meet social & environmental responsibilities.
5. Supervise subsidiary companies of transactions that involved high risk.
6. Approve annual compliance report of TISCO Group in order to ensure the acknowledgement and accountability of the Board with compliance.
7. Approve compliance policy and compliance function charter.
8. Review compliance policy and assess the efficiency of compliance risk management including approval of compliance program and plan.
9. Act on behalf of TISCO as the major shareholder in appointment of the Board of Directors of all subsidiary companies, except TISCO Bank, TISCO Securities and TISCO Asset Management.

10. Ensure that managements of the company and subsidiary company refer material issues of the Group to Executive Board.

11. Ensure the effectiveness of the implementation of risk management framework and risk management guidelines in alignment with approved risk management policies, strategies and appetite.

12. Appoint and supervise Credit Committee and Problem Loan Committee.

13. Conduct assessment of the adequacy of the Company's internal control system and propose for the Risk Oversight Committee and Audit Committee's review and to the Board of Directors for approval.

14. Oversee and monitor the significant compliance matters of TISCO Group.

15. Appraise annual performance of compliance function with involvement of TISCO Risk Oversight Committee to balance the power of management and promote good governance.

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

Risk Oversight Committee

As of December 31, 2021, the Risk Oversight Committee was appointed by the Board of Directors. The Risk Oversight Committee comprised the following Independent Director, Executive Director and Management, totaling 4 persons:

- | | |
|------------------------------------------|---------------------------------|
| 1. Assoc. Prof. Dr. Angkarat Priebjrivat | Chairman (Independent Director) |
| 2. Dr. Charatpong Chotigavanich | Member (Independent Director) |
| 3. Mr. Sakchai Peechapat | Member |
| 4. Mr. Chatri Chandrangam | Member |

The Risk Oversight Committee had at least four meetings per year and reviewed performance on a regular basis in accordance with the Risk Oversight Committee Charter. The Risk Oversight Committee convened eight meetings throughout the Year 2021 and reported to the Board of Directors. Report of the Risk Oversight Committee in 2021 are shown in this 56-1 One Report.

Authority and responsibilities of Risk Oversight Committee

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

Audit Committee

As of December 31, 2021, the Audit Committee which was appointed by the Board of Directors comprised the following three Independent Directors:

- | | |
|------------------------------------------|------------------------------------|
| 1. Dr. Kulpatra Sirodom | Chairperson (Independent Director) |
| 2. Assoc. Prof. Dr. Angkarat Priebjrivat | Member (Independent Director) |
| 3. Mr. Sathit Aungmanee | Member (Independent Director) |

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

The Audit Committee had at least six meetings per year and reviewed performance on a regular basis in accordance with the Audit Committee Charter. The Audit Committee convened twelve meetings throughout the Year 2021 and reported to the Board of Directors. Report of the Audit Committee in 2021 are shown in this 56-1 One Report.

Authority and responsibilities of Audit Committee

1. Review TISCO Group's financial report to ensure accuracy and adequacy.
2. Review and evaluate that TISCO Group has suitable and efficient internal control system and internal audit.
3. Review TISCO Group's operations to ensure compliance with related laws and regulations.
4. Oversee the appropriateness of the Company's risk management processes and ensure that they are properly functioning as intended
5. Consider, select and nominate the external auditor of TISCO Group, recommend remuneration of such auditor, removal of such auditor, as well as meet with the external auditor at least once a year without participation of management.
6. Review significant related party transactions that comply with the determined policy but may give rise to conflicts of interest or have conditions differing from normal business practice to ensure that the transactions are executed with transparency for the best interest of shareholders and in compliance with related laws and regulations.
7. Review accuracy and completeness of the disclosure of TISCO Group, especially the connected transaction or the transaction that may cause conflict of interest.
8. Prepare and disclose the Audit Committee report signed by the Chairperson of the Audit Committee in an annual report.
9. Consider the independence of TISCO Group's Internal Audit function, and approve Internal Audit policy, Internal Audit charter, annual audit plan, strategy, key performance indicators, staffing and budget.
10. Appoint, transfer, or dismiss Head of Internal Audit, and review an effectiveness and efficiency of head of internal audit's performance.
11. Report to the Board of Directors in order that remedial action is taken within the time that the Audit Committee deems appropriate in case the Audit Committee finds, gets reported or suspects any transactions or actions which may affect the Company's financial position and performance significantly as follows;
 - Transaction which causes conflict of interest;
 - Fraud or irregularity or material defect in the internal audit control system;
 - Infringement of applicable laws. If the Board of Directors or the management does not take remedial action within the time that the Audit Committee proposed, the Audit Committee shall disclose such infringement in annual report and report to the Bank of Thailand.
12. Conduct the businesses as assigned by the Board of Directors in agreement of the Audit Committee.

Nomination and Compensation Committee

As of December 31, 2021, the Nomination and Compensation Committee was appointed by the Board of Directors. The Nomination and Compensation Committee comprised the following Independent Directors and Non-executive Director, totaling 4 persons:

- | | |
|------------------------------|------------------------------------|
| 1. Prof. Dr. Pranee Tinakorn | Chairperson (Independent Director) |
| 2. Mr. BaDung Le | Member (Non-Executive Director) |
| 3. Mr. Sathit Aungmanee | Member (Independent Director) |
| 4. Mr. Kanich Punyashthiti | Member (Independent Director) |

The Nomination and Compensation Committee had at least four meetings per year and reviewed performance on a regular basis in accordance with the Nomination and Compensation Committee Charter. The Nomination and Compensation Committee convened seven meetings throughout the Year 2021 and reported to the Board of Directors. Report of the Nomination and Compensation Committee in 2021 are shown in this 56-1 One Report .

Authority and Responsibilities of Nomination and Compensation Committee

Nomination

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

Compensation

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

Corporate Governance Committee

As of December 31, 2021, the Corporate Governance Committee was appointed by the Board of Directors. The Corporate Governance Committee comprised the following Independent Directors and Non-executive director, totaling 3 persons:

1. Prof. Dr. Teerana Bhongmakapat Chairman (Non-Executive Director)
2. Dr. Kulpatra Sirodom Member (Independent Director)
3. Dr. Charatpong Chotigavanich Member (Independent Director)

The Corporate Governance Committee had at least three meetings per year and reviewed performance on a regular basis in accordance with the Corporate Governance Committee Charter. The Corporate Governance Committee convened six meetings throughout the Year 2021 and reported to the Board of Directors. Report of the Corporate Governance Committee in 2021 are shown in this 56-1 One Report .

Authority and Responsibilities of Corporate Governance Committee:

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

7.4 Management

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

7.4.1 Name and Position of Management

As of January 1, 2022, Management Committee of the TISCO Group as defined by the Securities and Exchange Commission comprised the following members:

Name	Position in the Company	Position assigned in subsidiary company
1. Mr. Sakchai Peechapat	Group Chief Executive	-
2. Mr. Metha Pingsuthiwong	Chief Operating Officer President	President, TISCO Bank Public Company Limited
3. Mr. Pitada Vatcharasiritham	Senior Executive Vice President	Senior Executive Vice President - Corporate Banking, TISCO Bank Public Company Limited
4. Mr. Paiboon Nalinthrangkurn	Senior Executive Vice President	Chief Executive Officer, TISCO Securities Company Limited
5. Mr. Chatri Chandrangam	Senior Executive Vice President - Risk & Financial Control	-
6. Mr. Yuttpong Sriwongjanya	First Executive Vice President	First Executive Vice President Retail Banking - Sales & Marketing 2, TISCO Bank Public Company Limited
7. Mr. Dejphinun Suthadsanasoung	First Executive Vice President	First Executive Vice President - Retail Banking Operations, TISCO Bank Public Company Limited
8. Mr. Rungroj Jarasvijitkul	First Executive Vice President	First Executive Vice President - Retail Banking - Sales & Marketing 1, TISCO Bank Public Company Limited
9. Mr. Picha Ratanatam	First Executive Vice President	First Executive Vice President - Wealth Management & Banking Services, TISCO Bank Public Company Limited
10. Ms. Pavinee Ongvasith	First Executive Vice President	Chief Executive Officer, TISCO Asset Management Company Limited
11. Mr. Pairat Srivilairit	First Executive Vice President - Governance Office	-
12. Ms. Wanthana Chotchaisathit	Executive Vice President - Information Technology	Managing Director, TISCO Information Technology Company Limited
13. Ms. Rachada Pruksanubal	Executive Vice President	Executive Vice President - Banking Services, TISCO Bank Public Company Limited
14. Mr. Theeranat Rujimethapass	Executive Vice President	President, TISCO Asset Management
Management who retired on December 31, 2021		
1. Mr. Suthas Ruangmanamongkol	-	-
2. Mr. Chalit Silpsrikul	Senior Executive Vice President	Senior Executive Vice President - Retail Banking, TISCO Bank Public Company Limited

Authority and Responsibilities of Management Committee

1. To consider and formulate TISCO Group business strategy, financial goals, business plan including annual budget. The strategy, goals and plan must be balanced among short, medium and long term to maximize long term shareholders' value.

2. To review and ensure that TISCO Group's operations are in accordance with its strategies and business plan, the overall business and financial performance meet TISCO's corporate KPI and all are in compliance with Corporate Governance Policy and related regulations.

3. To discuss and make decisions on Group's business direction and policy, diversification of business platforms, synergy of cross-over businesses functions, efficiency and control issues among high-impact business and operations areas, group human resource management policies and capital expenditure policies.

4. To serve as a forum for heads of business and control functions to suggest lodge and discuss on certain conflict and disagreement arising from operations and/or management issues, which cannot be resolved within the organization's normal chain of command.

Authority and Responsibilities of the Group Chief Executive

1. Focus on strategy formulation, which is guided by the statement of vision and mission approved by the Board of Directors, by working in partnership with the Board of Directors in formulating such strategies and business plan including the level of risk appetite of TISCO Group.

2. Monitor the Company's overall performance with emphasis in long term value creation of the Company.

3. Be responsible to the Board for the business performance and its consistency with agreed business plans, corporate strategies and policies, and keep the Board updated on progress.

4. Lead, direct, and guide other Senior Management.

5. Oversee strategic alignment, governance and management structure, operations, risk management and control systems, and ensure effective implementation of strategies and the business plans across TISCO Group.

6. Facilitate the operating business units of TISCO in developing their own strategic plans for the future, and ensure that they are properly evaluated and that they are built into the overall corporate strategy.

7. Ensure that TISCO has the human capabilities and other resources required to achieve its plans, and that the management succession and management development plans are in place and presented to the Board on a pre-scheduled basis.

8. Ensure that business is conducted in accordance with TISCO Corporate Governance Policy and in compliance with related laws and regulations.

9. Develop and maintain an effective framework of internal controls and risk management in relation to all business activities.

10. Ensure the preparation of, under the oversight of the Audit Committee, financial statements that fairly present the financial condition and result of operations of TISCO; and make the timely disclosures that investors need to assess the financial and business soundness and risks of TISCO.

11. Ensure that TISCO has a suitable system and policy for the timely and accurate disclosure of information in accordance with regulatory requirements and TISCO Corporate Governance Policy.

12. Ensure that the flow of relevant information to the Board is adequate, accurate, timely, and keep the Chairman promptly informed of all matters which are deemed important to the Board or of which the Board should be aware.

13. Establish TISCO Risk Management Committee, TISCO Compliance & Operation Control Committee, TISCO IT Risk Committee, TISCO Human Resources Committee, and TISCO Management Committee, TISCO Technology and Infrastructure Committee and other committees, to carry out specific tasks.

14. Nominate members of TISCO Management Committee and management of one further level down for NCC approval.

15. Ensure that all committees appointed by the Executive Board and Group CEO are established, composed and operated; that the committees' decisions are made on a sound and well-informed basis; and that dissenting views can be expressed, discussed and recorded within the decision-making process.

16. Interface with the Board, employees, stakeholders, and communicate with public community.

Authority and Responsibilities of Chief Operating Officer

1. Provide overall management for day-to-day operations in TISCO utilizing limited resources to the most productive uses.

2. Assist the Group CEO in developing and cascading organization's strategy/ mission to the lower ranking staff.

3. Make plan by prioritizing customer, employee and company's requirement.

4. Work in partnership with the Group CEO and the management in attaining the highest standard of employee's quality and compliance to TISCO Corporate Governance Policy and Code of Conduct.

As of January 1, 2022, the Company has management members as defined by the Securities and Exchange Commission as follows:

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

Name	Position
Treasury & Investment	
35. Ms. Kwannapa Ampornvisaroot	Head of Treasury & Investment
Human Resources	
36. Mr. Watsakorn Thepthim	Head of Human Resources
37. Mr. Kittipong Tiyaboonchai	Head of Human Resources Management
38. Ms. Chutiporn Luangrungsawang	Head of Human Resources Services

Management of TISCO Bank, the Core Company

As of January 1, 2022, TISCO Bank has management members as defined by the Securities and Exchange Commission as follows:

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

Name	Position
29. Mr. Konchai Udomsrisuk	Head of Retail Solution Development
30. MS. Yuwasri Mekwichai	Head of Joint Venture Business
Wealth Management	
31. Ms. Pitchapa Wongsarasak	Head of Wealth Product
32. Mr. Satit Pawahan	Head of Private Banking
33. Ms. Saranya Weeramahawong	Head of Personal Banking 1
34. Mrs. Atchara Petchsangroj	Head of Personal Banking 2
35. Mrs. Vorasinee Sethabutr	Head of Wealth Product Development & Marketing Communication
36. Mr. Nattakrit Laotaweessap	Head of Wealth Advisory
Banking Services	
37. Ms. Lapanant Tanwanna	Head of Custodian Service
38. Mrs. Suwandeekha Khaolaorr	Head of Cash Management
39. Mr. Kittichai Tonnajarn	Head of Counter Services
40. Mr. Worawit Rungsiriopas	Head of Processing & Settlement
41. Ms. Mayura Sanguansaksri	Head of Logistic & Control
42. Ms. Yupha Janpoom	Head of Fund Operation
Bancassurance	
43. Mrs. Kusumar Pratomsrimek	Head of Bancassurance
Marketplace & Digital Deposits	
44. Mr. Noppawat Tangburanakij	Head of Marketplace & Digital Deposits

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

7.4.2 Director and Management Remuneration Policy

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

Directors who are assigned with extra work (being members of other sub-committees, for example) should be paid appropriately. The remuneration to be paid to such director or directors will be approved by the board. Remuneration for Group Chief Executive and Management (collectively called "Management") shall be linked to short and long term performance of TISCO Group, consist of financial performance, customers, development of operational process and risk management, and human capital development, which reflects good practice and being a sustainable bank. The Nomination and Compensation Committee is responsible for considering the remuneration of the CEO and Managements to reflect his performance management in both financial KPI and non-financial KPI. The KPIs set are in alignment with the Company's vision, mission, and short- and long-term goals as well as the ability to compete with other organizations in the standards of leading group companies in Thailand. The remuneration should be determined in accordance with Director and Management Remuneration Policy approved by the Nomination and Compensation Committee with an endorsement from the Board of Directors.

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

Apart from the remuneration payable to directors of TISCO Financial Group Public Company Limited, the Parent Company, in 2021, there are also remuneration to be paid to directors who do not hold any directorship in TISCO and/or management position in other subsidiary companies in the same form and amount to TISCO Board member, to be valid until amended. The Board of Directors of each subsidiary company, under the authority delegated by its shareholders, will determine appropriate amount and the exact amount to be paid each time. Besides, the directors are entitled to receive other remuneration or benefits paid for other appointments or special assignments from the Board of Directors.

7.4.3 Director and Management Remuneration

Financial Remuneration

In 2021, total remuneration for four executive directors was Baht 3,000,000, which was paid in the form of monthly compensation and meeting fees. Additionally, the senior management and management, totaling 38 persons, was Baht 452,767,432, which was paid in the form of monthly compensation, meeting fees, provident fund, and bonuses, which varied according to TISCO Group's performance. Therefore, the total remuneration was Baht 455,767,432.

Regarding the remuneration for the management of TISCO Bank, the core company of TISCO Group, totaling 38 people, which was Baht 188,410,927 (excluding the Management who are in the Parent Company and seconded to manage TISCO Bank), in the form of monthly compensation, salaries, provident funds, and bonuses which varied according to TISCO Group's and each business line's performance.

Other Remuneration

In 2021, senior managements and managements of the Company, totaling 38 persons, received the Company's contributions to their provident funds, totaling Baht 24,383,421, while managements of the Bank, totaling 38 persons, received the Bank's contributions to their provident funds, totaling Baht 12,156,522. In addition, the managements received benefits and other welfares under the Company's regulations, similar to other employees, such as healthcare and medical checkup expenses, and loan welfares.

7.5 Details of Employees

Human Resources

As of December 31, 2021, the total number of employees at TISCO Group was 4,863 (excluding senior management), decreased by 134 staffs (2.68% YoY), of which 4,517 were permanent employees and 346 contract staff as the following details:

	December 31, 2020 (staff)	December 31, 2021 (staff)
1. Retail Banking	3,237	3,150
2. Corporate Banking	46	44
3. Wealth & Asset Management	1,014	996
4. Corporate Affairs & CSR	700	673
Total	4,997	4,863

Employee Expenses

In 2021, the Company's employee expenses in the form of salaries, wages, bonuses, cost of living and provident fund contributions was Baht 3,519,061,735.

TISCO Group Registered Provident Fund

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

Members shall remit contributions to the fund by granting the employer permission to make deductions from their monthly salary. Members have two alternatives; to remit contributions at 5% or 10% or 15% of monthly salary, or at the same rate as the employer’s contribution, which can be changed once a year. Employer is obligated to contribute to the fund on the same day as the employee, and the percentage of the employer’s contribution depends on the employee’s years of service. The fund committee comprised of the employee’s elected representatives and the employer’s appointed representatives. Terms for fund committee members are valid for two years, and any individual can be re-elected or re-appointed. The fund committee is responsible for the supervision of fund management and investment policy.

In 2021, employees’ contribution to TISCO Group Registered Provident Fund reached Baht 73,222,866 and TISCO Group’s contribution to TISCO Group Registered Provident Fund reached Baht 71,977,837, TISCO Group Registered Provident Fund totaled Baht 145,200,703.

7.6 Other important information

7.6.1 Corporate Secretary, Chief Financial Officer, Accountant, Head of Internal Audit and Head of Corporate Compliance

Corporate Secretary

The Board of Directors resolved to appoint Mr. Pairat Srivilairit, First Executive Vice President - Governance Office, as Corporate Secretary, effective from September 1, 2013, to be responsible for preparing and maintaining director profile, notice and minutes of the board meeting, annual report, notice and minutes of shareholders meeting, maintaining directors and management’s report on conflict of interest, and performing other duties as required by the Capital Market Supervisory Board. Profiles and qualification of the Corporate Secretary are disclosed in Attachment 1.

In 2021, the Corporate Secretary attended the CAC National Conference on Collective Action Against Corruption and Company Secretary Forum on Empowering Board Evaluation Through the Company Secretary Lens, organized by the Thai Institution of Directors Association.

Chief Financial Officer, Accountant, Head of Internal Audit and Head of Corporate Compliance

The Company assigned

- Mr. Chatri Chandrangam, Senior Executive Vice President - Risk & Financial Control, as Chief Financial Officer
- Ms. Chutintorn Vigasi, as Accountant
- Ms. Chuenchit Trakarnratti, as Head of Internal Audit
- Ms. Dulyarat Taveebhol, as Head of Corporate Compliance

Profiles and qualification of the Chief Financial Officer and the Accountant are disclosed in Attachment 1, and profiles and qualification of Head of Internal Audit and Head of Corporate Compliance are disclosed in Attachment 3.

7.6.2 Head of Investor Relations

The Company has assigned Mr. Piram Sooklerk, Head of Planning and Investor Relations, to be responsible for communicating and disclosing important company information to all stakeholders. You can contact the Investor Relations Department at:

TISCO Financial Group Public Company Limited

TISCO Tower, 7th Floor, 48/49 North Sathorn Road, Silom, Bangrak, Bangkok, 10500

Website: www.tisco.co.th

Tel: +66 2633 6868

Email: ir@tisco.co.th

7.6.3 Appointment of External Auditor and Consideration of Audit Fees

The Audit Committee considered the qualifications and performance of external auditors for recommendation to the Board of Directors for their annual appointment, and the proposed audit fees for further consideration and approval by the General Meeting of Shareholders. The name list of external auditors to be proposed as the Company's auditor must also be approved by the Bank of Thailand.

In 2021, the remuneration for external auditors included:

1. Audit Fee

Audit fee paid to EY Office Limited for the Company and its subsidiaries for 2021 amounted to Baht 10,630,000, increased 1% or Baht 100,000 year on year.

2. Non-audit Fee

In 2021, no non-audit fee was paid other than the audit fee.

8. Report on Important Operational Results of Corporate Governance

8.1 Summary of Board of Directors' Performance in Past Year

In 2021, the Board of Directors reviewed Vision and Core Values to ensure that all matters are up-to-date and comply with the long-term business directions, approved strategic directions and policy of TISCO Group, reviewed annual business plan and budget, and reviewed the adequacy of internal control system and appropriate risk management framework. The Board of Directors also supervised, reviewed and monitored management in effectively carrying out actions that were in line with the designated policies, corporate strategy and business plans and were in accordance with the rules and regulatory requirements of related government agencies. The management were assigned to report the operational results to the Executive Board on a monthly basis and the Board of Directors meetings every two months.

8.1.1 Nomination, Development and Performance Assessment of the Board of Directors

The Board of Directors is appointed by the shareholders to take overall responsibility for TISCO. These responsibilities include directing, approving, and overseeing the implementation of Group strategy, corporate governance and corporate values. The Board is responsible for selection of a qualified Group CEO and key senior management, including oversight of the succession plan. It is also responsible for oversight of the Group CEO and senior management and bears ultimate responsibility for TISCO's business, risk strategy, and financial soundness as well as how TISCO organizes and governs itself.

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

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

Board members are selected on the basis of, among other things, knowledge, experience, skill, diversity of expertise, integrity, ability to make independent analytical inquiries, understanding of TISCO Group's business environment, and alignment with TISCO Group's strategy. TISCO has clearly established a proper structure of the Board as well as Guidelines for Board Composition and Selection Criteria with regard to the proportion of independent directors, non-executive directors, directors who are part of management, and directors nominated by major shareholders to ensure the appropriateness of the Board's composition. In addition, term of office for TISCO's directors is one year as specified in the Articles of Association, whereby the whole Board of Directors shall be simultaneously elected at the annual general meeting each year. Note that the former Board of Directors shall remain in office to conduct the business of the Company as necessary until the new Board of Directors takes office, unless otherwise specified by the articles of association.

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

In achieving transparency and the proper balance of power, the Chairman of the Board shall be independent directors and/or non-executive directors. In addition, the Chairman of the Board shall not be a member in any other committees. This is to ensure the independent views of the committees. The Chairperson of the Audit Committee must

not be Chairman of the Board, Nomination and Compensation Committee and/or Risk Oversight Committee.

Moreover, the Board of Directors must clearly separate its roles and responsibilities from those of management to ensure a proper balance of power and avoid a situation whereby a single individual has absolute power in decision making. For example, the Chairman of the Board and top management shall not be the same person, and their roles and responsibilities must be clearly separated.

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

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

Directors and Management Selection

The Nomination and Compensation Committee shall, upon considering the Group's needs and good corporate governance, identify and propose qualified nominees with knowledge, expertise, and experience in accordance with TISCO Group's strategy, and sufficient understanding of banking and finance, including securities, economics, law, information technology or any other fields deemed appropriate to the Board's structure so as to ensure a variety of opinions in the Board. This includes diverse board composition in terms of age, sex, knowledge, expertise, experience, and other key qualifications in order to generate a healthy range of opinions and judgments on business matters.

Number of Independent Directors is set to be more than Non-Executives while the number of directors nominated by each major shareholder shall be in accordance with the shareholding proportion for the appropriate balance of power and authority. Additionally, the Board's composition must be diverse in terms of age, gender, skills, knowledge, abilities, experience, and independence (Board Composition). To be able to solicit and express diverse perspectives in order to make business decisions for the company. By considering the table of expertise in specific fields (Board Skill Matrix). If you are an independent director, you must meet the Company's requirements for independent directors.

The Nomination and Compensation Committee shall nominate persons to the position of director, based on the proposed nomination of qualified candidates by shareholders or selection from the director pool database. The Nomination and Compensation Committee shall consider recommendations from minority shareholders on the nomination of directors or independent directors, in accordance with the Company's criteria. All candidates must be approved by the Bank of Thailand.

The Nomination and Compensation Committee shall recommend the Board consider the appointment of new directors and/or independent directors for replacement of any vacancies, other than those incurred by rotation, and propose to shareholders the election of directors to replace those who retire by rotation or appointment of additional directors and/or independent directors. The election, appointment, and removal criteria are as follows:

1) Shareholders shall, from time to time, by resolution of a general meeting of shareholders, determine the number of directors, which shall not be less than five, provided that not less than half of the directors are domiciled in Thailand. In addition, the number of directors who are persons of Thai Nationality shall be in compliance with related laws.

2) The general meeting of shareholders shall elect directors in accordance with the following criteria and procedures:

- (1) Each shareholder shall have a number of votes equal to the number of shares multiplied by the number of directors to be elected.

- (2) Each shareholder may exercise all the votes he or she has under (1) to elect one or several persons as director or directors. If several persons are to be elected as directors, the shareholder may allot his or her votes to any person, at any number.
 - (3) The candidates shall be ranked in descending order from the highest number of votes received to the lowest and shall be elected as directors in that order until all of the director positions are filled. In case the number of votes for candidates would result in a tie or cause the number of directors to exceed the limit, the remaining elections shall be made by drawing lots.
- 3) At the general meeting of shareholders of each calendar year, the whole Board of Directors shall be simultaneously elected. However, the former Board of Directors shall remain in office to conduct the business of the company, as necessary, until the new Board takes office. Retired directors are eligible for re-election.
- 4) A director can be elected or removed only by the shareholders at a general meeting. A Board vacancy occurring for any reason other than rotation or retirement may be filled by the remaining directors, unless the term of the original director is less than two months. For the purposes thereof, the resolution of the appointment of new directors shall be valid with a vote of not less than three-fourths of the number of remaining directors. However, any person so appointed shall hold office only for the remainder of the term of the director to whom he has succeeded. Likewise, if a general meeting of the shareholders removes a director, and appoints another person in his place, the person so appointed shall hold office only for the remainder of the term of the director so removed.
- 5) A general meeting of shareholders may resolve to remove a director before expiration of office with a vote of not less than three-fourths of the number of shareholders who attend the meeting and have the right to vote. Such a motion must also represent an agreed number of shares equal to or not less than half of the total shares held by the shareholders who attend the meeting and have the right to vote.

For the nomination of Group Chief Executive and Senior Managements, the Nomination and Compensation Committee shall consider and select potential candidates, who have appropriate abilities and qualifications. The prerequisites for selection should generally include consideration of the candidates' character, technical competence, and employment experience in the financial services field. Successful candidates should share the board's operating philosophy and vision of the Company's future in order to ensure that the institution's goals are met. It is important that mutual trust and a close working relationship are established. The Nomination and Compensation Committee shall recommend qualified candidates to the Board of Directors for approval. For other senior executive positions, the Group Chief Executive shall identify and propose qualified candidates for the Nomination and Compensation Committee's approval.

For the effectiveness of the director screening and nomination, the Nomination and Compensation Committee regularly reviews and updates the board skill matrix, according to the best practices.

Qualifications of Independent Directors

A person to be nominated or appointed as an independent director must comply with the announcement of the Bank of Thailand, the Capital Market Supervisory Board, the Securities and Exchange Commission, the Stock Exchange of Thailand, including qualifications according to the requirements as defined in the policy and guidelines of TISCO's Corporate Governance, all of which are summarized below.

1. holding shares not exceeding 0.50 per cent of the total number of voting rights of the Company, its parent company, subsidiary, affiliate or juristic person which may have conflicts of interest, including the shares held by related persons of the independent director.
2. neither being nor having been a non-independent Director of TISCO, its subsidiary and affiliate, same-level subsidiary, or juristic person who may have conflict of interest, or has left from such status but for less than two years.
3. neither being nor having been an executive director, employee, staff, or advisor who receives salary, or a controlling person of the Company, its parent company, subsidiary, affiliate, or juristic person who may have conflicts of interest unless the foregoing status has ended not less than two years.

4. not being a person related by blood or registration under laws, (such as father, mother, spouse, sibling, and child, including spouse of the children) of executives, major shareholders, controlling persons, or persons to be nominated as executive or controlling persons of the Company or its subsidiary.

5. not having a business relationship as specified by the Capital Market Supervisory Board with the Company, its parent company, subsidiary, affiliate or juristic person who may have conflicts of interest, in the manner which may interfere with his independent judgment, and neither being nor having been a major shareholder, non-independent director or executive of any person having business relationship with the Company, its parent company, subsidiary, affiliate or juristic person who may have conflicts of interest unless the foregoing relationship has ended not less than two years.

6. neither being nor having been an auditor of the Company, its parent company, subsidiary, affiliate or juristic person who may have conflicts of interest, and not being a major shareholder, non-independent director, executive or partner of an audit firm which employs auditors of the Company, its parent company, subsidiary, affiliate or juristic person who may have conflicts of interest unless the foregoing relationship has ended not less than two years.

7. neither being nor having been any professional advisor including legal advisor or financial advisor who receives an annual service fee exceeding two million Baht from the Company, its parent company, subsidiary, affiliate or juristic person who may have conflicts of interest, and neither being nor having been a major shareholder, non-independent director, executive or partner of the professional advisor unless the foregoing relationship has ended not less than two years.

8. not being a director who has been appointed as a representative of the Company's director, major shareholder or shareholders who are related to the Company's major shareholder.

9. not undertaking any business in the same nature and in competition to the business of the Company or its subsidiary companies or not being a significant partner in a partnership or being an executive director, employee, staff, advisor who receives salary or holding shares exceeding one percent of the total number of shares with voting rights of other company which undertakes business in the same nature and in competition to the business of the Company or its subsidiary companies.

10. not being an independent director for more than nine consecutive years in TISCO or its subsidiaries, except those who were appointed as Independent Directors before 23 June 2018 can still be in Independent Directors for more than nine years until 1 May 2022.

11. not having any characteristics which make him/her incapable of expressing independent opinions with regard to the Company's business affairs.

In 2021, no independent director has had a business relationship with, or has acted as a professional adviser for the Company, a subsidiary company, an associated company, a major shareholder, or a controlling person.

Board and Management Training

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

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

Each director has already completed programs related to the roles and responsibilities of directors. Ten out of thirteen (76.92 per cent) of the members of the Board of Directors attended training programs and seminars to enhance knowledge and skills in 2021. Details are as follows:

Name of Director	Training Programs / Seminars	Organizer
1. Mr. Pliu Mangkornkanok	<ul style="list-style-type: none"> • Directors Leadership Certification Program 0/2021 • AGM in Pandemic Time • National Director Conference 2021 	Thai Institute of Directors
	<ul style="list-style-type: none"> • Cyber Resilience Leadership: Herd Immunity 	Bank of Thailand
	<ul style="list-style-type: none"> • The Role of Management and Employee in Tackling Corruption 	Collective Action Against Corruption (CAC)
2. Mr. Suthas Ruangmanamongkol	<ul style="list-style-type: none"> • IT Security Awareness 	Deloitte Thailand
	<ul style="list-style-type: none"> • The Role of Management and Employee in Tackling Corruption 	Collective Action Against Corruption (CAC)
3. Assoc. Prof. Dr. Angkarat Priebjrivat	<ul style="list-style-type: none"> • National Director Conference 2021 	Thai Institute of Directors
	<ul style="list-style-type: none"> • Cyber Armor: Capital Market Board Awareness No.2 	The Securities and Exchange Commission
	<ul style="list-style-type: none"> • The Role of Management and Employee in Tackling Corruption 	Collective Action Against Corruption (CAC)
4. Prof. Dr. Pranee Tinakorn	<ul style="list-style-type: none"> • The Role of Management and Employee in Tackling Corruption 	Collective Action Against Corruption (CAC)
	<ul style="list-style-type: none"> • National Director Conference 2021 	Thai Institute of Directors
5. Prof. em. Dr. Teerana Bhongmakapat	<ul style="list-style-type: none"> • Ethical Leadership Program 	Thai Institute of Directors
	<ul style="list-style-type: none"> • Cyber Armor: Capital Market Board Awareness No.2 	The Securities and Exchange Commission
	<ul style="list-style-type: none"> • IT Security Awareness 	Deloitte Thailand
	<ul style="list-style-type: none"> • The Role of Management and Employee in Tackling Corruption 	Collective Action Against Corruption (CAC)
6. Dr. Kulpatra Sirodom	<ul style="list-style-type: none"> • Directors Leadership Certification Program 0/2021 	Thai Institute of Directors
	<ul style="list-style-type: none"> • Cyber Armor: Capital Market Board Awareness No.2 	The Securities and Exchange Commission
	<ul style="list-style-type: none"> • Cyber Resilience Leadership: Herd Immunity 	Bank of Thailand
	<ul style="list-style-type: none"> • The Role of Management and Employee in Tackling Corruption 	Collective Action Against Corruption (CAC)
7. Mr. Kanich Punyashthiti	<ul style="list-style-type: none"> • Director Certification Program 	Thai Institute of Directors
	<ul style="list-style-type: none"> • Cyber Armor: Capital Market Board Awareness No.2 	The Securities and Exchange Commission
	<ul style="list-style-type: none"> • The Role of Management and Employee in Tackling Corruption 	Collective Action Against Corruption (CAC)
8. Dr. Charatpong Chotigavanich	<ul style="list-style-type: none"> • National Director Conference 2021 	Thai Institute of Directors
	<ul style="list-style-type: none"> • Cyber Armor: Capital Market Board Awareness No.2 	The Securities and Exchange Commission
	<ul style="list-style-type: none"> • IT Security Awareness 	Deloitte Thailand
	<ul style="list-style-type: none"> • The Role of Management and Employee in Tackling Corruption 	Collective Action Against Corruption (CAC)
9. Mr. Satoshi Yoshitake	<ul style="list-style-type: none"> • National Director Conference 	Thai Institute of Directors
10. Mr. Sakchai Peechapat	<ul style="list-style-type: none"> • National Director Conference 	Thai Institute of Directors
	<ul style="list-style-type: none"> • Cyber Resilience Leadership: Herd Immunity 	Bank of Thailand
	<ul style="list-style-type: none"> • IT Security Awareness 	Deloitte Thailand
	<ul style="list-style-type: none"> • The Role of Management and Employee in Tackling Corruption 	Collective Action Against Corruption (CAC)

In addition, board members and top management attended other training programs and seminars in 2021, as presented in Attachment 1.

Succession Planning

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

Board Performance Self-assessment

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

Said assessment is essential to ensure the appropriateness of the Board's composition and Board performance, in accordance with corporate governance best practices. The Board of Directors shall analyze the assessment results, recommendations and remarks from Board members and consider application in accordance with the Company's business environment and operations.

In 2021, the Nomination and Compensation Committee divided the self-assessment into two forms: whole and individual self-assessment and a cross-assessment. Approval was granted by the Board of Directors.

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

1. The Board of Director Performance Self-assessment as a whole, comparing compliance with best practices and efficiency in, namely, Board Policy, Board Performance, Board Structure, Board Style, Board Meetings, and Board Members.

2. The Director's Individual Self-Assessment and Cross-Assessment as an individual, comparing compliance with efficiency in, namely, Board Structure and Qualifications, Board Meeting, and Roles, Duties and Responsibilities of the Board.

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

The Nomination and Compensation Committee, as proposed by the Corporate Secretariat Office, reported the assessment results to the Board for acknowledgement, discussion, and recommendations for improved efficiency at the Board of Directors' Meeting No. 1/2022 held on February 28, 2022.

Results for 2021 indicated that Board Performance, Board Structure, Board Members, Board Policy, Board Performance and Board Meetings were up to best practice standards. As for efficiency, almost all board members were rated "Excellent" or "Satisfactory" for effective ratings in all six areas of assessment.

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

In 2021, the Board of Directors also formulated performance self-assessments for all sub-committees, specifically the Executive Board, the Risk Oversight Committee, the Audit Committee, the Nomination and

Compensation Committee and the Corporate Governance Committee. The self-assessments are conducted annually and the results were presented at the Board of Directors' Meeting No. 1/2022 held on February 28, 2022. In addition, the 2021 performance self-assessments of each committee are disclosed as part of the committees' reports in the Annual Registration Statements and Annual Report (Form 56-1 One Report).

Recognizing the importance of transparency in determination of a Director's independence and to provide greater clarity for the benefit of shareholders and stakeholders, the Board reviewed and approved the **Policy on Assessing the Independence of Directors** on October 26, 2021, in order to make determinations for all independent directors annually, in addition to those whose term of service as independent director falls under the 9-year presumption of non-independence. Each Independent Director was evaluated by every director. Assessments were kept and compiled secretly by the Company Secretary to prevent conflicts of interest and were proposed to and considered by the Nomination and Compensation Committee.

The assessment of the independence of six independent directors, namely Mr. Pliu Mangkornkanok, Assoc. Prof. Dr. Angkarat Priebjivat, Prof. Dr. Pranee Tinakorn, Mr. Sathit Aungmanee, Dr. Charatpong Chotigavanich, Dr. Kulpatra Sirodom, and Mr. Kanich Punyashtiti, revealed that their independence is still effective.

Group Chief Executive Performance Assessment

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

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

8.1.2 Board of Directors Meetings and Remuneration to Directors

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

The Board of Directors Meeting No. 6/2021 on October 26, 2021 approved the preliminary schedule of the Board of Directors Meetings and the Subcommittee Meetings for the year 2022 in advance which does not include special meeting and the schedule may be changed. Details are as follows:

No. of the Meeting	Board of Directors	Executive Board	Risk Oversight Committee	Audit Committee	Nomination and Compensation Committee	Corporate Governance Committee
1/2022	Monday February 28	Thursday January 27	Friday January 27	Friday January 14	Friday January 14	Wednesday February 2
2/2022	Tuesday April 26	Thursday February 24	Monday March 21	Friday February 10	Friday February 11	Friday May 27
3/2022	Monday June 27	Thursday March 24	Friday May 20	Friday March 4	Tuesday April 26	Wednesday August 3
4/2022	Tuesday June 28	Tuesday April 26	Friday July 22	Friday April 1	Monday June 20	Friday November 18
5/2022	Monday August 29	Thursday May 26	Friday September 23	Wednesday May 11	Monday August 15	-
6/2022	Wednesday October 26	Thursday June 23	Monday November 21	Friday June 10	Tuesday October 25	-
7/2022	Thursday October 27	Wednesday July 27	-	Friday July 8	Tuesday December 13	-
8/2022	Friday December 16	Thursday August 25	-	Wednesday August 10	-	-
9/2022	-	Thursday September 29	-	Friday September 10	-	-
10/2022	-	Tuesday October 25	-	Friday October 7	-	-
11/2022	-	Thursday November 24	-	Thursday November 10	-	-
12/2022	-	Thursday December 15	-	Friday December 2	-	-

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

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

The Company also encourages non-executive directors to hold meetings as necessary to discuss issues without executive attendance. One non-executive directors meeting was held on June 21, 2021.

Details of Board of Directors meeting and subcommittee meeting attendance in 2021

Name of Director	Time of Attendance					
	Board of Directors	Executive Board	Risk Oversight Committee	Audit Committee	Nomination and Compensation Committee	Corporate Governance Committee
No. of total meetings (times) (percentages)	8 (100.00)	12 (100.00)	8 (100.00)	12 (100.00)	7 (100.00)	6 (100.00)
1. Mr. Pliu Mangkomkanok	8/8 (100.00)	-	-	-	-	-
2. Mr. Hon Kit Shing ¹ (Alexander H. Shing)	4/5 (80.00)	-	-	-	4/4 (100.00)	-
3. Mr. Ba Dung Le ²	1/1 (100.00)	-	-	-	0/0 (100.00)	-
4. Mr. Suthas Suangmanamongkol	8/8 (100.00)	12 (100.00)	-	-	-	-
5. Assoc. Prof. Dr. Angkarat Priebjivat ³	8/8 (100.00)	-	5/5 (100.00)	12/12 (100.00)	-	-
6. Prof. Dr. Pranee Tinakorn ⁴	8/8 (100.00)	-	-	-	7/7 (100.00)	1/2 (50.00)
7. Prof. em. Dr. Teerana Bhongmakapat ⁵	8/8 (100.00)	-	3/3 (100.00)	-	-	6/6 (100.00)
8. Mr. Sathit Aungmanee	8/8 (100.00)	-	-	12 (100.00)	7/7 (100.00)	-
9. Dr. Kulpatra Sirodom ⁶	8/8 (100.00)	-	-	12 (100.00)	3/3 (100.00)	3/3 (100.00)
10. Mr. Kanich Panyashthiti ⁷	7/7 (100.00)	-	-	-	4/4 (100.00)	-
11. Dr. Charatpong Chotigavanich	8/8 (100.00)	-	8/8 (100.00)	-	-	6/6 (100.00)
12. Mr. Chi-Hao Sun (Howard Sun)	8/8 (100.00)	12/12 (100.00)	-	-	-	-
13. Mr. Satoshi Yoshitake	8/8 (100.00)	12/12 (100.00)	-	-	-	-
14. Mr. Sakchai Peechapat	8/8 (100.00)	12/12 (100.00)	8/8 (100.00)	-	-	-

Remark ¹ Mr. Hon Kit Shing (Alexander H. Shing) was resigned as a Director on September 28, 2021.

² Mr. Ba Dung Le was appointed as a Non-Executive Director in replacement of Mr. Hon Kit Shing (Alexander H. Shing), which was approved by the Bank of Thailand on December 1, 2021 and was appointed as the Member of Nomination and Compensation Committee on December 20, 2021.

³ Assoc. Prof. Dr. Angkarat Priebjivat was appointed as the Chairperson of Risk Oversight Committee and the Member of Audit Committee on April 23, 2021.

⁴ Prof. Dr. Pranee Tinakorn resigned from the Member of Corporate Governance Committee on February 18, 2021.

⁵ Prof. em. Dr. Teerana Bhongmakapat resigned from the Chairperson of Risk Oversight Committee on April 23, 2021

⁶ Dr. Kulpatra Sirodom was appointed as the Chairperson of Audit Committee and the Member of Corporate Governance Committee, as well as resigned from the Member of Nomination and Compensation Committee on April 23, 2021.

⁷ Mr. Kanich Panyashthiti was appointed as an Independent Director by the 2021 Annual General Meeting of Shareholders on April 22, 2021.

Director Remuneration

The Nomination and Compensation Committee made an annual review on the directors' remuneration to ensure that the remuneration is commensurate with their duties and responsibilities as well as consistent with the remuneration of directors in the commercial banking at the same level.

Apart from the remuneration payable to directors of TISCO Financial Group Public Company Limited, TISCO Group only pays remuneration to subsidiary companies' directors who is not employee or any full-time position in TISCO Financial Group of companies, in the same form and amount of the Company's director, to be valid until amended. No meeting fee shall be paid to member of the Board and Sub-committee who is employee or holds any full-time position in TISCO Group of companies.

The Company's shareholders approved at the Shareholders Annual General Meeting for the year 2021 on April 23, 2021, the directors' remuneration including member of sub-committees and advisor in the form of monthly fee and meeting fee, to be valid until amended. Besides, the directors are entitled to receive other remuneration or benefits paid for other appointments or special assignments from the Board of Directors.

(Unit: Baht)

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

1. Financial Remuneration

In 2021, total remuneration for the Board of Directors was Baht 19,521,666.67, and Advisor to the Board of Directors was Baht 480,000, the total amount was Baht 20,001,666.67. This was paid in the form of monthly compensation, meeting fees, provident fund, and bonuses, which varied according to TISCO Group's performance. Total of Board of Directors' remuneration for the year 2021 presented below.

(Unit: Baht)

Name	Monthly Fee	Meeting Fee						Total
		Board of Directors	Executive Board	Risk Oversight Committee	Audit Committee	Nomination and Compensation Committee	Corporate Governance Committee	
1. Mr. Pliu Mangkornkanok	2,880,000	480,000	-	-	-	-	-	3,360,000
2. Mr. Hon Kit Shing ¹ (Alexander H. Shing)	446,666.67	200,000	-	-	-	200,000	-	846,666.67
3. Mr. Ba Dung Le ²	50,000	50,000	-	-	-	-	-	100,000
4. Mr. Suthas Ruangmanamongkol	600,000	-	-	-	-	-	-	600,000
5. Assoc. Prof. Dr. Angkarat Priebjivat ³	600,000	400,000	-	360,000	690,000	-	-	2,050,000
6. Prof. Dr. Pranee Tinakorn ⁴	600,000	400,000	-	-	-	420,000	50,000	1,470,000
7. Prof. em. Dr. Teerana Bhongmakapat ⁵	600,000	400,000	-	180,000	-	-	360,000	1,540,000
8. Mr. Sathit Anugmanee	600,000	400,000	-	-	650,000	350,000	-	2,000,000
9. Dr. Kulpatra Sirodom ⁶	600,000	400,000	-	-	740,000	150,000	150,000	2,040,000
10. Mr. Kanich Punyashthiti ⁷	415,000	350,000	-	-	-	200,000	-	965,000
11. Dr. Charatpong Chotigavanich	600,000	400,000	-	450,000	-	-	300,000	1,750,000
12. Mr. Chi-Hao Sun (Howard Sun)	600,000	400,000	600,000	-	-	-	-	1,600,000
13. Mr. Satoshi Yoshitake	600,000	-	-	-	-	-	-	600,000
14. Mr. Sakchai Peechapat	600,000	-	-	-	-	-	-	600,000
15. Ms. Krisna Theravuth ⁸	480,000	-	-	-	-	-	-	480,000
Total	10,271,666.67	3,880,000	600,000	990,000	2,080,000	1,320,000	860,000	20,001,666.67

Remark ¹ Mr. Hon Kit Shing (Alexander H. Shing) was resigned as a Director on September 28, 2021.

² Mr. Ba Dung Le was appointed as a Non-Executive Director in replacement of Mr. Hon Kit Shing (Alexander H. Shing), which was approved by the Bank of Thailand on December 1, 2021 and was appointed as the Member of Nomination and Compensation Committee on December 20, 2021.

³ Assoc. Prof. Dr. Angkarat Priebjivat was appointed as the Chairperson of Risk Oversight Committee and the Member of Audit Committee on April 23, 2021.

⁴ Prof. Dr. Pranee Tinakorn resigned from the Member of Corporate Governance Committee on February 18, 2021.

⁵ Prof. em. Dr. Teerana Bhongmakapat resigned from the Chairperson of Risk Oversight Committee on April 23, 2021

⁶ Dr. Kulpatra Sirodom was appointed as the Chairperson of Audit Committee and the Member of Corporate Governance Committee, as well as resigned from the Member of Nomination and Compensation Committee on April 23, 2021.

⁷ Mr. Kanich Punyashthiti was appointed as an Independent Director by the 2021 Annual General Meeting of Shareholders on April 22, 2021.

⁸ Ms. Krisna Theravuthi was appointed to be Advisor to TISCO's Board of Directors since April 26, 2013, with monthly remuneration of Baht 40,000.

2. Non-monetary Remuneration

1. An executive car for the Chairman of the Board,
2. Group life and accident insurance, or health insurance for Thai director with age over 60,
3. Directors & Officers Liability Insurance (D&O).

8.1.3 Corporate Governance of Subsidiary Companies

TISCO Group, comprising TISCO and its subsidiaries, operates as a single entity to ensure good governance and effective synergies between Group resources. The operating structure between TISCO, the parent company, and all subsidiaries, is framed in such a way as to provide coherent business direction and ensure good governance of equal standards across entities. In this regard, TISCO, the parent holding company, serves as the governing company, and defines policies and standards as well as common corporate strategies for all companies in the group. TISCO also centralizes all key control and support functions within the Group. Subsidiary companies serve as strategic business units which are responsible for the roles of Marketing & Sales, Customer Relations, Transaction Processing, and Credit Control.

As the governing company, TISCO will define Group strategic directions, business plans, as well as resource allocations of all subsidiary companies. Although the Group strategic plan involves both top-down and bottom-up processes, TISCO's Board of Directors ultimately holds the authority to approve the Group's business model, corporate strategies, business plan, and financial budgets, which are applied on a Group consolidated basis.

Through the authorities provided in this Corporate Governance Policy, TISCO will appoint the Board of Directors and Board committees, if applicable, of all subsidiary companies, as well as define their business policies and strategies. Significant business activities will also require approval by TISCO. TISCO will monitor on an ongoing basis the business performance and all significant matters of subsidiary companies, in accordance with the corporate strategies and business plan approved by TISCO's Board of Directors.

All support and control functions will be centralized at TISCO in order to create good governance standards, promote synergies, and maximize the operating efficiency and effectiveness of TISCO Group operations. These centralized operations cover the areas of governance, strategy & planning, finance & accounting, risk management, credit controls, internal control & compliance, human resources, as well as business development and process improvement activities. Centralized policies will be set up on these aspects for application across all subsidiary companies. Subsidiary companies serve as strategic business units which focus on various financial services. The key roles of strategic business units consist of sales & marketing, customer relationships, and delivery of products and services to customers. The companies also have their own transaction processing and credit controls. The subsidiary companies will operate their businesses within the policies, guidelines and strategic directions given by TISCO, the parent holding company. Ongoing monitoring and feedback of the performance and key business activities of all subsidiaries will be carried out and reported to the TISCO Board of Directors, as well as supervision of key decision making and controls. As a guiding principle, all key decisions regarding investments or divestments, asset acquisitions or disposal, business joint ventures or strategic alliances by subsidiary companies shall be approved by TISCO.

In addition, the Company has assigned certain Management Committees and management supervising functions within TISCO Group from subsidiary companies to be employed under the Company. The Company seconded such management to the same subsidiary companies for the same responsibilities on a full-time basis. This is to ensure that they devote their time to effectively managing subsidiary companies under the TISCO Group strategy and plan approved by the Board of Directors.

To ensure coherent adoption of corporate governance across all subsidiary companies in TISCO Group, the roles and responsibilities of the Directors and the Management who the Company has seconded to manage the subsidiary companies have been clearly set. Follow-up procedures are set for subsidiaries to ensure prompt disclosure of any important information, in accordance with relevant laws and regulations, and to ensure that the subsidiaries are sufficient and appropriate for the internal control system, including ensuring Directors and Management fulfill their duties and responsibilities in accordance with the governing laws and regulations. As stated, the Board of Directors has delegated its monitoring and supervising roles to certain Management and sub-committees.

For subsidiary companies' related party transactions with related parties, significant acquisitions or dispositions of assets, or other significant transactions of subsidiary companies, i.e. termination of subsidiary companies, capital

share increase or reduction, approval must be sought from the Board of Directors or at the Shareholder Meetings prior to conducting such transactions. The Company strictly follows the regulations of the Stock Exchange of Thailand, Notifications of the Securities and Exchange Commission, and relevant Notifications of the Capital Market Supervisory Board regarding any related party transactions and any transactions that may cause conflicts of interest.

8.1.4 Ensuring Compliance with Corporate Governance Policies and Guidelines

Conflicts of Interest Prevention

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

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

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

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

Control of Internal Information

TISCO Group determines the best practices for employees to carry out their duties with integrity, fairness, and compliance with related rules and regulations, confidentiality towards customers, and no preference to pursue personal opportunities over TISCO Group's responsibilities, including making no use of non-public information or disclosing information to persons outside of TISCO. TISCO Group's compliance manual acts as a set of guidelines to help employees perform their duties fairly and honestly, comply with applicable laws and regulations, avoid conflicts

of interest, and to not seek benefits from insider information. Business guidelines, regulations, and the code of conduct have all been compiled in the creation of the Company's compliance manual.

With respect to TISCO Group's regulations governing employee securities trading, the Group requires that management and employees open trading accounts only with TISCO Securities, its subsidiary. In this regard, employees must report transactions to the Compliance function. Furthermore, the Group prohibits senior management and insiders from trading the Company's shares within seven working days of the last day of the month until two days after the Company's monthly financial statements or concise assets and liabilities statement are published. A Director privy to important information about TISCO that has not been disclosed to the public must keep such information confidential.

It is a violation of the law to purchase or sell TISCO stock on the basis of such important non-public information. Directors may not do so and may not provide such information to others for that or any other purpose. Directors shall maintain the confidentiality of any non-public information learned in the performance of their duties on behalf of TISCO, except when disclosure is authorized or legally mandated. Directors shall disclose to TISCO the securities trading accounts of themselves and their related persons for the purpose of monitoring and preventing the use of non-public information. Directors shall notify the Corporate Secretary at least one day before dealing in any TISCO shares, in accordance with the Corporate Governance Policy.

Penalties shall be imposed for any breach and use of non-public information for one's own benefit as determined in the Company's regulations.

Anti-Corruption

TISCO Group has continued to focus on anti-corruption in all forms and remained strongly committed to operating our business with transparency throughout half a decade in the financial industry. Anti-Corruption practices are driven across all business units within the organization in alignment with the intention of the Thai Private Sector Collective Action Against Corruption (CAC). We have strictly adhered to anti-corruption practices and encouraged employees to embrace integrity in performing their duties, which is stated as one of the corporate values with the belief that Anti-Corruption must start from within.

TISCO Group signed a letter of intent to participate in the CAC in 2010, becoming one of the first listed companies to be certified with policy, internal control system, anti-corruption practices in accordance with the criteria set by the CAC committee, and has been certified as a continuous member. In 2022, we are ready for the upcoming fourth re-certification.

Anti-Corruption Guidelines

TISCO Group has launched Anti-Corruption Policy and Guidelines to enforce the company's directors, executives, and all staff of TISCO Group. The objective of guideline establishment is to guide the group of companies to practice with honesty, efficiency, and effectiveness to prevent or minimize the possibility of being used for corruption. Additionally, the determination regarding the practices with counterparty or business partners, whistle blowing channel, disclosure of information about the intent of company in combating with corruption, reporting to the executives, and the examination of the implementation of anti-corruption program were included therein the Anti-Corruption Guideline.

TISCO Group has implemented program to fight against corruption, with details as follows:

1. Determined Integrity as the company's core values. All TISCO Group's employees conduct themselves with honesty and follow the code of ethics to the highest standards of professional ethics in working and customer services, with instilled this value on the first workday and throughout their term as employees.

2. Reviewed Anti-Corruption Policy and Guidelines to ensure that they are comprehensive and clear. Key revision included prohibition of facilitation payment that could lead to corruption, prohibition of hiring government officials currently in position but not include the appointment of educational institution personnel as advisors or directors of the organization. Due diligence process and restriction of activities that incur conflict of interest were formulated as well as prohibiting improper practice or use of powers and duties, such as disclosing the secrets of the agencies they were previously affiliated with or the lobby in order to benefit in a wrong way. In case of hiring or appointing a former government official from a regulatory agency directly related to the business of TISCO Group or used to be in a position that can benefit TISCO, there must be two years of cooling-off period. Name and background of the government officials who were appointed as directors, advisors, executives shall be disclosed in the annual report.

3. Improved the guidelines for accepting gifts to be more stringent. No gift or other forms of rewards shall be accepted from customers, suppliers and other parties relating to the business on any occasion. In the case of undeniable TISCO Group will make charitable or collective donations to the TISCO Foundation or other charities. Besides, we have announced a no-gift policy during the New Year season 2022 on the organization's website and issued letter asking for cooperation with our customers, suppliers, and business related parties of TISCO Group to refrain from giving gifts to employees and executives

4. Provided regular corruption risk assessments along with annual operational risk assessments. The results of the assessment are reported to the relevant committees for consideration.

5. Reviewed anti-corruption practices to be consistent with the assessed risks impose strict penalties for employees involved in corruption.

6. Provided Anti-Corruption training programs to employee to promote integrity, honesty, and accountability in the exercise of their duties and responsibilities by adding "Anti-Corruption Policy" into Competency KPI which required 100 percent of test result. Additionally, virtual event for company's directors, executives and function head of 137 persons was arranged in a topic "The Roles of Executives and Employees in Anti-Corruption" to reinforce the intention and create an understanding of anti-corruption as well as to acknowledge good practices to be applied in business.

7. Prepared the whistleblowing channel to receive complaints from internal and external parties. Information, which will be kept confidential, will be used for fact finding.

8. Determined the intention to fight against corruption by sending a letter inviting business partners to join a network in anti-corruption and submitting a supplier code of conduct that includes anti-corruption practices. Additionally, directors, executives, and employees demonstrate their intentions against corruption through regular participation in activities with organizations, associations or other anti-corruption cooperative groups. In 2021, it is the 11th year that TISCO Group has joined the CAC to stimulate all sectors of society to be alert and ready to change the values that do not accept all forms of bribery. TISCO Group participated in the Anti-Corruption Day 2021 activities under the concept of "Kids to Build a Nation" on September 6, 2021 from 2pm - 4pm in the form of an Online Event via Facebook Live via the Anti-Corruption Organization's Facebook page. (<https://www.facebook.com/act.anticorruptionThailand>)

9. Disclosed the results of the assessment of anti-corruption actions. The TISCO Group has a current rating of 4, which is a company that has been certified as a member of the CAC, and is currently being upgraded to level 5, which is the level where anti-corruption guidelines are published to business partners or companies involved in business.

10. TISCO Securities included the assessment result of the listed companies' corruption prevention progress in the analysis as information for investors' consideration. TISCO Asset Management included the assessment result of the corruption prevention progress of the securities it invests in the fund documents and considered a CAC membership status as investment criteria.

Whistleblowing Policy

In order to operate the business of the organization with transparency and fairness to all groups of stakeholders, TISCO Group has formulated a Whistleblowing Policy which has been approved by the Board of Directors. The policy covers procedures and channels for whistleblowing including measures to protect complainants or whistleblower to encourage management troubleshooting and reporting to the relevant committees. There is communication to third parties and employees as follows:

Third parties Communicate through the corporate website. Complaints could be sent by letter to the Chairman of the Audit Committee or the Compliance Function TISCO Financial Group Public Company Limited 48/49 TISCO Tower, North Sathorn Road, Silom, Bangrak, Bangkok 10500.

Employees Communicate through intranet and related training

TISCO Group has established the HR Help Line as another independent channel to listen to employee grievances. Senior Executives have been appointed to represent the HR Help Line to ensure transparent and impartial review and operation. The complainant's name is kept confidential in accordance with the TISCO Group's practices of whistleblowing filing.

TISCO Group has measures to protect the rights of information providers and provides necessary safeguards for the protection of employees from reprisals or victimization. In 2021, TISCO Group did not find any complaints about illegal actions, corruption, or significant business ethics.

Complaint Channels

TISCO Group has established channels for receiving complaints. Complainants can file complaints through 5 channels as follows:

- Channel 1** Directly submit at TISCO Bank's Head Office or branches to officers.
- Channel 2** Mail to the Chairperson of the Audit Committee or Compliance Department
TISCO Financial Group Public Company Limited
TISCO Tower, 21st Floor, 48/49 North Sathorn Road, Silom, Bangrak, Bangkok, 10500
- Channel 3** Call TISCO Contact Center at 0 2633 6000 or fax complaint to 0 2633 6800
- Channel 4** Post complaint on TISCO's website
- Channel 5** Submit to TISCO HR Help Line for employees

8.2 Performance Result Report of the Audit Committee

Performance results of the Audit Committee are shown in Attachment 6. Details of the meetings attendance of the Audit Committee members can be found under 8.1.2 on Board of Directors Meetings and Remuneration of Directors.

8.3 Performance Result Report of Other Sub-Committees

Performance results of the Executive Board, the Risk Oversight Committee, the Nomination and Compensation Committee, and the Corporate Governance are shown in Attachment 7. Details of the meetings attendance of sub-committee can be found under 8.1.2 on Board of Directors Meetings and Remuneration of Directors.

8.4 Rights and Equitable Treatment of Shareholders

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

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

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

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

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

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

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

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

For the 2021 Annual General Meeting, TISCO invited shareholders to propose agenda and qualified candidates for directorship in advance, from September 1 to November 30, 2020. Before mailing out the Notice, the Company posted on its website information for shareholders regarding their right to propose additional agenda items at the annual general meeting, along with related procedures, deadline for the proposal of agenda items, and methods of proposing qualified candidates for directorship to the Nomination and Compensation Committee for further recommendation to the Board of Directors and proposal to shareholders at the annual general meeting. Posting of the information on the Company website coincided with similar disclosure through the Stock Exchange of Thailand's information dissemination channel and website. No shareholders had proposed additional agenda items and qualified names for directorship as of the stated date of the Annual General Meeting.

- Notification of Meeting Details and Materials

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

TISCO conducted the 2021 Annual General Meeting on April 22, 2021 amid the backdrop of the coronavirus (COVID-19) pandemic. Attendees were made to strictly comply with regulations, guidelines, and recommendations from TISCO, the government, and related health institutions, in order to reduce transmission risk. These included a one-meter social distancing guideline and check-in and check-out through the Thai Chana platform. TISCO disclosed the Agenda of the meeting via the Stock Exchange of Thailand's information dissemination channel on February 24, 2021, disclosed the Notice of the shareholder meeting in both Thai and English through the Stock Exchange of Thailand's information dissemination channel and its website on February 24, 2021 and sent the Notice of the shareholder meeting and the meeting materials to shareholders on March 22, 2021, or 31 days before the date of the shareholders meeting, in conformance with good corporate governance practices.

- Meeting attendance

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

For the 2021 Annual General Meeting, the Company proposed three independent directors, Chairman of the Board of Directors, Chairperson of the Audit Committee, and Chairperson of the Nomination and Compensation Committee, and included their profiles for shareholders to appoint as a proxy.

- Shareholder opportunity for queries and comments

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

For the 2021 Annual General Meeting under the COVID-19 pandemic, there were 11 out of 12 members of the Board of Directors in attendance (91.6666 per cent). TISCO Management Committee members, auditors and representatives from the Bank of Thailand also observed the meeting.

- Conduct of the meeting and voting

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

The 2021 Annual General Meeting was conducted according to the Company's Articles of Association with no additional agenda items, no changes to the agenda order, and no changes in important information without prior notification to shareholders. In addition, the Company assigned DIA Audit Company Limited to ensure that the meeting was conducted with clarity and transparency and in accordance with laws and the Company's Articles of Association. Representatives of DIA Audit Company Limited observed the registration and vote counting throughout the meeting.

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

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

For the 2021 Annual General Meeting held on April 22, 2021, the Company reported the shareholders' meeting resolutions through the SET's information dissemination channel on the same day of the meeting and disclosed the minutes of the meetings on May 6, 2021, in compliance with the above-mentioned timeframe.

8.5 Interest of Stakeholders

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

Actions towards Stakeholders

1. Shareholders

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

2. Employees

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

3. Customers

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

4. Business Partners and Creditors

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

5. Competitors

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

6. Social

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

7. Environment

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

Along with the aforementioned stakeholder groups, the company is committed to conducting business in a manner that is consistent with *human rights* and believes that a successful business must adhere to ethical and humanitarian principles when dealing with all human beings equally, as well as respecting the rights and freedoms of others and not discriminating on the basis of race, skin color, gender, age, religion, physical disability, political opinion, birthplace, or social class, which impedes or impedes equal opportunity or treatment for employees, customers, business partners, and others, including *the respect for and non-infringement of copyright and intellectual property*; Employees are responsible for protecting the Company's intangible assets. Additionally, it adheres to the rights of copyright and intellectual property owners.

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

8.6 Disclosure and Transparency

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

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

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

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

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

The Company has assigned its Corporate Secretariat Office and Investor Relations Function to represent the Company in communications with shareholders, investors, analysts, credit rating agencies and related regulatory bodies. The Company's information is publicly disseminated for easy access to interested parties through various channels, including reports submitted to the SET, the SEC, and the Company's website under "Investor Relations". Furthermore, TISCO has set up numerous activities which provide updates on the Company's information as well as responses to inquiries from investors such as Quarterly Analyst Meetings, Press Conferences, One-on-One meetings and Investor meetings, both local and international. The mentioned activities are participated in by senior management. Activities arranged in 2021 were as follows:

1. Four Quarterly Analyst Meetings with approximately 80 persons attending each meeting
2. One SET Opportunity Day event, arranged by the Stock Exchange of Thailand, with approximately 20 analysts and investors attending the meeting
3. Two Company Visits (reduced due to the COVID-19 situation) and 15 conference calls with investors and equity analysts, both local and international
4. Meetings with investors, both local and foreign, were changed to Virtual Conferences in accordance with the Social Distancing guidelines outlined by the Securities Company; there were a total of 21 meetings, covering 245 investors in attendance.

Moreover, the Investor Relations and the Corporate Secretariat Office have improved its operations towards a digital format by reducing the use of paper and delivering documents via digital channels. If printing of documents or reports is mandatory, environmentally-friendly paper, printing ink and printing processes are chosen so as to reduce greenhouse gas emissions and preserve the environment.

Investors and shareholders may contact the Company at:**Investor Relations**

Email : ir@tisco.co.th
Tel. : 0 2633 6868
Fax. : 0 2633 6855

Corporate Secretariat Office

Email : tisco_cs@tisco.co.th
Tel. : 0 2633 6805
Fax. : 0 2633 6855

Address:

TISCO Financial Group Pcl.
Investor Relations, 7th Floor
Corporate Secretariat Office, 21st Floor
TISCO Tower, 48/49 North Sathorn Road,
Bangrak, Bangkok, 10500
Website : www.tisco.co.th

Ordinary shares registrar:

The Thailand Securities Depository Co., Ltd.
Tel. : 0 2009 9999

9. Internal Control and Related Party Transactions

9.1 Internal Control System

TISCO Group emphasizes a sound risk management policy and appropriate internal control system to support the effectiveness of TISCO Group's business undertakings. The control structure starts with a control environment for transparent operations of the Group's businesses under good corporate governance, and goes further to include structural checks and balances, centralized policies and guidelines for enterprise-wide adoption, a written and thoroughly communicated code of conduct, disciplinary processes, and establishment of channels for accepting complaints with appropriate consideration.

Oversight of Internal Control System and Risk Management

Business undertakings as well as the adequacy of the control system are under the supervision of the Board of Directors of TISCO Financial Group through the Executive Board, Risk Oversight Committee, and the Audit Committee. The centralized supervision is conducted by TISCO Group in accordance with the consolidated supervision principles of the Bank of Thailand and is under the following structure.

1. The Executive Board of the parent company oversees the entirety of the risk management and internal control systems, fosters a risk governance culture to support the organizational business operations according to the determined business direction and targets, and ensures the effectiveness of the implementation of the risk management framework and control systems of TISCO Group. Under TISCO Financial Group, the parent company, specific sub-committees have been appointed to centralize the oversight functions. These include the Risk Management Committee, the Compliance and Operation Control Committee, the IT Risk Committee, and the Technology and Infrastructure Committee. Meanwhile, TISCO Bank, a subsidiary of TISCO Group, has also established specific sub-committees relevant to the banking business, namely the Risk Management Committee, the Credit Committee, and the Problem Loan Committee. As for other subsidiaries within TISCO Group, the appointment of sub-committees are considered and established in line with the complexity of the business undertakings of each subsidiary and as deemed necessary and appropriate. The risk management and control system of each subsidiary within TISCO Group shall be implemented in accordance with the Internal Control Policy, Corporate Governance Policy, and Risk Management Policy as well as the relevant guidelines determined by the parent control for enterprise-wide adoption.

2. The Risk Oversight Committee's duties include ensuring compliance with the risk management policies & strategies, and risk appetite. The committee shall exchange views with the Audit Committee in reviewing the sufficiency and effectiveness of overall risk management policies & strategies and risk appetite on a regular basis. Reports shall also be made to the Board regarding risk exposures, effectiveness of risk management, progress in the implementation of risk culture, and significant issues and required improvements to comply with the risk management policies & strategies.

3. The Audit Committee of TISCO Financial Group shall perform its duties independently, namely assessing and overseeing the adequacy of TISCO Group's internal control system established and supervised by the Executive Board, including the effectiveness of the audit system. The Audit Committee of TISCO Financial Group shall consider the Internal Control Assessment Form prepared by the management of TISCO Group and concurred with by the Risk Oversight Committee on an annual basis prior to proposing it to the Board of Directors for consideration and approval. Regarding the oversight of the Internal Audit function, the Committee has approved the Internal Audit Policy, Internal Audit Charter, Audit Plan and Strategy, and Key Performance Indicators, acknowledged the internal audit practices, audit reports, audit progress update, and evaluated the performance of the Internal Audit function. In regard to the oversight of compliance, the Committee shall acknowledge the annual compliance plan and report, compliance activities, legal case status, BOT report, and assess the corrective and preventive measures.

Overview of TISCO Group's Internal Control System and Risk Management

Internal Control and the Risk Management Framework is a set of interrelated components which start with the governance and risk management culture and widen to include synchronization between strategic objectives and risk management, risk assessment and management support of business objectives, monitoring, and finally, communication and reporting. The Internal Control system is an inherent component of risk management that raises the value and enhances the effectiveness of the other components. TISCO Group has implemented an internal control system and integrated- enterprise risk management framework under international best practices to ensure achievement of objectives, efficiency and effectiveness of operations, and compliance with laws and regulations. The internal control system has 5 key components, as described below.

TISCO Group has developed a control environment that promotes a sound internal control system. The established control environment first defines "Integrity" as a core corporate value, then serves to create and cultivate risk culture, establish Internal Control Policy and Guidelines, structure organizational checks and balances and supervisory lines, and determine the appropriate approval authority and accountabilities. These efforts facilitate the pursuit of business objectives as well as the continued education of employees in order to enhance skills and competencies. In regard to the oversight function, the Risk Oversight Committee, as appointed and delegated by the Board, shall supervise the performance of the Management Committee in terms of complying with the risk management policies and strategies and shall review establishment of a sound control system and risk management process. The Audit Committee performs duties through the operations of the Internal Audit Function in assessing the effectiveness of risk management and the control system. Meanwhile, the Corporate Governance Committee shall oversee the performance of the duties of the Board, directors, and management to assure that the proceedings are undertaken in accordance with the Corporate Governance Policy, code of business ethics, and relevant laws and regulations.

Effective risk management and controls are considered highly important by TISCO Group. Thus, the Risk Oversight Committee has been established to transparently and independently oversee and govern corporate risks. The Risk Management Committee is delegated the responsibility of establishing effective risk management policies, prudent risk management guidelines and limits as well as the monitoring and control processes. The Risk Management Committee assesses and measures key risks, particularly in the areas of credit, liquidity, market, strategy, and operations, including IT and fraud. Backed by an effective risk management framework and system, the Risk Management Function is accountable for measuring and monitoring the risks defined in the Risk Management Guidelines, regularly reporting the monitoring results to senior management and relevant committees. Meanwhile, the overall risk management process is also examined by independent internal auditors on a regular basis.

TISCO Group has designed a control system to serve as centralized management. This provides assurance that all subsidiaries within TISCO Group operate their businesses under an effective control system and align with each respective environment. The goal here is to manage risks which could affect the achievement of business objectives and/or damage the organization. Centralized policies and guidelines and the delegation of authority have been developed for enterprise-wide adoption and to support regular governance that ensures work proceeds under standardized practices. Additionally, under the internal control framework, segregation of duties among operators, reviewers and evaluators is well defined with a sound practice for assuring the checks and balances as well as the appropriateness of the audit system.

TISCO Group has steadfastly developed its information technology systems while enhancing the quality of information in order to provide efficient and timely information. The IT Risk Management Function has also been established to govern and support the achievement of control objectives and supervise compliance with laws and regulations related to IT. TISCO Group has adopted appropriate information technology and information security for business operations in order to secure key information. Additionally, TISCO Group has determined the channels and process to communicate adequate and accurate information to internal or external parties in a timely manner.

To ascertain whether the components of internal control are efficiently functioning, TISCO Group has established a monitoring and control assessment process. In addition, TISCO Group has arranged a channel to report internal control deficiencies to the responsible persons for timely corrective action. An audit process through the Internal Audit Function and Compliance Function has also been established. The results of examination of the control effectiveness as well as compliance with the laws and regulations stipulated by the supervisory authorities shall be regularly reported to senior management and the relevant committees.

9.1.1 Board of Directors' Report on Internal Control System

At the Board of Directors' Meeting No. 1/2021 on February 24, 2021, attended by six independent directors, including three members of the Audit Committee, the Board considered the Company's internal control assessment form as prepared by management. Such form was reviewed and approved by the Risk Oversight Committee and the Audit Committee. According to the assessment form, evaluation was made to cover five components: Organizational Control and Environmental Measures, Risk Management Measures, Management Control Activities, Information and Communication Measures and Monitoring. The Board viewed that the Company's internal control system is adequate and appropriate for business undertakings. The Company has established a sound control system and sufficient resources to carry out the determined processes, including sufficient monitoring control for supervising the business operations of subsidiaries to ascertain if they operate under control systems with appropriate control measures to prevent conflict of interests.

9.1.2 Audit Committee and Independent Auditor Comments on Internal Control System

The Audit Committee has agreed with the Board of Directors' report on the Internal Control System and had no comments on the internal control system. The details are provided in Attachment 6, Report of the Audit Committee. Moreover, in 2021, Ernst & Young Office Limited as independent auditor of the Company had no comments on the internal control system.

9.1.3 Head of Internal Audit Unit and Head of Compliance Unit

(1) Head of Internal Audit

TISCO Group appointed Miss Chuenchit Trakamratti as the Head of Internal Audit. She is judged to be qualified to take charge of the Internal Audit function with her competency and auditing experience. Ms. Chuenchit is able to independently perform her duties with the support of the Audit Committee. Ms. Chuenchit is also appointed as the Secretary to the Audit Committee. Qualifications of the current Head of Internal Audit are provided in Attachment 3.

(2) Head of Compliance

TISCO Group appointed Mrs. Dulyarat Taveephol to be Head of Corporate Compliance to oversee the compliance of business operations with related laws and regulations. The Compliance Function is under the supervision of Mr. Pairat Srivilairit - Chief Governance Officer. Qualifications of the current Heads are provided in Attachment 3.

9.2 Related Party Transactions

The Company disclosed the details of related party transactions under section 3.33 of the notes to the consolidated financial statement for the year ended December 31, 2021. The Company and its subsidiaries conducted business transactions with related parties at an arms-length basis to ensure fairness as applied to external parties.

9.2.1 Necessity and justification for the transactions

The related party transactions were necessary and justified in order to obtain maximize benefit for the Group. These transactions were found to be supporting transactions for the normal business operations of TISCO Group, in accordance with the consolidated supervision principles of the Bank of Thailand. Hence, these transactions did not involve any conflicts of interest.

9.2.2 Measures or procedures for approval of related party transactions

All transactions between related parties shall be done on the same basis and under the same conditions applied to external parties. Those with personal vested interests shall not be entitled to vote for the approval of said transactions. In addition, TISCO Group will disclose information in a transparent manner and in accordance with good governance principles.

9.2.3 Related transaction policy

The Group puts a strong emphasis on effective management under good governance and in accordance with the relevant rules and regulations. In addition, the Group has set up a “Related Party Transaction Policy”, implemented across the Group which states that the Group has no policy to encourage transactions between related parties. Should any such transactions occur, the conditions would be the same as for normal business transactions for the Group.

Part 3 Financial Statement

Summary of Auditor's Report

The Consolidated Financial Statements of the Company and its Subsidiaries for the Year Ended December 31, 2021

The independent auditor for the Company's financial statements and the Company's and its subsidiaries' consolidated financial statements for the year ended December 31, 2021 was Ms.Somjai Khunapasut, Certified Public Accountant (Thailand) No. 4499, of EY Office Limited. The conclusion of the report can be summarized as follows:

Based on the independent auditor's audit, the financial statements presented fairly, in all material respects, the financial position of TISCO Financial Group Public Company Limited and its subsidiaries and of TISCO Financial Group Public Company Limited as at December 31, 2020, and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards and drew attention to the matters related to the adoption of the set of Thai Financial Reporting Standards related to financial instruments in the preparation of current year's financial statements and to the COVID-19 pandemic which is impacting various businesses and industries. This situation could create uncertainties and may be impacting the operating results and cash flows in the future; and due to the impact of that situation, the Group has elected to adopt the Accounting Guidance on Temporary Relief Measures for Entities Providing Assistance to Debtors Impacted by Situations that Affect the Thai Economy as issued by the Federation of Accounting Professions in preparing the financial statements. The auditor's opinion is not modified in respect of this matter.

The Consolidated Financial Statements of the Company and its Subsidiaries for the Year Ended December 31, 2020

The independent auditor for the Company's financial statements and the Company's and its subsidiaries' consolidated financial statements for the year ended December 31, 2020 was Ms.Somjai Khunapasut, Certified Public Accountant (Thailand) No. 4499, of EY Office Limited. The conclusion of the report can be summarized as follows:

Based on the independent auditor's audit, the financial statements presented fairly, in all material respects, the financial position of TISCO Financial Group Public Company Limited and its subsidiaries and of TISCO Financial Group Public Company Limited as at December 31, 2020, and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards and drew attention to the matters related to the adoption of the set of Thai Financial Reporting Standards related to financial instruments in the preparation of current year's financial statements and to the COVID-19 pandemic which is impacting various businesses and industries. This situation could create uncertainties and may be impacting the operating results and cash flows in the future; and due to the impact of that situation, the Group has elected to adopt the Accounting Guidance on Temporary Relief Measures for Entities Providing Assistance to Debtors Impacted by Situations that Affect the Thai Economy as issued by the Federation of Accounting Professions in preparing the financial statements. The auditor's opinion is not modified in respect of this matter.

The Consolidated Financial Statements of the Company and its Subsidiaries for the Year Ended December 31, 2019

The independent auditor for the Company's financial statements and the Company's and its subsidiaries' consolidated financial statements for the year ended December 31, 2019 was Ms. Somjai Khunapasut, Certified Public Accountant (Thailand) No. 4499, of EY Office Limited. The conclusion of his report can be summarized as follows:

Based on the independent auditor's audit, the financial statements presented fairly, in all material respects, the financial position of TISCO Financial Group Public Company Limited and its subsidiaries and of TISCO Financial Group Public Company Limited as at December 31, 2019, and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards

Summary Statements of Financial Position, Statements of Profit or Loss and Other Comprehensive Income and Statements of Cash Flows

TISCO Financial Group Public Company Limited and its subsidiaries

Statement of Financial position for the years ended

(Unit: Thousand Baht)

	2021	2020	2019
Assets			
Cash	1,103,425	1,220,207	1,102,557
Interbank and money market items - net	30,489,211	38,212,028	45,300,141
Financial assets measured at fair value through profit or loss	2,081,052	2,173,020	-
Derivatives assets	-	62,095	21,907
Investments - net	8,042,759	9,953,256	9,363,032
Investments in subsidiaries and joint venture - net	809,629	804,925	813,602
Loans to customers and accrued interest receivables			
Loans to customers	220,419,498	244,355,748	263,569,157
Accrued interest receivables and undue interest income	1,712,501	1,901,983	1,240,929
Total loans to customers and accrued interest receivables	222,131,999	246,257,731	264,810,086
Less: Deferred revenue	(17,469,825)	(19,544,201)	(20,743,017)
Less: Allowance for expected credit loss / doubtful accounts	(11,740,174)	(11,825,544)	(10,709,365)
Less: Allowance for loss on debt restructuring	-	-	(7,343)
Loans to customers and accrued interest receivables - net	192,922,000	214,887,986	233,350,361
Properties foreclosed - net	120,522	29,671	18,429
Investment properties	27,305	27,334	30,304
Premises and equipment - net	2,780,562	2,921,739	2,984,152
Right-of-use assets - net	752,829	885,486	-
Intangible assets - net	130,919	214,268	329,460
Deferred tax assets	759,729	766,444	1,324,904
Securities and derivatives business receivables - net	1,131,229	1,058,180	1,164,066
Other assets	2,470,763	2,226,573	2,340,175
Total assets	243,621,934	275,443,212	298,143,090

TISCO Financial Group Public Company Limited and its subsidiaries

Statement of Financial position for the years ended

	(Unit: Thousand Baht)		
	2021	2020	2019
Liabilities and equity			
Liabilities			
Deposits	166,541,926	203,472,825	216,084,551
Interbank and money market items	8,080,700	5,807,646	4,656,133
Liabilities payable on demand	274,432	1,284,765	306,867
Derivatives liabilities	3,385	-	-
Debts issued and borrowings	14,961,919	12,825,919	25,016,919
Lease liabilities	707,179	828,590	-
Provisions	1,728,981	1,691,054	1,485,868
Deferred tax liabilities	-	1,097	-
Securities and derivatives business payables - net	1,521,353	1,033,041	820,545
Accrued interest payable	481,691	735,903	1,005,621
Income tax payable	661,620	495,672	911,330
Other liabilities	7,458,365	7,804,621	8,659,142
Total liabilities	202,421,551	235,981,133	258,946,976
Equity			
Share capital			
Registered			
33,858 preference shares of Baht 10 each	339	339	339
800,669,437 ordinary shares of Baht 10 each	8,006,694	8,006,694	8,006,694
	<u>8,007,033</u>	<u>8,007,033</u>	<u>8,007,033</u>
Issued and paid-up			
9,859 preference shares of Baht 10 each	99	99	99
800,645,624 ordinary shares of Baht 10 each	8,006,456	8,006,456	8,006,456
	8,006,555	8,006,555	8,006,555
Share premium			
Share premium on preference shares	-	-	-
Share premium on ordinary shares	1,018,408	1,018,408	1,018,408
	1,018,408	1,018,408	1,018,408
Other components of equity	1,828,088	1,837,917	1,810,936
Retained earnings			
Appropriated - statutory reserve	801,000	801,000	801,000
Unappropriated	29,543,039	27,795,056	27,556,084
Equity attributable to equity holders of the Company	<u>41,197,090</u>	<u>39,458,936</u>	<u>39,192,983</u>
Non-controlling interest of the subsidiaries	3,293	3,143	3,131
Total equity	41,200,383	39,462,079	39,196,114
Total liabilities and equity	243,621,934	275,443,212	298,143,090

TISCO Financial Group Public Company Limited and its subsidiaries

Statement of Comprehensive Income for the years ended

	(Unit: Thousand Baht)		
	2021	2020	2019
Profit or loss:			
Interest income	14,791,685	16,756,709	17,881,207
Interest expenses	(2,331,858)	(3,659,000)	(5,088,798)
Net interest income	12,459,827	13,097,709	12,792,409
Fee and service income	6,130,361	5,512,092	6,510,972
Fee and service expenses	(514,989)	(366,061)	(325,754)
Net fee and service income	5,615,372	5,146,031	6,185,218
Net gain on financial instruments measured at fair value through profit or loss	403,826	257,485	-
Net gains (losses) on trading and foreign exchange transactions	-	-	(24,227)
Net gain (loss) on investments	6,283	12,372	6,817
Share of profit (loss) from investments accounted for under equity method	7,216	(1,717)	12,108
Dividend income	69,609	58,903	64,617
Penalty fee income from loans	173,927	217,139	294,907
Other operating income	99,863	116,021	103,796
Total operating income	18,835,923	18,903,943	19,435,645
Operating expenses			
Employee's expenses	5,727,009	5,288,351	6,410,362
Directors' remuneration	20,002	18,160	18,125
Premises and equipment expenses	1,338,717	1,272,885	1,304,846
Taxes and duties	243,281	276,538	296,605
Other operating expenses	950,178	1,155,889	1,240,853
Total operating expenses	8,279,187	8,011,823	9,270,791
Bad debt, doubtful accounts and impairment losses	-	-	1,109,103
Expected credit loss	2,063,979	3,330,604	-
Profit from operations before income tax expenses	8,492,757	7,561,516	9,055,751
Income tax expenses	1,707,764	1,497,654	1,782,553
Profit for the year	6,784,993	6,063,862	7,273,198

TISCO Financial Group Public Company Limited and its subsidiaries

Statement of Comprehensive Income for the years ended

	(Unit: Thousand Baht)		
	2021	2020	2019
Other comprehensive income:			
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>			
Gain (loss) on investments in debt instruments measured at fair value through other comprehensive income	(4,583)	2,053	-
Gain (loss) on valuation in available-for-sale investments	-	-	74,272
Share of other comprehensive income of joint venture:			
Cash flow hedges of joint venture (loss)	(2,512)	(6,960)	1,342
Income tax effects	917	(411)	(14,854)
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax	(6,178)	(5,318)	60,760
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>			
Actuarial gain (loss)	3,979	(40,273)	(288,575)
Income tax effects	(953)	8,072	57,556
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax (Loss)	3,026	(32,201)	(231,019)
Other comprehensive income for the year (Loss)	(3,152)	(37,519)	(170,259)
Total other comprehensive income for the year	6,781,841	6,026,343	7,102,939
Profits attributable to			
Equity holders of the Company	6,784,593	6,063,483	7,270,233
Non-controlling interests of the subsidiaries	400	379	2,965
	6,784,993	6,063,862	7,273,198
Total comprehensive income attributable to			
Equity holders of the Company	6,781,441	6,025,964	7,100,094
Non-controlling interests of the subsidiaries	400	379	2,845
	6,781,841	6,026,343	7,102,939
Earnings per share of equity holders of the Company			
Basic earnings per share (Baht per share)	8.47	7.57	9.08

TISCO Financial Group Public Company Limited and its subsidiaries

Cash flow Statement for the years ended

(Unit: Thousand Baht)

	2021	2020	2019
Cash flows from operating activities			
Profit from operations before income tax	8,492,757	7,561,516	9,055,751
Adjustments to reconcile profit from operations before income tax			
to net cash provided by (paid from) operating activities			
Depreciation and amortisation	592,479	657,177	381,961
Expected credit loss	3,718,818	5,116,156	-
Bad debts and doubtful accounts	-	-	2,971,802
Share of (profit) loss from investment accounted for under equity method	(7,216)	1,717	(12,108)
Allowance for impairment of investments	-	-	4,769
Allowance for impairment of properties foreclosed (reversal)	(5)	564	(11,111)
Gain on disposal of investments in securities	(607,601)	(12,372)	(12,501)
Unrealised (gain) loss on foreign exchange transactions			
and trading derivatives	(155,857)	(21,803)	41,056
(Gain) loss on financial instruments measured at fair value through profit or loss	306,669	(253,456)	-
Gains (losses) on changes in value of investment properties	29	2,970	1,022
Gains on disposal of equipment and intangible assets	(6,414)	(4,891)	(3,290)
Loss on written-off of equipment and intangible assets	3,148	2,751	2,297
Gain on disposal of properties foreclosed	(48,345)	(33,340)	(42,934)
Employee benefit expenses	132,576	204,697	406,899
(Increase) decrease in accrued income	(28,122)	184,294	(306,256)
Increase (decrease) in accrued expenses	(196,846)	(801,440)	383,486
Net interest income	(12,459,827)	(13,097,709)	(12,792,409)
Dividend income	(69,609)	(58,903)	(64,617)
Cash received on interest income	14,696,962	15,729,391	16,948,275
Cash paid on interest expenses	(2,096,139)	(3,364,522)	(3,900,762)
Cash received on dividend income	69,609	58,903	64,617
Cash received on income tax	-	-	18,967
Cash paid on income tax	(1,535,529)	(1,456,983)	(1,839,085)
Profit from operating activities before changes			
in operating assets and liabilities	10,801,537	10,414,717	11,295,829
Operating assets (increase) decrease			
Interbank and money market items	7,723,466	7,077,408	8,758,584
Loans to customers	18,266,553	14,267,839	(7,808,565)
Securities and derivatives business receivables	(73,049)	105,886	(215,538)
Receivables from clearing house	(104,541)	(291,291)	114,006
Properties foreclosed	(106,350)	(11,837)	1,746,124
Other assets	(114,895)	388,509	3,655
Operating liabilities increase (decrease)			
Deposits	(36,930,899)	(12,611,726)	22,976,241
Interbank and money market items	2,273,054	1,151,513	281,459
Liabilities payable on demand	(1,010,333)	977,898	68,648
Securities and derivatives business payables	488,312	212,496	(174,731)
Short-term debts issued and borrowings	2,116,000	(2,351,000)	460,000
Payables to clearing house	(309,866)	(28,955)	278,256
Provision for long-term employee benefits	(77,481)	(54,500)	(37,048)
Other liabilities	(4,036)	(328,901)	(565,974)
Net cash flows from (used in) operating activities	2,937,472	18,918,056	37,180,946

TISCO Financial Group Public Company Limited and its subsidiaries

Cash flow Statement for the years ended

	(Unit: Thousand Baht)		
	2021	2020	2019
Cash flows from investing activities			
Cash paid for purchase of investments in securities	(12,166,216)	(31,435,476)	(36,584,587)
Cash received from disposal of investments in securities	14,512,470	29,164,080	36,256,313
Cash paid for purchase of equipment	(74,396)	(168,903)	(206,836)
Cash paid for purchase of intangible assets	(30,794)	(30,943)	(46,891)
Cash received from disposal of equipment	4,611	7,663	3,565
Cash received from disposal of intangible assets	-	-	395
Cash paid for acquisition of a subsidiary	-	-	(87,719)
Net cash flows used in investing activities	2,245,675	(2,463,579)	(665,760)
Cash flows from financing activities			
Cash received from issuance of long-term debentures	700,000	4,160,000	2,400,000
Cash paid for redemption of long-term debentures	(680,000)	(14,000,000)	(33,400,000)
Cash paid on lease liabilities	(275,842)	(291,784)	-
Dividend paid	(5,044,087)	(6,205,043)	(5,604,429)
Net cash flows from (used in) financing activities	(5,299,929)	(16,336,827)	(36,604,429)
Net increase (decrease) in cash	(116,782)	117,650	(89,243)
Cash at beginning of the year	1,220,207	1,102,557	1,191,800
Cash at end of the year	1,103,425	1,220,207	1,102,557
Supplemental cash flows information			
Non-cash transactions			
Right-of-use assets	108,550	158,039	-
Transfer-in of properties foreclosed in settlement of loans to customers	2,342,967	1,847,708	7,572
Transfer of investment properties to premises and equipment	-	-	8,062

Attachment

- Attachment 1 Profiles of Directors, Executives, Controlling Persons, Chief Financial Officer, Accountant, and Corporate Secretary
- Attachment 2 Information on Directors of Subsidiaries
- Attachment 3 Information on Internal Audit Head and Compliance Head
- Attachment 4 Asset for Business Operation and Details on Asset Valuation
- Attachment 5 Policy and Guidelines on Corporate Governance and Business Ethics (Full Version)
- Attachment 6 Report of the Audit Committee
- Attachment 7 Report of Other Sub-Committees
- Attachment 8 Statement of the Board of Directors' Responsibility for Financial Statements
- Attachment 9 Independent Auditor's Report, Financial Statement, and Notes to consolidated financial statements

Attachment 1 Profiles of Directors, Executives, Controlling Persons, Chief Financial Officer, Accountant, and Corporate Secretary

1.1 Profiles of Directors, Executives, Controlling Persons, Chief Financial Officer, Accountant, and Corporate Secretary as of January 1, 2022

Name/ Position / Date of first appointment/ Date of latest appointment	Age (years)	Education / Director's Training Course Program	Total Shareholding ¹⁾ (shares/percentage)	Family Relationship with other Management	Work Experience within 5 years		
					Period	Position	Company / Organization (Type of Business)
<p>1. Mr. Pliu Mangkornkanok</p> <p>Chairman of the Board of Directors Independent Director</p> <p>The Director's date of first appointment: September 4, 2008</p> <p>The Director's date of latest appointment: April 22, 2021</p>	73	<p>Master of Business Administration (Finance) University of California at Los Angeles, USA</p> <p>Master of Science (Industrial Engineering) Stanford University, USA</p> <p>Bachelor of Engineering (Industrial Engineering) Chulalongkorn University</p> <p><u>Public Training</u></p> <ul style="list-style-type: none"> - Director Certification Program - Role of the Chairman Program - Audit Committee Program - Strategic Board Master Class - IOD Director Briefing 1/2018: "Burning Issues Directors Need to Hear in the Year of the Dog" - Board Matters and Trends (BMT) - Chairman Dinner 2018 "Social Responsibilities in Action" - IOD Forum: Tough Boardroom Situations - Independent Directors Share Lessons Learned - Board of the year, Board of the Future - Independent Director Forum 1/2019: Tips and Tricks for Dealing with Questions in AGM - Directors Leadership Certification Program 0/2021 Thai Institute of Directors - Bangkok Sustainable Banking Forum 2019: An Industry Wake-up Call & Launching Ceremony of Thailand's Responsible Lending Guidelines - Bangkok FinTech Fair 2018: SME & Consumer Financial Solutions - Bangkok Sustainable Banking Forum 2018 - BOT OMFIF High-Level Seminar: Shaping the Future of Central Banks - IT Governance & Cyber Resilience - Cyber Resilience Leadership: Herd Immunity Bank of Thailand - Executive Program in Energy Literacy for a Sustainable Future (Class 5) Thailand Energy Academy - Situation, Trend and Growth of Sustainability Development Thaipat Institute - Certificate of Capital Market Academy Leadership Program (Class of Capital Market Academy) <p><u>In-House Training</u></p> <ul style="list-style-type: none"> - Cybersecurity Threatscape and You TISCO Financial Group Public Company Limited - Understanding Cryptocurrency, Blockchain, and Digital Asset and the opportunity in Thailand KQ Consulting Company Limited - Role of the Boardroom: Transforming Corporate Compliance into Corrupt-less Society Thailand's Private Sector Collective Action Coalition Against Corruption - Role of Financial Sector in Fighting Corruption Thai Institute of Directors - IT Security Awareness for Top Management ACIS Professional Center Company Limited - Chairman/Board perspectives on Corporate Strategy, beyond the crisis Bain & Company, Inc. - Roles of Executives and Employees in Anti-Corruption Thai Institute of Directors 	<p>Common 2,221,010 (0.28)</p> <p>Preferred -</p>	-	<p>2012-Present 2010-Present 2012-Present 2009-Present</p> <p>2016-Present</p> <p>2012-Present Nov2020-Present 2012-Nov2020</p> <p>2019-Present 2010-2019 2016-Present</p> <p>2011-Present</p> <p>2019-Present 2011-2019 2011-Present 2015-2018</p>	<p><u>TISCO Group</u></p> <p>Independent Director Chairman of the Board of Directors Independent Director Chairman of the Board of Directors <u>Others Company with Conflict of Interest</u> -</p> <p><u>Other Listed Company</u></p> <p>Vice Chairman Member of Human Resources Committee Independent Director Member of Audit Committee Chairman of the Audit Committee <u>Others Non-Listed Company</u></p> <p>Advisor Director Director</p> <p>2011-Present Director</p> <p><u>Others Organization</u></p> <p>Advisor Director Vice Chairman Advisor</p>	<p>TISCO Financial Group Public Company Limited (Holding Company)</p> <p>TISCO Bank Public Company Limited (Commercial Bank)</p> <p>-</p> <p>Star Petroleum Refining Public Company Limited (Refinery)</p> <p>Design 103 International Limited (Architect Consultant and Designer)</p> <p>Amata Spring Development Company Limited (Golf and country club)</p> <p>Chuchawal-Royal Haskoning Company Limited (Engineering Consultant)</p> <p>Sem Pringpuangkeo Foundation</p> <p>TISCO Foundation Thai Institute of Directors</p>

Name/ Position / Date of first appointment/ Date of latest appointment	Age (years)	Education / Director's Training Course Program	Total Shareholding ¹¹ (shares/percentage)	Family Relationship with other Management	Work Experience within 5 years		
					Period	Position	Company / Organization (Type of Business)
<p>2. Mr. Dung Ba Le</p> <p>Vice Chairman of the Board of Directors Member of the Nomination and Compensation Committee</p> <p>The Director's date of first appointment: December 1, 2021</p>	55	<p>Master of Science (Electrical Engineering) State University of New York</p> <p>Master of Science (International Business Diplomacy Honor Program) Georgetown University</p>	<p>Common -</p> <p>Preferred -</p>	-	<p>Dec2021-Present</p> <p>2020-Mar2021</p> <p>2015-2019</p> <p>2018-2019</p> <p>2015-2018</p>	<p><u>TISCO Group</u> Vice Chairman Member of the Nomination and Compensation Committee <u>Other Company with Conflict of Interest</u> - <u>Others Listed Company</u> Advisor to the Chairman of the Board Deputy Chief Executive Officer & Chief Risk Officer Board Member</p> <p>Chairman of the Board</p> <p><u>Others Non-Listed Company</u> - <u>Others Organization</u> -</p>	<p>TISCO Financial Group Public Company Limited (Holding Company)</p> <p>Vietnam Technological and Commercial Joint-stock Bank (Banking) Techcombank Securities (Banking/Investment) Techcombank Asset Management Company (Banking)</p>
<p>3. Mr. Suthas Ruangmanamongkol</p> <p>Director Chairman of the Executive Board (Authorized Signatory)</p> <p>The Director's date of first appointment: September 4, 2008</p> <p>The Director's date of latest appointment: April 22, 2021</p>	60	<p>Master of Science (Finance) University of Wisconsin-Madison, USA</p> <p>Master of Business Administration (Finance) Western Illinois University, USA</p> <p>Bachelor of Engineering (Computer Engineering) Chulalongkorn University</p> <p><u>Public Training</u> - Director Certification Program - Board of the year, Board of the Future Thai Institute of Directors - Situation, Trend and Growth of Sustainability Development Thaipat Institute - Cyber Resilience Leadership: Herd Immunity Bank of Thailand</p> <p><u>In-House Training</u> - Understanding Thailand Data Protection Law and its unintended consequence ACIS Professional Center Company Limited - Cybersecurity Threatscape and You TISCO Financial Group Public Company Limited - Understanding Cryptocurrency, Blockchain, and Digital Asset and the opportunity in Thailand KQ Consulting Company Limited - Culture of Innovation at Google Google (Thailand) Company Limited - Role of the Boardroom: Transforming Corporate Compliance into Corrupt-less Society Thailand's Private Sector Collective Action Coalition Against Corruption - Role of Financial Sector in Fighting Corruption Thai Institute of Directors - Opportunities in Financial Services as a result of Digital disruption and changing customer behaviours CAPCO - The Capital Markets Company Limited - Corporate Sustainability Sustainable Business Development Institute - IT Security Awareness for Top Management ACIS Professional Center Company Limited - Chairman/Board perspectives on Corporate Strategy, beyond the crisis Bain & Company, Inc. - Roles of Executives and Employees in Anti-Corruption Thai Institute of Directors</p>	<p>Common 4,100,000 (0.51)</p> <p>Preferred -</p>	-	<p>2019-Present</p> <p>2008-Present</p> <p>2017-Mar2021</p> <p>2015-2018</p> <p>2009-2019</p> <p>2019-Present</p> <p>2009-Present</p> <p>2009-2019</p> <p>2009-2016</p> <p>Apr2017-2019</p> <p>2010-Present</p> <p>2010-2018</p> <p>2013-2021</p> <p>2009-Present</p> <p>2010-2016</p>	<p><u>TISCO Group</u> Chairman of the Executive Board Director Group Chief Executive Chief Operating Officer Member of the Executive Board Chairman of the Executive Board Director Member of the Executive Board President Chairman of the Board of Directors Audit Committee</p> <p><u>Other Company with Conflict of Interest</u> - <u>Others Listed Company</u> - <u>Others Non-Listed Company</u> Director Director Director</p> <p><u>Others Organization</u> Director Director</p>	<p>TISCO Financial Group Public Company Limited (Holding Company)</p> <p>TISCO Bank Public Company Limited (Commercial Bank)</p> <p>TISCO Asset Management Company Limited (Asset Management)</p> <p>PDTL Trading Company Limited (Distributor of electric wires and cable) Phelps Dodge International (Thailand) Company Limited (Manufacture of wire and cable products) Dole Thailand Company Limited (Food & Beverage)</p> <p>TISCO Foundation The Thai Bankers' Association</p>

Name/ Position / Date of first appointment/ Date of latest appointment	Age (years)	Education / Director's Training Course Program	Total Shareholding ¹ (shares/percentage)	Family Relationship with other Management	Work Experience within 5 years		
					Period	Position	Company / Organization (Type of Business)
<p>4. Assoc. Prof. Dr. Angkarat Priebjirivat</p> <p>Independent Director Chairperson of the Risk Oversight Member of the Audit Committee</p> <p>The Director's date of first appointment: September 4, 2008</p> <p>The Director's date of latest appointment: April 22, 2021</p>	66	<p>Doctor of Philosophy (Accounting) New York University, USA</p> <p>Master of Science (Accounting) Bachelor of Business Administration (Accounting) Thammasat University</p> <p>- Audit Committee Program - Director Certification Program - Director Accrediation Program - Monitoring the Internal Audit Function - Role of the Chairman Program - Anti-Corruption for Executive Program - Monitoring Fraud Risk Management - Monitoring the System of Internal Control and Risk Management - Driving Company Success with IT Governance (ITG) 6/2017 - R-ACF-Audit Committee Forum - Audit Committee Forum 2018: Learn, unlearn and relearn - Audit Committee in the Age of Disruption - DCP Series 4/2019: How to Develop a Winning Digital Strategy - Board of the Year, Board of the Future - IOD National Director Conference 2021 Thai Institute of Directors</p> <p>- Certificate in International Financial Reporting Standards (IFRS) The Institute of Chartered Accountants in England and Wales (ICAEW) - Certificate of Capital Market Academy Leadership Program Capital Market Academy - IT Security Awareness for Top Management Bank of Thailand - Cyber Armor : Capital Market Board Awareness No.2, The Securities and Exchange Commission</p> <p><u>In-House Training</u></p> <p>- Understanding Thailand Data Protection Law and its unintended consequence, ACIS Professional Center Company Limited - Understanding Cryptocurrency, Blockchain, and Digital Asset and the opportunity in Thailand KQ Consulting Company Limited - Role of the Boardroom: Transforming Corporate Compliance into Corrupt-less Society Thailand's Private Sector Collective Action Coalition Against Corruption - Role of Financial Sector in Fighting Corruption Thai Institute of Directors - Corporate Sustainability Sustainable Business Development Institute - IT Security Awareness for Top Management ACIS Professional Center Company Limited - Chairman/Board perspectives on Corporate Strategy, beyond the crisis Bain & Company, Inc. - Roles of Executives and Employees in Anti-Corruption Thai Institute of Directors</p>	<p>Common - Preferred -</p>	-	<p><u>TISCO Group</u></p> <p>Apr2021-Present Apr2013-Apr2021 2008-Present Apr2021-Present Apr2013-Apr2021</p> <p>Chairperson of the Risk Oversight Committee Chairperson of the Audit Committee Independent Director Chairperson of the Risk Oversight Committee Chairperson of the Audit Committee Independent Director</p> <p><u>Other Company with Conflict of Interest</u> -</p> <p><u>Others Listed Company</u></p> <p>Oct2019-Present 2014-2021 2008-2021</p> <p>Independent Director Member of the Audit Committee Member of the Corporate Governance and Sustainable Development Committee Chairperson of the Risk Management Committee Independent Director Chairperson of the Audit Committee</p> <p><u>Others Non-Listed Company</u></p> <p>2016-present 2021-2021</p> <p>Director and Member of the Audit Committee Independent Director</p> <p><u>Others Organization</u></p> <p>2012-Present 2002-Present 1992-Present 2020-Present 2018-Jan2020</p> <p>Member of the Audit Committee Government Accounting Standards Committee Advisor to the Listing and Disclosure Department Chairman of Subcommittee on Finance and Accounting of the Energy Conservation Fund Independent Director Member of the Audit Committee Member of the Risk Management Committee</p> <p>2016-2019 2014-2018 2018-2020</p> <p>Member of Finance and Accounting Subcommittee Director and Member of the Audit Committee Advisor to the Fundraising and the Listing and Disclosure Department</p>	<p>TISCO Financial Group Public Company Limited (Holding Company)</p> <p>TISCO Bank Public Company Limited (Commercial Bank)</p> <p>PTT Exploration and Production Public Company Limited (Petroleum Exploration and Production)</p> <p>COL Public Company Limited (Supplier of full line office products)</p> <p>TSFC Securities Public Company Limited (Liquidity provider to securities business) Bio Science Animal Health Co., Ltd. (Distributing animal feed and animal related products)</p> <p>Thai Public Broadcasting Service (Thai PBS) The Comptroller General's Department, Ministry of Finance The Stock Exchange of Thailand Ministry of Energy</p> <p>TOT Public Company Limited</p> <p>State Railway of Thailand Tourism Authority of Thailand The Securities and Exchange Commission</p>	

Name/ Position / Date of first appointment/ Date of latest appointment	Age (years)	Education / Director's Training Course Program	Total Shareholding ¹¹ (shares/percentage)	Family Relationship with other Management	Work Experience within 5 years		
					Period	Position	Company / Organization (Type of Business)
<p>5. Prof. Dr. Pranee Tinakorn</p> <p>Independent Director Chairperson of the Nomination and Compensation Committee</p> <p>The Director's date of first appointment: December 30, 2008</p> <p>The Director's date of latest appointment: April 22, 2021</p>	72	<p>Doctor of Philosophy (Economics)</p> <p>Master of Arts (Economics) University of Pennsylvania, USA</p> <p>Bachelor of Arts (Economics) Swarthmore College, USA</p> <p><u>Public Training</u></p> <ul style="list-style-type: none"> - Driving Company Success with IT Governance Program - How to Develop a Risk Management Plan - Role of the Compensation Committee - Anti-Corruption for Executive Program - Financial Institutions Governance Program - Director Certification Program - Monitoring Fraud Risk Management Program - Monitoring the System of Internal Control and Risk Management - Monitoring the Quality of Financial Reporting Program - Monitoring the Internal Audit Function Program - Audit Committee Program - Director Accreditation Program - Board of the Year, Board of the Future Thai Institute of Directors - Workshop on "Board Oversight of Cyber Risk Management" The Securities and Exchange Commission - IT Governance & Cyber Resilience Year 2020 Bank of Thailand <p><u>In-House Training</u></p> <ul style="list-style-type: none"> - Understanding Thailand Data Protection Law and its unintended consequence ACIS Professional Center Company Limited - Understanding Cryptocurrency, Blockchain, and Digital Asset and the opportunity in Thailand KQ Consulting Company Limited - Role of the Boardroom: Transforming Corporate Compliance into Corrupt-less Society Thailand's Private Sector Collective Action Coalition Against Corruption - Situation, Trend and Growth of Sustainability Development Thaipat Institute - Opportunities in Financial Services as a result of Digital disruption and changing customer behaviours CAPCO - The Capital Markets Company Limited - Corporate Sustainability Sustainable Business Development Institute - IT Security Awareness for Top Management ACIS Professional Center Company Limited - Chairman/Board perspectives on Corporate Strategy, beyond the crisis Bain & Company, Inc. - Roles of Executives and Employees in Anti-Corruption Thai Institute of Directors 	<p>Common -</p> <p>Preferred -</p>	-	<p>Apr2013-Present 2008-Present 2019-2021</p> <p>Dec2018-Present 2014-2016 Aug2012-Sep2016 Feb2018-Present</p> <p>Jun2017-Present 2020-Present 2008-2021 2005-2021 2009-2020</p>	<p><u>TISCO Group</u></p> <p>Chairperson of the Nomination and Compensation Committee Independent Director Member of the Corporate Governance Committee <u>Other Company with Conflict of Interest</u></p> <p>-</p> <p><u>Others Listed Company</u></p> <p>-</p> <p><u>Others Non-Listed Company</u></p> <p>-</p> <p><u>Others Organization</u></p> <p>Member of the Audit Committee Chairperson of the Audit Committee Board of Governors of Thai Public Broadcasting Service Associate Fellow of the Office of the Royal Society, the Academy of Moral and Political Sciences, Social Science, Economics Director of the Economics Vocabulary Glossary Honorable Committee Member Executive Director Member of TDRI Council of Trustees University Council Director</p>	<p>TISCO Financial Group Public Company Limited (Holding Company)</p> <p>Thai Public Broadcasting Service (Thai PBS)</p> <p>Office of the Royal Society</p> <p>Mahidol University Thailand Development Research Institute (TDRI)</p> <p>Krirk University</p>

Name/ Position / Date of first appointment/ Date of latest appointment	Age (years)	Education / Director's Training Course Program	Total Shareholding ¹¹ (shares/percentage)	Family Relationship with other Management	Work Experience within 5 years		
					Period	Position	Company / Organization (Type of Business)
<p>7. Mr. Sathit Aungmanee Independent Director Member of the Audit Committee Member of the Nomination and Compensation Committee</p> <p>The Director's date of first appointment: April 30, 2014</p> <p>The Director's date of latest appointment: April 22, 2021</p>	75	<p>Master of Business Administration (Finance) Fairleigh Dickinson University, USA Bachelor of Business Administration (Accounting) Thammasat University <u>Public Training</u> - Director Forum 2017 "The Board's Role in CEO Succession Planning" Thai Institute of Directors <u>In-House Training</u> - Cybersecurity Threatscape and You TISCO Financial Group Public Company Limited - Situation, Trend and Growth of Sustainability Development Thaipat Institute - Role of Financial Sector in Fighting Corruption Thai Institute of Directors - Opportunities in Financial Services as a result of Digital disruption and changing customer behaviours CAPCO - The Capital Markets Company Limited - Corporate Sustainability Sustainable Business Development Institute - IT Security Awareness for Top Management ACIS Professional Center Company Limited - Chairman/Board perspectives on Corporate Strategy, beyond the crisis Bain & Company, Inc.</p>	<p>Common 150,035 (0.02) Preferred -</p>	-	<p>May2017-Present 2016-Present Jun2015-Present 2014-Apr2017 2014-2016 May2017-Present 2016-Present 2014-2016</p>	<p><u>TISCO Group</u> Member of the Audit Committee Independent Director Member of the Nomination and Compensation Committee Member of the Corporate Governance Committee Director Member of the Audit Committee Independent Director Director <u>Other Company with Conflict of Interest</u> - <u>Others Listed Company</u> - <u>Others Non-Listed Company</u> - <u>Others Organization</u> -</p>	<p>TISCO Financial Group Public Company Limited (Holding Company)</p> <p>TISCO Bank Public Company Limited (Commercial Bank)</p>
<p>8. Dr. Charatpong Chotigavanich Independent Director Member of the Risk Oversight Committee Member of the Corporate Governance Committee</p> <p>The Director's date of first appointment: April 22, 2019</p> <p>The Director's date of latest appointment: April 22, 2021</p>	46	<p>Doctor of Philosophy (Human Resource and Organization Development) National Institute of Development Administration Master of Business Administration University of California at Los Angeles, USA Master of Engineering Massachusetts Institute of Technology, USA Bachelor of Science Massachusetts Institute of Technology, USA <u>Public Training</u> - Director Certification Program - Director Accreditation Program - Risk Management Program for Corporate Leaders - IT Governance and Cyber Resilience Program - Financial Statements for Directors Program - Boardroom Success through Financing and Investment Program Thai Institute of Directors - Cyber Armor : Capital Market Board Awareness No.2 Securities and Exchange Commission, Thailand <u>In-House Training</u> - Understanding Thailand Data Protection Law and its unintended consequence, ACIS Professional Center Company Limited - Cybersecurity Threatscape and You TISCO Financial Group Public Company Limited - Understanding Cryptocurrency, Blockchain, and Digital Asset and the opportunity in Thailand KQ Consulting Company Limited - Role of the Boardroom: Transforming Corporate Compliance into Corrupt-less Society Thailand's Private Sector Collective Action Coalition Against Corruption - Corporate Sustainability Sustainable Business Development Institute - IT Security Awareness for Top Management ACIS Professional Center Company Limited - Chairman/Board perspectives on Corporate Strategy, beyond the crisis Bain & Company, Inc. - IT Security Awareness TISCO Financial Group Public Company Limited - Roles of Executives and Employees in Anti-Corruption Thai Institute of Directors</p>	<p>Common - Preferred -</p>	-	<p>2019-Present 2019-Present 2018-Present 2011-Present 2011-Present 2015-2018 2015-2016 2014-2018 2013-2018 2012-2018 2012-2018 2010-2018 2007-2018 2002-2018</p>	<p><u>TISCO Group</u> Independent Director Member of the Risk Oversight Committee Member of the Corporate Governance Committee Independent Director <u>Other Company with Conflict of Interest</u> - <u>Others Listed Company</u> - <u>Others Non-Listed Company</u> Director Chief Technology Officer Director Advisor Director Director Managing Director Director Director Director Director Director Director Director Director</p>	<p>TISCO Financial Group Public Company Limited (Holding Company)</p> <p>TISCO Bank Public Company Limited (Commercial Bank)</p> <p>T2P Company Limited (Software and Information System) T.S. Gen Company Limited (Furniture Production and Bedding) Sitthimon Company Limited</p> <p>(Furniture Production and Bedding) Discover Management Company Limited (Management Consultant) Taweekoon Poonsub Company Limited (Real Estate) Tree Samakkhi Company Limited (Real Estate) Pontichapong Company Limited (Real Estate) Utaichot Company Limited (Real Estate) Green Innovative Consultant Company Limited (Environmental Consultant) Digitopolis Company Limited (Software and Information System) TS Boarding House Company Limited (Air Ticket Agency)</p> <p><u>Others Organization</u> -</p>

Name/ Position / Date of first appointment/ Date of latest appointment	Age (years)	Education / Director's Training Course Program	Total Shareholding ¹ (shares/percentage)	Family Relationship with other Management	Work Experience within 5 years		
					Period	Position	Company / Organization (Type of Business)
9. Dr. Kulpatra Sirodom Independent Director Chairperson of the Audit Committee Member of the Corporate Governance Committee The Director's date of first appointment: April 22, 2019 The Director's date of latest appointment: April 22, 2021	65	Doctor of Philosophy (Finance) University of Pittsburgh, USA Master of Business Administration (Banking and Finance) West Virginia University, USA Bachelor of Business Administration (Banking and Finance) Thammasat University <u>Public Training</u> - Audit Committee Program - Director Certification Program - Board of the Year, Board of the Future Thai Institute of Directors - Global Association Risk Professional The Global Association of Risk Professional - Bangkok Sustainable Banking Forum - IT Governance & Cyber Resilience Bank of Thailand <u>In-House Training</u> - Culture of Innovation at Google Google (Thailand) Company Limited - Understanding Thailand Data Protection Law and its unintended consequence ACIS Professional Center Company Limited - Corporate Sustainability Sustainable Business Development Institute - IT Security Awareness for Top Management ACIS Professional Center Company Limited - Chairman/Board perspectives on Corporate Strategy, beyond the crisis Bain & Company, Inc. - Roles of Executives and Employees in Anti-Corruption Thai Institute of Directors	Common - Preferred -	-	<u>TISCO Group</u> 2019-Present Independent Director Apr2021-Present Chairperson of the Audit Committee Member of the Corporate Governance Committee 2019-Apr2021 Member of the Audit Committee Member of the Nomination and Compensation Committee 2019-Present Independent Director Apr2021-Present Chairperson of the Audit Committee 2019-Apr2021 Member of the Audit Committee <u>Other Company with Conflict of Interest</u> - <u>Others Listed Company</u> 2018-Present Independent Director Chairperson of the Audit Committee 2017-Present Independent Director Chairperson of the Audit Committee Chairperson of the Corporate Governance Committee 2013-Present Chairperson of the Audit Committee 2012-Present Independent Director 2010-Present Independent Director 1994-Present Independent Director Chairperson of the Audit Committee 2009-2018 Independent Director Member of the Audit Committee Member of the Corporate Social Responsibility Committee 2002-2018 Independent Director Member of the Audit Committee <u>Others Non-Listed Company</u> 2014-2017 Independent Director <u>Others Organization</u> Feb2021-Present Director Member of the Audit Committee Member of the Nomination and Compensation Committee 2018-Present Director Chairperson of the Audit Committee 2018-Present Director Treasurer 2017-Present Director Chairperson of the Audit Committee 2013-Present Expert Member 2013-Present Director 2006-Present Director 2016- Jan2020 Independent Director 2016-Jan2020 Independent Director Chairperson of Risk Management Sub-committee 2013-2020 Expert Member 2013-2017 Expert Member on Risk Management Sub-Committee	TISCO Financial Group Public Company Limited (Holding Company) TISCO Bank Public Company Limited (Commercial Bank) Thai Group Holding Public Company Limited (Insurance and Leasing) The Erawan Group Public Company Limited (Hotel) Thai Wacoal Public Company Limited (Consumer Goods) Thai President Food Public Company Limited (Agriculture and Food Industry) The Siam Commercial Bank Public Company Limited (Commercial Bank) President Bakery Public Company Limited (Agriculture and Food Industry) Total Industrial Services Company Limited (Properties Development and Construction) The Stock Exchange of Thailand (Independent organization) Mae Fah Luang Foundation Under Royal Patronage (Foundation) Social Enterprise Thailand Association (Association) Thai Listed Companies Association (Association) Sripatum University Council (Educational Institution) Southeast Bangkok College Council (Educational Institution) The Professor Sangvian Indaravijaya Foundation (Foundation) Thailand Securities Depository Company Limited (Securities Services Related to Trading) Thailand Clearing House Company Limited (Securities Services Related to Trading) Commission Policy on Private Participation in State Affairs (Government Sector) Social Security Fund (Government Sector)	

Name/ Position / Date of first appointment/ Date of latest appointment	Age (years)	Education / Director's Training Course Program	Total Shareholding ¹¹ (shares/percentage)	Family Relationship with other Management	Work Experience within 5 years		
					Period	Position	Company / Organization (Type of Business)
					2011-2017	Advisor	The Federation of Accounting Professions under the Royal Patronage of his Majesty the King (The Federation of Accounting Professions)
					2013-2016	Revolving Evaluation Sub-Committee	The Comptroller General's Department (Government Sector)
					2010-2016	Member of the Risk Management Sub-Committee	Government Pension Fund (Government Sector)
					2006-2016	Director	H.R.H. Prince Pijitirapa Tevakul Foundation (Foundation)
					2013-2015	Associate Professor of Department of Finance	Faculty of Commerce and Accountancy, Thammasat University (Educational Institution)
10. Mr. Kanich Punyashthiti Independent Director Member of the Nomination and Compensation Committee The Director's date of first appointment: April 22, 2021	52	Master of Laws (cum laude), The Catholic University Leuven, Belgium Master of Laws, The University of Michigan, USA Master of Laws, Harvard University, USA Bachelor of Laws, Chulalongkorn University <u>Public Training</u> - Cyber Armor: Capital Market Board Awareness No.2 SEC - Director Accreditation Program Thai Institute of Directors - High Level Justice Process Administrators Certificate Class 17, Thailand Institute of Justice <u>In-House Training</u> - Roles of Executives and Employees in Anti-Corruption Thai Institute of Directors	Common - Preferred -	-	April 2021-Present	<u>TISCO Group</u> Independent Director Member of the Nomination and Compensation Committee	TISCO Financial Group Public Company Limited (Holding Company)
					April 2021-Present	Independent Director <u>Other Company with Conflict of Interest</u> -	TISCO Bank Public Company Limited
					2020-Present	<u>Others Listed Company</u> Independent Director	Thai President Foods Plc. (Food & Beverage)
					2019-Feb 2021	Member of the Audit Committee Independent Director Chairman of Nomination and Remuneration Committee Member of the Audit Committee	Thitikom Plc. (Leasing & Hire purchase)
					2021-Present	<u>Others Non-Listed Company</u> Independent Director Member of the Audit Committee Chairman of Corporate Governance Committee	Muang Thai Life Assurance Plc. (Insurance)
					2019-Present	Director	B.Grimm S.Napa Solar Power Co., Ltd. (Production and distribution of electricity from solar energy)
					2019-Present	Director	Pangjee Design Co., Ltd. (Design)
					2017-Present	Director	SNC (2015) Co., Ltd. (Real estate)
					2016-Present	Legal Advisor	Siam Piwat Co., Ltd. (Retail and Real Estate Development)
					2012-Present	Legal Advisor	S. Napa (Thailand) Co., Ltd. (Water and Environment Business)
					2012-Present	Legal Advisor	Global Utilities Service Co., Ltd. (Utilities Services)
					2020-Present	<u>Others Organization</u> Committee Member	Law Reform Commission of Thailand Committee (Government)
					2019-Present	Committee Member	Consideration and Reformation Committee of Partnership and Companies Law (Government)
					2017-Present	Director	The National Identity Foundation (Foundation)
					2018-Present	Director	Chitralada Technology College (Educational Institution)
					2015-Present	Director	Prince Mahidol Foundation (Foundation)
					2013-Present	Director	H.R.H. Princess Maha Chakri Sirindhorn Foundation for Chitralada School (Foundation)
					2009-Present	Vice Chairman	Rajpracha Samasai School Foundation (Foundation)

Name/ Position / Date of first appointment/ Date of latest appointment	Age (years)	Education / Director's Training Course Program	Total Shareholding ¹ (shares/percentage)	Family Relationship with other Management	Work Experience within 5 years		
					Period	Position	Company / Organization (Type of Business)
					2007-Present	Director	H.R.H. Princess Maha Chakri Sirindhorn Foundation for the Faculty of Arts, Chulalongkorn University (Educational Institution)
					1994-2020	Assistant professor	Chulalongkorn University (Education)
11. Mr. Chi-Hao Sun Director Member of the Executive Board (Authorized Signatory) The Director's date of first appointment: June 29, 2011 The Director's date of latest appointment: April 22, 2021	46	Master of Science (Finance) Bentley University, USA Master of Business Administration Boston University, USA Bachelor of Arts (Economics) Taipei University, Taiwan <u>In-House Training</u> - Cybersecurity Threatscape and You TISCO Financial Group Public Company Limited	Common - Preferred -	-	2012-Present 2011-Present Apr2014-Present 2012-Present 2013-Present	<u>TISCO Group</u> Member of the Executive Board Director Director Member of the Executive Board <u>Other Company with Conflict of Interest</u> - <u>Others Listed Company</u> - <u>Others Non-Listed Company</u> Senior Vice President <u>Others Organization</u> -	TISCO Financial Group Public Company Limited (Holding Company) TISCO Bank Public Company Limited (Commercial Bank) CDIB & Partners Investment Holding Corporation (Investment)
12. Mr. Satoshi Yoshitake Director Member of the Executive Board (Authorized Signatory) The Director's date of first appointment: April 23, 2019 The Director's date of latest appointment: April 22, 2021	60	Master of Business Administration Emory University, USA Bachelor of Economics Keio University, USA <u>Public Training</u> - Director Accreditation Program Thai Institute of Directors <u>In-House Training</u> - Chairman/Board perspectives on Corporate Strategy, beyond the crisis Bain & Company, Inc.	Common - Preferred -	-	2019-Present 2019-Present 2020-Present Jul2018-2020 Jul2018-Present May2012-Present	<u>TISCO Group</u> Director Member of the Executive Board Director Member of the Executive Board Director Managing Director Managing Director Director <u>Other Company with Conflict of Interest</u> - <u>Others Listed Company</u> - <u>Others Non-Listed Company</u> Employee (International Business Unit) <u>Others Organization</u> -	TISCO Financial Group Public Company Limited (Holding Company) TISCO Bank Public Company Limited (Commercial Bank) TISCO Tokyo Leasing Company Limited (Leasing) HTC Leasing Company Limited (Leasing) Tokyo Century Corporation (Financial Service)
13. Mr. Sakchai Peechapat Director Member of the Executive Board Member of the Risk Oversight Committee Group Chief Executive (Authorized Signatory) The Director's date of first appointment: April 22, 2019 The Director's date of latest appointment: April 22, 2021	54	Master of Business Administration (International Business) University of Hawaii at Manoa, USA Bachelor of Engineering (Civil Engineering) (Honors) Kasetsart University <u>Public Training</u> - Director Certification Program - Director Accreditation Program - Innovating from Necessity: The Digital Business Building Imperative in the Current Crisis - Board of the Year, Board of the Future - IOD National Director Conference 2021 Thai Institute of Directors - Certificate of Executive Leadership Program, Class 27 Capital Market Academy - Thailand Insurance Leadership Program, Class 3 OIC Advanced Insurance Institute - Financial Executive Development Program (FINEX 14) The Thai Institute of Banking and Finance Association - Japan-focused Management Program Japan-America Institute of Management Science, USA	Common 66,177 (0.01) Preferred -	-	Apr2021-Present 2019-Present 2019-Mar2021 2010-2016 2019-Present 2017-Present 2017-Mar2021 2010-2016 2015-2017 2010-2017 2009-2017 2009-2017	<u>TISCO Group</u> Group Chief Executive Member of the Risk Oversight Committee Member of the Executive Board Director Chief Operating Officer Vice President Member of the Risk Oversight Committee Director Member of the Executive Board President Senior Executive Vice President - Retail Banking Chairman of the Board Director Chairman of the Board Director Chairman of the Board Director	TISCO Financial Group Public Company Limited (Holding Company) TISCO Bank Public Company Limited (Commercial Bank) HTC Leasing Company Limited (Leasing) Hi-Way Company Limited (Hire Purchase) TISCO Tokyo Leasing Company Limited (Leasing)

Name/ Position / Date of first appointment/ Date of latest appointment	Age (years)	Education / Director's Training Course Program	Total Shareholding ¹¹ (shares/percentage)	Family Relationship with other Management	Work Experience within 5 years		
					Period	Position	Company / Organization (Type of Business)
		<ul style="list-style-type: none"> - IT Governance & Cyber Resilience - Cyber Resilience Leadership: Herd Immunity Bank of Thailand - Super Thailand Insurance Leadership Program, Class 1 Office of Insurance Commission (OIC) <u>In-House Training</u> - Understanding Thailand Data Protection Law and its unintended consequence, ACIS Professional Center Company Limited - Cybersecurity Threatscape and You TISCO Financial Group Public Company Limited - Understanding Cryptocurrency, Blockchain, and Digital Asset and the opportunity in Thailand KQ Consulting Company Limited - Role of the Boardroom: Transforming Corporate Compliance into Corrupt-less Society Thailand's Private Sector Collective Action Coalition Against Corruption - Situation, Trend and Growth of Sustainability Development Thaipat Institute - Role of Financial Sector in Fighting Corruption Thai Institute of Directors - Opportunities in Financial Services as a result of Digital disruption and changing customer behaviours CAPCO-The Capital Markets Company Limited - Corporate Sustainability Sustainable Business Development Institute - IT Security Awareness for Top Management ACIS Professional Center Company Limited - Chairman/Board perspectives on Corporate Strategy, beyond the crisis Bain & Company, Inc. - IT Security Awareness TISCO Financial Group Public Company Limited - Roles of Executives and Employees in Anti-Corruption Thai Institute of Directors 			2006-2021	<ul style="list-style-type: none"> <u>Other Company with Conflict of Interest</u> - <u>Others Listed Company</u> - <u>Others Non-Listed Company</u> Independent Director <u>Others Organization</u> - 	AXA Insurance (Thailand) Public Company Limited (Insurance)
14. Ms. Krisna Theravuthi Advisor to TISCO's Board of Directors	71	<ul style="list-style-type: none"> Master of Business Administration (Marketing) University of Wisconsin-Madison, USA Bachelor of Accountancy (Accounting) Chulalongkorn University <u>Public Training</u> - Director Certification Program - Director Accreditation Program - Effective Audit Committee and Best Practices Program - Audit Committee Program - Monitoring the System of Internal Control and Risk Management Program - Role of Compensation Committee Program - Role of the Chairman Program Thai Institute of Directors 	Common - Preferred -	-	<ul style="list-style-type: none"> Jun2013-Present 1986-Present 2012-Present 2010-Present 2010-Present 2016-Present 	<ul style="list-style-type: none"> <u>TISCO Group</u> Advisor to TISCO's Board of Directors <u>Others</u> Chairman of the Board Director Vice President Honorary Director Chairman 	<ul style="list-style-type: none"> TISCO Financial Group Public Company Limited (Holding Company) Thavorn Udon Company Limited (Hotel) Krua Charoen Company Limited (Food & Beverage) Business and Professional Women's Association of Thailand - Udontani Udonthani Vocational College Northeast Community Center of Mental Retardation

Name/ Position / Date of first appointment/ Date of latest appointment	Age (years)	Education / Director's Training Course Program	Total Shareholding ¹ (shares/percentage)	Family Relationship with other Management	Work Experience within 5 years		
					Period	Position	Company / Organization (Type of Business)
15. Mr. Metha Pingsuthiwong Chief Operating Officer President	54	Master of Business Administration (Finance) University of Wisconsin-Milwaukee, USA Bachelor of Engineering (Electrical Engineering) Chulalongkorn University <u>Public Training</u> - Director Certification Program Thai Institute of Directors - IT Governance & Cyber Resilience Year 2019 - Bangkok Sustainable Banking Forum 2019 Bank of Thailand - Capital Market Outlook FETCO <u>In-House Training</u> - Understanding Thailand Data Protection Law and its unintended consequence, ACIS Professional Center Company Limited - Cybersecurity Threatscape and You TISCO Financial Group Public Company Limited - Understanding Cryptocurrency, Blockchain, and Digital Asset and the opportunity in Thailand KQ Consulting Company Limited - Role of the Boardroom: Transforming Corporate Compliance into Corrupt-less Society Thailand's Private Sector Collective Action Coalition Against Corruption - Corporate Sustainability Sustainable Business Development Institute - IT Security Awareness for Top Management ACIS Professional Center Company Limited - Chairman/Board perspectives on Corporate Strategy, beyond the crisis Bain & Company, Inc. - IT Security Awareness TISCO Financial Group Public Company Limited	Common 195,800 (0.02) Preferred -	-	Apr2021-Present Feb2017-Mar2021 Jan2010-Jan2017 Apr2021-Present 2019-Present Feb2017-Present Jul2013-Jan2017 2019-Apr2021 2017-2019 2019-Apr2021 2017-2019 Apr2019-2020 2021-Present 1999-2018	<u>TISCO Group</u> Chief Operating Officer Senior Executive Vice President - Wealth management & Banking Services First Executive Vice President President Director Member of the Risk Oversight Committee Senior Executive Vice President - Wealth management & Banking Services First Executive Vice President - Retail Banking Chairman of the Board Member of the Audit Committee Director Chairman of the Board Member of the Audit Committee Director Director <u>Others</u> Director Director	TISCO Financial Group Public Company Limited (Holding Company) TISCO Bank Public Company Limited (Commercial Bank) TISCO Securities Company Limited (Securities) TISCO Asset Management Company Limited (Asset Management) TISCO Investment Advisory Securities Company Limited (Investment Advisory) Dole Thailand Company Limited (Food & Beverage) K-Line (Thailand) Company Limited (Transportation)
16. Mr. Pitada Vatcharasiritham Senior Executive Vice President	57	Master of Business Administration Indiana University of Pennsylvania, USA Bachelor of Economics Thammasat University <u>Public Training</u> - Certificate of Executive Leadership Program Capital Market Academy - Corporate Governance for Capital Market Intermediaries (2016) Thai Institute of Directors - Executive Management with Business Development and Investment Institute of Business and Industrial Development <u>In-House Training</u> - Chairman/Board perspectives on Corporate Strategy, beyond the crisis Bain & Company, Inc.	Common 80,000 (0.01) Preferred -	-	Jan2013-Present 2010-Present 2011-Present	<u>TISCO Group</u> Senior Executive Vice President Senior Executive Vice President - Corporate Banking Director <u>Others</u> -	TISCO Financial Group Public Company Limited (Holding Company) TISCO Bank Public Company Limited (Commercial Bank) TISCO Securities Company Limited (Securities)

Name/ Position / Date of first appointment/ Date of latest appointment	Age (years)	Education / Director's Training Course Program	Total Shareholding ¹ (shares/percentage)	Family Relationship with other Management	Work Experience within 5 years		
					Period	Position	Company / Organization (Type of Business)
19. Mr. Yuttpong Sriwongjanya First Executive Vice President	55	Master of Business Administration - The University of Mississippi, USA Bachelor of Science (Materials Science) Chulalongkorn University <u>Public Training</u> - Financial Executive Development Program (FINEX) The Thai Institute of Banking and Finance Association - Seminar; Market Conduct: How to strengthen Bank of Thailand <u>In-House Training</u> - Understanding Thailand Data Protection Law and its unintended consequence, ACIS Professional Center Company Limited - Cybersecurity Threatscape and You TISCO Financial Group Public Company Limited - Understanding Cryptocurrency, Blockchain, and Digital Asset and the opportunity in Thailand KQ Consulting Company Limited - Role of the Boardroom: Transforming Corporate Compliance into Corrupt-less Society Thailand's Private Sector Collective Action Coalition Against Corruption - Corporate Sustainability Sustainable Business Development Institute	Common - Preferred -	-	Apr2021-Present Feb2017-Mar2021 Apr2021-Present Feb2017-Mar2021 2013-Jan2017 Jul2013-2015 2016-Present 2013-Present	<u>TISCO Group</u> First Executive Vice President Executive Vice President First Executive Vice President - Retail Banking - Sales & Marketing 2 Executive Vice President - Retail Banking - Sales & Marketing 2 Assistant Executive Vice President - Retail Banking - Branch Channel Assistant Executive Vice President - Branch Channel Sales Director Director <u>Others</u> -	TISCO Financial Group Public Company Limited (Holding Company) TISCO Bank Public Company Limited (Commercial Bank) All-Ways Company Limited (E-marketplace Platform) Hi-Way Company Limited (Hire Purchase)
20. Mr. Dejphinun Suthadsanasoung First Executive Vice President	52	Master of Business Administration Eastern Michigan University, USA Bachelor of Business Administration (Finance) Assumption University <u>Public Training</u> - Privacy Law and Cybersecurity The Office of the Securities and Exchange Commission - Thailand Data Protection Law Thai Bankers Association <u>In-House Training</u> - Cybersecurity Threatscape and You TISCO Financial Group Public Company Limited - Role of the Boardroom: Transforming Corporate Compliance into Corrupt-less Society Thailand's Private Sector Collective Action Coalition Against Corruption - Corporate Sustainability Sustainable Business Development Institute - IT Security Awareness for Top Management ACIS Professional Center Company Limited	Common - Preferred -	-	Apr2021-Present Feb2017-Mar2021 Apr2021-Present Feb2017-Mar2021 2010-Jan2017 2017-Present 2016-Present 2008-Present	<u>TISCO Group</u> First Executive Vice President Executive Vice President First Executive Vice President - Retail Banking - Operations Executive Vice President - Retail Banking - Operations Assistant Executive Vice President - Retail Banking - Operations Chairman of the Board of Director Director Director <u>Others</u> -	TISCO Financial Group Public Company Limited (Holding Company) TISCO Bank Public Company Limited (Commercial Bank) HTC Leasing Company Limited (Leasing) All-Ways Company Limited (E-marketplace Platform) TISCO Tokyo Leasing Company Limited (Leasing)

Name/ Position / Date of first appointment/ Date of latest appointment	Age (years)	Education / Director's Training Course Program	Total Shareholding ¹¹ (shares/percentage)	Family Relationship with other Management	Work Experience within 5 years		
					Period	Position	Company / Organization (Type of Business)
21. Mr. Rungroj Jarasvijitkul First Executive Vice President	55	Master of Business Administration Bachelor of Business Administration (Finance) Chulalongkorn University <u>In-House Training</u> - Understanding Thailand Data Protection Law and its unintended consequence, ACIS Professional Center Company Limited - Cybersecurity Threatscape and You TISCO Financial Group Public Company Limited - Understanding Cryptocurrency, Blockchain, and Digital Asset and the opportunity in Thailand KQ Consulting Company Limited - Role of the Boardroom: Transforming Corporate Compliance into Corrupt-less Society Thailand's Private Sector Collective Action Coalition Against Corruption - Corporate Sustainability Sustainable Business Development Institute - IT Security Awareness for Top Management ACIS Professional Center Company Limited - Chairman/Board perspectives on Corporate Strategy, beyond the crisis Bain & Company, Inc.	Common - Preferred -	-	Apr2021-Present Mar2017-Mar2021 Apr2021-Present Feb2017-Mar2021 2015-Jan2017 2009-2015 Sep2018-Present	<u>TISCO Group</u> First Executive Vice President Executive Vice President First Executive Vice President - Retail Banking - Sales & Marketing 1 Executive Vice President - Retail Banking - Sales & Marketing Assistant Executive Vice President - Retail Banking - Product & Marketing Deputy Head of Retail Banking - Bangkok Channel Head of Bangkok Channel Director <u>Others</u> -	TISCO Financial Group Public Company Limited (Holding Company) TISCO Bank Public Company Limited (Commercial Bank) TISCO Insurance Solution Company Limited (Insurance)
22. Mr. Picha Ratanatam First Executive Vice President	50	Master of Business Administration (Finance) California State University at San Diego, USA Bachelor of Business Administration (Applied Statistics) Chulalongkorn University <u>Public Training</u> - Strategic Board Master Class Thai Listed Companies Association - Financial Executive Development (FINEX) The Thai Institute of Banking and Finance Association - CFP Professional Forum Thai Financial Planners Association <u>In-House Training</u> - Understanding Thailand Data Protection Law and its unintended consequence, ACIS Professional Center Company Limited - Cybersecurity Threatscape and You TISCO Financial Group Public Company Limited - Understanding Cryptocurrency, Blockchain, and Digital Asset and the opportunity in Thailand KQ Consulting Company Limited - Role of the Boardroom: Transforming Corporate Compliance into Corrupt-less Society Thailand's Private Sector Collective Action Coalition Against Corruption - Corporate Sustainability Sustainable Business Development Institute - IT Security Awareness for Top Management ACIS Professional Center Company Limited - Chairman/Board perspectives on Corporate Strategy, beyond the crisis Bain & Company, Inc.	Common - Preferred -	-	Apr2021-Present Feb2017-Mar2021 Apr2021-Present Feb2017-Mar2021 2013-Jan2017 2019-Present	<u>TISCO Group</u> First Executive Vice President Executive Vice President First Executive Vice President - Wealth Management & Banking Services Executive Vice President - Wealth Management Assistant Executive Vice President - Wealth Management Director <u>Others</u> -	TISCO Financial Group Public Company Limited (Holding Company) TISCO Bank Public Company Limited (Commercial Bank) TISCO Asset Management Company Limited (Asset Management)

Name/ Position / Date of first appointment/ Date of latest appointment	Age (years)	Education / Director's Training Course Program	Total Shareholding ¹ (shares/percentage)	Family Relationship with other Management	Work Experience within 5 years		
					Period	Position	Company / Organization (Type of Business)
23. Ms. Pavinee Ongvasith First Executive Vice President	53	Master of Finance/Management/Economics Oregon State University Bachelor of Engineering Chulalongkorn University <u>In-House Training</u> - Understanding Cryptocurrency, Blockchain, and Digital Asset and the opportunity in Thailand KQ Consulting Company Limited - Role of the Boardroom: Transforming Corporate Compliance into Corrupt-less Society Thailand's Private Sector Collective Action Coalition Against Corruption - Corporate Sustainability Sustainable Business Development Institute - IT Security Awareness for Top Management ACIS Professional Center Company Limited - Chairman/Board perspectives on Corporate Strategy, beyond the crisis Bain & Company, Inc.	Common - Preferred -	-		<u>TISCO Group</u> Apr2021-Present First Executive Vice President 2019-Mar2021 Executive Vice President 2016-2018 Assistant Executive Vice President 2018-Present Chief Executive Officer 2016-Present Director 2011-2017 Head of Asset Management - Investment <u>Others</u> 2018-Present Director	TISCO Financial Group Public Company Limited (Holding Company) TISCO Asset Management Company Limited (Asset Management) Fitch Ratings Limited (Provider of Credit Ratings)
24. Mr. Pairat Srivilairit Corporate Secretary First Executive Vice President Governance Office	56	Master of Business Administration Thammasat University Bachelor of Engineering Chulalongkorn University Certified Internal Auditor (CIA) Certificate in Control Self-Assessment (CCSA) Certified Financial Service Auditor (CFSA) The Institute of Internal Auditors (IIA), USA Certified Fraud Examiner (CFE) Association of Certified Fraud Examiners (ACFE), USA <u>Public Training</u> - Advances for Corporate Secretaries - Corporate Governance for Capital Market Intermediaries (CGI15/2016) - Company Secretary Program - Company Reporting Program - Board Reporting Program - Effective Minutes Taking - Audit Committee Program - Monitoring the Internal Audit Function - Monitoring Fraud Risk Management - Board of the Year, Board of the Future - CAC National Conference 2021: รวมพลังธุรกิจไม่กลัวได้ใจด้านคอรัปชั่น - Empowering Board Evaluation Through the Company Secretary Lens Company Secretary Forum 2021 Thai Institute of Directors - GRI Certified Training on G4 reporting Guidelines Thaipat Institute - Anti-Corruption Strategic Management for Senior Executives Office of the National Anti-Corruption Commission - ASEAN Workshop on the Promotion of CSR in Social Welfare and Development, MSDHS - Role of commercial banks and civil society in anti-corruption Bank of Thailand and the Thai Bankers' Association	Common - Preferred -	-		<u>TISCO Group</u> Apr2021-Present First Executive Vice President - Governance Office Feb2017-Mar2021 Executive Vice President - Governance Office Sep2013-Present Corporate Secretary 2013-2016 Head of Governance Office Sep2013-Present Director Sep2013-Present Director Sep2013-2018 Director <u>Others</u> 2020-Present Chairman of the TCSC Club 2015-2020 Director 2019-Present Director 2011-Present Member of Internal Audit Quality Assurance Committee 2010-Present Member of Internal Audit Development Committee 2010-Present Member of Risk Management Committee 2019-Present Member of the Audit Committee	TISCO Financial Group Public Company Limited (Holding Company) TISCO Information Technology Company Limited (Information Technology) Hi-Way Company Limited (Hire Purchase) TISCO Insurance Solution Company Limited (Insurance) Thai Company Secretary Club The Institute of Internal Auditors of Thailand The Comptroller General's Department Bangkok Metropolitan Administration Srinakharinwirot University

Name/ Position / Date of first appointment/ Date of latest appointment	Age (years)	Education / Director's Training Course Program	Total Shareholding ¹¹ (shares/percentage)	Family Relationship with other Management	Work Experience within 5 years		
					Period	Position	Company / Organization (Type of Business)
		<u>In-House Training</u> - Understanding Thailand Data Protection Law and its unintended consequence, ACIS Professional Center Company Limited - Cybersecurity Threatscape and You TISCO Financial Group Public Company Limited - Role of the Boardroom: Transforming Corporate Compliance into Corrupt-less Society Thailand's Private Sector Collective Action Coalition Against Corruption - Corporate Sustainability Sustainable Business Development Institute - IT Security Awareness for Top Management ACIS Professional Center Company Limited - Chairman/Board perspectives on Corporate Strategy, beyond the crisis Bain & Company, Inc.					
25. Ms. Wanthana Chotchaisathit Executive Vice President - Information Technology	55	Master of Business Administration Kasetsart University Bachelor of Science (Statistics) Kasetsart University <u>Public Training</u> - Thailand Data Protection Law - The Thai Bankers Association - Cybersecurity Act 2019, Personal Data Protection Act 2019 - IT Governance & Cyber Resilience Bank of Thailand - CIO Summit 2019 Race to Reinvent The Digital Determination Playbook International Data Corporation (IDC) - Huawei Global FSI Summit 2019, Huawei - Blockchain Based Business Model Change The Securities and Exchange Commission <u>In-House Training</u> - Understanding Thailand Data Protection Law and its unintended consequence, ACIS Professional Center Company Limited - Cybersecurity Threatscape and You TISCO Financial Group Public Company Limited - Understanding Cryptocurrency, Blockchain, and Digital Asset and the opportunity in Thailand KQ Consulting Company Limited - Culture of Innovation at Google Google (Thailand) Company Limited - Corporate Sustainability Sustainable Business Development Institute - IT Security Awareness for Top Management ACIS Professional Center Company Limited - Chairman/Board perspectives on Corporate Strategy, beyond the crisis Bain & Company, Inc.	Common 23,161 (0.00) Preferred -	-	Feb2019-Present 2018-2019 2014-Present	<u>TISCO Group</u> Executive Vice President - Information Technology Assistant Executive Vice President - Information Technology Director Managing Director <u>Others</u> -	TISCO Financial Group Public Company Limited (Holding Company) TISCO Information Technology Company Limited (Information Technology)

Name/ Position / Date of first appointment/ Date of latest appointment	Age (years)	Education / Director's Training Course Program	Total Shareholding ¹ (shares/percentage)		Family Relationship with other Management	Work Experience within 5 years		
						Period	Position	Company / Organization (Type of Business)
26. Ms. Rachada Pruksanubal Executive Vice President	50	Master of Business Administration (Finance) Thammasat University Master of Engineering (Computer Engineering) Tokyo Institute of Technology Bachelor of Engineering (Computer Engineering) Chulalongkorn University <u>In-House Training</u> - Understanding Thailand Data Protection Law and its unintended consequence, ACIS Professional Center Company Limited - Corporate Sustainability Sustainable Business Development Institute - IT Security Awareness for Top Management ACIS Professional Center Company Limited - Chairman/Board perspectives on Corporate Strategy, beyond the crisis Bain & Company, Inc.	Common 79,000 (0.01)	Preferred -	-	Apr2021-Present 2019-Mar2021 Apr2021-Present 2018-Present 2018-2019 2004-2017	<u>TISCO Group</u> Executive Vice President Assistant Executive Vice President Executive Vice President - Banking Services Head of Banking Services Acting Head of Treasury Acting Head of Fund Operation Deputy Head of Treasury <u>Others</u> -	TISCO Financial Group Public Company Limited (Holding Company) TISCO Bank Public Company Limited (Commercial Bank)
27. Mr. Theeranat Rujimethapas Executive Vice President	53	Master of Business Administration Sasin Graduate Institute of Business Administration of Chulalongkorn University Bachelor of Business Administration (General Marketing) Chulalongkorn University <u>Public Training</u> - Capital Market Academy Program (CMA 21) Capital Market Academy - Financial Executive Development Program (FINEX 23) The Thai Institute of Banking and Finance Association - Certified Financial Planner (CFP) Thai Financial Planners Association <u>In-House Training</u> - Cybersecurity Threatscape and You TISCO Financial Group Public Company Limited - Understanding Cryptocurrency, Blockchain, and Digital Asset and the opportunity in Thailand KQ Consulting Company Limited - Role of the Boardroom: Transforming Corporate Compliance into Corrupt-less Society Thailand's Private Sector Collective Action Coalition Against Corruption - Corporate Sustainability Sustainable Business Development Institute - IT Security Awareness for Top Management ACIS Professional Center Company Limited	Common 8,800 (0.00)	Preferred -	-	Apr2021-Present 2018-Mar2021 2018-Present 2013-2017 2009-2013 2018-Present	<u>TISCO Group</u> Executive Vice President Assistant Executive Vice President President Assistant Executive Vice President Managing Director <u>Others</u> Director	TISCO Financial Group Public Company Limited (Holding Company) TISCO Asset Management Company Limited (Asset Management) Association of Investment Management Companies
28. Ms. Chutintorn Vigasi Head of Corporate Accounting	58	Master of Business Administration (Finance) Thammasat University Bachelor of Accountancy (Accounting) Chulalongkorn University	Common 16,356 (0.00)	Preferred -	-	2009-Present	<u>TISCO Group</u> Head of Corporate Accounting <u>Others</u> -	TISCO Financial Group Public Company Limited (Holding Company)

Remark: ¹ Including spouse and minor children

1.2 Changes in TISCO Shareholdings by Directors and Management (as of January 1, 2021)

No.	Name	Common Shares			Preferred Shares			Total Shareholding (Percentage)
		As of January 1, 2021	As of January 1, 2022	Increase (Decrease) During the Year	As of January 1, 2020	As of January 1, 2022	Increase (Decrease) During the Year	
1	Mr. Pliu Mangkornkanok	2,221,010	2,221,010	-	-	-	-	0.28
	Including spouse and minor children	-	-	-	-	-	-	-
2	Mr. Dung Ba Le	-	-	-	-	-	-	-
	Including spouse and minor children	-	-	-	-	-	-	-
3	Mr. Suthas Ruangmanamongkol	4,100,000	4,100,000	-	-	-	-	0.51
	Including spouse and minor children	-	-	-	-	-	-	-
4	Assoc. Prof. Dr. Angkarat Priebjivat	-	-	-	-	-	-	-
	Including spouse and minor children	-	-	-	-	-	-	-
5	Prof. Dr. Pranee Tinakorn	-	-	-	-	-	-	-
	Including spouse and minor children	-	-	-	-	-	-	-
6	Prof. Emeritus Dr. Teerana Bhongma	-	-	-	-	-	-	-
	Including spouse and minor children	-	-	-	-	-	-	-
7	Mr. Sathit Aungmanee	150,035	150,035	-	-	-	-	0.02
	Including spouse and minor children	-	-	-	-	-	-	-
8	Dr. Charatpong Chotigavanich	-	-	-	-	-	-	-
	Including spouse and minor children	-	-	-	-	-	-	-
9	Dr. Kulpatra Sirodorn	-	-	-	-	-	-	-
	Including spouse and minor children	-	-	-	-	-	-	-
10	Mr. Kanich Punyashthiti	-	-	-	-	-	-	-
	Including spouse and minor children	-	-	-	-	-	-	-
11	Mr. Chi-Hao Sun (Mr. Howard Sun)	-	-	-	-	-	-	-
	Including spouse and minor children	-	-	-	-	-	-	-
12	Mr. Satoshi Yoshitake	-	-	-	-	-	-	-
	Including spouse and minor children	-	-	-	-	-	-	-
13	Mr. Sakchai Peechapat	66,177	66,177	-	-	-	-	0.01
	Including spouse and minor children	-	-	-	-	-	-	-
14	Ms. Krisna Theravuthi	-	-	-	-	-	-	-
	Including spouse and minor children	-	-	-	-	-	-	-
15	Mr. Metha Pingsuthiwong	195,800	195,800	-	-	-	-	0.02
	Including spouse and minor children	-	-	-	-	-	-	-
16	Mr. Pitada Vatcharasiritham	-	-	-	-	-	-	-
	Including spouse and minor children	80,000	80,000	-	-	-	-	0.01

No.	Name	Common Shares			Preferred Shares			Total Shareholding (Percentage)
		As of January 1, 2021	As of January 1, 2022	Increase (Decrease) During the Year	As of January 1, 2020	As of January 1, 2022	Increase (Decrease) During the Year	
17	Mr. Paiboon Nalinthrangkurn	286,000	286,000	-	-	-	-	0.04
	Including spouse and minor children	-	-	-	-	-	-	-
18	Mr. Chatri Chandrangam	30,000	30,000	-	-	-	-	0.00
	Including spouse and minor children	-	-	-	-	-	-	-
19	Mr. Yuttpong Sriwongjanya	-	-	-	-	-	-	-
	Including spouse and minor children	-	-	-	-	-	-	-
20	Mr. Dejphinun Suthadsanasoung	-	-	-	-	-	-	-
	Including spouse and minor children	-	-	-	-	-	-	-
21	Mr. Rungroj Jarasvijitkul	-	-	-	-	-	-	-
	Including spouse and minor children	-	-	-	-	-	-	-
22	Mr. Picha Ratanatam	-	-	-	-	-	-	-
	Including spouse and minor children	-	-	-	-	-	-	-
23	Ms. Pavinee Ongvasith	-	-	-	-	-	-	-
	Including spouse and minor children	-	-	-	-	-	-	-
24	Mr. Pairat Srivilairit	-	-	-	-	-	-	-
	Including spouse and minor children	-	-	-	-	-	-	-
25	Ms. Wanthana Chotchaisathit	23,161	23,161	-	-	-	-	0.00
	Including spouse and minor children	-	-	-	-	-	-	-
26	Ms. Rachada Pruksanubal	79,000	79,000	-	-	-	-	0.01
	Including spouse and minor children	-	-	-	-	-	-	-
27	Mr. Theeranat Rujimethapas	8,800	8,800	-	-	-	-	0.00
	Including spouse and minor children	-	-	-	-	-	-	-
28	Mr. Kontee Sunthornpradit	13,200	13,200	-	-	-	-	0.00
	Including spouse and minor children	-	-	-	-	-	-	-
29	Ms. Chutintorn Vigasi	16,356	16,356	-	-	-	-	0.00
	Including spouse and minor children	-	-	-	-	-	-	-
30	Mr. Nipon Wongchotiwat	-	-	-	-	-	-	-
	Including spouse and minor children	-	-	-	-	-	-	-
31	Mr. Puvarin Kullaphatkanon	-	-	-	-	-	-	-
	Including spouse and minor children	-	-	-	-	-	-	-
32	Ms. Surang Techarungnirun	-	-	-	-	-	-	-
	Including spouse and minor children	-	-	-	-	-	-	-
33	Mr. Kittipoap Watcharavasuntr	-	-	-	-	-	-	-
	Including spouse and minor children	-	-	-	-	-	-	-

No.	Name	Common Shares			Preferred Shares			Total Shareholding (Percentage)
		As of January 1, 2021	As of January 1, 2022	Increase (Decrease) During the Year	As of January 1, 2020	As of January 1, 2022	Increase (Decrease) During the Year	
34	Mr. Pichit Treethephasumphan	-	-	-	-	-	-	-
	Including spouse and minor children	-	-	-	-	-	-	-
35	Ms. Dulyarat Taveebhol	-	-	-	-	-	-	-
	Including spouse and minor children	-	-	-	-	-	-	-
36	Ms. Maneerat Wattanajak	-	-	-	-	-	-	-
	Including spouse and minor children	-	-	-	-	-	-	-
37	Ms. Sakornrat Manuwong	-	-	-	-	-	-	-
	Including spouse and minor children	-	-	-	-	-	-	-
38	Mrs. Yaninee Papnum	-	-	-	-	-	-	-
	Including spouse and minor children	-	-	-	-	-	-	-
39	Mr. Prayuk Charocharaskul	400	400	-	-	-	-	0.00
	Including spouse and minor children	-	-	-	-	-	-	-
40	Ms. Nudtinee Suwanpanitch	-	-	-	-	-	-	-
	Including spouse and minor children	-	-	-	-	-	-	-
41	Ms. Jiraporn Sawsukpaiboon	16,544	16,544	-	-	-	-	0.00
	Including spouse and minor children	-	-	-	-	-	-	-
42	Mr. Ekarat Pongkitivanitchkul	-	-	-	-	-	-	-
	Including spouse and minor children	-	-	-	-	-	-	-
43	Ms. Chuenchit Trakarnratti	-	-	-	-	-	-	-
	Including spouse and minor children	-	-	-	-	-	-	-
44	Mr. Komsorn Prakobphol	-	-	-	-	-	-	-
	Including spouse and minor children	-	-	-	-	-	-	-
45	Ms. Aree Archamongkol	33,400	33,400	-	-	-	-	0.00
	Including spouse and minor children	-	-	-	-	-	-	-
46	Mr. Tula Rodsalub	-	-	-	-	-	-	-
	Including spouse and minor children	-	-	-	-	-	-	-
47	Ms. Supissara Srikwanthing	-	-	-	-	-	-	-
	Including spouse and minor children	-	-	-	-	-	-	-
48	Ms. Kwannapa Ampornvisaroot	1,650	1,650	-	-	-	-	0.00
	Including spouse and minor children	-	-	-	-	-	-	-
49	Mr. Watsakorn Thepthim	-	-	-	-	-	-	-
	Including spouse and minor children	-	-	-	-	-	-	-
50	Mr. Kittipong Tiyaboonchai	8,823	8,823	-	-	-	-	0.00
	Including spouse and minor children	-	-	-	-	-	-	-
51	Ms. Chutiporn Luangrungsawang	2,100	3,100	1,000	-	-	-	0.00
	Including spouse and minor children	-	-	-	-	-	-	-

Attachment 2 Details of Directors and Management in a Subsidiaries Company (as of January 1, 2022)

Name	TISCO Financial Group Plc.	Subsidiary									
		TISCO Bank Plc.	TISCO Securities Co., Ltd.	TISCO Asset Management Co., Ltd.	HIWAY Co., Ltd.	TISCO Information Technology Co., Ltd.	TISCO Insurance Solution Co., Ltd.	TISCO Learning Center Co., Ltd.	All-Ways Co., Ltd.	TISCO Tokyo Leasing Co., Ltd.	HTC Leasing Co., Ltd. ¹
1. Mr. Pliu Mangkornkanok	ID, C	ID, C	-	-	-	-	-	-	-	-	-
2. Mr. Dung Ba Le	NED, VC, NCC	-	-	-	-	-	-	-	-	-	-
3. Mr. Suthas Ruangmanamongkol	ED, CEBD	ED, CEBD	-	-	-	-	-	-	-	-	-
4. Assoc. Prof. Dr. Angkarat Priebjivat	ID, AC, CROC	ID, AC, CROC	-	-	-	-	-	-	-	-	-
5. Prof. Dr. Pranee Tinakorn	ID, CNCC	-	-	-	-	-	-	-	-	-	-
6. Prof. em. Dr. Teerana Bhongmakapat	NED, CCGC	NED	-	-	-	-	-	-	-	-	-
7. Mr. Sathit Aungmanee	ID, AC, NCC	ID, AC	-	-	-	-	-	-	-	-	-
8. Dr. Charatpong Chotigavanich	ID, ROC, CGC	ID, ROC	-	-	-	-	-	-	-	-	-
9. Dr. Kulpatra Sirodom	ID, CAC, CGC	ID, CAC	-	-	-	-	-	-	-	-	-
10. Mr. Kanich Punyashthiti	ID, NCC	ID	-	-	-	-	-	-	-	-	-
11. Mr. Chi-Hao Sun (Howard Sun)	ED, EBD	ED, EBD	-	-	-	-	-	-	-	-	-
12. Mr. Satoshi Yoshitake	ED, EBD	ED, EBD	-	-	-	-	-	-	-	D	D, MD
13. Mr. Sakchai Peechapat	ED, EBD, ROC, GCEO	ED, EBD, ROC	-	-	-	-	-	-	-	-	-
14. Ms. Krisna Theravuthi	A	-	-	-	-	-	-	-	-	-	-

¹ HTC Leasing Co., Ltd. is a subsidiary of TISCO Tokyo Leasing Co., Ltd.

² TISCO Financial Group's management seconded to manage subsidiary companies

Name	TISCO Financial Group Plc.	Subsidiary									
		TISCO Bank Plc.	TISCO Securities Co., Ltd.	TISCO Asset Management Co., Ltd.	HIWAY Co., Ltd.	TISCO Information Technology Co., Ltd.	TISCO Insurance Solution Co., Ltd.	TISCO Learning Center Co., Ltd.	All-Ways Co., Ltd.	TISCO Tokyo Leasing Co., Ltd.	HTC Leasing Co., Ltd. ¹
15. Mr. Metha Pingsuthiwong ¹²	COO	PRES, ROC	-	-	-	-	-	-	-	-	-
16. Mr. Pitada Vatcharasiritham ¹²	SEVP	SEVP	D	-	-	-	-	-	-	-	-
17. Mr. Paiboon Nalinhrangkurn ¹²	SEVP	-	D, CEO	-	-	-	-	-	-	-	-
18. Mr. Chatri Chandrangam	SEVP, ROC	-	D	D	D	D	-	D	-	-	-
19. Mr. Yuttpong Sriwongjanya ¹²	FEVP	FEVP	-	-	D	-	-	-	D	-	-
20. Mr. Dejphinun Suthadsanasoung ¹²	FEVP	FEVP	-	-	-	-	-	-	D	D	C
21. Mr. Rungroj Jarasvijitkul ¹²	FEVP	FEVP	-	-	-	-	-	-	D	-	-
22. Mr. Picha Ratanatam ¹²	FEVP	FEVP	-	D	-	-	-	-	-	-	-
23. Ms. Pavinee Ongvasith ¹²	FEVP	-	-	D, CEO	-	-	-	-	-	-	-
24. Mr. Pairat Srivilairit	CS, FEVP	CS	CS	CS	D	D	-	D	-	-	-
25. Ms. Wanthana Chotchaisathit ¹²	EVP	-	-	-	-	D, MD	-	-	-	-	-
26. Ms. Rachada Pruksanubal ¹²	EVP	EVP	-	-	-	-	-	-	-	-	-
27. Mr. Theeranat Rujimethapass ¹²	EVP	-	-	D, PRES	-	-	-	-	-	-	-
28. Mr. Kontee Sunthornpradit	FH	-	-	-	-	-	D	-	-	D	D
29. Mr. Chutintorn Vigasi	FH	-	-	-	-	-	-	-	-	-	-
30. Ms. Nipon Wongchotiwat	FH	-	-	-	-	-	-	-	D	-	-
31. Ms. Puvarin Kullaphatkanon	FH	-	-	-	-	-	-	-	-	-	-
32. Mr. Surang Techarungrun	FH	-	-	-	-	-	-	-	-	-	-
33. Mr. Kittipoap Watcharavasuotr	FH	-	-	-	-	-	-	-	-	-	-
34. Mr. Pichit Treethephasumphan	FH	-	-	-	-	-	-	-	-	-	-
35. Ms. Dulyarat Taveebhol	DH	-	D, AC	D, AC	-	-	-	-	-	-	-
36. Ms. Maneerat Wattanajak	FH	-	-	-	-	-	-	-	-	-	-
37. Ms. Sakornrat Manuwong	FH	-	-	-	-	-	-	-	-	-	-
38. Ms. Yaninee Papnum	FH	-	-	-	-	-	-	-	-	-	-

Name	TISCO Financial Group Plc.	Subsidiary									
		TISCO Bank Plc.	TISCO Securities Co., Ltd.	TISCO Asset Management Co., Ltd.	HIWAY Co., Ltd.	TISCO Information Technology Co., Ltd.	TISCO Insurance Solution Co., Ltd.	TISCO Learning Center Co., Ltd.	All-Ways Co., Ltd.	TISCO Tokyo Leasing Co., Ltd.	HTC Leasing Co., Ltd. ^{/1}
39. Ms. Prayuk Charoencharaskul	FH	-	-	-	-	-	-	-	-	-	-
40. Ms. Nudtinee Suwanpanitch	FH	-	-	-	-	-	-	-	-	-	-
41. Ms. Jiraporn Sawsukpaiboon	FH	-	-	-	-	-	-	-	-	-	-
42. Ms. Ekarat Pongkitivanitchkul	FH	-	-	-	-	-	-	-	-	-	-
43. Mr. Chuenchit Trakamratti	FH	-	-	-	-	-	-	-	-	-	-
44. Mr. Komsorn Prakobphol	FH	-	-	-	-	-	-	-	-	-	-
45. Ms. Aree Archamongkol	FH	-	-	-	-	-	-	-	-	-	-
46. Mr. Tula Rodsalub	FH	-	-	-	-	-	-	-	-	-	-
47. Ms. Supissara Srikwanthing	FH	-	-	-	-	-	-	-	-	-	-
48. Ms. Kwannapa Ampornvisaroot	FH	-	-	-	-	-	-	-	-	-	-
49. Mr. Watsakorn Thepthim	DH	-	-	-	-	-	-	D, H	-	-	-
50. Mr. Kittipong Tiyaboonchai	FH	-	-	-	-	-	-	-	-	-	-
51. Ms. Chutiporn Luangrungsawang	FH	-	-	-	-	-	-	-	-	-	-

Remark:

Type of Director

ID	=	Independent Director
NED	=	Non-executive Director
ED	=	Executive Director
D	=	Director

Director Position

C	=	Chairperson
VC	=	Vice Chairman
A	=	Advisor to TISCO's Board of Directors
CEBD	=	Chairperson of the Executive Board
EBD	=	Executive Board
CROC	=	Chairman of the Risk Oversight Committee
ROC	=	Risk Oversight Committee
CAC	=	Chairperson of the Audit Committee
AC	=	Audit Committee
CNCC	=	Chairperson of the Nomination and Compensation Committee
NCC	=	Nomination and Compensation Committee
CCGC	=	Chairperson of the Corporate Governance Committee
CGC	=	Corporate Governance Committee
CS	=	Corporate Secretary

Management Position

GCEO	=	Group Chief Executive
COO	=	Chief Operating Officer
SEVP	=	Senior Executive Vice President
FEVP	=	First Executive Vice President
EVP	=	Executive Vice President
CEO	=	Chief Executive Officer
PRES	=	President
MD	=	Managing Director
H	=	Head
DH	=	Division Head
FH	=	Function Head
-	=	None

Attachment 3 Details of Head of Internal Audit and Head of Compliance as of January 1, 2022

Name / Position	Age (years)	Education / Director's Training Course Program	Total Shareholding ¹ (shares/ percentage)	Family Relationship with other Management	Work Experience within 5 years		
					Period	Position	Company / Organization (Type of Business)
1. Mr. Pairat Srivilairit Corporate Secretary First Executive Vice President Governance Office	56	Master of Business Administration Thammasat University Bachelor of Engineering Chulalongkorn University Certified Internal Auditor (CIA) Certificate in Control Self-Assessment (CCSA) Certified Financial Service Auditor (CFSA) The Institute of Internal Auditors (IIA), USA Certified Fraud Examiner (CFE) Association of Certified Fraud Examiners (ACFE), USA <u>Public Training</u> - Advances for Corporate Secretaries - Corporate Governance for Capital Market Intermediaries (CGI15/2016) - Company Secretary Program - Company Reporting Program - Board Reporting Program - Effective Minutes Taking - Audit Committee Program - Monitoring the Internal Audit Function - Monitoring Fraud Risk Management - Board of the Year, Board of the Future - CAC National Conference 2021: รวมพลังธุรกิจไปรุ่งได้ใจด้านคอร์รัปชัน - Empowering Board Evaluation Through the Company Secretary Lens Company Secretary Forum 2021 Thai Institute of Directors - GRI Certified Training on G4 reporting Guidelines Thaipat Institute - Anti-Corruption Strategic Management for Senior Executives Office of the National Anti-Corruption Commission - ASEAN Workshop on the Promotion of CSR in Social Welfare and Development, MSDHS - Role of commercial banks and civil society in anti-corruption Bank of Thailand and the Thai Bankers' Association <u>In-House Training</u> - Understanding Thailand Data Protection Law and its unintended consequence ACIS Professional Center Company Limited - Cybersecurity Threatscape and You TISCO Financial Group Public Company Limited - Role of the Boardroom: Transforming Corporate Compliance into Corrupt-less Society Thailand's Private Sector Collective Action Coalition Against Corruption: CAC - Corporate Sustainability Sustainable Business Development Institute - IT Security Awareness for Top Management ACIS Professional Center Company Limited - Chairman/Board perspectives on Corporate Strategy, beyond the crisis Bain & Company, Inc.	Common - Preferred -	-	Apr2021-Present Feb2017-Mar2021 Sep2013-Present 2013-2016 Sep2013-Present Sep2013-Present Sep2013-2018 2020-Present 2015-2020 2019-Present 2011-Present 2010-Present 2010-Present 2019-Present	<u>TISCO Group</u> First Executive Vice President - Governance Office Executive Vice President - Governance Office Corporate Secretary Head of Governance Office Director Director Director <u>Others</u> Chairman of the TCSC Club Director Director Member of Internal Audit Quality Assurance Committee Member of Internal Audit Development Committee Member of Risk Management Committee Member of the Audit Committee	TISCO Financial Group Public Company Limited (Holding Company) TISCO Information Technology Company Limited (Information Technology) Hi-Way Company Limited (Hire Purchase) TISCO Insurance Solution Company Limited (Insurance) Thai Company Secretary Club The Institute of Internal Auditors of Thailand The Comptroller General's Department Bangkok Metropolitan Administration Srinakharinwirot University

Name / Position	Age (years)	Education / Director's Training Course Program	Total Shareholding ^{/1} (shares/ percentage)	Family Relationship with other Management	Work Experience within 5 years		
					Period	Position	Company / Organization (Type of Business)
2. Ms. Dulyarat Taveebhol Head of Corporate Compliance	64	Bachelor of Accountancy (Accounting) Thammasat University <u>Public Training</u> - Corporate Governance for Capital Market Intermediaries (CG115/2016) Thai Institute of Directors	Common - Preferred -	-	Jul2013-Present	<u>TISCO Group</u> Head of Corporate Compliance	TISCO Financial Group Public Company Limited (Holding Company)
					2009-Present	Director and Member of the Audit Committee	TISCO Asset Management Company Limited (Asset Management)
					2009-Present	Director and Member of the Audit Committee	TISCO Securities Company Limited (Securities)
					2019-2020	Director	TISCO Investment Advisory Securities Company Limited (Investment Advisory)
					Sep2013-2019	Director	Deutsche TISCO Investment Advisory Company Limited (Investment Advisory)
		<u>Others</u> -					
3. Ms. Chuenchit Trakarnratti Head of Internal Audit	51	Master of Science (Computer Information System) Assumption University Bachelor of Accountancy Chulalongkorn University	Common - Preferred -	-	Jan2021-Present	<u>TISCO Group</u> Head of Internal Audit	TISCO Financial Group Public Company Limited (Holding Company)
					Aug2014-2020	Head of Operational Risk Management	
					<u>Others</u> -		

Remark: /1 Including spouse and minor children

Attachment 4 Details of Asset Appraisal

- Not Available -

Attachment 5 Policies and Guidelines for Corporate Governance and Code of Conduct (Full Version)

Corporate Governance Policy

TISCO discloses a full report of corporate governance policies and guidelines on the TISCO website, www.tisco.co.th. It can be viewed in the “Investor Relations” section, “Corporate Governance” subsection on “Corporate Governance Policy” or scan QR code



Code of Conduct

TISCO discloses a full report of corporate governance policies and guidelines on the TISCO website, www.tisco.co.th. It can be viewed in the “Investor Relations” section, “Corporate Governance” subsection on “Code of Conduct” or scan QR code



Report of the Audit Committee

Appointed by the Board of Directors, the Audit Committee of TISCO Financial Group Public Company Limited (TISCO) comprises the following independent directors:

1. Dr. Kulputra Sirodom	Chairperson (Since April 23, 2021) Member (January 1 – April 22, 2021)
2. Dr. Angkarat Priebjriwat	Member
3. Mr. Sathit Aungmanee	Member

During the period from January 1 – April 22, 2021, Dr. Angkarat Priebjriwat was Chairperson of the Audit Committee. The Audit Committee has performed duties and responsibilities according to the Charter of Audit Committee and as delegated by the Board of Directors. The Audit Committee has carried out duties independently and without restrictions as to access to information. The Audit Committee supports the Company's good corporate governance in accountability, transparency, fairness, integrity, auditability and check & balance, which will serve the best interests of not only shareholders but also employees and other stakeholders.

The Audit Committee convened 12 meetings in Year 2021 with full attendance. Major activities performed during the year were as follows:

- **Financial Statements:** Reviewed quarterly and annual financial statements on the appropriateness of the Company's accounting policies used in the preparation of the financial statements and the completeness of information disclosure before the dissemination. The Audit Committee agreed with the external auditor that the Company's financial statements and the disclosure of relevant information were adequate and fairly presented in accordance with generally accepted accounting principles.
- **Internal Control, Internal Audit, and Credit Review:** Reviewed and assessed internal control system and internal audit works and considered all issues raised by the external auditor, Internal Audit, and Credit Review, Assessed the independence of Internal Audit department and approved the Internal Audit Policy, the Charter of Internal Audit, annual audit plan, strategy, key performance indicators and Credit Review Plan. Acknowledged the progress of audit plan and Credit Review plan accomplishment and evaluated the performance of Internal Audit function. In year 2021, the Audit Committee reviewed the formulation of Risk Assurance Mapping which served as tool for assessing the assurance levels of key risk responses of TISCO Group responsible by each line of defense and provided the holistic view of overall assurance levels of enterprise risk management. This tool is developed and collaboratively assessed by oversight function – second line of defense and Internal Audit – third line of defense in order to have the same risk perspectives for further appropriate risk management governance and audit.

The Audit Committee opined that the Company's internal control system and internal audit function were adequate and effective.

- **Regulatory Compliance:** Acknowledged annual compliance plan and reports, the Company's compliance activities and status of legal cases and litigations. Acknowledged the results of external examinations by the Bank of Thailand and those of other regulators governing TISCO group, and assessed the Company's corrective actions. The Audit Committee opined that the Company properly followed all necessary rules and regulations as imposed by regulatory authorities, and stringently took corrective actions as recommended by the regulators.
- **External Auditor:** Reviewed and assessed the independence of the external auditor as well as the overall scope and the focus of the quarter and annual audit. Selected and nominated the external auditor to the Board of Directors for further recommendation to the shareholders for approval. Considered the independence, professional proficiency in finance and banking industry, performance, and appropriateness of the audit fee,

the Audit Committee proposed the appointment of Ms. Somjai Khunapasut of EY Office Limited as the Auditor of the Company and its subsidiaries for the Year 2021.

- Transactions with Related Parties and Conflicts of Interests: Reviewed and assessed related party transactions or transactions that may lead to conflicts of interests and the pricing policy for the transactions to ensure conformity with laws and regulations, including Joint Statement Policy which mutually released by the Bank of Thailand and the Securities and Exchange Commission on the business governance of the financial group that involves in fund management business. In addition, during the year, the Audit Committee reviewed the related party execution process in order to ensure that TISCO

Group has established appropriate procedures for dealing with related party with transparency and fairness and also in accordance with relevant laws. and regulations.

The Audit Committee agreed with the external auditor, Internal Audit, and Compliance that the transactions were either conducted in a normal course of business operation or justified for the best interests of the Company. In addition, related disclosures were in compliance with the corporate governance and related party transaction policy.

- Risk Management: Acknowledged the presentation of oversight functions on the effectiveness of risk management system, capital adequacy, IT risk management and operational risk management. Acknowledged reports on material IT or operational loss events and assessed the causes of such events and the appropriateness of pre-emptive measures to prevent future recurrences. Furthermore, the Audit Committee had a joint meeting with the Risk Oversight Committee to acknowledge overall results of risk management.
- Audit Committee Self-Assessment: Performed self-assessment by comparing the Audit Committee's activities to the Charter of Audit Committee, relevant laws and regulations, and leading practices. The results revealed that the Audit Committee have carried out duties and responsibilities adequately and effectively according to the Charter of Audit Committee, relevant laws and regulations, and as delegated by the Board of Directors. In addition, during the year, the Audit Committee was attended the training courses i.e. digital banking, cyber security awareness and was kept updated the new businesses, notable incidents impacted to the Company's operations and cyber incidents in trend incurred in Thailand as well as the organizational IT and security risk management on how to prevent and monitor the possible incurrence may incur.

- Kulputra Sirodom -

(Dr. Kulputra Sirodom)

Chairperson of the Audit Committee

January 13, 2022

Report of the Executive Board

Appointed by the Board of Directors on April 23, 2021, the Executive Board of TISCO Financial Group Public Company Limited comprised four executive directors:

- | | | |
|----|------------------------------|----------|
| 1. | Mr. Suthas Ruangmanamongkol | Chairman |
| 2. | Mr. Chi-Hao Sun (Howard Sun) | Member |
| 3. | Mr. Satoshi Yoshitake | Member |
| 4. | Mr. Sakchai Peechapat | Member |

All above directors are members of the Executive Board Committee throughout the Year 2021

The Executive Board convened twelve meetings throughout the Year 2021 on various matters in accordance with the duties and responsibilities mandated by the Charter of the Executive Board. All meeting results were reported to the Board of Directors, which in summary include:

1. Determined and proposed TISCO Group business strategy to the Board of Directors for approval,
2. Reviewed and proposed TISCO Group business plan and budget to the Board of Directors for approval,
3. Monitored Group business performance including key performance indicators and financial budgets,
4. Instituted, reviewed, and approved TISCO Group's policies on important operational and control areas, and proposed for the Board of Directors' ratification where applicable,
5. Acknowledged TISCO Group's risk profiles and the activities of the Risk Management Committee including the operational risk, IT risk and Compliance,
6. Reviewed and ratified the activities of the Credit Committee and the Problem Loan Committee,
7. Approved major credit decisions and revision of credit policies and guidelines,
8. Conducted the assessment of the adequacy of the internal control system and proposed for the Audit Committee's review and to the Board of Directors for approval,
9. Reviewed and approved major business decisions involving high risk,
10. Acknowledged the result of the Business Continuity Plan Test,
11. Approved the revision of members in Credit Committee and Problem Loan Committee,
12. Concurred an early redemption of subordinated debentures of TISCO Bank,
13. Reported to the Board of Directors an annual assessment of the Executive Board performance,
14. Reviewed the Executive Board Charter and proposed to the Board of Directors for approval,
15. Reported the activities of the Executive Board to the Board of Directors for ratification,

The Executive Board performed self-assessment by comparing the Executive Board's activities to the Charter of the Executive Board and leading practices, and opined that the Executive Board has carried out duties and responsibilities adequately and effectively according to the Charter and as delegated by the Board of Directors.

- *Suthas Ruangmanamongkol* -

(Mr. Suthas Ruangmanamongkol)

Chairman of the Executive Board

January 27, 2022

Report of the Risk Oversight Committee

During the Year 2021, the Risk Oversight Committee of TISCO Financial Group Public Company Limited was appointed by Board of Directors on April 23, 2021 comprising of four members as follows;

1. Assoc. Prof. Dr. Angkarat Priebjivat	Chairperson (Since April 23, 2021)
2. Dr. Charatpong Chotigavanich	Member
3. Mr. Sakchai Peechapat	Member
4. Mr. Chatri Chandrangam	Member

Prof. Dr. Teerana Bhongmakapat was chairperson during the period from January 1 to April 22, 2021. For year 2021, the Risk Oversight Committee (“the Committee”) convened eight meetings on various matters and also arranged one Joint Meeting of Risk Oversight Committee and Audit Committee in accordance with the duties and responsibilities mandated by the Charter of the Risk Oversight Committee, and as delegated by the Board of Directors. All meeting results were reported to the Board of Directors, in which all activities throughout the year are summarized as follows;

1. Risk Management Policies, Guidelines, and Risk Appetites

The Committee reviewed the policies, guidelines of risk management as well as risk appetites, and considered sufficient and effective for implementation for year 2021. The Committee acknowledged the risk management strategy for year 2021, which focused on active risk management, capital and liquidity sufficiency, prudent operation, sound IT governance and security in promoting business sustainability.

2. Risk Exposures & Key Risk Management Activities

The Committee reviewed TISCO risk exposures, monitoring of key risk indicators and key activities by risk types, comprising of financial risk, operational risk, IT risk and compliance, and considered that all risk exposures were managed in alignment with TISCO risk management policy, strategy, and risk appetites.

In terms of capital and liquidity management, the Committee reviewed the adequacy of capital and liquidity and considered appropriate in line with risk appetites and above the regulatory threshold. With regards to operational risk, the Committee recommended on the improvement of operational risk management practices including the monitoring of operational error cases and identifying root causes to establish preventive actions, exploring alternative IT system in automating work process to reduce risk of large financial losses, and the review of work process during work-from-home period to ensure uninterrupted business operation and prevent any significant error. For IT risk, the Committee emphasized on effective management of information security and cyber threat to ensure corporate resilience and secured amid growing

incidents in cybercrime. With regards to regulatory compliance, the Committee placed importance on improvement in communication and training regarding new or revised regulations to prevent noncompliance to laws and regulations.

3. Sufficiency and Effectiveness of Risk Management

The Committee reviewed the Risk Self-Assessment for year 2020, which covered the evaluation of risk level and risk management quality for all types of risk namely strategic risk, credit risk, market risk, liquidity risk, operational risk, compliance, and IT risk, where the results indicated that the risk level was considered acceptable and associated with good quality of risk management for all types of risk.

The Committee conducted a joint meeting with the Audit Committee to exchange views on the sufficiency and effectiveness of overall risk management policies & strategies and risk appetites for year 2021, and considered sufficient and deemed effective in all aspects with regards to overall TISCO risk management system, including risk management policy and strategies, and made recommendation on improving the alignment in risk perspectives between risk management functions and internal audit to enhance the effectiveness of three-line of defenses.

4. Compliance to laws and regulations

The Committee reviewed the provisioning plan for year 2021 as required by the Bank of Thailand, and considered appropriate in line with economic conditions, business environments as well as uncertainties in COVID-19 situation. Throughout the year, the Committee considered that actual provision level has been managed according to the plan. The Committee acknowledged the supervisory stress testing for year 2021 covering TISCO's assumptions, data and assessment framework, as well as results on capital adequacy and liquidity coverage ratio, and recommended to reassess key assumptions to be more stringent and conservative under stressed situation, and ensured that all the Bank of Thailand's requirements were completed. The Committee also considered the ICAAP report for year 2020, and recovery plan for year 2021 as appropriate for submission to the Bank of Thailand.

According to the Bank of Thailand, the current risk level of clients under debt relief program of the Bank shall be assessed according to internal risk classification criteria. The Committee considered that the risk classification for debt relief clients was appropriate for risk monitoring and further offering of debt relief programs.

For the benefits pass-through from FIDF fee reduction, The Committee reviewed the FIDF pass-through plan and progress for year 2021 and considered appropriate and emphasized that the Bank committed to fully pass-through the benefits from FIDF fee reduction to the COVID-19 affected clients.

5. Appointment of Heads of Risk Management

The Committee considered that the proposed appointment of risk management heads following the reorganization of Risk Management area under Risk & Financial Control group was appropriate, and recommended to the Board of Directors for approval as required by the Bank of Thailand.

6. Risk Oversight Committee Self-Assessment

The Committee performed Self-Assessment of the Risk Oversight Committee for year 2021, the results indicated that the Risk Oversight Committee has carried out duties and responsibilities adequately and effectively according to the Charter and as delegated by the Board of Directors.

- Angkarat Priebjrivat -

(Assoc. Prof. Dr. Angkarat Priebjrivat)

Chairperson of the Risk Oversight Committee

January 21, 2022

Report of the Nomination and Compensation Committee

Appointed by the Board of Directors on April 23, 2021, the Nomination and Compensation Committee of TISCO Financial Group Public Company Limited composes of independent directors and non-executive director and was chaired by an independent director as follows.

- | | |
|-------------------------------------------------------------------|--------------------------------------|
| 1. Prof. Dr. Pranee Tinakorn | Chairperson and Independent Director |
| 2. Mr. Sathit Aungmanee | Member and Independent Director |
| 3. Mr. Kanich Punyashthiti | Member and Independent Director |
| <i>(Term of service started April 23, 2021)</i> | |
| 4. Mr. Hon Kit Shing (Alexander H. Shing) | Member and Non-Executive Director |
| <i>(Term of service was from January 1 to September 28, 2021)</i> | |
| 5. Mr. Dung Ba Le | Member and Non-Executive Director |
| <i>(Term of service started December 20, 2021)</i> | |

The Nomination and Compensation Committee is charged with the responsibility of formulating the compensation policy, selecting and nominating candidates for directorship from various sources, such as from proposal by the Company's shareholders, the director pools maintained by the Thai Institute of Directors Association (IOD) or other recruitment processes deemed appropriate by the Committee by taking into account the Board Skill Matrix which illustrates qualifications and diversified traits in terms of knowledge, competence, experience, and education. The Committee also nominates members of committees with functions, responsibilities and authorities directly given by the Board of Directors, Advisor(s) and Top Management in TISCO and its subsidiary companies and proposing them to the Board of Directors or the Shareholders Meeting for approval in order to preserve an effective and efficient board and management structure and to enhance the good corporate governance of TISCO Group.

The Nomination and Compensation Committee has performed their duties as delegated by the Board of Directors which is consistent with the responsibilities in the Charter. In 2021, the Committee convened seven meetings on various matters in accordance with the duties and responsibilities mandated by the Charter of the Committee and as assigned by the Board. All meeting results were reported to the Board of Directors, which in summary include:

1. Reviewing the Guidelines for Board Composition, Nomination and Selection Criteria for TISCO Group to be suit with the situation and recommending to the Board for approval,
2. Reviewing the appropriate and necessary skills and experiences for the Board of Directors, including the profiles of the candidates for director position, by taking into account the Board Skill Matrix,
3. Recommending number of directors and nominating qualified candidates for director position of the Board of Directors of TISCO Financial Group Plc and TISCO Bank Plc so as to recommend to the Annual General Meeting of Shareholders for approval,
4. Reviewing the Remuneration Policy for Directors and Management and recommending to the Board for approval,
5. Reviewing the Directors' remuneration and ensuring the remuneration to be commensurate with Directors' responsibilities and performance and benchmarking with the industry, and recommending to the Board to further recommend to the General Meeting of Shareholders for approval,
6. Recommending the appointment of Chairman and Vice Chairman of the Board of Directors and other committees namely Executive Board, Risk Oversight Committee, Audit Committee, Nomination and Compensation Committee, and Corporate Governance Committee, and concurring with the change of authorized directors in TISCO Bank Plc,
7. Adopting the Board Performance Self-Assessment Guidelines and Questionnaires for the Year 2021 which provided the Board an opportunity to reflect on how well the Board fulfilled its responsibilities and to identify opportunities for continuous improvement that will increase the Board's overall performance and enhance the Board's relationship with management,

8. Acknowledging the assessment results of Board Performance and Director's Independence and proposing to the Board for ratification together with recommendations for the Board performance enhancement,
9. Reviewing the Policy on Assessing the Independence of Directors,
10. Considering the employment terms and conditions as well as the compensations of the Chairman of Executive Board and the Group Chief Executive, including considering and agreeing with the Business KPI of TISCO Group proposed by Management to be applied for the Group Chief Executive's performance assessment,
11. Evaluating and proposing the results of the Group Chief Executive's performance to the Board of Directors for approval,
12. Considering the director succession plan to be in accordance with the Bank of Thailand's regulation on Corporate Governance of Financial Institutions,
13. Concurring the list of the Board of Directors of TISCO Securities Company Limited and TISCO Asset Management Company Limited,
14. Considering and recommending the appointment of new directors for replacement of TISCO Financial Group to the Board for approval,
15. Approving the promotion of senior management level of TISCO and the appointment of new members of the Management Committee and Advisor to Management Committee,
16. Approving the incentive pay, bonus appropriation for management and staff for the Year 2021,
17. Reviewing the Charter and the Annual Plan of the Committee and recommending to the Board of Directors for approval,
18. Acknowledging the professional development program for Directors and Management,
19. Acknowledging the activities report of Human Resources Committee including succession plan for senior management.

The Nomination and Compensation Committee performed self-assessment by comparing the Committee's activities to the Charter of the Nomination and Compensation Committee, relevant laws and leading practices, and opined that the Committee has carried out duties and responsibilities with full effort, carefulness, transparency and independence according to the good corporate governance, as well as conform to the Charter and as delegated by the Board of Directors.

- *Pranee Tinakorn* -

(Prof. Dr. Pranee Tinakorn)

Chairperson of the Nomination and Compensation Committee

February 11, 2022

Report of the Corporate Governance Committee

Appointed by the Board of Directors, the Corporate Governance Committee of TISCO Financial Group Public Company Limited comprises independent and non-executive directors as follows.

- | | | |
|----|------------------------------------------------------------------|-------------------------------------|
| 1. | Professor Dr. Teerana Bhongmakapat | Chairman and Non-Executive Director |
| 2. | Dr. Charatpong Chotigavanich | Member and Independent Director |
| 3. | Professor Dr. Pranee Tinakorn | Member and Independent Director |
| | <i>(Term of service was from January 1 to February 18, 2021)</i> | |
| 4. | Dr. Kulpatra Sirodom | Member and Independent Director |
| | <i>(Term of service started April 23, 2021)</i> | |

In 2021, the Committee convened six meetings on various matters in accordance with the duties and responsibilities mandated by the Charter of the Committee and as assigned by the Board. All meeting results were reported to the Board of Directors, which in summary include:

1. Considered the results and recommendations on corporate governance and sustainable development assessments by the Thai Institute of Directors Association, the Thai Investors Association, and the Stock Exchange of Thailand, and recommended enhancement to the Board,
2. Acknowledged the result of satisfaction survey on holding the Annual General Meeting of Shareholders for the year 2021,
3. Reviewed and acknowledged the result of material sustainability topics survey mattered to TISCO Group and stakeholders,
4. Acknowledged the content structure of Sustainability Report prepared in alignment with the reporting principle and standard of disclosures under Global Reporting Initiative Standard,
5. Reviewed and acknowledged the implementation progress of Corporate Governance and Sustainable Development including the environmental and social risk assessment,
6. Acknowledged the progress of the Thai Banker's Association on Sustainable Banking and Responsible Lending,
7. Acknowledged the Three- year Sustainable Development Roadmap which respond to UN Sustainability Development Goals and align with TISCO corporate goals, objectives and business directions,
8. Reviewed the revisions of Whistleblowing Policy and Anti-Corruption Policy, as well as acknowledged the revisions of Anti-Corruption Guidelines, and Gift and Entertainment Guidelines,
9. Acknowledged the certification process of Anti-Corruption Program with Thai Private Sector Collective Action Against Corruption,
10. Reviewed the board size and composition with business operations and good practice,
11. Considered the study of defining tenures of directors according to the request of the Bank of Thailand and provided opinion to the Board of Directors,
12. Reviewed the Committee's Charter and annual plan in accordance with laws, regulation and best practices.

The Corporate Governance Committee performed self-assessment by comparing the Committee's activities to its Charter, and leading practices, and opined that the Committee has carried out duties and responsibilities adequately and effectively according to the Charter and as delegated by the Board of Directors.

- Teerana Bhongmakapat -

(Professor em. Dr. Teerana Bhongmakapat)

Chairman of the Corporate Governance Committee

February 2, 2022

Report of the Board of Directors' Responsibilities for Financial Reports

The Board of Directors of TISCO Financial Group Public Company Limited is responsible for the Company's financial statements, the consolidated financial statements of the Company and its subsidiaries, and all financial information presented in the annual report. The financial statements have been prepared in accordance with generally accepted accounting standards applicable in Thailand, which are based on appropriate accounting policies, consistently applied and practiced, prudent judgment and best accounting estimates. All material information has been sufficiently disclosed in the notes to financial statements. These financial statements also have been made in compliance with the stipulations of the Notification of the Bank of Thailand, the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand. The financial statements have been audited and expressed with unqualified audit opinion by an independent auditor, which reflected fair and transparent financial position and operating performance that is useful information for shareholders and general investors.

The Board of Directors has established effective risk management and internal control systems to ensure that the reliability and completeness of financial information are in place, with the ability to protect the Company's assets, as well as identifying the weaknesses of operation in order to adequately prevent operational risk.

In this regard, the Board of Directors has appointed the Audit Committee, comprising independent directors, to oversee qualitative aspects of financial reporting and internal control systems. The opinion of the Audit Committee with regard to these matters appears in the Report of the Audit Committee in this annual report.

The Board of Directors views that the Company's internal control systems are satisfactory and provide reasonable assurance as to the reliability of both the Company's financial statements and the consolidated financial statements of the Company and its subsidiaries as of December 31, 2021.

- *Pliu Mangkornkanok* -
(Mr. Pliu Mangkornkanok)
Chairman of the Board

- *Sakchai Peechapat* -
(Mr. Sakchai Peechapat)
Group Chief Executive

Attachment 9 Independent Auditor's Report, Financial Statement, and Notes to consolidated financial statements

Independent Auditor's Report

To the Shareholders of TISCO Financial Group Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of TISCO Financial Group Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2021, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of TISCO Financial Group Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of TISCO Financial Group Public Company Limited and its subsidiaries and of TISCO Financial Group Public Company Limited as at 31 December 2021, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards and the Bank of Thailand's regulations.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Group in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matters

I draw attention to Notes 1.2 and 3.8.3 to the financial statements regarding the COVID-19 pandemic which is impacting various businesses and industries. This situation could create uncertainties and may be impacting the operating results and cash flows in the future; and due to the impact of that situation, the Group has elected to adopt the Accounting Guidance on Temporary Relief Measures for Entities Providing Assistance to Debtors Impacted by Situations that Affect the Thai Economy as issued by the Federation of Accounting Professions in preparing the financial statements. My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

I have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures respond to each matter are described below.

Allowance for expected credit loss on loans to customers

As discussed in Note 3.8 to the financial statements, as at 31 December 2021, the Group had total loans to customers of Baht 204,662 million (accounting for 84% of total assets) and allowance for expected credit loss of Baht 11,740

million, which are material to the financial statements. The method used for calculation of allowance for expected credit loss requires complex calculation modelling, involving the use of significant management judgement and estimates in the model development, the identification of criteria for a significant increase in credit risk since initial recognition, the probability of default, the loss given default, the exposure at default, the calculation of allowance for expected credit loss, the selection of future economic variables to be incorporated into the model and the management overlay adjustment to the allowance for expected credit loss due to limitations of the model. Because of the materiality and the extent of judgement and estimates as mentioned above, I addressed the adequacy of the allowance for expected credit loss of loans to customers as a key audit matter.

I gained an understanding of, assessed and tested, on a sampling basis, the effectiveness of internal controls relevant to the loan origination and collection processes, the assessment of probability of default, loss given default and exposure at default, as well as the calculation of allowance for expected credit loss on loans to customers, and tested internal control systems over the relevant information technology systems. In addition, I evaluated and tested the reasonableness of the expected credit loss models, the rules and criteria applied by the Group in the assessment of significant increase in credit risk since initial recognition, including the data used in the model design, the effectiveness of models for significant loan types and the governance process over the model development, by examining model development documentation, testing, on a sampling basis, the accuracy and completeness of data used in model development, and assessing the methods and assumptions applied in the calculation. I assessed the reasonableness of macroeconomic factors and probability of different scenario weights as well as the reasonableness of the management overlay adjustments. In addition, I examined the management's policies, which addressed the policies and approaches used to derive the estimation of allowance for expected credit loss, and its approval by management at an appropriate level. I compared accounting policies of the Group with financial reporting standards and rules of the Bank of Thailand, and evaluated the adequacy of the disclosure. Moreover, I examined the allowance for expected credit loss by testing, on a sampling basis, the classification of loans to customers and recalculating the allowance for expected credit loss as at the end of the accounting period, including testing the completeness of data used in the calculation of allowance for expected credit loss.

Recognition of interest income on loans to customers

For the year 2021, the Group recognised interest income on loans to customers amounting to Baht 14,556 million (accounting for 77% of total income), which is considered main income of the Group. The Group recognises interest income using the effective interest rate method, which involves use of management judgement and estimates in the estimation of future cash inflows throughout the expected life of financial instruments, taking into account any discounts or premiums on acquisition, fees and costs that are an integral part of the effective interest rate. In addition, interest income is generated from various types of loans provided to a large number of customers with a high volume of transactions, and each type of loan is subject to different recognition conditions. I therefore focused my audit on whether interest income on loans to customers is recognised correctly, appropriately and in a timely manner.

I gained an understanding of, assessed and tested, on a sampling basis, the effectiveness of internal controls relating to the processes of loan origination, interest income recognition and loan collection, including relevant internal controls over information technology systems, by inquiring of management to gain an understanding, assessing the methods applied by the management in estimating future cash inflows and the expected life of financial instruments in the determination of effective interest rate, as well as testing, on a sampling basis, the accuracy of data and calculation. In addition, I applied a sampling method in selecting loan agreements to test whether the recording of loans as well as the income recognition complies with the conditions stipulated in the contracts and is adjusted in line with the effective interest rate according to the income recognition policy, and in accordance with Thai Financial Reporting Standards and the regulations announced by the Bank of Thailand. I also performed analytical procedures on interest income and tested, on a sampling basis, significant adjustments made through journal vouchers.

Other Information

Management is responsible for the other information. The other information comprises the information included in annual report of the Group, but does not include the financial statements and my auditor's report thereon. The annual report of the Group is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the annual report of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material

uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

I am responsible for the audit resulting in this independent auditor's report.



Somjai Khunapasut

Certified Public Accountant (Thailand) No. 4499

EY Office Limited

Bangkok: 10 February 2022

TISCO Financial Group Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2021

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Assets					
Cash		1,103,425	1,220,207	-	70
Interbank and money market items - net	3.3, 3.10	30,489,211	38,212,028	22,584	17,394
Financial assets measured at fair value through profit or loss	3.4	2,081,052	2,173,020	1,048,821	890,053
Derivatives assets	3.5	-	62,095	-	-
Investments - net	3.6, 3.10	8,042,759	9,953,256	202,271	205,965
Investments in subsidiaries and joint venture - net	3.7	809,629	804,925	20,069,144	20,069,143
Loans to customers and accrued interest receivables	3.8, 3.10				
Loans to customers		220,419,498	244,355,748	3,310,000	3,180,000
Accrued interest receivables and undue interest income		1,712,501	1,901,983	-	-
Total loans to customers and accrued interest receivables		222,131,999	246,257,731	3,310,000	3,180,000
Less: Deferred revenue		(17,469,825)	(19,544,201)	-	-
Less: Allowance for expected credit loss	3.9	(11,740,174)	(11,825,544)	(4,303)	(4,134)
Loans to customers and accrued interest receivables - net		192,922,000	214,887,986	3,305,697	3,175,866
Properties foreclosed - net	3.11	120,522	29,671	-	-
Investment properties	3.12	27,305	27,334	910,728	910,728
Premises and equipment - net	3.13	2,780,562	2,921,739	781,673	826,965
Right-of-use assets - net	3.14	752,829	885,486	600	879
Intangible assets - net	3.15	130,919	214,268	74,171	98,827
Deferred tax assets	3.31	759,729	766,444	255,234	202,800
Securities and derivatives business receivables - net		1,131,229	1,058,180	-	-
Dividend receivables from subsidiaries	3.33	-	-	4,590,530	3,844,954
Other assets	3.16	2,470,763	2,226,573	199,467	188,819
Total assets		243,621,934	275,443,212	31,460,920	30,432,463

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

TISCO Financial Group Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2021

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Liabilities and equity					
Liabilities					
Deposits	3.17	166,541,926	203,472,825	-	-
Interbank and money market items	3.18	8,080,700	5,807,646	565,000	3,780,000
Liabilities payable on demand		274,432	1,284,765	-	-
Derivatives liabilities	3.5	3,385	-	-	-
Debts issued and borrowings	3.19	14,961,919	12,825,919	6,065,000	1,629,000
Lease liabilities	3.20	707,179	828,590	614	889
Provisions	3.21	1,728,981	1,691,054	303,612	291,741
Deferred tax liabilities	3.31	-	1,097	-	-
Securities and derivatives business payables - net		1,521,353	1,033,041	-	-
Accrued interest payable		481,691	735,903	11,256	1,029
Income tax payable		661,620	495,672	14,125	10,237
Other liabilities	3.22	7,458,365	7,804,621	1,680,799	1,603,518
Total liabilities		202,421,551	235,981,133	8,640,406	7,316,414

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

TISCO Financial Group Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2021

(Unit: Thousand Baht)

	Note	Consolidated		Separate	
		2021	2020	2021	2020
Equity					
Share capital					
Registered					
33,858 preference shares of Baht 10 each		339	339	339	339
800,669,437 ordinary shares of Baht 10 each		8,006,694	8,006,694	8,006,694	8,006,694
		<u>8,007,033</u>	<u>8,007,033</u>	<u>8,007,033</u>	<u>8,007,033</u>
Issued and paid-up					
9,859 preference shares of Baht 10 each		99	99	99	99
800,645,624 ordinary shares of Baht 10 each		8,006,456	8,006,456	8,006,456	8,006,456
		<u>8,006,555</u>	<u>8,006,555</u>	<u>8,006,555</u>	<u>8,006,555</u>
Share premium					
Share premium on preference shares		-	-	87	87
Share premium on ordinary shares		1,018,408	1,018,408	7,031,436	7,031,436
		<u>1,018,408</u>	<u>1,018,408</u>	<u>7,031,523</u>	<u>7,031,523</u>
Other components of equity	3.24	1,828,088	1,837,917	307,442	304,430
Retained earnings					
Appropriated - statutory reserve		801,000	801,000	801,000	801,000
Unappropriated		29,543,039	27,795,056	6,673,994	6,972,541
		<u>41,197,090</u>	<u>39,458,936</u>	<u>22,820,514</u>	<u>23,116,049</u>
Equity attributable to equity holders of the Company					
Non-controlling interest of the subsidiaries		3,293	3,143	-	-
		<u>41,200,383</u>	<u>39,462,079</u>	<u>22,820,514</u>	<u>23,116,049</u>
Total equity		<u>41,200,383</u>	<u>39,462,079</u>	<u>22,820,514</u>	<u>23,116,049</u>
Total liabilities and equity		<u>243,621,934</u>	<u>275,443,212</u>	<u>31,460,920</u>	<u>30,432,463</u>
		-	-	-	-

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



(Mr. Suthas Ruangmanamongkol)
Chairman of the Executive Board




(Mr. Sakchai Peechapat)
Group Chief Executive

TISCO Financial Group Public Company Limited and its subsidiaries

Statement of comprehensive income

For the year ended 31 December 2021

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

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Profit or loss:					
Interest income	3.25	14,791,685	16,756,709	63,367	65,370
Interest expenses	3.26	(2,331,858)	(3,659,000)	(43,636)	(70,440)
Net interest income		12,459,827	13,097,709	19,731	(5,070)
Fee and service income		6,130,361	5,512,092	-	-
Fee and service expenses		(514,989)	(366,061)	(16,964)	(21,975)
Net fee and service income	3.27	5,615,372	5,146,031	(16,964)	(21,975)
Net gain (loss) on financial instruments measured at fair value through profit or loss	3.28	403,826	257,485	(134,315)	53,226
Net gain on investments	3.29	6,283	12,372	-	-
Share of profit (loss) from investment accounted for under equity method	3.7.2	7,216	(1,717)	-	-
Dividend income	3.7.1	69,609	58,903	4,594,553	4,821,694
Penalty fee income from loans		173,927	217,139	-	-
Intercompany supporting fee income	3.33	-	-	2,108,928	2,145,465
Other operating income		99,863	116,021	77,905	79,293
Total operating income		18,835,923	18,903,943	6,649,838	7,072,633
Operating expenses					
Employee expenses		5,727,009	5,288,351	1,057,868	1,062,114
Directors' remuneration		20,002	18,160	20,002	18,160
Premises and equipment expenses		1,338,717	1,272,885	682,543	624,414
Taxes and duties		243,281	276,538	2,165	2,238
Other operating expenses		950,178	1,155,889	72,687	81,555
Total operating expenses		8,279,187	8,011,823	1,835,265	1,788,481
Expected credit loss	3.30	2,063,979	3,330,604	10,101	172,415
Profit from operations before income tax expenses		8,492,757	7,561,516	4,804,472	5,111,737
Income tax expenses	3.31	1,707,764	1,497,654	43,548	52,442
Total profit for the year		6,784,993	6,063,862	4,760,924	5,059,295

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

TISCO Financial Group Public Company Limited and its subsidiaries

Statement of comprehensive income (continued)

For the year ended 31 December 2021

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

	Note	Consolidated		Separate	
		financial statements		financial statements	
		2021	2020	2021	2020
Other comprehensive income:					
<i>Other comprehensive income to be reclassified</i>					
<i>to profit or loss in subsequent periods</i>					
Gain (loss) on valuation of investments in debt instruments					
measured at fair value through other comprehensive income		(4,583)	2,053	4,607	(1,536)
Share of other comprehensive income of joint venture -					
Cash flow hedges of joint venture (loss)		(2,512)	(6,960)	-	-
Income tax effects	3.31	917	(411)	(921)	307
Other comprehensive income to be reclassified					
to profit or loss in subsequent periods - net of income tax (loss)		(6,178)	(5,318)	3,686	(1,229)
<i>Other comprehensive income not to be reclassified</i>					
<i>to profit or loss in subsequent periods</i>					
Actuarial gain (loss)		3,979	(40,273)	(20,281)	(13,848)
Income tax effects	3.31	(953)	8,072	4,056	2,770
Other comprehensive income not to be reclassified					
to profit or loss in subsequent periods - net of income tax (loss)		3,026	(32,201)	(16,225)	(11,078)
Other comprehensive income for the year (loss)					
		(3,152)	(37,519)	(12,539)	(12,307)
Total other comprehensive income for the year					
		<u>6,781,841</u>	<u>6,026,343</u>	<u>4,748,385</u>	<u>5,046,988</u>
Profits attributable to					
Equity holders of the Company	3.32	6,784,593	6,063,483	<u>4,760,924</u>	<u>5,059,295</u>
Non-controlling interests of the subsidiaries		400	379		
		<u>6,784,993</u>	<u>6,063,862</u>		
Total comprehensive income attributable to					
Equity holders of the Company		6,781,441	6,025,964	<u>4,748,385</u>	<u>5,046,988</u>
Non-controlling interests of the subsidiaries		400	379		
		<u>6,781,841</u>	<u>6,026,343</u>		
Earnings per share of equity holders of the Company					
Basic earnings per share (Baht per share)	3.32	<u>8.47</u>	<u>7.57</u>	<u>5.95</u>	<u>6.32</u>

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

TISCO Financial Group Public Company Limited and its subsidiaries

Cash flow statement

For the year ended 31 December 2021

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Cash flows from operating activities				
Profit from operations before income tax	8,492,757	7,561,516	4,804,472	5,111,737
Adjustments to reconcile profit from operations before income tax to net cash provided by (paid from) operating activities				
Depreciation and amortisation	592,479	657,177	118,500	124,178
Expected credit loss	3,718,818	5,116,156	10,101	172,415
Share of (profit) loss from investment accounted for under equity method	(7,216)	1,717	-	-
Allowance for impairment of properties foreclosed (reversal)	(5)	564	-	-
Gain on disposal of investments in securities	(607,601)	(12,372)	-	-
Unrealised (gain) loss on foreign exchange transactions and trading derivatives	(155,857)	(21,803)	(86,307)	1,738
(Gain) loss on financial instruments measured at fair value through profit or loss	306,669	(253,456)	220,622	(54,964)
Loss on changes in value of investment properties	29	2,970	-	-
Gain on disposal of equipment and intangible assets	(6,414)	(4,891)	(1,188)	(316)
Loss on write-off of equipment and intangible assets	3,148	2,751	32	248
Gain on disposal of properties foreclosed	(48,345)	(33,340)	-	-
Employee benefit expenses	132,576	204,697	21,786	24,364
(Increase) decrease in accrued income	(28,122)	184,294	5,606	(6,506)
Increase (decrease) in accrued expenses	(196,846)	(801,440)	52,944	148,384
Net interest income	(12,459,827)	(13,097,709)	(19,731)	5,070
Dividend income	(69,609)	(58,903)	(4,594,553)	(4,821,694)
Cash received on interest income	14,696,962	15,729,391	61,738	61,468
Cash paid on interest expenses	(2,096,139)	(3,364,522)	(33,392)	(86,432)
Cash received on dividend income	69,609	58,903	3,848,977	6,854,684
Cash paid on income tax	(1,535,529)	(1,456,983)	(88,791)	(104,386)
Profit from operating activities before changes in operating assets and liabilities	10,801,537	10,414,717	4,320,816	7,429,988
Operating assets (increase) decrease				
Interbank and money market items	7,723,466	7,077,408	(5,193)	1,080,847
Loans to customers	18,266,553	14,267,839	(130,000)	(970,000)
Securities and derivatives business receivables	(73,049)	105,886	-	-
Receivables from clearing house	(104,541)	(291,291)	-	-
Properties foreclosed	(106,350)	(11,837)	-	-
Other assets	-114,895	388,509	-16,253	14,399

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

TISCO Financial Group Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the year ended 31 December 2021

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2021	2020	2021	2020
Operating liabilities increase (decrease)				
Deposits	(36,930,899)	(12,611,726)	-	-
Interbank and money market items	2,273,054	1,151,513	(3,215,000)	3,780,000
Liabilities payable on demand	(1,010,333)	977,898	-	-
Securities and derivatives business payables	488,312	212,496	-	-
Short-term debts issued and borrowings	2,116,000	(2,351,000)	4,436,000	(4,671,000)
Payables to clearing house	(309,866)	(28,955)	-	-
Provision for long-term employee benefits	(77,481)	(54,500)	(30,196)	(12,368)
Other liabilities	(4,036)	(328,901)	24,338	5,637
Net cash flows from operating activities	2,937,472	18,918,056	5,384,512	6,657,503
Cash flows from investing activities				
Cash paid for purchase of investments in securities	(12,166,216)	(31,435,476)	(293,082)	(371,662)
Cash received from disposal of investments in securities	14,512,470	29,164,080	-	-
Cash paid for purchase of equipment	(74,396)	(168,903)	(28,864)	(64,792)
Cash paid for purchase of intangible assets	(30,794)	(30,943)	(19,445)	(18,120)
Cash received from disposal of equipment	4,611	7,663	1,189	2,415
Cash paid for acquisition of a subsidiary	-	-	(1)	(8)
Net cash flows from (used in) investing activities	2,245,675	(2,463,579)	(340,203)	(452,167)
Cash flows from financing activities				
Cash received from issuance of long-term debentures	700,000	4,160,000	-	-
Cash paid for redemption of long-term debentures	(680,000)	(14,000,000)	-	-
Cash paid on lease liabilities	(275,842)	(291,784)	(292)	(293)
Dividend paid	(5,044,087)	(6,205,043)	(5,044,087)	(6,205,043)
Net cash flows used in financing activities	(5,299,929)	(16,336,827)	(5,044,379)	(6,205,336)
Net increase (decrease) in cash	(116,782)	117,650	(70)	-
Cash at beginning of the year	1,220,207	1,102,557	70	70
Cash at end of the year	1,103,425	1,220,207	-	70
	-	-	-	-
Supplemental cash flows information				
Non-cash transactions				
Right-of-use assets	108,550	158,039	-	-
Transfer-in of properties foreclosed in settlement of loans to customers	2,342,967	1,847,708	-	-
Transfer of investment properties to premises and equipment	-	-	-	44,538

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

TISCO Financial Group Public Company Limited and its subsidiaries

Statement of changes in equity

For the year ended 31 December 2021

(Unit: Thousand Baht)

Consolidated financial statements													
Equity attributable to equity holders of the Company													
Other components of equity													
Issued and paid-up		Share premium on	Surplus on		Adjustment from			Retained earnings			Total equity	Equity	
Preference shares	Ordinary shares	ordinary shares	changes in value	of investments	Share of other	of business	of entities under			attributable to	attributable		
			measured at	measured at	comprehensive	combination	common control			equity holders of	to non-controlling		
			fair value through	other comprehensive	income of	of revaluation	under holding			the Company	interests of		
			Surplus on	revaluation	joint venture	of assets	restructuring plan	Total	Appropriated	Unappropriated	the Company	the subsidiaries	Total
			of income	of assets	income of	of assets	restructuring plan	Total	Appropriated	Unappropriated	the Company	the subsidiaries	Total
Balance as at 1 January 2020	99	8,006,456	1,018,408	4,229	1,160,712	2,602	679,266	1,846,809	801,000	27,964,453	39,637,225	3,131	39,640,356
Dividend paid (Note 4)	-	-	-	-	-	-	-	-	-	(6,205,043)	(6,205,043)	-	(6,205,043)
Profit for the year	-	-	-	-	-	-	-	-	-	6,063,483	6,063,483	379	6,063,862
Other comprehensive income for the year (loss)	-	-	-	1,642	-	(6,960)	-	(5,318)	-	(32,201)	(37,519)	-	(37,519)
Total comprehensive income for the year (loss)	-	-	-	1,642	-	(6,960)	-	(5,318)	-	6,031,282	6,025,964	379	6,026,343
Transfer surplus on revaluation of assets													
to retained earnings	-	-	-	-	(3,574)	-	-	(3,574)	-	4,364	790	-	790
Decrease in non-controlling interests of the subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(367)	(367)
Balance as at 31 December 2020	99	8,006,456	1,018,408	5,871	1,157,138	(4,358)	679,266	1,837,917	801,000	27,795,056	39,458,936	3,143	39,462,079
Balance as at 1 January 2021	99	8,006,456	1,018,408	5,871	1,157,138	(4,358)	679,266	1,837,917	801,000	27,795,056	39,458,936	3,143	39,462,079
Dividend paid (Note 4)	-	-	-	-	-	-	-	-	-	(5,044,087)	(5,044,087)	-	(5,044,087)
Profit for the year	-	-	-	-	-	-	-	-	-	6,784,593	6,784,593	400	6,784,993
Other comprehensive income for the year (loss)	-	-	-	(3,666)	-	(2,512)	-	(6,178)	-	3,026	(3,152)	-	(3,152)
Total comprehensive income for the year (loss)	-	-	-	(3,666)	-	(2,512)	-	(6,178)	-	6,787,619	6,781,441	400	6,781,841
Transfer surplus on revaluation of assets													
to retained earnings	-	-	-	-	(3,651)	-	-	(3,651)	-	4,451	800	-	800
Decrease in non-controlling interests of the subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(250)	(250)
Balance as at 31 December 2021	99	8,006,456	1,018,408	2,205	1,153,487	(6,870)	679,266	1,828,088	801,000	29,543,039	41,197,090	3,293	41,200,383

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

TISCO Financial Group Public Company Limited and its subsidiaries

Statement of changes in equity (continued)

For the year ended 31 December 2021

(Unit: Thousand Baht)

	Separate financial statements															
	Issued and paid-up				Share premium		Other components of equity			Retained earnings						
	Preference		Ordinary		Preference		Surplus (deficit) on changes		Total		Total					
	shares	shares	shares	shares	measured at	Surplus on	assets	Total	Appropriated	Unappropriated						
				in value of investments		measured at		revaluation of								
				fair value through other		comprehensive income		Total								
Balance as at 1 January 2020	99	-	8,006,456	-	87	-	7,031,436	-	-	306,294	306,294	801,000	-	8,128,573	-	24,273,945
Dividend paid (Note 4)	-	-	-	-	-	-	-	-	-	-	-	-	-	(6,205,043)	-	(6,205,043)
Profit for the year	-	-	-	-	-	-	-	-	-	-	-	-	-	5,059,295	-	5,059,295
Other comprehensive income for the year (loss)	-	-	-	-	-	-	-	(1,229)	-	-	(1,229)	-	-	(11,078)	-	(12,307)
Total comprehensive income for the year (loss)	-	-	-	-	-	-	-	(1,229)	-	-	(1,229)	-	-	5,048,217	-	5,046,988
Transfer surplus on revaluation of assets to retained earnings	-	-	-	-	-	-	-	-	(635)	(635)	-	-	-	794	-	159
Balance as at 31 December 2020	99	-	8,006,456	-	87	-	7,031,436	-	(1,229)	305,659	304,430	801,000	-	6,972,541	-	23,116,049
Balance as at 1 January 2021	99	-	8,006,456	-	87	-	7,031,436	-	(1,229)	305,659	304,430	801,000	-	6,972,541	-	23,116,049
Dividend paid (Note 4)	-	-	-	-	-	-	-	-	-	-	-	-	-	(5,044,087)	-	(5,044,087)
Profit for the year	-	-	-	-	-	-	-	-	-	-	-	-	-	4,760,924	-	4,760,924
Other comprehensive income for the year (loss)	-	-	-	-	-	-	-	3,686	-	3,686	-	-	-	(16,225)	-	(12,539)
Total comprehensive income for the year	-	-	-	-	-	-	-	3,686	-	3,686	-	-	-	4,744,699	-	4,748,385
Transfer surplus on revaluation of assets to retained earnings	-	-	-	-	-	-	-	-	(674)	(674)	-	-	-	841	-	167
Balance as at 31 December 2021	99	-	8,006,456	-	87	-	7,031,436	-	2,457	304,985	307,442	801,000	-	6,673,994	-	22,820,514

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

TISCO Financial Group Public Company Limited and its subsidiaries**Notes to consolidated financial statements**

For the year ended 31 December 2021

1. Basis for preparation and presentation of financial statements and significant accounting policies**1.1 Basis for preparation and presentation of financial statements**

The financial statements for the year ended 31 December 2021 have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Profession Act B.E. 2547, and with reference to the regulations stipulated by the Bank of Thailand ("BOT"). The presentation has been made in compliance with the BOT's Notification No. Sor Nor Sor. 21/2561 regarding "Preparation and Announcement of Financial Statements of Commercial Banks and Parent Companies of Financial Holding Groups", dated 31 October 2018.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

1.2 Coronavirus disease 2019 pandemic

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

1.3 Basis of consolidation

- a) The consolidated financial statements of TISCO Group include the financial statements of TISCO Financial Group Public Company Limited ("the Company") and its subsidiary companies ("the subsidiaries") (collectively as "the Group") as mentioned in Note 3.1 to the financial statements.
- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- c) Subsidiaries are fully consolidated, from the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries are prepared for the same reporting period and using the same significant accounting policies as the Company.
- e) Material balances and transactions between the Group have been eliminated from the consolidated financial statements.
- f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

1.4 Separate financial statements

The separate financial statements present investments in subsidiaries and joint venture under the cost method.

1.5 New financial reporting standards

1.5.1 Financial reporting standards that became effective in the current year

During the year 2021, the Group has adopted the revised financial reporting standards and interpretations which are effective for fiscal year beginning on or after 1 January 2021. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements.

1.5.2 Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2022

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 2022. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and, for some standards, providing temporary reliefs or temporary exemptions for users.

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

1.5.3 Accounting Guidance on the Guidelines Regarding the Provision of Financial Assistance to Debtors Affected by COVID-19 that will become effective for fiscal year beginning on or after 1 January 2022

The Federation of Accounting Professions announced Accounting Guidance on the 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 the measures to assist debtors specified in the circular of the BOT No. BOT.RPD2.C. 802/2564 "Guidelines regarding the provision of financial assistance to debtors affected by COVID-19 (sustainable debt resolution)" or any other measures announced by the BOT. Such entities include credit card business, business providing loans secured against vehicle registrations, personal loan business under the supervision of the BOT and certain entities not under the supervision of the BOT, such as leasing, hire-purchase, motorcycle hire-purchase and factoring businesses.

The accounting guidance is effective for entities that provide assistance to debtors impacted by COVID-19 during the period from 1 January 2022 to 31 December 2023 or until the BOT makes changes with which the entities are to comply. The guidance applies to the staging assessment and setting aside of provisions for qualified debtors, and covers all types of debtors, namely large debtors, small and medium-sized debtors and retail debtors.

- a) In cases of debt restructuring for the purpose of reducing the debt burden of debtors that involve more than just extending the payment timeline, the applicable procedures are as follows:
- 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 (Under-performing or Stage 2) only when principal or interest payments are more than 30 days past due or 1 month past due.
 - A new effective interest rate is applied to determine the present value of loans that have been restructured if the debt restructuring causes the existing effective interest rate to no longer reflect the estimated cash inflows from the loan.
- b) In cases of the debt restructuring involving only a 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, the applicable procedures are as follows:
- The staging assessment and setting aside of provisions are performed in accordance with the relevant financial reporting standards.
 - The guidelines specified in the appendix of the circular of the BOT No. BOT.RPD2.C. 802/2564 relating to assessment of whether there has been a significant increase in credit risk are applied to assess whether a debtor is to move to under-performing stage or Stage 2.
- c) Expected credit loss is determined based on the outstanding balance of the drawn down portion only.
- d) For retail debtors and SME debtors who are in the process of debt restructuring and unable to complete the process by 31 December 2021 in accordance with guidelines specified in the circular of the BOT No. BOT.RPD2.C. 594/2564 "Guidelines regarding debt restructuring to assist debtors affected by COVID-19", classification of the debtors remains at the same stage as before restructuring until 31 March 2022 or until the BOT makes changes with which the entities are to comply.

For debtors whose debt is restructured between 1 January 2021 and 31 December 2021, in accordance with the above clauses no. a) and b), the guidelines on staging assessment and provisioning under this accounting guidance apply from 1 January 2022 to 31 December 2023. However, for the year 2021 entities can still apply the Accounting Guidance on Temporary Relief Measures for Entities Providing Assistance to Debtors Impacted by Situations That Affect the Thai Economy, according to the notification of the Federation of Accounting Professions No. 17/2563 dated 16 April 2020.

The management of the Group believes that this accounting guidance will not have any significant impact on the Group's financial statements when it is adopted.

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

During the year 2020, the Group elected to apply the temporary relief measures on accounting alternatives relating to the measurement of fair value of investments in non-marketable equity instruments as at 31 December 2020 using the fair value as at 1 January 2020. However, as the temporary relief measures on accounting alternatives are no longer applicable for the period after 31 December 2020, the Group recognised fair value of investments in non-marketable equity instruments as at 1 January 2021 totalling Baht 31 million as part of operating income in the consolidated statement of comprehensive income for the year ended 31 December 2021 (Separate financial statements: none).

1.7 Significant accounting policies

1.7.1 Income recognition

a) Interest income and discounts on loans

The Group recognises interest on loans on an accrual basis, using the effective interest rate method, applied to the outstanding principal amount. The effective interest rate is the discount rate that estimates future cash flows over the expected life of the financial instrument to the net carrying amount of the

financial asset. The effective interest rate is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the effective interest rate.

For hire purchase receivables, fee income, commissions and direct expenses incurred at the initiation of hire purchase are recognised over time using the effective interest rate method, and are presented as deductions from interest income on hire purchase over the contract term in order to reflect the effective rate of return of the contract.

Deferred revenue on hire purchase is stated net of commissions and direct expenses incurred at the initiation of hire purchase.

For loans to customers that are later credit-impaired, the Group recognises interest income using the effective interest rate method applied to the net carrying value of the loan (the loan amount net of allowance for expected credit loss). Subsequently, if the financial asset is no longer credit-impaired, the Group reverts to calculating interest income on a gross carrying amount.

b) Gain (loss) on financial instruments measured at fair value through profit or loss

Gain (loss) on financial instruments measured at fair value through profit or loss consists of gain (loss) on trading and foreign exchange transactions, gain (loss) on changes in fair value of derivatives and financial assets measured at fair value through profit or loss, and gain (loss) on sales of financial assets measured at fair value through profit or loss and derivatives, which the Group recognises as income or expenses on the transaction date.

Interest and dividend on investments in securities

Interest on investments is recognised as income on an accrual basis. Dividend on investments is recognised as income when the right to receive the dividend is established.

c) Brokerage fees

Brokerage fees on securities and derivatives trading are recognised as income on the transaction date.

d) Fee and service income

Fee and service income is recognised as income on an accrual basis except fee income that is an integral part of the effective interest rate.

e) Incentive fee income on fund management

The subsidiary operating an asset management business recognises incentive fee income, which arises when the annual returns of funds that the company is managing exceeds the threshold for the performance of the fund, as revenue when it is certain that the income has occurred.

g) Interest expenses

Interest expenses are recognised on an accrual basis using the effective interest rate method.

h) Fee and service expenses and other operating expenses

Fee and service expenses and other operating expenses are recognised on an accrual basis.

1.7.2 Securities purchased under resale agreements according to private repurchase transactions

The subsidiary operating a banking business has purchased securities under resale agreements according to private repurchase transactions, which stipulate definite dates, terms and prices. Amounts paid for the securities purchased under resale agreements are presented under the caption of "Interbank and money market items - net" in the statement of financial position, and the securities purchased are used as collateral. Under securities purchased under resale agreements according to private repurchase transactions, the subsidiary obtains securities under resale agreements as collateral securities on terms which permit it to repledge or resell the securities to others.

1.7.3 Financial assets

Financial assets - Debt instruments

The Group classifies its financial assets - debt instruments as subsequently measured at amortised cost or fair value in accordance with the Group's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets, based on the facts and circumstances as of the date these financial reporting standards were initially adopted or the acquisition date. Classifications are as follows:

a) Financial assets measured at fair value through profit or loss

Investments in debt instruments held within a business model whose objective is not to hold financial assets in order to collect contractual cash flows, or the contractual terms of the financial assets represent contractual cash flows that are not solely payments of principal and interest on the principal amount outstanding. The Group recognises these as financial assets measured at fair value through profit or loss. These financial assets are initially recognised at fair value.

After initial recognition, unrealised gain or loss on changes in fair value is recognised in profit or loss.

At the end of reporting period, investments in debt instruments measured at fair value through profit or loss are presented in the statement of financial position at fair value.

b) Financial assets measured at fair value through other comprehensive income

Investments in debt instruments whose both of the following conditions are met: the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and the contractual terms of the financial assets represent contractual cash flows that are solely payments of principal and interest on the principal amount outstanding. The Group recognises these as financial assets measured at fair value through other comprehensive income. These financial assets are initially recognised at fair value.

After initial recognition, unrealised gain or loss on changes in fair value is presented as a separate item in other comprehensive income until disposal. Gain or loss on disposal of the instruments are recognised in profit or loss. Expected credit loss and interest income calculated using the effective interest rate method are recognised in profit or loss.

At the end of reporting period, investments in debt instruments measured at fair value through other comprehensive income are presented in the statement of financial position at fair value.

c) Financial assets measured at amortised cost

Investments in debt instruments whose both of the following conditions are met: the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and the contractual terms of the financial assets represent contractual cash flows that are solely payments of principal and interest on the principal amount outstanding. The Group recognises these as financial assets measured at amortised cost. These financial assets are initially recognised at fair value.

At the end of reporting period, investments in debt instruments measured at amortised cost are presented in the statement of financial position net of allowance for expected credit loss (if any).

Financial assets - Equity instruments

All investments in equity instruments are measured at fair value in the statement of financial position. The Group classifies investments in equity instruments as financial assets measured at fair value through profit or loss.

After initial recognition, unrealised gain or loss on subsequent changes in fair value of investments is recognised in profit or loss. Dividends on these investments are recognised in profit or loss.

At the end of reporting period, investments in equity instruments measured at fair value through profit or loss are presented in the statement of financial position at fair value.

Recognition

Purchases and sales of investments are recognised on the settlement date. The weighted average method is used for computation of investment cost.

Changes in classification of investments in debt instruments

When there are changes in the Group's business model for management of financial assets, the Group has to reclassify investments in debt instruments and adjust the value of these investments to their fair value on the reclassification date. Differences between the book value and fair value of investments on the reclassification date are recorded in profit or loss or other comprehensive income, depending on the classification of the investments.

1.7.4 Classification and measurement of financial liabilities

The Group classifies and measures its financial liabilities at amortised cost, except for derivatives liabilities which are measured at fair value through profit or loss.

1.7.5 Investments in receivables purchased or transferred in

The Group classifies investments in receivables purchased or transferred in as financial assets measured at amortised cost which are initially recognised at acquisition cost. At the end of reporting period, these investments in receivables are presented in the statement of financial position at amortised cost net of allowance for expected credit loss (if any).

1.7.6 Investments in subsidiaries and joint venture

Investment in joint venture is accounted for in the consolidated financial statements using the equity method. Investments in subsidiaries and joint venture are accounted for in the separate financial statements using the cost method.

1.7.7 Loans to customers

Loans to customers are stated at the principal balance, excluding accrued interest receivables. Unrecognised deferred revenue/discounts on loans to customers are presented as deductions from loans to customers.

Hire purchase and finance lease receivables are stated at outstanding balance, net of deferred revenue. Deferred revenue is stated net of commissions and direct expenses incurred at the initiation of hire purchase and advances received from finance lease receivables.

1.7.8 Allowance for expected credit loss on financial assets

The Group applies the General Approach to calculate expected credit loss on its financial assets, such as deposits at financial institutions, investments in debt instruments measured at amortised cost, investments in debt instruments measured at fair value through other comprehensive income, loans to customers and accrued interest receivables, securities and derivatives business receivables, receivables from clearing house, and committed credit lines.

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

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

For financial assets with no significant increase in credit risk since the initial recognition date, the Group recognises allowance for expected credit loss at an amount equal to 12-month expected credit loss. For

financial assets with maturity of less than 12 months, the Group uses a probability of default that corresponds to remaining terms of the contract.

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

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

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

Financial assets are assessed as credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset occur. The Group recognises the expected credit loss at the amount equal to expected credit loss over the expected lifetime of the financial assets.

At the end of each reporting period, the Group assesses whether the credit risk of financial assets has increased significantly since the initial recognition date, by comparing the risk of expected default on the financial assets as at reporting date with the risk of default as at the initial recognition date. The Group uses internal quantitative and qualitative bases and forward-looking information as a basis for assessing a decrease in credit quality, such as debtors overdue for more than 30 days and credit rating. Evaluations of whether credit risk has increased significantly since the initial recognition date may be conducted individually or collectively for groups of financial assets.

Loans to customers are considered to be credit-impaired when one or more events occur affecting the estimated future contractual cash flows of the counterparties. Evidence that financial assets are credit-impaired includes being overdue for more than 90 days or indications that debtors are facing significant financial difficulties, breaches of contract, the legal status, renegotiation of terms of repayment or debt restructuring.

In subsequent periods, if the credit quality of financial assets improves and it is assessed that there is no longer significant increase in credit risk from the initial recognition date that was assessed in the previous period, the Group will change from recognising expected credit loss over the expected lifetime to recognising the 12-month expected credit loss.

When the terms of repayment of a loan to customer are renegotiated or the terms of the contractual cash flow are modified because the debtors are in financial difficulty, the loan is considered to be a financial asset with a significant increase in credit risk or credit-impaired, unless there is evidence that the risk of that contractual cash flows will not be recoverable has decreased significantly and there are no other indicators of impairment.

Expected credit loss is the probability-weighted estimate of expected credit loss over the lifetime of a financial instrument, taking into account the present value of all cash flows that are expected not to be recoverable. This is determined with reference to historical loss experience data grouped by asset on the basis of shared credit risk characteristics, taking into account type of loan, type of collateral, months on books, and other relevant factors, adjusted for current observable data, as well as forward-looking information that is supportable and reasonable, provided it can be shown to be statistically related. It also involves the appropriate exercise of judgement to estimate the amount of expected credit loss, using current macroeconomic data. The Group determines both current and future economic scenarios, and probability-weights each scenario (base scenario, upturn scenario, downturn scenario and stress scenario) for the purpose of calculating expected credit loss. Use of forward-looking data increases the degree of judgement required in evaluating how relevant macroeconomic changes affect expected credit loss. However, the Group has established a process to review and monitor the methodologies, assumptions and forward-looking macroeconomics scenarios on a regular basis. In addition, expected credit loss also includes a management overlay.

For financial assets that are credit-impaired upon initial acquisition (investments in receivables purchased or transferred in), the Group measures allowance for expected credit loss at an amount equal to the outstanding receivable balance because it does not expect to receive cash flows from these receivables.

The measurement of expected credit loss on loan commitments is the present value difference between the contractual cash flows that are due to the Group if the commitment is drawn down and the cash flows that the Group expects to receive. The measurement of expected credit loss for financial guarantees is based on the expected payments to reimburse the holder less any amounts that the Group expects to recover.

The increase (decrease) in an allowance for expected credit loss is recognised as an expense in profit or loss in the statement of comprehensive income. The Group has a policy to write off receivables when they are identified as bad debts.

The Group considers using the Simplified Approach to determine allowance for expected credit loss over a lifetime for accrued fee and service income and other receivables.

In addition, the Group has adopted the accounting guidance in determining the staging and the provisioning of loans to customers for debtors meeting the criteria for relief measures in accordance with the BOT's circulars, as described in Note 1.7.28 to the financial statements.

1.7.9 Financial assets with modifications of terms/Debt restructuring

When a financial asset's terms of repayment are renegotiated or modified, or debt is restructured, or an existing financial asset is replaced with a new financial asset because a debtor is having financial difficulties, the Group assesses whether to derecognise the financial asset and measures the expected credit loss, as follows:

- If the modification of terms does not result in derecognition of the financial asset, the Group calculates the gross book value of the new financial asset based on the present value of the new or modified cash flows, discounted using the original effective interest rate of the financial asset, and recognises a gain or loss on modification of terms in profit or loss.
- If the modification of terms results in derecognition of the financial asset, the fair value of the new financial asset is the latest cash flows of the original financial asset as at the date of derecognition. The difference between the book value and the fair value of the financial asset is recognised in profit or loss.

If the debt restructuring does not meet the criteria for derecognition as of the restructuring date, the debtor continues to be classified as a financial asset with a significant increase in credit risk (Stage 2) until the debtor has been able to make payment in accordance with the debt restructuring agreement for 3 consecutive months or installments, whichever is the longer period; or continues to be classified as a financial asset that is credit-impaired (Stage 3) until the debtor has been able to make payment in accordance with the debt restructuring agreement for 3 consecutive months or installments, whichever is the longer period, before being able to be reclassified as a financial asset with a significant increase in credit risk (Stage 2), and if the debtor is able to make payment for additional 9 consecutive months or installments, it can be reclassified as a financial asset with no significant increase in credit risk (Stage 1). If the debt restructuring results in a derecognition, the new financial asset is considered a financial asset with no significant increase in credit risk (Performing or Stage 1).

However, for debtors which the Group provides assistance to in accordance with measures as specified in the circulars of the BOT, the Group does not consider whether modification of terms results in derecognition, but if the existing effective interest rate does not reflect the estimated cash flows that are expected to be recoverable, it will apply a newly calculated effective interest rate to determine the present value of the restructured loans and to recognise interest income. The Group is allowed to recognise interest income on the basis of this new effective interest rate during the grace period, as described in Note 1.7.28 to the financial statements.

1.7.10 Securities and derivatives business receivables

Securities and derivatives business receivables comprise the net balance of securities business receivables and derivatives business receivables, after deducting allowance for expected credit loss. Securities business receivables comprise the net receivable balances of cash accounts, securities borrowing and lending receivables, guaranteed deposit receivables and other receivables such as securities receivables that are subject to legal proceeding, undergoing restructuring or settling in installments.

1.7.11 Receivables from/Payables to clearing house

Receivables from/payables to clearing house comprise the net balance of amount receivable from/payable to Thailand Clearing House in respect of settlements for securities trades and derivatives instruments including cash pledged with Thailand Clearing House as collateral for derivatives trading, and the net balance of amount receivable from/payable to overseas securities companies in respect of securities trades settled through overseas securities companies.

1.7.12 Recognition and derecognition of customers' deposits

Cash which customers have placed with a subsidiary operating a securities business in cash accounts for securities trading and derivatives trading is recorded as an asset of the subsidiary for the customers' position for internal control purposes. At the financial statements date, the subsidiary does not present those amounts as its assets and liabilities but presents only those assets which belong to the subsidiary.

1.7.13 Borrowing and lending of securities

A subsidiary operating a securities business is engaged in securities borrowing and lending transactions, whereby the subsidiary acts as an agent through agreements made with borrowers and lenders of securities. The subsidiary records its obligations to return borrowed securities which it has lent as "Securities borrowing payables" and securities lent to customers are recorded as "Securities borrowing receivables" in the statement of financial position. At the end of the reporting period, the balances of securities borrowing payables and securities borrowing receivables are adjusted based on the latest offer price quoted on the Stock Exchange of Thailand on the last working day of the year. Gain or loss arising from such adjustments is included in profit or loss in the statement of comprehensive income. The subsidiary records cash paid or received as collateral for securities borrowing and lending as "Guarantee deposit receivables" or "Guarantee deposit payables". Fees from borrowing and lending are recognised on an accrual basis over the lending term.

1.7.14 Properties foreclosed

Properties foreclosed represents assets transferred in respect of receivables on which the debtors have defaulted or restructured receivables.

At the end of reporting period, the value of properties foreclosed is stated at the lower of cost or net realisable value. Net realisable value is determined at the market value or the appraisal value less estimated selling expenses. In addition, the subsidiary operating a banking business is required to record additional allowance for impairment of properties foreclosed in accordance with the notifications of the BOT.

The Group recognises loss on impairment in profit or loss. Gain or loss from disposal of properties foreclosed is recognised in profit or loss in the statement of comprehensive income upon disposal.

1.7.15 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value. Any gain or loss arising from changes in the fair value of investment properties is recognised in profit or loss when incurred.

The difference between the net disposal proceed and the carrying amount of the asset is recognised in profit or loss in the year in which the asset is derecognised.

1.6.16 Premises and equipment/Depreciation

Land is stated at cost. Buildings, office condominiums and equipment are stated at cost or revalued amount less accumulated depreciation and allowance for loss on impairment of assets (if any).

Office condominiums are initially recorded at cost on the acquisition date, and subsequently revalued by an independent professional appraiser, and then recorded at fair value. Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from fair value at the end of reporting period.

Differences arising from the revaluation are dealt with in the financial statements as follows:

- When an asset's carrying amount is increased as a result of the revaluation of the Group's assets, the increase is credited directly to other comprehensive income and the cumulative increase is recognised in equity under the heading of "Surplus on revaluation of assets". However, the revaluation increase is recognised as income to the extent that it reverses the revaluation decrease in respect of the same asset previously recognised as an expense.
- When an asset's carrying amount is decreased as a result of the revaluation of the Group's assets, the decrease is recognised in profit or loss. However, the revaluation decrease is charged to other comprehensive income to the extent that it does not exceed the amount already held in "Surplus on revaluation of assets" in respect of the same asset.

The surplus on revaluation of assets is amortised to retained earnings on a straight-line basis over the remaining life of the related assets. The revaluation surplus which is transferred to retained earnings is the difference between the depreciation calculated on book value of the revalued assets and the depreciation calculated on original cost of the assets. The revaluation surplus can neither be offset against deficit nor used for dividend payment.

Depreciation of buildings, office condominiums, and equipment is calculated by reference to their cost or revalued amount on the straight-line basis (except for the depreciation of communications equipment, which is calculated using the sum-of-the-year-digits method over estimated useful lives of 3 years) over the following estimated useful lives:

Buildings	-	20	years
Buildings and office condominiums	-	18 - 50	years
Office improvements	-	5, 20	years
Furniture, fixtures and equipment	-	5	years
Motor vehicles	-	5, 6	years

Depreciation attributed to the original cost portion and the revaluation portion is included in determining income.

No depreciation is provided on land and assets under installation.

An item of land, buildings and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised. Remaining surplus on revaluation of assets as at the date of derecognition is directly transferred to retained earnings.

1.7.17 Leases

At inception of contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group applies a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. At the commencement date of the lease, the Group recognises right-of-use assets representing the right to use underlying assets and lease liabilities based on lease payments.

Right-of-use assets

Right-of-use assets are measured at cost, less accumulated depreciation, any accumulated impairment loss, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities initially recognised, initial direct costs incurred, and lease payments made at the commencement date of the lease less any lease incentives received.

Depreciation of right-of-use assets are calculated by reference to their costs, on the straight-line basis over the shorter of their estimated useful lives and the lease term, as follows:

Land and buildings - 1 - 15 years

Lease liabilities

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be payable under residual value guarantees, and payments of penalties for terminating the lease if the lease term reflects the Group exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the year in which the event or condition that triggers the payment occurs.

The Group discounts the present value of the lease payments by the Group's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the lease payments, or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

A lease that has a lease term of less than or equal to 12 months from commencement date or a lease of low-value assets is recognised as expenses on a straight-line basis over the lease term.

1.7.18 Intangible assets

The Group initially recognises intangible assets at cost. Following the initial recognition, the intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment loss (if any).

The Group amortises intangible assets with finite lives on a straight-line basis over the economic useful life and tests for impairment whenever there is an indication that the intangible assets may be impaired. The Group reviews the amortisation period and the amortisation method of such intangible assets at least at each financial year end. The amortisation expense is charged to profit or loss.

Intangible assets with finite lives are software license fees that the Group amortises over the following estimated useful lives:

The license agreements with specified number of years of usage	-	according to the period of license agreement
The license agreements with no specified number of years of usage	-	5 years
No license agreements	-	5 years

1.7.19 Income tax

Income tax represents the sum of corporate income tax currently payable and deferred tax.

Current tax

Current tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred tax assets/liabilities are recognised for temporary differences between the tax bases of assets and liabilities and their carrying amounts as at the end of reporting period. They will be realised as tax income or tax expense when the income is realised, or the expenses provided for are actually incurred and considered deductible for income tax purposes.

The Group recognises deferred tax assets for all deductible temporary differences to the extent that it is probable that future taxable profits will be available against which such deductible deferred tax assets can be utilised. The Group recognises deferred tax liabilities for all taxable temporary differences.

The Group records deferred tax directly to equity if the tax relates to items that are recorded directly to equity.

At the end of each reporting period, the Group reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax assets to be utilised.

1.7.20 Impairment of non-financial assets

At the end of each reporting period, the Group assesses whether there is an indication that a non-financial asset may be impaired. If any indication exists, an impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. Fair value less costs to sell reflects the amount that the Group could obtain from the disposal of the asset on the statement of financial position in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised in profit or loss. However, in cases where assets were previously revalued and the revaluation was taken to equity, a part of such impairment is recognised in equity up to the amount of the previous revaluation.

In the assessment of asset impairment, if there is any indication that a previously recognised impairment loss may no longer exist or may have decreased, the Group estimates the asset's recoverable amount. The previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised immediately in profit or loss in the statement of comprehensive income.

1.7.21 Derecognition of financial assets and financial liabilities

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or when the Group has transferred substantially all risks and rewards of ownership. If the Group neither transfers nor retains substantially all risks and rewards of ownership of such financial assets, and retains control of such financial assets, the Group continues to recognise the financial assets to the extent of its continuing involvement. Financial liabilities are derecognised when they are extinguished e.g. when the obligation specified in the contract is discharged, cancelled or expired.

1.7.22 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Group's functional currency.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling on the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the reference rates announced by the BOT at the end of each reporting period.

Gain and loss on exchange is included in determining income.

1.7.23 Employee benefits

a) Short-term employee benefits

The Group records salaries, wages, bonuses and contributions to the social security fund as expenses when incurred.

Apart from the annual bonus portion of bonus expenses which is remuneration for employees' annual performance that is paid in cash, the Group also has another portion of bonus expenses which is paid in cash with reference to the Company's share price. The Group records this portion of expenses and related accrued bonus over the service period of those employees, counting from the grant date. It is recorded based on the average daily share price from the grant date to the end of reporting period, and any increase or decrease in the expenses according to changes in the share price is recognised in order to reflect the fair value of accrued bonus liability at the end of each reporting period, until the bonuses are settled.

b) Post-employment benefits and other long-term employee benefits

Defined contribution plans

The Group and its employees have jointly established a provident fund. The fund is monthly contributed by the employees and by the Group. The fund's assets are held in a separate trust fund and the Group's contributions are recognised as expenses when incurred.

Defined benefit plans and other long-term employee benefits

The Group has obligations in respect of the severance payments it must make to employees upon retirement under labor law and other employee benefit plan. The Group treats these severance payment obligations as a defined benefit plan. In addition, the Group provides other long-term employee benefit plan, namely long service awards.

The obligation under the defined benefit plan is determined by the Group based on actuarial techniques.

Actuarial gain or loss arising from post-employment benefits is recognised immediately in other comprehensive income.

Actuarial gain or loss arising from other long-term benefits is recognised immediately in profit or loss.

1.7.24 Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that an outflow of resource embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

1.7.25 Derivatives

Derivatives are initially recognised at fair value on the trade date and are classified as trading. They are subsequently remeasured at fair value. Subsequent changes are recognised as net gain (loss) on financial

instruments measured at fair value through profit or loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The fair value of derivatives is based on the market price, or a formula which is generally accepted in cases where there is no market price.

1.7.26 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Group applies a quoted market price in an active market to measure its assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Group measures fair value using valuation techniques that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categories of input to be used in fair value measurement as follows:

- Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities.
- Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly.
- Level 3 - Use of unobservable inputs such as estimates of future cash flows.

At the end of each reporting period, the Group determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

1.7.27 Financial instruments

a) Financial risk management

The financial risks associated with these financial instruments and how they are managed is described in Note 3.37 to the financial statements.

b) Fair value of financial instruments

In determining the fair value of financial instruments, the estimated fair value will be adjusted by allowance for expected credit loss with respective risk. For financial instruments with duration of one year or less, the book value represents a reasonable estimate of fair value. For financial instruments with duration of greater than one year, fair value is determined based on the quoted market prices, where available, or otherwise based on present value of contractual cash flows, discounted using the rate used for financial instruments with similar features.

The methods used by the Group in estimating the fair value of financial instruments are as follows:

- For financial assets and liabilities which have short-term maturities or carry interest at rates approximating the market rate, including cash, interbank and money market items (assets), securities and derivatives business receivables, receivables from clearing house, fee and service receivables, other receivables, deposits, interbank and money market items (liabilities), liabilities payable on demand, securities and derivatives business payables and payables to clearing house, the carrying amounts in the statement of financial position approximate their fair value.
- For investments in marketable equity securities, their fair value is stated based on the latest bid price at the end of last working day of the year as quoted by the Stock Exchange of Thailand, or

based on discounted future cash flows and/or book value of the investees for investments in non-marketable equity securities.

- Government and state enterprise securities and private debt securities are stated at fair value which is determined using yield rates quoted by the Thai Bond Market Association.
- Unit trusts are stated at fair value based on their net asset value at the end of reporting period.
- Loans to customers and accrued interest receivables, except for hire purchase receivables and other retail loans, are presented at fair value which is estimated from balance of loans to customers and accrued interest receivables as stated in the financial statements less allowance for expected credit loss, since most loans to customers carry interest at floating rates. Fair value of hire purchase receivables and other retail loans is calculated from the present value of future cash inflows, discounted by the current interest rate for new loans less allowance for expected credit loss.
- The fair value of debts issued and borrowings is estimated by discounting expected future cash outflows by the current market interest rates of the borrowings with similar terms and conditions.
- For derivatives, their fair value is determined by using a discounted future cash flow model and a valuation model technique. Most of the inputs used for the valuation are observable in the relevant market, such as spot rates of foreign currencies, yield curves of the respective currencies and interest rate yield curves. The Group has considered the counterparty's credit risk when determining the fair value of derivatives.

1.7.28 Accounting Guidance on Temporary Relief Measures for Entities Providing Assistance to Debtors Impacted by Situations that Affect the Thai Economy

During the year 2020, The Federation of Accounting Professions announced Accounting Guidance on Temporary Relief Measures for Entities Providing Assistance to Debtors Impacted by Situations that Affect the Thai Economy. Its objectives are to provide temporary relief measures solely for entities providing assistance to debtors impacted by the situations that affect the Thai economy, such as COVID-19, economic conditions, trade wars and drought, and to provide an alternative for all entities providing assistance to debtors in accordance with measures to assist debtors specified in the circular of the BOT No. BOT.RPD.(23)C. 276/2563 "Guidelines on providing assistance to debtors impacted by situations that affect the Thai economy" and the circular of the BOT No. BOT.RPD.(01)C. 380/2563 "Measures to provide additional assistance to debtors during the COVID-19 situation" or any other measures announced by the BOT. The Accounting Guidance is effective for entities providing assistance to debtors impacted by the aforementioned situations during the period from 1 January 2020 to 31 December 2021 or until the BOT makes changes, with which the entities are to comply. The guidance applies to large-sized debtors, small and medium-sized debtors, and retail debtors who have the ability to run a business or to repay debts in the future and have been impacted directly or indirectly by such situations, considering the following guidelines.

- Debtors who were not yet non-performing (Stage 1 or Stage 2) on or after 1 January 2020
- Debtors who became non-performing (Stage 3) on or after 1 January 2019, unless the entity is able to prove that the debtors becoming non-performing before 1 January 2019 are non-performing loans affected by the economic conditions

The Group has entered into the scheme to provide assistance to affected debtors in accordance with the BOT's guideline. For the debtors who meet the conditions under the temporary relief measures, the Accounting Guidance can be applied as follows:

- (1) For the provision of assistance to loans that are not yet non-performing (Non-NPL), the Group classifies them as loans with no significant increase in credit risk (Performing or Stage 1), provided that analysis of its status and business shows that the debtor is able to comply with the debt restructuring agreement

without compliance monitoring and the debt restructuring is considered a pre-emptive debt restructuring rather than a troubled debt restructuring.

- (2) For the provision of assistance to non-performing loans (NPL), the Group classifies them as performing loans if the debtor is able to make payment in accordance with the debt restructuring agreement for 3 months or 3 installments consecutively, whichever is the longer period.
- (3) Additional working capital loans provided to a debtor in order to increase liquidity and enable the debtor to continue its business operations during the debt restructuring are classified by account level if the debtor has cash flows to support repayment or if, considering other factors, the debtor has the ability to pay the debt.
- (4) The guidelines of the BOT relating to assessment of whether there has been a significant increase in credit risk are applied to assess whether a debtor is moving to Stage 2.
- (5) Expected credit loss is determined based on the outstanding balance of the drawn down portion only.
- (6) If the debt restructuring causes the existing effective interest rate to no longer reflect the estimated cash inflows from the loan, the Group applies a newly calculated effective interest rate to determine the present value of loans that have been restructured and recognises interest income on the basis of this new effective interest rate during the grace period, or in accordance with the BOT's new guidelines if there are changes.
- (7) In determining expected credit loss, consideration is given to placing less weight on forward-looking information that is the result of the temporary crisis than on information reflecting ability of debt payment from historical experience.

In addition, the BOT issued the circular of the BOT No. BOT.RPD.(01)C. 648/2563 "Measures to provide additional assistance to small-sized debtors during the COVID-19 situation - Phase 2" dated 19 June 2020, and the circular of the BOT No. BOT.DRU.C. 480/2564 "Measures to provide assistance to small-sized debtors during the Coronavirus 2019 (COVID-19) situation - Phase 3" dated 14 May 2021, in order to provide additional assistance to debtors.

Because the Group has participated in the schemes to provide assistance to affected debtors, it has also adopted the related accounting guidance.

1.7.29 Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:

Recognition and derecognition of assets and liabilities

In considering whether to recognise or to derecognise assets and liabilities, the management is required to make judgement on whether significant risks and rewards of those assets or liabilities have been transferred, based on their best knowledge of the current events and arrangements.

Allowance for expected credit loss on financial assets

The management is required to use judgement in estimating the allowance for expected credit loss on financial assets. The estimation relies on a complex model, a dataset of assumptions, model development and assessments related to the increase in credit risk, as well as the selection of forward-looking information, which involves a large number of variables. Therefore, actual results could differ from these estimates.

Fair value of financial instruments

In determining the fair value of financial instruments recognised in the statement of financial position that are not actively traded and for which quoted market prices are not readily available, the management exercises judgement, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk of both the Company and the counterparty, liquidity, correlation and longer-term volatility of financial instruments. Change in assumptions about these factors could affect the fair value recognised in the statement of financial position and disclosures of fair value hierarchy.

Investment properties

The Group presents investment properties at the fair value estimated by an internal appraiser of TISCO Bank, and recognises changes in the fair value in profit or loss. The appraiser valued the investment properties using the market approach. The key assumptions used in estimating the fair value are described in Note 3.12 to the financial statements.

Premises and equipment/Depreciation

In determining depreciation of buildings and equipment, the management is required to make estimates of the useful life and residual value of buildings and equipment and to review estimated useful life and residual value when there are any changes.

The Group measures office condominiums at revalued amounts. Such amounts are determined by the independent appraiser using the market approach. The valuation involves certain assumptions and estimates as described in Note 3.13 to the financial statements.

In addition, the management is required to review land, buildings and equipment for impairment on a periodical basis and record impairment loss when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

Leases

In determining lease terms, the management is required to use judgement to assess whether the Group is reasonably certain to exercise options to extend the terms of leases or to cancel the leases, taking into account all relevant facts and circumstances that create economic incentives for the Group to exercise or not to exercise such options.

In addition, the management is required to exercise judgement in estimating the incremental borrowing rate to discount lease liabilities. The incremental borrowing rate is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax loss to the extent that it is probable that taxable profits will be available against which the temporary differences and loss can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimated future taxable profits.

Post-employment benefits under defined benefit plans and other long-term employee benefits

The obligation under the defined benefit plans and other long-term employee benefit plans is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate, and staff turnover rate.

Litigation

The Group has contingent liabilities as a result of litigation. The management has used judgement to assess of the results of the litigation and believes that no loss will result. Therefore, no contingent liabilities are recorded as at the end of the reporting period.

2. General information

2.1 The Company's information

TISCO Financial Group Public Company Limited ("the Company") is a holding company and is the parent company of TISCO Group. Its registered address is 48/49 TISCO Tower, 21st Floor, North Sathorn Road, Silom, Bangrak, Bangkok.

2.2 Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until such reserve reaches 10 percent of its registered share capital. The statutory reserve is not available for dividend distribution. At present, the statutory reserve has fully been set aside.

2.3 Directors' remuneration

Directors' remuneration represents the benefits paid to the Group's directors in accordance with Section 90 of the Public Limited Companies Act, exclusive of salaries and related benefits payable to directors who hold executive positions.

2.4 Related party transactions

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

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

3. Supplemental information

3.1 Consolidated financial statements

A list of subsidiaries included in the consolidated financial statements as at 31 December 2021 and 2020 is provided below.

Company's name	Nature of business	Country of incorporation	(Unit: Percent)	
			Percentage of shares held by the Company as at 31 December	
			2021	2020
Subsidiaries directly held by the Company				
TISCO Bank Public Company Limited	Banking	Thailand	99.99	99.99
TISCO Securities Co., Ltd.	Securities business	Thailand	99.99	99.99
TISCO Asset Management Co., Ltd.	Asset management	Thailand	99.99	99.99
Hi-Way Co., Ltd.	Hire purchase and retail loan	Thailand	99.99	99.99
TISCO Information Technology Co., Ltd.	Services	Thailand	99.99	99.99
TISCO Insurance Solution Co., Ltd.	Insurance broker	Thailand	99.99	99.99
Primus Leasing Co., Ltd. (In the process of liquidation)	Hire purchase	Thailand	99.99	99.99
TISCO Learning Center Co., Ltd.	Services	Thailand	99.99	99.99
All-Ways Co., Ltd.	Services	Thailand	99.99	99.99

3.2 Classification of financial assets and financial liabilities

The Group has classified the significant financial assets and financial liabilities as follows:

	(Unit: Thousand Baht)			
	As at 31 December 2021			
	Consolidated financial statements			Total
Financial instruments measured at fair value through profit or loss	Financial instruments measured at fair value through comprehensive income	Financial instruments measured at amortised cost		
Financial assets				
Cash	-	-	1,103,425	1,103,425
Interbank and money market items	-	-	30,489,211	30,489,211
Financial assets measured at fair value				
through profit or loss	2,081,052	-	-	2,081,052
Investments	-	8,042,759	-	8,042,759
Loans to customers and accrued interest receivables	-	-	192,922,000	192,922,000
Securities and derivatives business				
receivables - net	-	-	1,131,229	1,131,229
Other assets - receivables from clearing house	-	-	396,437	396,437
Other assets - fee and service receivables	-	-	479,617	479,617
Other assets - other receivables	-	-	715,363	715,363

(Unit: Thousand Baht)

	As at 31 December 2021			
	Consolidated financial statements			
	Financial instruments measured at fair value through profit or loss	Financial instruments measured at fair value through other comprehensive income	Financial instruments measured at amortised cost	Total
<u>Financial liabilities</u>				
Deposits	-	-	166,541,926	166,541,926
Interbank and money market items	-	-	8,080,700	8,080,700
Liabilities payable on demand	-	-	274,432	274,432
Derivatives liabilities	3,385	-	-	3,385
Debts issued and borrowings	-	-	14,961,919	14,961,919
Lease liabilities	-	-	707,179	707,179
Securities and derivatives business payables - net	-	-	1,521,353	1,521,353
Accrued interest payable	-	-	481,691	481,691

(Unit: Thousand Baht)

	As at 31 December 2020			
	Consolidated financial statements			
	Financial instruments measured at fair value through profit or loss	Financial instruments measured at fair value through other comprehensive income	Financial instruments measured at amortised cost	Total
<u>Financial assets</u>				
Cash	-	-	1,220,207	1,220,207
Interbank and money market items	-	-	38,212,028	38,212,028
Financial assets measured at fair value through profit or loss	2,173,020	-	-	2,173,020
Derivatives assets	62,095	-	-	62,095
Investments	-	9,953,256	-	9,953,256
Loans to customers and accrued interest receivables	-	-	214,887,986	214,887,986
Securities and derivatives business receivables - net	-	-	1,058,180	1,058,180
Other assets - receivables from clearing house	-	-	291,896	291,896
Other assets - fee and service receivables	-	-	451,495	451,495
Other assets - other receivables	-	-	605,456	605,456
<u>Financial liabilities</u>				
Deposits	-	-	203,472,825	203,472,825
Interbank and money market items	-	-	5,807,646	5,807,646
Liabilities payable on demand	-	-	1,284,765	1,284,765
Debts issued and borrowings	-	-	12,825,919	12,825,919
Lease liabilities	-	-	828,590	828,590
Securities and derivatives business payables - net	-	-	1,033,041	1,033,041
Accrued interest payable	-	-	735,903	735,903
Other liabilities - payables to clearing house	-	-	309,866	309,866

(Unit: Thousand Baht)

	As at 31 December 2021			Total
	Separate financial statements			
	Financial instruments measured at fair value through profit or loss	Financial instruments measured at fair value through other comprehensive income	Financial instruments measured at amortised cost	
<u>Financial assets</u>				
Interbank and money market items	-	-	22,584	22,584
Financial assets measured at fair value				
through profit or loss	1,048,821	-	-	1,048,821
Investments	-	202,271	-	202,271
Loans to customers and accrued interest receivables	-	-	3,305,697	3,305,697
Other assets - fee and service receivables	-	-	120,833	120,833
<u>Financial liabilities</u>				
Interbank and money market items	-	-	565,000	565,000
Debts issued and borrowings	-	-	6,065,000	6,065,000
Lease liabilities	-	-	614	614
Accrued interest payable	-	-	11,256	11,256
<u>Financial assets</u>				
Cash	-	-	70	70
Interbank and money market items	-	-	17,394	17,394
Financial assets measured at fair value				
through profit or loss	890,053	-	-	890,053
Investments	-	205,965	-	205,965
Loans to customers and accrued interest receivables	-	-	3,175,866	3,175,866
Other assets - fee and service receivables	-	-	126,439	126,439
<u>Financial liabilities</u>				
Interbank and money market items	-	-	3,780,000	3,780,000
Debts issued and borrowings	-	-	1,629,000	1,629,000
Lease liabilities	-	-	889	889
Accrued interest payable	-	-	1,029	1,029

3.3 Interbank and money market items - net (assets)

(Unit: Thousand Baht)

	Consolidated financial statements as at 31 December					
	2021			2020		
	At call	Term	Total	At call	Term	Total
<u>Domestic</u>						
Bank of Thailand and Financial Institutions						
Development Fund	1,701,735	-	1,701,735	2,814,569	-	2,814,569
Commercial banks	239,591	12,050,489	12,290,080	765,573	19,636,195	20,401,768
Specialised Financial Institutions	100,348	16,395,033	16,495,381	365	14,993,941	14,994,306
Total	2,041,674	28,445,522	30,487,196	3,580,507	34,630,136	38,210,643
Add: Accrued interest receivables	163	2,200	2,363	563	1,872	2,435
Less: Allowance for expected credit loss	(339)	(96)	(435)	(984)	(97)	(1,081)
Total domestic	2,041,498	28,447,626	30,489,124	3,580,086	34,631,911	38,211,997
<u>Foreign</u>						
Hong Kong Dollars	87	-	87	31	-	31
Total foreign	87	-	87	31	-	31
Total domestic and foreign	2,041,585	28,447,626	30,489,211	3,580,117	34,631,911	38,212,028

(Unit: Thousand Baht)

	Separate financial statements as at 31 December					
	2021			2020		
	At call	Term	Total	At call	Term	Total
<u>Domestic</u>						
Commercial banks	22,595	-	22,595	17,402	-	17,402
Total	22,595	-	22,595	17,402	-	17,402
Add: Accrued interest receivables	1	-	1	1	-	1
Less: Allowance for expected credit loss	(12)	-	(12)	(9)	-	(9)
Total domestic	22,584	-	22,584	17,394	-	17,394

As at 31 December 2021 and 2020, cash at banks of a subsidiary amounting to Baht 10 million is pledged to secure a bank overdraft facility.

The subsidiary operating a banking business entered into securities purchases under resale agreements according to private repurchase transactions. Securities received under resale agreements are used as collateral. Details of transactions are as follows:

(Unit: Thousand Baht)

Securities purchased under resale agreements
according to private repurchase transactions
as at 31 December

	2021	2020
Commercial banks	11,200,000	18,800,000
Specialised Financial Institutions	16,000,000	14,700,000

Fair value of securities received as collateral is as follows:

(Unit: Thousand Baht)

Fair value of securities received as collateral
as at 31 December

	2021	2020
Commercial banks	11,332,000	18,471,500
Specialised Financial Institutions	16,162,500	14,747,200

As at 31 December 2021 and 2020, interbank and money market items include insurance premiums received by the Group from the insured, amounting to Baht 353 million and Baht 225 million, respectively, that the Group has to remit to insurance companies. The Group cannot use, exploit, or deduct any expenses from these premiums, as specified in the broker appointment contract.

3.4 Financial assets measured at fair value through profit or loss

(Unit: Thousand Baht)

Consolidated financial statements as at 31 December

Investments	2021		2020	
	Cost	Fair value	Cost	Fair value
Others				
Domestic marketable equity instruments	93,088	183,023	231,488	454,798
Foreign marketable equity instruments	293,082	241,448	-	-
Domestic non-marketable equity instruments	231,289	790,261	257,578	772,569
Other securities - domestic unit trusts	54,856	58,947	54,856	55,600
Other securities - foreign unit trusts	803,120	807,373	803,120	890,053
	1,475,435	2,081,052	1,347,042	2,173,020
Add: Allowance for changes in value	605,617		825,978	
Total	2,081,052		2,173,020	

(Unit: Thousand Baht)

Separate financial statements as at 31 December

Investments	2021		2020	
	Cost	Fair value	Cost	Fair value
Others				
Foreign marketable equity instruments	293,082	241,448	-	-
Other securities - foreign unit trusts	803,120	807,373	803,120	890,053
	1,096,202	1,048,821	803,120	890,053
Add: Allowance for changes in value	(47,381)		86,933	
Total	1,048,821		890,053	

Investments in non-marketable equity instruments include investments in which the subsidiary operating a banking business holds not less than 10 percent of the equity of the investees, as follows:

(Unit: Thousand Baht)

Securities' name	Consolidated financial statements as at 31 December					
	2021			2020		
	Fair value of investments	Unpaid amount	Percentage of holding (%)	Fair value of investments	Unpaid amount	Percentage of holding (%)
Services:						
Jiji Press (Thailand) Co., Ltd.	1,297	300	10	1,825	300	10
Trading import and export:						
Juki (Thailand) Co., Ltd.	4,240	-	10	6,025	-	10
PDTL Trading Co., Ltd.	3,743	-	10	3,637	-	10
Wattana Inter-Trade Co., Ltd.	21,008	-	10	19,158	-	10
Real estate:						
UMI Property Co., Ltd.	3,907	-	10	4,031	-	10
Industrial:						
Siam Art Ceramic Co., Ltd.	9,536	-	10	11,268	-	10

3.5 Derivatives assets/derivatives liabilities

The subsidiary operating a banking business entered into foreign exchange contracts to manage the risk associated with financial assets, as follows:

(Unit: Thousand Baht)

Type of risks	Consolidated financial statements as at 31 December					
	2021			2020		
	Fair value		Notional amount	Fair value		Notional amount
Assets	Liabilities	Assets		Liabilities		
Exchange rate	-	3,385	1,512,926	62,095	-	1,189,528
Total	-	3,385	1,512,926	62,095	-	1,189,528

All counterparties of these derivatives transactions are financial institutions.

3.6 Investments

3.6.1 Investments classified by type of investments

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

(Unit: Thousand Baht)

	Consolidated financial statements as at 31 December			
	2021		2020	
	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	7,816,804	7,816,118	9,713,417	9,722,476
Private sector debt securities	423,121	226,641	423,121	230,780
	<u>8,239,925</u>	<u>8,042,759</u>	<u>10,136,538</u>	<u>9,953,256</u>
Less: Allowance for changes in value	(197,166)		(183,282)	
Total	<u>8,042,759</u>		<u>9,953,256</u>	
Allowance for expected credit loss	199,921		190,621	
Investments in debt instruments				
measured at amortised cost				
Investments in receivables	11,958		12,047	
Less: Allowance for expected credit loss	(11,958)		(12,047)	
Total	<u>-</u>		<u>-</u>	
Total investments	<u>8,042,759</u>		<u>9,953,256</u>	

(Unit: Thousand Baht)

	Separate financial statements as at 31 December			
	2021		2020	
	Amortised cost	Fair value	Amortised cost	Fair value
Investments in debt instruments				
measured at fair value through				
other comprehensive income				
Private sector debt securities	371,662	202,271	371,662	205,965
Less: Allowance for changes in value	(169,391)		(165,697)	
Total investments	<u>202,271</u>		<u>205,965</u>	
Allowance for expected credit loss	172,461		164,161	

3.6.2 Investments subject to restrictions

(Unit: Million Baht)

Type of investments	Consolidated financial statements as at 31 December		Type of restrictions
	2021	2020	
Government debt securities	2	2	Pledged for electricity usage

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

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

(Unit: Thousand Baht)

	Consolidated financial statements as at 31 December					
	2021			2020		
	Cost	Fair value	Allowance for expected credit loss	Cost	Fair value	Allowance for expected credit loss
Companies having problems with debt repayment or in default	423,121	226,641	199,921	423,121	230,780	190,621

(Unit: Thousand Baht)

	Separate financial statements as at 31 December					
	2021			2020		
	Cost	Fair value	Allowance for expected credit loss	Cost	Fair value	Allowance for expected credit loss
Companies having problems with debt repayment or in default	371,662	202,271	172,461	371,662	205,965	164,161

3.7 Investments in subsidiaries and joint venture

(Unit: Thousand Baht)

	Consolidated financial statements as at 31 December		Separate financial statements as at 31 December	
	2021	2020	2021	2020
Investments in subsidiaries	-	-	19,995,899	19,995,898
Investment in joint venture	809,629	804,925	73,245	73,245
	809,629	804,925	20,069,144	20,069,143

b) Share of comprehensive income and dividend received

During the years, the Company recognised its share of comprehensive income from investment in joint venture in the consolidated financial statements and recognised dividend income in the separate financial statements as follows:

Jointly controlled entity	Consolidated financial statements				(Unit: Thousand Baht)	
					Separate financial statements	
	Share of profit (loss) for the years ended 31 December		Share of other comprehensive income (loss) for the years ended 31 December		Dividend received for the years ended 31 December	
	2021	2020	2021	2020	2021	2020
TISCO Tokyo Leasing Co., Ltd.	7,216	(1,717)	(2,512)	(6,960)	-	-

c) Summary of significant financial information of joint venture

Condensed financial information of the joint venture is presented as follows:

Summarised information on financial position

	(Unit: Thousand Baht)	
	As at 31 December	
	2021	2020
Total assets	6,160,762	6,183,881
Total liabilities	(4,138,627)	(4,169,846)
Non-controlling interests of the subsidiary	(369,831)	(371,331)
Net assets	1,652,304	1,642,704
The Company's shareholding proportion	49%	49%
Carrying value of joint venture based on equity method	809,629	804,925

Summarised information on comprehensive income

	(Unit: Thousand Baht)	
	For the years ended 31 December	
	2021	2020
Total revenues	290,422	313,528
Total expenses	(240,095)	(300,074) ⁽¹⁾
Profit before income tax	50,327	13,454
Tax benefit (income tax expenses)	(10,641)	12,782
Non-controlling interests of the subsidiary	(24,960)	(29,739)
Profit (loss) for the year	14,726	(3,503)
Other comprehensive income (loss)	(5,126)	(14,205)
Total comprehensive income (loss)	9,600	(17,708)

(1) Including expected credit loss of Baht 125 million additionally set up by the Company

d) Commitments and contingent liabilities of joint venture

	(Unit: Thousand Baht)	
	As at 31 December	
	2021	2020
Cross currency and interest rate swap agreements	950,000	1,150,000

3.8 Loans to customers and accrued interest receivables

3.8.1 Classified by type of loans to customers

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	as at 31 December	
	2021	2020
Loans to customers		
Overdrafts	25,102	31,721
Loans	89,379,736	96,713,852
Hire purchase receivables	131,006,116	147,601,631
Finance lease receivables	8,544	8,544
Less: Deferred revenue	(17,469,825)	(19,544,201)
Total loans to customers	202,949,673	224,811,547
Add: Accrued interest receivables and undue interest receivables	1,712,501	1,901,983
Total loans to customers and accrued interest receivables	204,662,174	226,713,530
Less: Allowance for expected credit loss	(11,740,174)	(11,825,544)
Loans to customers and accrued interest receivables - net	192,922,000	214,887,986

	(Unit: Thousand Baht)	
	Separate financial statements	
	as at 31 December	
	2021	2020
Loans to customers		
Loans	3,310,000	3,180,000
Less: Allowance for expected credit loss	(4,303)	(4,134)
Loans to customers and accrued interest receivables - net	3,305,697	3,175,866

3.8.2 Classified by residency of debtors

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	as at 31 December		as at 31 December	
	2021	2020	2021	2020
Loans to customers net of				
deferred revenue				
- Domestic	193,499,099	216,056,459	3,310,000	3,180,000
- Foreign	9,450,574	8,755,088	-	-
Total	202,949,673	224,811,547	3,310,000	3,180,000

3.8.3 Classified by loan classification

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	as at 31 December		as at 31 December	
	2021	2020	2021	2020
Loans to customers and accrued interest receivables				
Loans of the subsidiary operating a banking business	198,881,036	224,740,153	-	-
Loans of other subsidiaries	6,346,138	5,753,377	-	-
Loans of the Company	3,310,000	3,180,000	3,310,000	3,180,000
Less: Elimination	(3,875,000)	(6,960,000)	-	-
Total	204,662,174	226,713,530	3,310,000	3,180,000

3.8.3.1 Classified by loan classification of the subsidiary operating a banking business

(Unit: Thousand Baht)

	As at 31 December			
	2021		2020	
	Loans to customers and accrued interest receivables	Allowance for expected credit loss	Loans to customers and accrued interest receivables	Allowance for expected credit loss
Financial assets with no significant increase in credit risk (Performing)	172,789,920	6,357,689	190,435,185	5,172,224
Financial assets with significant increase in credit risk (Under-performing)	21,555,713	3,002,574	29,139,124	3,422,247
Financial assets that are credit-impaired (Non-performing)	4,535,403	1,305,933	5,165,844	1,287,313
Allowance established in excess	-	-	-	1,056,399
Total	198,881,036	10,666,196	224,740,153	10,938,183

The subsidiary operating a banking business has allowance established in excess resulting from the calculation of the allowance for expected credit loss as at 1 January 2020, in accordance with TFRS 9: Financial Instruments, which was lower than the amount of allowance for doubtful accounts as at 31 December 2019 as determined in accordance with the former accounting policy by Baht 2,113 million. Such amount has been released in quarterly amounts over 2 years under the straight-line method, in line with the BOT's guideline, resulting in no remaining balance of allowance established in excess as at 31 December 2021.

3.8.3.2 Classified by loan classification of other subsidiaries

(Unit: Thousand Baht)

	As at 31 December			
	2021		2020	
	Loans to customers and accrued interest receivables	Allowance for expected credit loss	Loans to customers and accrued interest receivables	Allowance for expected credit loss
Financial assets with no significant increase in credit risk (Performing)	4,443,903	345,613	3,921,251	238,400
Financial assets with significant increase in credit risk (Under-performing)	1,153,222	316,821	1,057,160	266,852
Financial assets that are credit-impaired (Non-performing)	749,013	414,407	774,966	400,513
Total	<u>6,346,138</u>	<u>1,076,841</u>	<u>5,753,377</u>	<u>905,765</u>

3.8.3.3 Classified by loan classification of the Company

(Unit: Thousand Baht)

	As at 31 December			
	2021		2020	
	Loans to customers and accrued interest receivables	Allowance for expected credit loss	Loans to customers and accrued interest receivables	Allowance for expected credit loss
Financial assets with no significant increase in credit risk (Performing)	3,310,000	4,303	3,180,000	4,134
Financial assets with significant increase in credit risk (Under-performing)	-	-	-	-
Financial assets that are credit-impaired (Non-performing)	-	-	-	-
Total	<u>3,310,000</u>	<u>4,303</u>	<u>3,180,000</u>	<u>4,134</u>

During the years 2020 and 2021, the Group entered into the scheme to provide assistance to affected debtors and elected to apply Accounting Guidance by the Federation of Accounting Professions on Temporary Relief Measures for Entities Providing Assistance to Debtors Impacted by Situations that Affect the Thai Economy. Some of the assisted debtors have made full payments/transferred assets to settle debts and closed the accounts, while others continue to make payments in accordance with the agreements. As at 31 December 2021, the Group's outstanding loan balance under the relief measures totalled Baht 16,007 million. The balance consists of the debtors under principal holiday scheme (still subject to interest payments) or installment reduction (subject to partial payments of principal and interest), the debtors under debt moratorium scheme, and the debtors receiving other forms of debt relief.

3.8.4 Classified by loan classification and type of debtors

As at 31 December 2021 and 2020, loans to customers of the subsidiary operating a banking business classified by loan classification and type of debtors are as follows:

(Unit: Million Baht)

		As at 31 December 2021							
		Hire purchase receivables		Loan against auto license receivables		Other loans		Total	
		Loans to customers and accrued interest receivables	Allowance for expected credit loss	Loans to customers and accrued interest receivables	Allowance for expected credit loss	Loans to customers and accrued interest receivables	Allowance for expected credit loss	Loans to customers and accrued interest receivables	Allowance for expected credit loss
Financial assets with no significant increase in credit risk (Performing)		93,381	3,181	21,340	918	58,069	2,259	172,790	6,358
Financial assets with significant increase in credit risk (Under-performing)		14,085	1,642	4,481	543	2,990	817	21,556	3,002
Financial assets that are credit-impaired (Non-performing)		2,217	634	885	301	1,433	371	4,535	1,306
Total		109,683	5,457	26,706	1,762	62,492	3,447	198,881	10,666

(Unit: Million Baht)

		As at 31 December 2020							
		Hire purchase receivables		Loan against auto license receivables		Other loans		Total	
		Loans to customers and accrued interest receivables	Allowance for expected credit loss	Loans to customers and accrued interest receivables	Allowance for expected credit loss	Loans to customers and accrued interest receivables	Allowance for expected credit loss	Loans to customers and accrued interest receivables	Allowance for expected credit loss
Financial assets with no significant increase in credit risk (Performing)		102,361	2,325	22,199	827	65,875	2,020	190,435	5,172
Financial assets with significant increase in credit risk (Under-performing)		19,418	1,543	5,804	796	3,917	1,083	29,139	3,422
Financial assets that are credit-impaired (Non-performing)		2,741	602	1,053	371	1,372	315	5,166	1,288
Total		124,520	4,470	29,056	1,994	71,164	3,418	224,740	9,882

(Unit: Million Baht)

As at 31 December 2020

Hire purchase receivables		Loan against auto license receivables		Other loans		Total	
Loans to customers and accrued interest receivables	Allowance for expected credit loss	Loans to customers and accrued interest receivables	Allowance for expected credit loss	Loans to customers and accrued interest receivables	Allowance for expected credit loss	Loans to customers and accrued interest receivables	Allowance for expected credit loss
Allowance established							
in excess							1,056
Total							10,938

3.8.5 Hire purchase and finance lease receivables

As at 31 December 2021, receivables of the subsidiaries under hire purchase and finance lease agreements amount to Baht 114,797 million (31 December 2020: Baht 129,399 million) and mostly comprise hire purchase agreements for cars and finance lease agreements for machines and equipment for business operation. The terms of the agreements are generally between 1 to 8 years and under most agreements interest is charged at a fixed rate as specified in agreements.

(Unit: Million Baht)

Consolidated financial statements as at 31 December 2021

	Amounts of installments due under the long-term lease agreements				
	Not over 1 year	Over 1 year but not over 5 years	Over 5 years	Financial assets that are credit-impaired	Total
	Gross investment in the agreements	40,660	77,865	5,250	7,240
Less: Deferred revenue ⁽¹⁾	(5,382)	(6,933)	(195)	(4,547)	(17,057)
Present value of minimum lease payment from agreements	35,278	70,932	5,055	2,693	113,958
Accrued interest receivables	676	-	-	163	839
Total	35,954	70,932	5,055	2,856	114,797
Allowance for expected credit loss					(6,362)
Net hire purchase and finance lease receivables					108,435

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

(Unit: Million Baht)

Consolidated financial statements as at 31 December 2020					
Amounts of installments due under the long-term lease agreements					
	Not over 1 year	Over 1 year but not over 5 years	Over 5 years	Financial assets that are credit-impaired	Total
Gross investment in the agreements	44,381	88,243	7,394	7,592	147,610
Less: Deferred revenue ⁽¹⁾	(6,111)	(8,433)	(326)	(4,313)	(19,183)
Present value of minimum lease payment from agreements	38,270	79,810	7,068	3,279	128,427
Accrued interest receivables	781	-	-	191	972
Total	<u>39,051</u>	<u>79,810</u>	<u>7,068</u>	<u>3,470</u>	129,399
Allowance for expected credit loss					(5,283)
Net hire purchase and finance lease receivables					<u>124,116</u>

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

3.8.6 Troubled debt restructuring of the subsidiary operating a banking business

As at 31 December 2021 and 2020, the subsidiary operating a banking business has outstanding balances with troubled debt restructuring debtors as follows:

	As at 31 December			
	2021		2020	
	Number of debtors	Outstanding balances (Million Baht)	Number of debtors	Outstanding balances (Million Baht)
Balances of restructured debts	4,586	1,812	8,856	2,762

3.9 Allowance for expected credit loss

As at 31 December 2021 and 2020, the Group has allowance for expected credit loss classified by type of financial assets as follows:

(Unit: Thousand Baht)

	Consolidated financial statements					Total
	For the year ended 31 December 2021					
	Financial assets with no significant increase in credit risk	Financial assets with significant increase in credit risk	Financial assets that are credit-impaired	Allowance established in excess	Financial assets applying a simplified approach to determine expected credit loss	
Interbank and money market items (assets)						
Balance - beginning of year	1,081	-	-	-	-	1,081
Changes from revaluation of allowance for credit loss	(646)	-	-	-	-	(646)
Balance - end of year	<u>435</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>435</u>
Investments in debt instruments measured at fair value through other comprehensive income						
Balance - beginning of year	-	-	190,621	-	-	190,621
Changes from revaluation of allowance for credit loss	-	-	9,300	-	-	9,300
Balance - end of year	<u>-</u>	<u>-</u>	<u>199,921</u>	<u>-</u>	<u>-</u>	<u>199,921</u>
Investments in debt instruments measured at amortised cost						
Balance - beginning of year	-	-	12,047	-	-	12,047
Changes from revaluation of allowance for credit loss	-	-	(89)	-	-	(89)
Balance - end of year	<u>-</u>	<u>-</u>	<u>11,958</u>	<u>-</u>	<u>-</u>	<u>11,958</u>
Loans to customers and accrued interest receivables						
Balance - beginning of year	5,392,220	3,689,099	1,687,826	1,056,399	-	11,825,544
Changes from transfers among stages	184,524	(686,132)	501,608	-	-	-
Changes from revaluation of allowance for credit loss	(302,493)	73,065	3,032,671	-	-	2,803,243
New financial assets	2,291,729	823,474	252,429	-	-	3,367,632
Derecognition	(865,541)	(580,111)	(206,014)	-	-	(1,651,666)
Write-off	-	-	(3,548,180)	-	-	(3,548,180)

(Unit: Thousand Baht)

Consolidated financial statements						
For the year ended 31 December 2021						
	Financial assets with no significant increase in credit risk	Financial assets with significant increase in credit risk	Financial assets that are credit-impaired	Allowance established in excess	Financial assets applying a simplified approach to determine expected credit loss	Total
Reduction in allowance established in excess	-	-	-	(1,056,399)	-	(1,056,399)
Balance - end of year	6,700,439	3,319,395	1,720,340	-	-	11,740,174
Other assets - accrued interest receivables on investments						
Balance - beginning of year	-	-	4,636	-	-	4,636
Changes from revaluation of allowance for credit loss	-	-	1,825	-	-	1,825
Write-off	-	-	(4,636)	-	-	(4,636)
Balance - end of year	-	-	1,825	-	-	1,825
Other assets - other receivables						
Balance - beginning of year	-	-	-	-	-	-
Changes from revaluation of allowance for credit loss	-	-	-	-	21,080	21,080
Derecognition	-	-	-	-	(1,437)	(1,437)
Write-off	-	-	-	-	(6,348)	(6,348)
Balance - end of year	-	-	-	-	13,295	13,295

(Unit: Thousand Baht)

	Consolidated financial statements				
	For the year ended 31 December 2020				
	Financial assets with no significant increase in credit risk	Financial assets with significant increase in credit risk	Financial assets that are credit-impaired	Allowance established in excess	Total
Interbank and money market items (assets)					
Balance - beginning of year	-	-	-	-	-
Changes from revaluation of allowance for credit loss	1,081	-	-	-	1,081
Balance - end of year	1,081	-	-	-	1,081
Investments in debt instruments measured at fair value through other comprehensive income					
Balance - beginning of year	-	-	1,460	-	1,460
Changes from revaluation of allowance for credit loss	-	-	25,000	-	25,000
New financial assets	-	-	164,161	-	164,161
Balance - end of year	-	-	190,621	-	190,621
Investments in debt instruments measured at amortised cost					
Balance - beginning of year	-	-	12,437	-	12,437
Changes from revaluation of allowance for credit loss	-	-	(390)	-	(390)
Balance - end of year	-	-	12,047	-	12,047
Loans to customers and accrued interest receivables					
Balance - beginning of year	3,870,485	3,110,935	1,622,490	2,112,798	10,716,708
Changes from transfers among stages	(53,384)	(155,044)	208,428	-	-
Changes from revaluation of allowance for credit loss	534,165	312,477	3,449,261	-	4,295,903
New financial assets	1,545,829	807,711	278,713	-	2,632,253
Derecognition	(504,875)	(386,980)	(126,826)	-	(1,018,681)
Write-off	-	-	(3,744,240)	-	(3,744,240)
Reduction in allowance established in excess	-	-	-	(1,056,399)	(1,056,399)
Balance - end of year	5,392,220	3,689,099	1,687,826	1,056,399	11,825,544
Other assets - accrued interest receivables on investments					
Balance - beginning of year	-	-	-	-	-
Changes from revaluation of allowance for credit loss	-	-	525	-	525
New financial assets	-	-	4,111	-	4,111
Balance - end of year	-	-	4,636	-	4,636

(Unit: Thousand Baht)

	Separate financial statements			
	For the year ended 31 December 2021			
	Financial assets with no significant increase in credit risk	Financial assets with significant increase in credit risk	Financial assets that are credit-impaired	Total
Interbank and money market items (assets)				
Balance - beginning of year	9	-	-	9
Changes from revaluation of allowance for credit loss	3	-	-	3
Balance - end of year	<u>12</u>	<u>-</u>	<u>-</u>	<u>12</u>
Investments in debt instruments measured at fair value through other comprehensive income				
Balance - beginning of year	-	-	164,161	164,161
Changes from revaluation of allowance for credit loss	-	-	8,300	8,300
Balance - end of year	<u>-</u>	<u>-</u>	<u>172,461</u>	<u>172,461</u>
Loans to customers and accrued interest receivables				
Balance - beginning of year	4,134	-	-	4,134
Changes from revaluation of allowance for credit loss	169	-	-	169
Balance - end of year	<u>4,303</u>	<u>-</u>	<u>-</u>	<u>4,303</u>
Other assets - accrued interest receivables of investments				
Balance - beginning of year	-	-	4,111	4,111
Changes from revaluation of allowance for credit loss	-	-	1,629	1,629
Write-off	-	-	(4,111)	(4,111)
Balance - end of year	<u>-</u>	<u>-</u>	<u>1,629</u>	<u>1,629</u>

(Unit: Thousand Baht)

	Separate financial statements			
	For the year ended 31 December 2020			
	Financial assets with no significant increase in credit risk	Financial assets with significant increases in credit risk	Financial assets that are credit-impaired	Total
Interbank and money market items (assets)				
Balance - beginning of year	-	-	-	-
Changes from revaluation of allowance for credit loss	9	-	-	9
Balance - end of year	9	-	-	9
Investments in debt instruments measured at fair value through other comprehensive income				
Balance - beginning of year	-	-	-	-
New financial assets	-	-	164,161	164,161
Balance - end of year	-	-	164,161	164,161
Loans to customers and accrued interest receivables				
Balance - beginning of year	-	-	-	-
Changes from revaluation of allowance for credit loss	4,134	-	-	4,134
Balance - end of year	4,134	-	-	4,134
Other assets - accrued interest receivables of investments				
Balance - beginning of year	-	-	-	-
New financial assets	-	-	4,111	4,111
Balance - end of year	-	-	4,111	4,111

3.10 Classification of assets

3.10.1 Classification of assets under the BOT's guidelines

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

(Unit: Thousand Baht)

Consolidated financial statements as at 31 December 2021					
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	through other comprehensive income	measured at amortised cost	receivables	
Financial assets with no significant increase in credit risk (Performing)	30,489,646	7,816,118	-	176,668,823	214,974,587
Financial assets with significant increase in credit risk (Under-performing)	-	-	-	22,708,935	22,708,935
Financial assets that are credit-impaired (Non-performing)	-	226,641	11,958	5,284,416	5,523,015
Total	30,489,646	8,042,759	11,958	204,662,174	243,206,537

(Unit: Thousand Baht)

Consolidated financial statements as at 31 December 2020					
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	through other comprehensive income	measured at amortised cost	receivables	
Financial assets with no significant increase in credit risk (Performing)	38,213,109	9,722,476	-	190,576,436	238,512,021
Financial assets with significant increase in credit risk (Under-performing)	-	-	-	30,196,284	30,196,284
Financial assets that are credit-impaired (Non-performing)	-	230,780	12,047	5,940,810	6,183,637
Total	38,213,109	9,953,256	12,047	226,713,530	274,891,942

(Unit: Thousand Baht)

Separate financial statements as at 31 December 2021

	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	Total
Financial assets with no significant increase in credit risk (Performing)	22,596	-	-	3,310,000	3,332,596
Financial assets with significant increase in credit risk (Under-performing)	-	-	-	-	-
Financial assets that are credit-impaired (Non-performing)	-	202,271	-	-	202,271
Total	22,596	202,271	-	3,310,000	3,534,867

(Unit: Thousand Baht)

Separate financial statements as at 31 December 2020

	Financial assets				
	Interbank and money market items	Debt instruments measured at fair value through other comprehensive income	Debt instruments measured at amortised cost	Loans to customers and accrued interest receivables	Total
Financial assets with no significant increase in credit risk (Performing)	17,403	-	-	3,180,000	3,197,403
Financial assets with significant increase in credit risk (Under-performing)	-	-	-	-	-
Financial assets that are credit-impaired (Non-performing)	-	205,965	-	-	205,965
Total	17,403	205,965	-	3,180,000	3,403,368

3.10.2 Loans to customers with weak financial position and poor operating results of the subsidiary operating a banking business

	Number of debtors as at 31 December		Loans to customers and accrued interest receivables as at 31 December		Collateral value as at 31 December		Allowance for expected credit loss provided in the accounts as at 31 December	
	2021	2020	2021	2020	2021	2020	2021	2020
			(Million Baht)	(Million Baht)	(Million Baht)	(Million Baht)	(Million Baht)	(Million Baht)
1.Non-listed companies with similar operating results and financial positions to listed companies vulnerable to delisting from the SET and under rehabilitation	1	1	476	500	300	315	476	500
2.Non-listed companies with similar operating results and financial positions to listed companies vulnerable to delisting from the SET	10	8	641	890	411	430	86	108
Total	11	9	1,117	1,390	711	745	562	608

3.11 Properties foreclosed

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	For the years ended 31 December	
	2021	2020
Assets from debt repayment - Movable assets		
Balance - beginning of year	30,543	18,706
Additions	3,863,419	3,398,624
Disposals	(3,757,069)	(3,386,787)
Balance - end of year	136,893	30,543
Less: Allowance for impairment		
Balance - beginning of year	872	277
Increase	50,966	1,257
Decrease	(35,467)	(662)
Balance - end of year	16,371	872
Total properties foreclosed - net	120,522	29,671

3.12 Investment properties

The book value of investment properties as at 31 December 2021 and 2020 is as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	as at 31 December		as at 31 December	
	2021	2020	2021	2020
Book value - beginning of year	27,334	30,304	910,728	955,266
Transfer types of assets	-	-	-	(44,538)
Loss on changes in fair value	(29)	(2,970)	-	-
Book value - end of year	27,305	27,334	910,728	910,728

Investment properties of the Group are office condominiums for rent and are stated at its fair value. The fair value of investment properties is calculated using the asset appraisal method based on the market approach, with reference to market data of the similar and comparable assets. These valuations were made by in-house appraisers of TISCO Bank who have professional experiences and are capable of the asset appraisal, and were based on the asset valuation standards and code of professional ethics in Thailand.

As of the appraisal date, key assumptions that are unobservable inputs used in the valuation are summarised below.

	Consolidated financial statements as of the appraisal date	Result to fair value where as an increase in assumption value
Estimated office condominium price rate (Baht/Sq.m.)	19,000 and 139,951	Increase in fair value
	Separate financial statements as of the appraisal date	Result to fair value where as an increase in assumption value
Estimated office condominium price rate (Baht/Sq.m.)	82,960 - 103,700	Increase in fair value

The Group has rented part of its office condominiums under operating leases with a lease term of 3 years (Separate financial statements: 3 years), and has future minimum rental fee as at 31 December 2021 and 2020 as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	as at 31 December		as at 31 December	
	2021	2020	2021	2020
Not over 1 year	610	356	74,433	74,433
Over 1 but not over 3 years	965	-	74,434	148,867
Total	1,575	356	148,867	223,300

During the years ended 31 December 2021 and 2020, the Group has rental income of Baht 4 million and Baht 4 million, respectively (Separate financial statements: Baht 76 million and Baht 77 million, respectively).

3.13 Premises and equipment

(Unit: Thousand Baht)

	Consolidated financial statements					Total
	Revaluation basis	Cost basis				
	Office condominiums and building improvements	Land	Buildings and improvements	Furniture, fixtures, computers and equipment	Motor vehicles	
Cost:						
As at 1 January 2020	2,488,779	17,509	800,464	1,214,995	174,083	4,695,830
Additions/transfers-in	1,894	-	71,033	82,008	13,968	168,903
Disposals/write-offs/transfers-out	(280)	-	(70,771)	(122,057)	(18,658)	(211,766)
As at 31 December 2020	2,490,393	17,509	800,726	1,174,946	169,393	4,652,967
Additions/transfers-in	678	-	24,835	35,518	13,365	74,396
Disposals/write-offs/transfers-out	-	-	(17,286)	(119,687)	(20,339)	(157,312)
As at 31 December 2021	2,491,071	17,509	808,275	1,090,777	162,419	4,570,051
Accumulated depreciation:						
As at 1 January 2020	32,704	-	623,690	956,947	98,337	1,711,678
Depreciation for the year	32,332	-	68,697	98,044	24,637	223,710
Depreciation on disposals/write-offs/transfers-out	(5)	-	(68,993)	(119,225)	(15,937)	(204,160)
As at 31 December 2020	65,031	-	623,394	935,766	107,037	1,731,228
Depreciation for the year	33,126	-	68,154	87,199	23,370	211,849
Depreciation on disposals/write-offs/transfers-out	-	-	(14,175)	(119,491)	(19,922)	(153,588)
As at 31 December 2021	98,157	-	677,373	903,474	110,485	1,789,489
Net book value:						
As at 31 December 2020	2,425,362	17,509	177,332	239,180	62,356	2,921,739
As at 31 December 2021	2,392,914	17,509	130,902	187,303	51,934	2,780,562
Depreciation for the years ended 31 December:						
2020						223,710
2021						211,849

(Unit: Thousand Baht)

	Separate financial statements			Total
	Revaluation basis	Cost basis		
	Office condominiums and building improvements	Furniture, fixtures, computers and equipment	Motor vehicles	
Cost:				
As at 1 January 2020	629,722	461,391	87,723	1,178,836
Additions/transfers-in	46,319	63,251	-	109,570
Disposals/write-offs/transfers-out	(264)	(10,350)	(6,567)	(17,181)
As at 31 December 2020	675,777	514,292	81,156	1,271,225
Additions/transfers-in	678	28,186	-	28,864
Disposals/write-offs/transfers-out	-	(34,275)	(2,409)	(36,684)
As at 31 December 2021	676,455	508,203	78,747	1,263,405
Accumulated depreciation:				
As at 1 January 2020	10,809	325,879	41,769	378,457
Depreciation for the year	11,285	55,485	13,627	80,397
Depreciation on disposals/ write-offs/transfers-out	-	(10,120)	(4,474)	(14,594)
As at 31 December 2020	22,094	371,244	50,922	444,260
Depreciation for the year	11,675	49,992	12,453	74,120
Depreciation on disposals/ write-offs/transfers-out	-	(34,239)	(2,409)	(36,648)
As at 31 December 2021	33,769	386,997	60,966	481,732
Net book value:				
As at 31 December 2020	653,683	143,048	30,234	826,965
As at 31 December 2021	642,686	121,206	17,781	781,673
Depreciation for the years ended 31 December				
2020				80,397
2021				74,120

As at 31 December 2021 and 2020, the Group has equipment which has been fully depreciated but is still in use with the gross carrying amount, before deducting accumulated depreciation and allowance for loss on impairment, of approximately Baht 1,218 million and Baht 1,203 million, respectively (Separate financial statements: Baht 277 million and Baht 274 million, respectively).

The Group arranged for an independent professional appraiser to appraise the value of the office condominium in 2018, using the market approach.

Had the office condominiums been carried in the financial statements based on cost model, their net book value as at 31 December 2021 and 2020 would have been as follows:

(Unit: Thousand Baht)

	Consolidated financial statements as		Separate financial statements	
	at 31 December		as at 31 December	
	2021	2020	2021	2020
Office condominiums - net of accumulated depreciation	937,054	965,504	232,412	242,568

As of the appraisal date, key assumptions that are unobservable inputs used in the valuation are summarised below.

	As of the appraisal date		Result to fair value where as an increase in assumption value
	Consolidated	Separate	
	financial statements	financial statements	
Estimated office condominium price rate (Baht/Sq.m.)	82,960 - 181,475	88,145 - 103,700	Increase in fair value

3.14 Right-of-use assets

Movements of right-of-use assets for the years ended 31 December 2021 and 2020 are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2021	2020	2021	2020
Book value - beginning of year	885,486	1,061,585	879	1,158
Additions	108,550	158,039	-	-
Contract amendment	28,395	(2,526)	-	-
Contract termination	(3,118)	(43,325)	-	-
Depreciation for the year	(266,484)	(288,287)	(279)	(279)
Book value - end of year	752,829	885,486	600	879

3.15 Intangible assets

The book value of intangible assets - computer software as at 31 December 2021 and 2020 is presented as follows:

(Unit: Thousand Baht)

	Consolidated financial statements as		Separate financial statements	
	at 31 December		as at 31 December	
	2021	2020	2021	2020
Cost	1,683,680	1,630,360	610,143	590,697
Less: Accumulated amortisation	(1,552,761)	(1,416,092)	(535,972)	(491,870)
Net book value	130,919	214,268	74,171	98,827

A reconciliation of the net book value of intangible assets for the years ended 31 December 2021 and 2020 is presented as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2021	2020	2021	2020
Book value - beginning of year	214,268	329,460	98,827	124,209
Acquisitions of computer software	37,506	30,943	19,445	18,120
Write-offs/disposals of computer software	(6,708)	(955)	-	-
Amortisation	(114,147)	(145,180)	(44,101)	(43,502)
Book value - end of year	<u>130,919</u>	<u>214,268</u>	<u>74,171</u>	<u>98,827</u>

As at 31 December 2021 and 2020, the Group has computer software which has been fully amortised but is still in use with the gross carrying amount, before deducting accumulated amortisation, of approximately Baht 1,356 million and Baht 882 million, respectively (Separate financial statements: Baht 448 million and Baht 367 million, respectively).

3.16 Other assets

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	as at 31 December		as at 31 December	
	2021	2020	2021	2020
Receivables from clearing house	396,437	291,896	-	-
Value added tax - net	340,884	367,830	3,017	1,652
Accrued interest receivables	30,641	17,765	-	-
Fee and service receivables	479,617	451,495	120,833	126,439
Refundable income tax and prepaid income tax	310	8,751	-	-
Deposits	79,607	84,200	90	95
Other receivables	715,363	605,456	-	-
Other assets	427,904	399,180	75,527	60,633
Total other assets	<u>2,470,763</u>	<u>2,226,573</u>	<u>199,467</u>	<u>188,819</u>

3.17 Deposits

3.17.1 Classified by type of deposits

(Unit: Thousand Baht)

Consolidated financial statements
as at 31 December

	2021	2020
Deposits		
Current accounts	2,162,084	3,199,911
Saving accounts	46,931,704	50,319,591
Fixed accounts		
- not over 6 months	9,021,296	12,761,123
- over 6 months but not over 1 year	23,680,305	27,901,720
- over 1 year	2,189,472	3,219,474
Certificates of deposits/negotiable certificates of deposits	82,557,065	106,071,006
Total	166,541,926	203,472,825

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

3.18 Interbank and money market items (liabilities)

(Unit: Thousand Baht)

Consolidated financial statements as at 31 December

	2021			2020		
	At call	Term	Total	At call	Term	Total
<u>Domestic</u>						
Bank of Thailand	-	4,364,356	4,364,356	-	1,164,700	1,164,700
Commercial banks	110,418	1,070,000	1,180,418	128,832	920,000	1,048,832
Specialised Financial Institutions	-	1,747,670	1,747,670	-	2,353,466	2,353,466
Other financial institutions	582,625	205,631	788,256	357,808	882,840	1,240,648
Total	693,043	7,387,657	8,080,700	486,640	5,321,006	5,807,646

(Unit: Thousand Baht)

Separate financial statements as at 31 December

	2021			2020		
	At call	Term	Total	At call	Term	Total
<u>Domestic</u>						
Commercial banks	565,000	-	565,000	3,780,000	-	3,780,000
Total	565,000	-	565,000	3,780,000	-	3,780,000

As at 31 December 2021 and 2020, interbank and money market items in the separate financial statements represent borrowings from a subsidiary amounting to Baht 565 million and Baht 3,780 million, respectively, which mature at call and bear interest at a fixed rate per annum. Interest payment on which is made on a monthly basis.

3.19 Debts issued and borrowings

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	as at 31 December		as at 31 December	
	2021	2020	2021	2020
<u>Domestic borrowings</u>				
Subordinated unsecured debentures	6,640,000	6,620,000	-	-
Unsubordinated unsecured debentures	8,285,000	6,169,000	6,065,000	1,629,000
Bills of exchange	36,122	36,122	-	-
Promissory notes	797	797	-	-
Total	<u>14,961,919</u>	<u>12,825,919</u>	<u>6,065,000</u>	<u>1,629,000</u>

3.19.1 Subordinated unsecured debentures

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

Issued year	Units		Face value (Baht per unit)	Balance		Maturity in the year	Interest rate
	as at 31 December			as at 31 December			
	2021 (Million units)	2020 (Million units)		2021 (Million units)	2020 (Million units)		
2016	-	0.68	1,000	-	680	2026	3.875 percent per annum
2017	1.00	1.00	1,000	1,000	1,000	2027	4.00 percent per annum
2017	0.60	0.60	1,000	600	600	2027	3.70 percent per annum
2019	1.20	1.20	1,000	1,200	1,200	2029	4.00 percent per annum
2019	1.20	1.20	1,000	1,200	1,200	2029	4.00 percent per annum
2020	1.25	1.25	1,000	1,250	1,250	2030	3.50 percent per annum
2020	0.69	0.69	1,000	690	690	2030	3.15 percent per annum
2021	0.70	-	1,000	700	-	2031	3.25 percent per annum
Total				<u>6,640</u>	<u>6,620</u>		

3.19.2 Unsubordinated unsecured debentures

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

Issued year	Type of debentures	Units		Face value (Baht per unit)	Balance		Maturity in the year	Interest rate
		as at 31 December			as at 31 December			
		2021 (Million units)	2020 (Million units)		2021 (Million Baht)	2020 (Million Baht)		
2020	Short-term debenture	-	1.629	1,000	-	1,629	2021	0.55 - 1.05 percent per annum
2020	Short-term debenture	-	2.32	1,000	-	2,320	2021	1.30 percent per annum
2020	Long-term debenture	2.22	2.22	1,000	2,220	2,220	2022	1.40 percent per annum
2021	Short-term debenture	6.065	-	1,000	6,065	-	2022	0.70 - 0.75 percent per annum
Total					<u>8,285</u>	<u>6,169</u>		

Separate financial statements

Issued year	Type of debentures	Units		Face value (Baht per unit)	Balance		Maturity in the year	Interest rate
		as at 31 December			as at 31 December			
		2021 (Million units)	2020 (Million units)		2021 (Million Baht)	2020 (Million Baht)		
2020	Short-term debenture	-	1,629	1,000	-	1,629	2021	0.55 - 1.05 percent per annum
2021	Short-term debenture	6,065	-	1,000	6,065	-	2022	0.70 - 0.75 percent per annum
Total						<u>6,065</u> <u>1,629</u>		

3.19.3 Bills of exchange

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

3.20 Lease liabilities

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	as at 31 December		as at 31 December	
	2021	2020	2021	2020
Balance - beginning of year	888,548	1,060,908	922	1,215
Increase during the year	125,725	171,171	-	-
Contract amendment	27,146	(4,353)	-	-
Paid during the year	(275,842)	(291,784)	(292)	(293)
Terminated during the year	(9,996)	(47,394)	-	-
Balance - end of year	<u>755,581</u>	<u>888,548</u>	<u>630</u>	<u>922</u>
Less: Deferred interest expenses	<u>(48,402)</u>	<u>(59,958)</u>	<u>(16)</u>	<u>(33)</u>
Lease liabilities - net	<u>707,179</u>	<u>828,590</u>	<u>614</u>	<u>889</u>
Current portion	<u>(189,382)</u>	<u>(179,965)</u>	<u>(282)</u>	<u>(275)</u>
Lease liabilities - net of current portion	<u><u>517,797</u></u>	<u><u>648,625</u></u>	<u><u>332</u></u>	<u><u>614</u></u>

The Group had total cash outflows on leases during the years ended 31 December 2021 and 2020 of Baht 291 million and Baht 303 million, respectively (Separate financial statements: Baht 2 million and Baht 3 million, respectively).

Expenses relating to leases that are recognised in profit or loss for the years ended 31 December 2021 and 2020 are as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2021	2020	2021	2020
Depreciation expense of right-of-use assets	266	288	-	-
Interest expense on lease liabilities	20	24	-	-
Expenses relating to variable lease payments	15	18	2	3
Total	<u>301</u>	<u>330</u>	<u>2</u>	<u>3</u>

3.21 Provisions

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	as at 31 December		as at 31 December	
	2021	2020	2021	2020
Allowance for expected credit loss on loan commitments	1,527	14,716	-	-
Provision for long-term employee benefits	1,727,454	1,676,338	303,612	291,741
Total provisions	1,728,981	1,691,054	303,612	291,741

3.21.1 Allowance for expected credit loss on loan commitments

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

(Unit: Thousand Baht)

	Consolidated financial statements as at 31 December			
	2021		2020	
	Loan commitments	Allowance for expected credit loss	Loan commitments	Allowance for expected credit loss
Financial assets with no significant increase in credit risk (Performing)	1,012,791	1,527	1,338,700	14,716
Financial assets with significant increase in credit risk (Under-performing)	-	-	-	-
Financial assets that are credit-impaired (Non-performing)	-	-	-	-
Total	1,012,791	1,527	1,338,700	14,716

Changes in allowance for expected credit loss on loan commitments are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements for the years ended 31 December			
	2021		2020	
	Financial assets with no significant increase in credit risk	Total	Financial assets with no significant increase in credit risk	Total
Balance - beginning of year	14,716	14,716	-	-
Changes from revaluation of allowance for credit loss/ new financial assets/derecognition	(13,189)	(13,189)	14,716	14,716
Balance - end of year	1,527	1,527	14,716	14,716

3.21.2 Provision for long-term employee benefits

Provision for long-term employee benefits, which is compensations on employees' retirement and other long-term benefits, is as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2021	2020	2021	2020
Defined post-employment benefit obligation at beginning of year	1,355,970	1,234,614	263,323	241,239
Current service cost	101,489	96,685	14,942	14,175
Interest cost	21,489	19,502	3,092	3,200
Benefits paid during the year	(60,691)	(35,104)	(27,775)	(9,139)
Included in other comprehensive income:				
Actuarial (gain) loss arising from Demographic assumptions changes	126,237	22,155	14,075	2,590
Financial assumptions changes	(157,381)	28,635	3,108	7,717
Other assumptions changes	27,165	(10,517)	3,098	3,541
Defined post-employment benefit obligation at end of year	1,414,278	1,355,970	273,863	263,323
Other long-term benefits	313,176	320,368	29,749	28,418
Total provision for long-term employee benefits at end of year	1,727,454	1,676,338	303,612	291,741

Long-term employee benefit expenses included in the profit or loss for the years ended 31 December 2021 and 2020 are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2021	2020	2021	2020
Current service cost	133,279	129,086	17,310	16,632
Interest cost	25,353	23,081	3,425	3,524
Actuarial (gain) loss	(26,056)	52,530	1,051	4,208
Total employee benefit expenses	132,576	204,697	21,786	24,364

As at 31 December 2021 and 2020, the Group expects to pay long-term employee benefits during the next year of Baht 163 million and Baht 131 million, respectively (Separate financial statements: Baht 62 million and Baht 52 million, respectively).

As at 31 December 2021 and 2020, the weighted average duration of the liabilities for long-term employee benefits is 15 years and 16 years, respectively (Separate financial statements: 11 years and 11 years, respectively).

Significant actuarial assumptions as at the assessment date are summarised below.

(Unit: Percent per annum)

	Consolidated financial statements		Separate financial statements	
	As at 31 December		As at 31 December	
	2021	2020	2021	2020
Discount rate	0.51 - 3.32	0.46 - 2.61	0.51 - 3.32	0.46 - 2.41
Average salary increase rate	5.00	5.00	5.00	5.00
Turnover rate	0.88 - 9.26	1.11 - 10.55	0.88 - 9.26	1.11 - 10.55

The results of sensitivity analysis for significant assumptions that affect the increase (decrease) in the present value of the employee benefit obligation as at 31 December 2021 and 2020 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements as at 31 December			
	2021		2020	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
Discount rate	(36,511)	38,062	(37,366)	39,014
Average salary increase rate	37,054	(35,743)	37,673	(36,298)
Turnover rate	(4,325)	4,325	(4,419)	4,419

(Unit: Thousand Baht)

	Separate financial statements as at 31 December			
	2021		2020	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
Discount rate	(4,178)	4,322	(4,327)	4,479
Average salary increase rate	4,193	(4,076)	4,314	(4,192)
Turnover rate	(771)	771	(769)	769

3.22 Other liabilities

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	as at 31 December		as at 31 December	
	2021	2020	2021	2020
Payables to clearing house	-	309,866	-	-
Withholding income tax and other tax payables	584,678	593,909	118,901	94,560
Accrued insurance premium	525,971	479,958	-	-
Deferred income	1,594,563	1,481,571	-	-
Accrued expenses	3,261,310	3,458,156	1,561,802	1,508,858
Suspense creditors	1,028,283	1,075,205	-	-
Other liabilities	463,560	405,956	96	100
Total other liabilities	7,458,365	7,804,621	1,680,799	1,603,518

The above accrued expenses include accrued bonus expenses which are remunerations paid to employees and management based on annual performance. These accrued bonus expenses include costs of annual bonus that are determined with reference to the Company's share price, paid to employees whose performance impacts the Company's operating results, as an incentive to work effectively and to build loyalty to the Company. This

vested bonus is continuously set aside for payment five years later. It is paid in cash and determined based on the average daily price of the Company's shares over the period of five years from grant date to settlement date. As of 31 December 2021, the Group has accrued bonus under this scheme amounting to Baht 387 million (Separate financial statements: Baht 172 million) (2020: Baht 444 million and Baht 217 million, respectively) and recognised expenses in profit or loss during the year ended 31 December 2021 amounting to Baht 141 million (Separate financial statements: Baht 52 million).

As at 31 December 2021, the above other liabilities include advances received from Electronic Funds Transfer transactions of the subsidiary operating a banking business amounting to Baht 3 million (2020: Baht 3 million), and the subsidiary maintained an asset amounting to Baht 14 million to reserve for advances received through such transactions, presented under interbank and money market items (assets) in the statement of financial position as at 31 December 2021 (2020: Baht 13 million).

3.23 Capital funds

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

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

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

Capital funds of the Financial Business Group (under Basel III principles) are as follows:

	(Unit: Thousand Baht)	
	As at 31 December	
	2021	2020
<u>Common Equity Tier I capital</u>		
Issued and paid-up share capital	8,006,456	8,006,456
Premium on share capital	1,018,408	1,018,408
Statutory reserve	801,000	801,000
Net profits after appropriation	21,731,535	21,759,372
Other components of equity	1,828,088	1,837,917
Less: Deductions from Common Equity Tier I items	(964,409)	(1,054,338)
Total Common Equity Tier I capital	32,421,078	32,368,815
<u>Financial Instrument Tier I capital</u>		
Issued and paid-up share capital - non-cumulative preference shares	99	99
Total Tier I capital	32,421,177	32,368,914
<u>Tier II capital</u>		
Long-term subordinated debentures	6,640,000	6,620,000
Surplus of provision	705,098	762,036
Reserve for loans classified as normal	714,444	726,676
Total Tier II capital	8,059,542	8,108,712
Total capital funds	40,480,719	40,477,626

(Unit: Percent)

Capital fund ratios	As at 31 December			
	2021		2020	
	Financial Business Group	Requirement	Financial Business Group	Requirement
Common Equity Tier I capital to risk assets	18.56	7.00	17.48	7.00
Tier I capital to risk assets	18.56	8.50	17.48	8.50
Total capital to risk assets	23.18	11.00	21.86	11.00

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

(Unit: Thousand Baht)

	As at 31 December	
	2021	2020
<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	18,463,500	17,713,142
Other components of equity	302,640	309,469
Less: Deductions from Common Equity Tier I items	(137,200)	(366,769)
Total Common Equity Tier I capital	31,371,640	30,398,542
<u>Financial Instrument Tier I capital</u>		
Issued and fully paid-up share capital - non-cumulative preference shares	1	1
Total Tier I capital	31,371,641	30,398,543
<u>Tier II Capital</u>		
Long-term subordinated debentures	6,640,000	6,620,000
Surplus of provision	685,907	741,712
Reserve for loans classified as normal	515,890	557,567
Total Tier II capital	7,841,797	7,919,279
Total capital funds	39,213,438	38,317,822

(Unit: Percent)

Capital fund ratios	As at 31 December			
	2021		2020	
	TISCO Bank	Requirement	TISCO Bank	Requirement
Common Equity Tier I capital to risk assets	20.16	7.00	18.07	7.00
Tier I capital to risk assets	20.16	8.50	18.07	8.50
Total capital to risk assets	25.20	11.00	22.78	11.00

To comply with the Notification of the BOT No. Sor Nor Sor. 15/2562 regarding "Public Disclosure of Capital Maintenance for Financial Business Group (No.2)", the Company will disclose capital maintenance information of the Financial Business Group as at 31 December 2021 on its website (www.tisco.co.th) by April 2022.

3.24 Other components of equity

3.24.1 Surplus (deficit) on valuation of investments measured at fair value through other comprehensive income

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2021	2020	2021	2020
Balance - beginning of year	7,339	5,286	(1,536)	-
Increase (decrease) from changes in value of investments during the year	(4,583)	2,053	4,607	(1,536)
	2,756	7,339	3,071	(1,536)
Add: Effect of deferred tax assets	-	-	-	307
Less: Effect of deferred tax liabilities	(551)	(1,468)	(614)	-
Balance - end of year	2,205	5,871	2,457	(1,229)

3.24.2 Surplus on revaluation of assets

This represents surplus arising from revaluation of office condominiums. The surplus is amortised to retained earnings on a straight-line basis over the remaining life of the related assets.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2021	2020	2021	2020
Balance - beginning of year	1,446,646	1,451,010	382,072	382,866
Transfer to retained earnings	(4,451)	(4,364)	(841)	(794)
	1,442,195	1,446,646	381,231	382,072
Less: Effect of deferred tax liabilities	(288,708)	(289,508)	(76,246)	(76,413)
Balance - end of year	1,153,487	1,157,138	304,985	305,659

3.25 Interest income

Interest income in the statements of comprehensive income for the years ended 31 December 2021 and 2020 consisted of the following:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2021	2020	2021	2020
Interbank and money market items	151,943	251,331	293	2,653
Investments in debt securities	83,420	142,275	1,629	6,953
Loans to customers and overdrafts	7,124,386	8,002,719	61,445	55,764
Hire purchase and finance lease	7,431,936	8,360,384	-	-
Total interest income	14,791,685	16,756,709	63,367	65,370

Interest income for the years ended 31 December 2021 and 2020 consisted of interest income on credit-impaired financial assets amounting to Baht 439 million and Baht 548 million, respectively. The subsidiaries fully recognised expected credit loss on such interest income.

3.26 Interest expenses

Interest expenses in the statements of comprehensive income for the years ended 31 December 2021 and 2020 consisted of the following:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2021	2020	2021	2020
Deposits	1,519,853	2,637,766	-	-
Interbank and money market items	16,850	25,468	10,860	19,589
Contribution fee to the Deposit Protection Agency and the Bank of Thailand	451,906	523,948	-	-
Issued debt securities				
- Subordinated debentures	250,734	265,996	-	-
- Unsubordinated debentures	71,110	180,703	32,759	50,827
Borrowings	921	913	-	-
Others	20,484	24,206	17	24
Total interest expenses	2,331,858	3,659,000	43,636	70,440

3.27 Net fee and service income

Net fee and service income in the statements of comprehensive income for the years ended 31 December 2021 and 2020 consisted of the following:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2021	2020	2021	2020
Fee and service income				
- Acceptance, aval and guarantees	5,906	6,670	-	-
- Insurance service	2,104,745	2,222,944	-	-
- Brokerage fee	848,558	784,796	-	-
- Fund management	1,823,081	1,219,100	-	-
- Others	1,348,071	1,278,582	-	-
Total fee and service income	6,130,361	5,512,092	-	-
Fee and service expenses				
- Information service expenses	(18,317)	(17,760)	-	-
- Others	(496,672)	(348,301)	(16,964)	(21,975)
Total fee and service expenses	(514,989)	(366,061)	(16,964)	(21,975)
Net fee and service income	5,615,372	5,146,031	(16,964)	(21,975)

3.28 Net gain (loss) on financial instruments measured at fair value through profit or loss

Net gain (loss) on financial instruments measured at fair value through profit or loss in the statements of comprehensive income for the years ended 31 December 2021 and 2020 consisted of the following:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2021	2020	2021	2020
Gain (loss) on trading and foreign exchange				
- Foreign currencies and derivatives				
on foreign exchange	86,780	(15,288)	86,307	(1,738)
- Debt securities	16,948	20,032	-	-
- Equity securities	300,098	252,741	(220,622)	54,964
Net gain (loss) on financial instruments measured at fair value through profit or loss	<u>403,826</u>	<u>257,485</u>	<u>(134,315)</u>	<u>53,226</u>

3.29 Net gain on investments

Net gain on investments in the statements of comprehensive income for the years ended 31 December 2021 and 2020 consisted of the following:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2021	2020	2021	2020
Gain on derecognition				
- Debt instruments measured at fair value through other comprehensive income	782	4,921	-	-
- Debt instruments measured at amortised cost	5,501	7,451	-	-
Net gain on investments	<u>6,283</u>	<u>12,372</u>	<u>-</u>	<u>-</u>

3.30 Expected credit loss

Expected credit loss and gain or loss from the modifications of terms of financial assets in the statements of comprehensive income for the years ended 31 December 2021 and 2020 consisted of the following:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2021	2020	2021	2020
Expected credit loss				
- Interbank and money market items (reversal)	(646)	1,081	3	9
- Investments in debt instruments measured at amortised cost (reversal)	(89)	(390)	-	-
- Investments in debt instruments measured at fair value through other comprehensive income and accrued interest receivables	11,125	193,797	9,929	168,272
- Loans to customers	2,037,956	3,067,524	169	4,134
- Other receivables	13,295	-	-	-
Loss from the modification of terms				
- Loans to customers	15,527	53,876	-	-
Loan commitments (reversal)	(13,189)	14,716	-	-
Total	<u>2,063,979</u>	<u>3,330,604</u>	<u>10,101</u>	<u>172,415</u>

3.31 Income tax expenses

Income tax expenses of the Group for the years ended 31 December 2021 and 2020 are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2021	2020	2021	2020
Current income tax:				
Income tax expenses for the year	1,691,968	1,040,671	92,679	105,243
Adjustments of prior year's income tax	-	37	-	-
Deferred tax:				
Deferred tax on temporary differences and reversion of temporary differences	15,796	456,946	(49,131)	(52,801)
Income tax expenses reported in the statement of comprehensive income	<u>1,707,764</u>	<u>1,497,654</u>	<u>43,548</u>	<u>52,442</u>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2021 and 2020 are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2021	2020	2021	2020
(Gain) loss on valuation of investments in debt instruments measured at fair value through other comprehensive income	917	(411)	(921)	307
Actuarial (gain) loss	(953)	8,072	4,056	2,770
Income tax expenses recorded directly to other comprehensive income	<u>(36)</u>	<u>7,661</u>	<u>3,135</u>	<u>3,077</u>

A reconciliation between income tax expenses and the product of accounting profit multiplied by the applicable tax rate for the years ended 31 December 2021 and 2020 is as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2021	2020	2021	2020
Accounting profit before tax	<u>8,492,757</u>	<u>7,561,516</u>	<u>4,804,472</u>	<u>5,111,737</u>
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by applicable tax rate	1,698,551	1,512,303	960,895	1,022,347
Income tax effects:				
Tax effect of net tax-exempt income, net disallowed expenses and additional expense deductions allowed	9,442	(13,367)	(917,347)	(969,905)
Adjustments of prior year's income tax	-	37	-	-
Others	(229)	(1,319)	-	-
Income tax expenses reported in the statement of comprehensive income	<u>1,707,764</u>	<u>1,497,654</u>	<u>43,548</u>	<u>52,442</u>
Weighted average tax rate	20.11%	19.81%	0.91%	1.03%

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

(Unit: Thousand Baht)

	Consolidated financial statements			
	As at 31 December		Changes in deferred tax assets/liabilities reported in profit or loss for the years ended 31 December	
	2021	2020	2021	2020
Allowance for expected credit loss	260,831	436,525	(175,694)	(408,559)
Allowance for impairment of investments	24,321	24,321	-	-
Allowance for impairment of properties foreclosed	3,274	174	3,100	113
Non-accrual of interest income	5,728	10,719	(4,991)	(44,936)
Depreciation of assets	(62,684)	(69,190)	6,506	6,699
Finance leases	-	-	-	12
Gain on changes in value of investment properties	(4,122)	(1,441)	(2,681)	3,281
Surplus on revaluation of assets	(294,461)	(295,261)	-	-
Surplus on changes in value of investments	(551)	(961)	-	-
Unrealised gain on derivatives	-	-	-	214
Gain on changes in value of investments in securities	(108,683)	(123,052)	14,369	(10,915)
Deferred commission and direct expenses incurred at the initiation of hire purchase	(192,791)	(370,862)	178,071	244,243
Unearned interest income on hire purchase	42,534	101,877	(59,343)	(95,361)
Loss on disposal of properties foreclosed	68,561	46,727	21,834	(2,446)
Reduction of subsidiaries' share capital	21,435	21,435	-	(3,613)
Accrued expenses	573,030	581,072	(8,042)	(113,139)
Employee benefit expenses	343,824	308,945	28,168	12,622
Others	79,483	95,416	(25,294)	(44,156)
Deferred tax assets	759,729	766,444	(23,997)	(455,941)

(Unit: Thousand Baht)

	Consolidated financial statements			
	As at 31 December		Changes in deferred tax assets/liabilities reported in profit or loss for the years ended 31 December	
	2021	2020	2021	2020
Allowance for expected credit loss	-	(81)	81	(81)
Depreciation of assets	-	(1,757)	1,757	(1,757)
Gain on changes in fair value of investment properties	-	2,687	(2,687)	2,687
Surplus on changes in value of investments	-	507	-	-
Gain on changes in value of investments in securities	-	46,964	(46,964)	39,768
Accrued expenses	-	(21,343)	21,343	(21,343)
Employee benefit expenses	-	(24,862)	17,251	(17,251)
Others	-	(1,018)	1,018	(1,018)
Deferred tax liabilities	-	1,097	(8,201)	1,005
Total changes			(15,796)	(456,946)

As at 31 December 2021 and 2020, a subsidiary has unused tax loss totalling Baht 86 million and Baht 102 million, respectively, on which deferred tax assets have not been recognised as the subsidiary believes that future taxable profits may not be sufficient to allow utilisation of the tax loss. The unused tax loss will expire by 2023 - 2026.

(Unit: Thousand Baht)

	Separate financial statements			
	As at 31 December		Changes in deferred tax assets/liabilities reported in profit or loss for the years ended 31 December	
	2021	2020	2021	2020
Allowance for expected credit loss	35,681	34,483	1,198	34,483
Allowance for impairment of investments	21,732	21,732	-	-
Depreciation of assets	(43,467)	(41,622)	(1,845)	(2,445)
Gain on changes in fair value of investment properties	(92,082)	(92,082)	-	-
Surplus on revaluation of assets	(76,246)	(76,413)	-	-
(Surplus) deficit on changes in value of investments	(614)	307	-	-
(Gain) loss on changes in value of investments in securities	22,684	(21,440)	44,124	(10,992)
Reduction of subsidiaries' share capital	21,435	21,435	-	-
Accrued expenses	305,033	297,228	7,805	28,532
Employee benefit expenses	60,723	58,348	(1,682)	2,399
Others	355	824	(469)	824
Deferred tax assets	255,234	202,800	49,131	52,801

3.32 Earnings per share

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

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2021	2020	2021	2020
Profit attributable to equity holders of the Company (Thousand Baht)	6,784,593	6,063,483	4,760,924	5,059,295
Weighted average number of shares (Thousand shares)	800,655	800,655	800,655	800,655
Basic earnings per share (Baht/share)	8.47	7.57	5.95	6.32

3.33 Related party transactions

The relationships between the Company and its related parties

Name of related parties	Relationship
TISCO Bank Public Company Limited	Subsidiary company
TISCO Securities Co., Ltd.	Subsidiary company
TISCO Asset Management Co., Ltd.	Subsidiary company
Hi-Way Co., Ltd.	Subsidiary company
TISCO Insurance Solution Co., Ltd.	Subsidiary company
TISCO Information Technology Co., Ltd.	Subsidiary company
TISCO Learning Center Co., Ltd.	Subsidiary company
All-Ways Co., Ltd.	Subsidiary company
Primus Leasing Co., Ltd. (In the process of liquidation)	Subsidiary company
TISCO Tokyo Leasing Co., Ltd.	Joint venture company

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

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	as at 31 December	
	2021	2020
Outstanding balances		
Joint venture company		
Deposits	1,771	1,099
Directors and management - departmental managers upward		
Loans ⁽¹⁾	23,242	23,839
Deposits	628,320	513,190
Companies which directors or their related persons have significant influence over		
Deposits	39,580	148,665
Related persons of directors and key management		
Deposits	70,555	35,880

(1) Including employee welfare loans and normal loans.

(Unit: Thousand Baht)

Separate financial statements
as at 31 December

	2021	2020
Outstanding balances		
(Eliminated from the consolidated financial statements)		
Subsidiaries		
Interbank and money market items - net (assets)		
TISCO Bank Public Company Limited	22,583	17,391
Loans to customers		
Hi-way Co., Ltd.	3,310,000	3,180,000
Dividend receivables		
TISCO Bank Public Company Limited	1,999,552	1,888,978
TISCO Securities Co., Ltd.	650,000	340,000
TISCO Asset Management Co., Ltd.	999,994	629,996
Hi-Way Co., Ltd.	471,000	416,500
TISCO Insurance Solution Co., Ltd.	299,990	374,987
TISCO Information Technology Co., Ltd.	147,995	159,995
TISCO Learning Center Co., Ltd.	21,999	34,498
Other assets		
TISCO Bank Public Company Limited	121,375	126,221
TISCO Learning Center Co., Ltd.	-	229
Interbank and money market items (liabilities)		
TISCO Bank Public Company Limited	565,000	3,780,000
Other liabilities		
TISCO Learning Center Co., Ltd.	-	179

The Company has credit line obligations granted to companies in the Group, consisting of TISCO Securities Co., Ltd., TISCO Asset Management Co., Ltd., Hi-Way Co., Ltd., TISCO Information Technology Co., Ltd., TISCO Insurance Solution Co., Ltd. and All-Ways Co., Ltd. As at 31 December 2021, total loan balance for all credit lines granted to all companies in the Group must not exceed Baht 12,000 million (2020: total loan balance for all credit lines granted to all companies in the Group, except All-Ways Co., Ltd., must not exceed Baht 5,000 million).

Loans to related companies

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

(Unit: Thousand Baht)

For the year ended 31 December 2021

	Balance - beginning of year	Increase	Decrease	Balance - end of year
Subsidiaries				
Loans				
Hi-Way Co., Ltd.	3,180,000	550,000	(420,000)	3,310,000

(Unit: Thousand Baht)

	For the year ended 31 December 2020			Balance - end of year
	Balance - beginning of year	Increase	Decrease	
Subsidiaries				
Loans				
Hi-Way Co., Ltd.	2,210,000	1,420,000	(450,000)	3,180,000

Borrowings from related companies

As at 31 December 2021 and 2020, the balances of borrowings between the Company and its related companies (Interbank and money market items) and their movements are as follows:

(Unit: Thousand Baht)

	For the year ended 31 December 2021			Balance - end of year
	Balance - beginning of year	Increase	Decrease	
Subsidiaries				
Borrowings				
TISCO Bank Public Company Limited	3,780,000	60,000	(3,275,000)	565,000

(Unit: Thousand Baht)

	For the year ended 31 December 2020			Balance - end of year
	Balance - beginning of year	Increase	Decrease	
Subsidiaries				
Borrowings				
TISCO Bank Public Company Limited	-	3,788,000	(8,000)	3,780,000

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

(Unit: Thousand Baht)

	Consolidated		Separate		Terms and pricing policies
	financial statements		financial statements		
	For the years ended		For the years ended		
	31 December		31 December		
	2021	2020	2021	2020	
Transactions occurred during the years					
Joint venture company					
Other income	8,403	8,130	-	-	With reference to the terms and prices as offered to other customers
Subsidiaries					
(Eliminated from the consolidated financial statements)					
Interest income	-	-	61,738	58,417	With reference to the terms and prices as offered to other customers
Risk and financial management fee income, human resources management fee income and office administration fee income	-	-	2,108,928	2,145,465	Determined on market prices and/or actual costs in compliance with the criteria specified by the BOT
Rental income	-	-	74,433	75,987	With reference to the terms and prices as offered to other customers
Computer system advisory service expenses	-	-	335,000	315,000	Determined on actual costs in compliance with the criteria specified by the BOT
Training expenses	-	-	3,538	6,528	With reference to the prices as offered from other service providers
Interest expenses	-	-	10,860	19,589	With reference to the terms and prices as offered to other customers
Other expenses	-	-	1,759	1,527	With reference to the terms and prices as offered to other customers

In May 2020, the Company invested in private sector debt securities totalling Baht 372 million of a company with weak financial position and poor operating results from mutual funds managed by the subsidiary operating an asset management business. As at 31 December 2021 and 2020, the Company has already set up an allowance for expected credit loss based on the recovery amount.

Directors' and key management's benefits

During the years ended 31 December 2021 and 2020, the Group had short-term benefit expenses and post-employment benefit expenses to its directors and key management as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2021	2020	2021	2020
Short-term benefits	805	769	473	458
Post-employment benefits	63	61	33	32
Total	868	830	506	490

The Group has other employee benefit expenses to its directors and key management recognised in profit or loss during the year ended 31 December 2021 amounting to Baht 106 million (Separate financial statements: Baht 71 million).

3.34 Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance. The chief operating decision maker has been identified as the Group Chief Executive of TISCO Group.

For management purposes, the Group operates four main businesses as follows:

1. Commercial banking business: Provides financial services under the Commercial Banking Business license. Banking services are provided through TISCO Bank Public Company Limited headquarter and its branches.
2. Securities business: Provides securities business services under the Securities Business license. These businesses are serviced through the headquarter and branches of the subsidiary across the country.
3. Asset management business: Provides asset management services.
4. Support business: Provides all governance and support functions of the Group.

The Group has aggregated operating segments that have similar economic characteristics and are similar in the other respects required by the Thai Financial Reporting Standard.

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and total assets and on a basis consistent with that used to measure operating profit or loss and total assets in the financial statements. However, the Group's income taxes are managed on a group basis; therefore, income tax expenses are not allocated to operating segments.

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

The Group operates in Thailand only. As a result, all the revenues and assets as reflected in the financial statements pertain exclusively to this geographical reportable segment.

During the years ended 31 December 2021 and 2020, the Group did not have income from any customers amounting to or over 10 percent of its income.

Revenue and profit information regarding the Group's operating segments for the years ended 31 December 2021 and 2020 is as follows:

(Unit: Million Baht)

	For the year ended 31 December 2021						Consolidated financial statements
	Commercial banking and lending business	Securities business	Asset managemen t business	Support business	Total segments	Eliminations	
Revenue							
External customers	15,410	1,401	2,185	(160)	18,836	-	18,836
Inter-segment	952	4	(80)	7,831	8,707	(8,707)	-
Total revenue	16,362	1,405	2,105	7,671	27,543	(8,707)	18,836
Operating results:							
Net interest income	12,421	11	3	21	12,456	4	12,460
Net fee and service income	3,540	921	2,091	1,003	7,555	(1,940)	5,615
Other operating income	401	473	11	6,647	7,532	(6,771)	761
Total operating income	16,362	1,405	2,105	7,671	27,543	(8,707)	18,836
Premises and equipment expenses and amortisation	(1,524)	(76)	(28)	(831)	(2,459)	1,006	(1,453)
Other operating expenses	(6,779)	(587)	(758)	(1,813)	(9,937)	3,111	(6,826)
Expected credit loss	(2,039)	-	-	(10)	(2,049)	(15)	(2,064)
Total operating expenses	(10,342)	(663)	(786)	(2,654)	(14,445)	4,102	(10,343)
Segment profit before income tax expenses	6,020	742	1,319	5,017	13,098	(4,605)	8,493
Income tax expenses							(1,708)
Non-controlling interests of the subsidiaries							-
Profit for the year - equity holders of the Company							6,785

(Unit: Million Baht)

For the year ended 31 December 2020

	Commercial banking and lending business	Securities business	Asset managemen t business	Support business	Total segments	Eliminations	Consolidated financial statements
Revenue							
External customers	16,268	1,097	1,550	(11)	18,904	-	18,904
Inter-segment	886	2	(64)	8,105	8,929	(8,929)	-
Total revenue	<u>17,154</u>	<u>1,099</u>	<u>1,486</u>	<u>8,094</u>	<u>27,833</u>	<u>(8,929)</u>	<u>18,904</u>
Operating results:							
Net interest income	13,081	11	4	(4)	13,092	6	13,098
Net fee and service income	3,680	879	1,476	998	7,033	(1,887)	5,146
Other operating income	393	209	6	7,100	7,708	(7,048)	660
Total operating income	<u>17,154</u>	<u>1,099</u>	<u>1,486</u>	<u>8,094</u>	<u>27,833</u>	<u>(8,929)</u>	<u>18,904</u>
Premises and equipment expenses and amortisation	(1,545)	(80)	(27)	(778)	(2,430)	1,012	(1,418)
Other operating expenses	(6,667)	(575)	(639)	(1,791)	(9,672)	3,079	(6,593)
Expected credit loss	(3,181)	(1)	-	(173)	(3,355)	24	(3,331)
Total operating expenses	<u>(11,393)</u>	<u>(656)</u>	<u>(666)</u>	<u>(2,742)</u>	<u>(15,457)</u>	<u>4,115</u>	<u>(11,342)</u>
Segment profit before income tax expenses	<u>5,761</u>	<u>443</u>	<u>820</u>	<u>5,352</u>	<u>12,376</u>	<u>(4,814)</u>	<u>7,562</u>
Income tax expenses							(1,498)
Non-controlling interests of the subsidiaries							-
Profit for the year - equity holders of the Company							<u>6,064</u>

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

(Unit: Million Baht)

	As at 31 December 2021						Consolidated financial statements
	Commercial banking and lending business	Securities business	Asset management business	Support business	Total segments	Eliminations	
Segment total assets	236,092	3,843	2,000	32,304	274,239	(30,617)	243,622
Premises and equipment - net	836	13	244	798	1,891	890	2,781

(Unit: Million Baht)

	As at 31 December 2020						Consolidated financial statements
	Commercial banking and lending business	Securities business	Asset management business	Support business	Total segments	Eliminations	
Segment total assets	272,049	3,392	1,412	31,305	308,158	(32,715)	275,443
Premises and equipment - net	910	18	249	847	2,024	898	2,922

3.35 Provident fund

The Company, its eight subsidiaries and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The Group and the employees contribute to the fund monthly at the rates of 5 to 15 percent of the employees' salaries, in accordance with the rules prescribed in the fund's articles. The provident funds of the Company and its eight subsidiaries are managed by TISCO Asset Management Company Limited, and the fund of another subsidiary is managed by Bangkok Bank Public Company Limited. The funds will be paid to the employees upon termination in accordance with the fund rules. During the years ended 31 December 2021 and 2020, the Group recognised the contributions as expenses totalling Baht 339 million and Baht 320 million, respectively (Separate financial statements: Baht 51 million and Baht 48 million, respectively).

3.36 Commitments and contingent liabilities

3.36.1 Avals, guarantees and commitments

(Unit: Thousand Baht)

	Consolidated financial statements as at 31 December	
	2021	2020
Avals to bills	630	-
Other guarantees	525,695	497,316
Foreign exchange contracts (Note 3.37.4)	1,512,926	1,189,528
Others	1,012,791	1,338,700
Total	3,052,042	3,025,544

3.36.2 Litigation

As at 31 December 2021 and 2020, the subsidiaries have been sued for compensation totalling approximately Baht 176 million and Baht 392 million, respectively. Final judgements have not yet been reached in respect of these cases. The management of the Group believes that no material loss to the consolidated financial statements will be incurred as a result of the mentioned lawsuits.

3.36.3 Other commitments

The subsidiaries have commitments in relation to computer service agreements, whereby they are to pay both fixed fees and service fees which vary according to the quantity and type of services, as stipulated in the agreements.

3.37 Risk management

3.37.1 Credit risk

Credit Risk is defined as the possibility that the obligor or borrower will be unable to comply with the terms and conditions of agreements, causing them to be unable to settle liabilities to the Group when due or to deliberately breach the terms of payment to the Group. If this occurs without collateral coverage, the Group will need to increase its bad debt provisions, adversely impacting the net income and capital of the Group.

Credit Risk Management Framework

The Risk Management Committee has been appointed to oversee credit risk management of the overall portfolio. The committee is responsible for formulating credit risk strategies and establishing guidelines and limits, as well as advising other credit risk authorities on related issues. It also monitors and reviews credit risks at the portfolio level and reports essential credit risk information to the Board. In addition, the Risk Oversight Committee is to advise the Board of Directors on the risk governance framework to ensure that top management and heads of risk management functions comply with the approved risk management policy, strategies, and risk appetites, while reviewing the sufficiency and effectiveness of the overall risk management policy and strategies. The Risk Oversight Committee is also to report to the Board of Directors on risk exposures and to participate in evaluation of the performance of the heads of the risk management functions.

Specific-area credit risk at in-depth transaction level is under the supervision of the Credit Committee and the Problem Loan Committee. The Credit Committee is responsible for reviewing and granting credit approvals, and may delegate its authority to oversee credit risk to designated persons for lower-risk transactions. In addition, the Problem Loan Committee was set up to closely monitor and follow up on overdue payments of problem loan accounts and properties foreclosed.

The credit risk assessment processes are key practices of the Group which include credit rating, delinquency analysis, concentration analysis and risk capital analysis. The Group is aware of the importance of the credit risk assessment process and so all credit activities must operate under a sound credit approval process in which an effective credit rating system is employed. In the retail lending area, quantitative-oriented approaches to credit grading are implemented, considering homogenous high-volume characteristics at the portfolio level. In the corporate lending area, qualitative-oriented credit grading approaches are employed, taking into account the widely varying risk profiles.

Concentration risk is another key factor in credit portfolio risk management. Appropriate guidelines are set to control credit concentration, taking into account appropriateness to and alignment with business practices and the Group's capital. In addition, the Group uses credit risk management guidelines and limits that are comprehensively and strictly applied to all credit-related functions both at the portfolio and transactional levels, as well as monitoring and managing problem loan and properties foreclosed.

The maximum exposure to credit risk

The table below shows the maximum exposure to credit risk for recognised and unrecognised financial instruments. The maximum exposure is shown at gross before both the effect of mitigation through use of master netting and collateral arrangements.

For financial assets recognised on the statement of financial position, the maximum exposure to credit risk equals their gross carrying amount before deductions of allowance for expected credit loss.

For loan commitments that are irrevocable over the life of the respective facilities, the maximum exposure to credit risk is the full amount of the committed facilities.

As at 31 December 2021 and 2020, the exposure to credit risk is as follows:

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	as at 31 December		as at 31 December	
	2021	2020	2021	2020
Interbank and money market items (Assets)	30,490	38,213	23	17
Investments in debt instruments measured at fair value through other comprehensive income	8,043	9,953	202	206
Investments in debt instruments measured at amortised cost	12	12	-	-
Loans to customers and accrued interest receivables	204,662	226,714	3,310	3,180
Securities and derivatives business receivables	1,131	1,058	-	-
Other assets - receivables from clearing house	396	292	-	-
Other assets - accrued interest receivables on investments	2	5	-	-
Other assets - fee and service receivables	480	451	121	126
Other assets - other receivables	728	605	-	-
Total financial assets	245,944	277,303	3,656	3,529
Loan commitments	1,013	1,339	-	-
Total credit risk exposure	246,957	278,642	3,656	3,529

Collateral and any operations to increase creditability

The Group has held collateral and any operations to increase creditability of exposure to risk. The details of the exposure to risk with collateral held by the Group for each type of financial assets are as follows:

	Exposure to risk with collateral		Type of collateral
	as at 31 December		
	2021	2020	
Interbank and money market items	27,202	33,502	Bonds
Loans to customers and accrued interest receivables	203,031	224,979	Motor vehicles, land and buildings, deposits, securities

Credit quality analysis

Credit risk refers to the risk that a customer or a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group has adopted the policy to prevent this risk by performing credit analysis from customers' information and follow-up on customer status consistently.

The table below shows the credit quality of financial assets exposed to credit risk, the amounts presented for financial assets are gross carrying amount (before allowance for expected credit loss). For loan commitments, the amounts in the table represent the amounts committed.

(Unit: Million Baht)

Consolidated financial statements as at 31 December 2021					
	Financial assets with no significant increase in credit risk	Financial assets with significant increase in credit risk	Financial assets that are credit- impaired	Financial assets applying a simplified approach to determine expected credit loss	Total
Interbank and money market items					
(Assets)					
Investment grade	30,490	-	-	-	30,490
Non-investment grade	-	-	-	-	-
Total	30,490	-	-	-	30,490
Allowance for expected credit loss	1	-	-	-	1
Investments in debt securities measured					
at fair value through other					
comprehensive income					
Investment grade	7,816	-	-	-	7,816
Non-investment grade	-	-	227	-	227
Total	7,816	-	227	-	8,043
Allowance for expected credit loss	-	-	200	-	200
Investments in debt securities					
measured at amortised cost					
Investment grade	-	-	-	-	-
Non-investment grade	-	-	12	-	12
Total	-	-	12	-	12
Allowance for expected credit loss	-	-	12	-	12
Loans to customers and accrued					
interest receivables					
0 day overdue	166,183	3,659	198	-	170,040
1 - 30 days overdue	10,486	5,831	210	-	16,527
31 - 60 days overdue	-	9,996	232	-	10,228
61 - 90 days overdue	-	3,223	152	-	3,375
Over 90 days overdue	-	-	4,492	-	4,492
Total	176,669	22,709	5,284	-	204,662
Allowance for expected credit loss	6,701	3,319	1,720	-	11,740

(Unit: Million Baht)

Consolidated financial statements as at 31 December 2021

	Financial assets with no significant increase in credit risk	Financial assets with significant increase in credit risk	Financial assets that are credit- impaired	Financial assets applying a simplified approach to determine expected credit loss	Total
Securities and derivatives business receivables					
0 day overdue	1,131	-	-	-	1,131
1 - 30 days overdue	-	-	-	-	-
Total	1,131	-	-	-	1,131
Allowance for expected credit loss	-	-	-	-	-
Other assets - receivables from clearing house					
0 day overdue	396	-	-	-	396
1 - 30 days overdue	-	-	-	-	-
Total	396	-	-	-	396
Allowance for expected credit loss	-	-	-	-	-
Other assets - fee and service receivables					
0 day overdue	-	-	-	480	480
1-30 days overdue	-	-	-	-	-
Total	-	-	-	480	480
Allowance for expected credit loss	-	-	-	-	-
Other assets - other receivables					
0 day overdue	-	-	-	498	498
1 - 30 days overdue	-	-	-	203	203
31 - 90 days overdue	-	-	-	9	9
91 - 180 days overdue	-	-	-	5	5
Over 180 days overdue	-	-	-	13	13
Total	-	-	-	728	728
Allowance for expected credit loss	-	-	-	13	13
Loan commitments					
0 day overdue	1,013	-	-	-	1,013
1 - 30 days overdue	-	-	-	-	-
Total	1,013	-	-	-	1,013
Allowance for expected credit loss	2	-	-	-	2

(Unit: Million Baht)

Consolidated financial statement as at 31 December 2020					
	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 to determine expected credit loss	Total
Interbank and money market items (Assets)					
Investment grade	38,213	-	-	-	38,213
Non-investment grade	-	-	-	-	-
Total	38,213	-	-	-	38,213
Allowance for expected credit loss	1	-	-	-	1
Investments in debt securities measured at fair value through other comprehensive income					
Investment grade	9,722	-	-	-	9,722
Non-investment grade	-	-	231	-	231
Total	9,722	-	231	-	9,953
Allowance for expected credit loss	-	-	191	-	191
Investments in debt securities measured at amortised cost					
Investment grade	-	-	-	-	-
Non-investment grade	-	-	12	-	12
Total	-	-	12	-	12
Allowance for expected credit loss	-	-	12	-	12
Loans to customers and accrued interest receivables					
0 day overdue	179,250	8,228	364	-	187,842
1 - 30 days overdue	11,327	8,900	365	-	20,592
31 - 60 days overdue	-	9,805	275	-	10,080
61 - 90 days overdue	-	3,263	178	-	3,441
Over 90 days overdue	-	-	4,759	-	4,759
Total	190,577	30,196	5,941	-	226,714
Allowance for expected credit loss	5,393	3,689	1,688	-	10,770
Allowance established in excess					1,056
Total allowance for expected credit loss					11,826
Securities and derivatives business receivables					
0 day overdue	1,058	-	-	-	1,058
1 - 30 days overdue	-	-	-	-	-
Total	1,058	-	-	-	1,058
Allowance for expected credit loss	-	-	-	-	-

(Unit: Million Baht)

Consolidated financial statement as at 31 December 2020

	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 to determine expected credit loss	Total
Other assets - receivables from clearing house					
0 day overdue	292	-	-	-	292
1 - 30 days overdue	-	-	-	-	-
Total	292	-	-	-	292
Allowance for expected credit loss	-	-	-	-	-
Other assets - fee and service receivables					
0 day overdue	-	-	-	451	451
1-30 days overdue	-	-	-	-	-
Total	-	-	-	451	451
Allowance for expected credit loss	-	-	-	-	-
Other assets - other receivables					
0 day overdue	-	-	-	370	370
1 - 30 days overdue	-	-	-	96	96
31 - 90 days overdue	-	-	-	105	105
91 - 180 days overdue	-	-	-	20	20
Over 180 days overdue	-	-	-	14	14
Total	-	-	-	605	605
Allowance for expected credit loss	-	-	-	-	-
Loan commitments					
0 day overdue	1,339	-	-	-	1,339
1 - 30 days overdue	-	-	-	-	-
Total	1,339	-	-	-	1,339
Allowance for expected credit loss	15	-	-	-	15

(Unit: Million Baht)

Separate financial statement as at 31 December 2021

	Financial assets with no significant increase in credit risk	Financial assets with significant increase in credit risk	Financial assets that are credit- impaired	Financial assets applying a simplified approach to determine expected credit loss	Total
Interbank and money market items					
(Assets)					
Investment grade	23	-	-	-	23
Non-investment grade	-	-	-	-	-
Total	23	-	-	-	23
Allowance for expected credit loss	-	-	-	-	-
Investments in debt securities					
measured at fair value through other					
comprehensive income					
Investment grade	-	-	-	-	-
Non-investment grade	-	-	202	-	202
Total	-	-	202	-	202
Allowance for expected credit loss	-	-	172	-	172
Loans to customers and accrued					
interest receivables					
0 day overdue	3,310	-	-	-	3,310
1 - 30 days overdue	-	-	-	-	-
Total	3,310	-	-	-	3,310
Allowance for expected credit loss	4	-	-	-	4
Other assets - fee and service					
receivables					
0 day overdue	-	-	-	121	121
1 - 30 days overdue	-	-	-	-	-
Total	-	-	-	121	121
Allowance for expected credit loss	-	-	-	-	-

(Unit: Million Baht)

Separate financial statement as at 31 December 2020

	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 to determine expected credit loss	Total
Interbank and money market items					
(Assets)					
Investment grade	17	-	-	-	17
Non-investment grade	-	-	-	-	-
Total	17	-	-	-	17
Allowance for expected credit loss	-	-	-	-	-
Investments in debt securities measured					
at fair value through other					
comprehensive income					
Investment grade	-	-	-	-	-
Non-investment grade	-	-	206	-	206
Total	-	-	206	-	206
Allowance for expected credit loss	-	-	164	-	164
Loans to customers and accrued					
interest receivables					
0 day overdue	3,180	-	-	-	3,180
1 - 30 days overdue	-	-	-	-	-
Total	3,180	-	-	-	3,180
Allowance for expected credit loss	4	-	-	-	4
Other assets - fee and service					
receivables					
0 day overdue	-	-	-	126	126
1-30 days overdue	-	-	-	-	-
Total	-	-	-	126	126
Allowance for expected credit loss	-	-	-	-	-

TISCO Group has centralised its risk management function under the regulatory guidelines for consolidated supervision issued by the BOT. The Group manages credit risk by adopting appropriate credit control policies and procedures in the credit approval process, and by analysis of risk factors and the ability of customers to service debt. For hire purchase receivables, the Group has implemented a credit scoring system, in order to enhance efficiency in the credit approval process and better reflect the credit risk. The Group also adopted a credit review process that examines and reviews the quality of loans so as to prevent and provide a remedy for problem loans in the future. Therefore, the Group does not expect to incur material financial loss from loans and

guarantees of loans. In addition, the Group is not exposed to concentrations of credit risk because it has a varied customer base and a large number of customers. The maximum exposure to credit risk is limited to the carrying amount of loans to customers as stated in the financial statements.

Quality of risk from credit granted by the Group is mainly from the provision of hire purchase receivables of the subsidiary operating a banking business. The subsidiary considers risk of hire purchase receivables as follows.

The risk of hire purchase that is not overdue of the subsidiary can be classified into three groups, based on quality of risk in respect of expected loss that will be incurred within one year. These are "Very high grade", "High grade" and "Medium grade", with "Very high grade" credit defined as credit from which expected loss over the next year is less than or equal to 0.2% of the balance; "High grade" as credit from which loss within one year is expected to be between 0.2% and 2.0% and "Medium grade" as credit from which loss within one year is expected to exceed 2.0% of the balance.

Credit risk of hire purchase receivables of the subsidiary classified by quality of credit is as follows:

	(Unit: Million Baht)	
	As at 31 December	
	2021	2020
Not yet past due		
Very high grade	48,522	53,570
High grade	42,064	45,175
Medium grade	2,795	3,616
Subtotal	93,381	102,361
Hire purchase receivables - overdue for 31 to 90 days	14,085	19,418
Hire purchase receivables - overdue for more than 90 days	2,217	2,741
Total	109,683	124,520

3.37.2 Market risk

Market risk is defined as the degree of vulnerability to movements in securities market prices and interest rates, which may affect income or the capital funds of the Group. In order to effectively manage market risk, a suitable risk treatment framework is to be implemented. Market risk of both financial assets and liabilities of the Group is assessed by employing the Value at Risk (VaR) model and methodologies appropriate to the nature of risks involved. On-going Back-testing is also performed to validate the internal Value at Risk model, and stress testing is performed under various extreme scenarios as a supplement to VaR. The risk assessment and corresponding risk treatment takes into account the transaction intent as well as the market liquidity of the securities.

3.37.2.1 Market risk - Marketable portfolio

The following table shows the VaR calculation for marketable portfolio position as at the financial statements date. The VaR that the Group measures is an estimate, using a confidence level of 99%, of the potential loss that is not expected to be exceeded if the current marketable portfolio position were to be held unchanged for one year.

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	Market risk as at 31 December		Market risk as at 31 December	
	2021	2020	2021	2020
Marketable financial assets				
Equity securities	246	348	182	151
Debt securities	3	4	-	-
Foreign currencies	81	60	81	60

3.37.2.2 Market risk sensitivity - Interest bearing assets and liabilities

The market risk sensitivity of interest bearing assets and liabilities is measured by assessing the effect of changes in interest rates on the net interest income over one year, based on the interest bearing asset and liability positions held by the Group at the financial statements date. In making such assessment, changes in interest rates are applied prospectively and normal increases in assets and liabilities are not taken into account as presented below.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	Increase (decrease) in sensitivity of net interest income as at 31 December		Increase (decrease) in sensitivity of net interest income as at 31 December	
	2021	2020	2021	2020
Change in interest rate				
Increase by 1 percent	231.98	102.44	(29.30)	(21.34)
Decrease by 1 percent	(231.98)	(102.44)	29.30	21.34

However, to better reflect a realistic business environment, the sensitivity to interest rate risk is adjusted taking into account that business growth and interest rate shift are actually gradual. The net interest rate sensitivity incurred would be less than the effect on net interest income as illustrated in the analysis. This market risk sensitivity of interest bearing assets and liabilities does not include the status of marketable debt securities, which is presented in the market risk - marketable portfolio.

3.37.2.3 Interest rate risk

The Group has the following significant exposures to interest rate risk related to financial instruments.

(Unit: Million Baht)

Transactions	Consolidated financial statements as at 31 December 2021			
	Outstanding balances of financial instruments			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
Financial assets				
Cash	-	-	1,103	1,103
Interbank and money market items	141	28,449	1,900	30,490
Financial assets measured at fair value through profit or loss	-	-	2,081	2,081
Investments	-	6,779	1,264	8,043
Loans to customers	35,940	156,332	12,390	204,662
Securities and derivatives business receivables - net	-	-	1,131	1,131
Other assets - receivables from clearing house	-	-	396	396
Other assets - fee and service receivables	-	-	480	480
Other assets - other receivables	-	-	728	728
	<u>36,081</u>	<u>191,560</u>	<u>21,473</u>	<u>249,114</u>
Financial liabilities				
Deposits	48,221	117,448	873	166,542
Interbank and money market items	607	7,388	86	8,081
Liabilities payable on demand	-	-	274	274
Derivatives liabilities	-	-	3	3
Debts issued and borrowings	-	14,962	-	14,962
Lease liabilities	-	707	-	707
Securities and derivatives business - net	-	-	1,521	1,521
Accrued interest payable	-	-	482	482
	<u>48,828</u>	<u>140,505</u>	<u>3,239</u>	<u>192,572</u>

(Unit: Million Baht)

Consolidated financial statements as at 31 December 2020				
Outstanding balances of financial instruments				
Transactions	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
Financial assets				
Cash	-	-	1,220	1,220
Interbank and money market items	132	34,591	3,490	38,213
Financial assets measured at fair value through profit or loss	-	-	2,173	2,173
Derivatives assets	-	-	62	62
Investments	-	4,691	5,262	9,953
Loans to customers	36,336	179,168	11,210	226,714
Securities and derivatives business receivables - net	-	-	1,058	1,058
Other assets - receivables from clearing house	-	-	292	292
Other assets - fee and service receivables	-	-	451	451
Other assets - other receivables	-	-	605	605
	<u>36,468</u>	<u>218,450</u>	<u>25,823</u>	<u>280,741</u>
Financial liabilities				
Deposits	52,805	149,953	715	203,473
Interbank and money market items	343	5,326	138	5,807
Liabilities payable on demand	-	-	1,285	1,285
Debts issued and borrowings	-	12,826	-	12,826
Lease liabilities	-	829	-	829
Securities and derivatives business payables - net	-	-	1,033	1,033
Accrued interest payable	-	-	736	736
Other liabilities - payables to clearing house	-	-	310	310
	<u>53,148</u>	<u>168,934</u>	<u>4,217</u>	<u>226,299</u>

(Unit: Million Baht)

Separate financial statements as at 31 December 2021				
Outstanding balances of financial instruments				
Transactions	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
Financial assets				
Interbank and money market items	23	-	-	23
Financial assets measured at fair value through profit or loss	-	-	1,049	1,049
Investments	-	202	-	202
Loans to customers	-	3,310	-	3,310
Other assets - fee and service receivables	-	-	121	121
	<u>23</u>	<u>3,512</u>	<u>1,170</u>	<u>4,705</u>
Financial liabilities				
Interbank and money market items	-	565	-	565
Debts issued and borrowings	-	6,065	-	6,065
Lease liabilities	-	1	-	1
Accrued interest payable	-	-	11	11
	<u>-</u>	<u>6,631</u>	<u>11</u>	<u>6,642</u>

(Unit: Million Baht)

Transactions	Separate financial statements as at 31 December 2020			
	Outstanding balances of financial instruments			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
Financial assets				
Interbank and money market items	17	-	-	17
Financial assets measured at fair value through profit or loss	-	-	890	890
Investments	-	206	-	206
Loans to customers	-	3,180	-	3,180
Other assets - fee and service receivables	-	-	126	126
	<u>17</u>	<u>3,386</u>	<u>1,016</u>	<u>4,419</u>
Financial liabilities				
Interbank and money market items	-	3,780	-	3,780
Debts issued and borrowings	-	1,629	-	1,629
Lease liabilities	-	1	-	1
Accrued interest payable	-	-	1	1
	<u>-</u>	<u>5,410</u>	<u>1</u>	<u>5,411</u>

Financial instruments which bear interest rate at fixed rates are classified below by the year from the financial statements date to the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

Transactions	Consolidated financial statements as at 31 December 2021						
	Repricing or maturity date						Interest rates (%)
	At call	0 - 3 months	3 - 12 months	1 - 5 years	Over 5 years	Total	
Financial assets							
Interbank and money market items	1	28,448	-	-	-	28,449	0.4936
Investments	-	4,187	2,363	38	191	6,779	1.8136
Loans to customers	4,366	12,147	35,989	91,854	11,976	156,332	7.9515
	<u>4,367</u>	<u>44,782</u>	<u>38,352</u>	<u>91,892</u>	<u>12,167</u>	<u>191,560</u>	
Financial liabilities							
Deposits	551	53,739	61,993	1,165	-	117,448	0.8453
Interbank and money market items	-	1,136	2,838	3,414	-	7,388	0.5240
Debts issued and borrowings	37	8,285	-	-	6,640	14,962	2.8751
Lease liabilities	-	20	169	458	60	707	2.5640
	<u>588</u>	<u>63,180</u>	<u>65,000</u>	<u>5,037</u>	<u>6,700</u>	<u>140,505</u>	

(Unit: Million Baht)

Consolidated financial statements as at 31 December 2020							
Transactions	At call	Repricing or maturity date				Total	Interest rates (%)
		0 - 3 months	3 - 12 months	1 - 5 years	Over 5 years		
Financial assets							
Interbank and money market items	1	34,590	-	-	-	34,591	0.5490
Investments	36	2,210	2,272	173	-	4,691	1.8251
Loans to customers	4,647	14,053	38,217	103,585	18,666	179,168	8.2204
	<u>4,684</u>	<u>50,853</u>	<u>40,489</u>	<u>103,758</u>	<u>18,666</u>	<u>218,450</u>	
Financial liabilities							
Deposits	466	84,431	64,812	244	-	149,953	1.1282
Interbank and money market items	400	1,221	392	3,313	-	5,326	1.4777
Debts issued and borrowings	37	3,949	-	2,220	6,620	12,826	3.4090
Lease liabilities	-	-	180	574	75	829	2.5040
	<u>903</u>	<u>89,601</u>	<u>65,384</u>	<u>6,351</u>	<u>6,695</u>	<u>168,934</u>	

(Unit: Million Baht)

Separate financial statements as at 31 December 2021							
Transactions	At call	Repricing or maturity date				Total	Interest rates (%)
		0 - 3 months	3 - 12 months	1 - 5 years	Over 5 years		
Financial assets							
Investments	-	-	-	11	191	202	3.3391
Loans to customers	3,310	-	-	-	-	3,310	1.6500
	<u>3,310</u>	<u>-</u>	<u>-</u>	<u>11</u>	<u>191</u>	<u>3,512</u>	
Financial liabilities							
Interbank and money market items	565	-	-	-	-	565	1.1943
Debts issued and borrowings	-	6,065	-	-	-	6,065	0.7008
Lease liabilities	-	-	-	1	-	1	2.3340
	<u>565</u>	<u>6,065</u>	<u>-</u>	<u>1</u>	<u>-</u>	<u>6,631</u>	

(Unit: Million Baht)

Separate financial statements as at 31 December 2020							
Transactions	At call	Repricing or maturity date				Total	Interest rates (%)
		0 - 3 months	3 - 12 months	1 - 5 years	Over 5 years		
Financial assets							
Investments	11	-	25	170	-	206	3.3391
Loans to customers	3,180	-	-	-	-	3,180	1.7500
	<u>3,191</u>	<u>-</u>	<u>25</u>	<u>170</u>	<u>-</u>	<u>3,386</u>	
Financial liabilities							
Interbank and money market items	3,780	-	-	-	-	3,780	1.3970
Debts issued and borrowings	-	1,629	-	-	-	1,629	0.8439
Lease liabilities	-	-	-	1	-	1	2.3326
	<u>3,780</u>	<u>1,629</u>	<u>-</u>	<u>1</u>	<u>-</u>	<u>5,410</u>	

3.37.3 Liquidity risk

Liquidity risk is uncertainty that the Group is unable to meet repayment obligations when they fall due. This could arise from a failure in asset conversion or to raise adequate fund for timely fulfillment of obligations, which could result in damages to the Group. Liquidity risk may result from both internal and external factors. Internal factors hinge on liquidity reserve and a structure of assets and liabilities. Meanwhile, external factors are mainly driven by market liquidity and confidence of depositors.

Liquidity risk management framework

The overall liquidity risk management is overseen by the Risk Management Committee. Treasury function will be responsible for ensuring that daily liquidity position complies with the risk management policy of the subsidiary operating a banking business and regulatory requirement. On the other hand, the Risk Management function will monitor and control liquidity risk based on the prescribed risk limits.

The key liquidity risk management policies involve the management of cash flow maturity profiles, deposit concentrations, liquidity reserve assets and emergency contingency plan. Liquidity risk strategies will take into account market liquidity and how unexpected changes would affect the subsidiary's risks. A manageable level of maturity mismatches of cash flows from assets and liabilities will then be consistently maintained and regularly monitored, together with the level of liquidity reserve assets. The procurement and concentration of funding sources will be well-planned to optimise risk and return. Contingency procedures for liquidity management in the times of unexpected financial crisis must be established and made ready for timely activation. In addition to the liquidity risk measurement, the subsidiary sets the limit of loan to total borrowing ratio and liquidity reserve asset level. The position of liquidity risk is monitored daily and reported to the management and other relevant functions.

The subsidiary has set stress testing scenarios for liquidity risk where the scenarios cover the subsidiary's specific scenarios and industry-based scenarios, which cause unusual cash outflow from the subsidiary.

The main sources of fund came from deposits. In the past, there was high rollover rate for matured deposits. Besides, the subsidiary also issues subordinated and unsubordinated debentures as another source of fund. On the uses of fund, the majority of fund is used in lending business while a proportion of fund is maintained as liquidity reserve assets to cushion against liquidity risk. Moreover, the subsidiary provides credit line to other companies under TISCO Group to support liquidity position if required.

The matured liabilities are generally rolled-over with 90 percent average rollover rate. By taking into account high rollover rate, the cash outflow at maturity will be lower than those presented by contractual maturity. On the other hand, the liabilities with remaining maturity of less than three months comprise current deposits and saving deposits. Both current deposits and saving deposits are considered to be more stable than term deposits in terms of cash outflow.

3.37.3.1 Volume and composition of highly liquid assets and internal ratio

	(Unit: Million Baht)	
	As at 31 December	
	2021	2020
Composition of highly liquid assets		
Cash	1,099	1,216
Interbank and money market	29,062	36,961
Current investments	6,858	9,410
Total highly liquid assets	<u>37,019</u>	<u>47,587</u>
Liquid asset requirement based on the subsidiary's internal policy	22,052	34,142

The subsidiary operating a banking business has a policy to maintain the internal highly liquid assets higher than the liquid asset requirement. As at 31 December 2021 and 2020, the subsidiary has highly liquid assets higher than the internal liquid asset requirement. In addition, the subsidiary has operating cash inflows from business, and available credit lines from other financial institutions which are available to support uncertain liquidity requirement.

3.37.3.2 Counting from the financial statements date, as at 31 December 2021 and 2020, the periods to the maturity dates of financial instruments are as follows:

(Unit: Million Baht)

Consolidated financial statements as at 31 December 2021								
Transactions	At call	0 - 3 months	3 - 12 months	1 - 5 years	Over 5 years	Unspecified	Financial assets that are credit-impaired	Total
Financial assets								
Cash	1,103	-	-	-	-	-	-	1,103
Interbank and money market items	2,042	28,448	-	-	-	-	-	30,490
Financial asset measured at fair value through profit or loss	-	-	-	-	-	2,081	-	2,081
Investments	-	5,151	2,662	3	-	-	227	8,043
Loans to customers	3,820	13,812	41,087	106,786	33,873	-	5,284	204,662
Securities and derivatives								
business receivables - net	-	1,131	-	-	-	-	-	1,131
Other assets - receivables from clearing house	-	396	-	-	-	-	-	396
Other assets - fee and service receivables	-	480	-	-	-	-	-	480
Other assets - other receivables	-	728	-	-	-	-	-	728
	<u>6,965</u>	<u>50,146</u>	<u>43,749</u>	<u>106,789</u>	<u>33,873</u>	<u>2,081</u>	<u>5,511</u>	<u>249,114</u>
Financial liabilities								
Deposits	49,645	53,739	61,993	1,165	-	-	-	166,542
Interbank and money market items	693	1,136	2,838	3,414	-	-	-	8,081
Liabilities payable on demand	274	-	-	-	-	-	-	274
Derivatives liabilities	-	-	3	-	-	-	-	3
Debts issued and borrowings	37	8,285	-	-	6,640	-	-	14,962
Lease liabilities	-	20	169	458	60	-	-	707
Securities and derivatives								
business payables - net	-	1,521	-	-	-	-	-	1,521
Accrued interest payable	18	285	174	5	-	-	-	482
	<u>50,667</u>	<u>64,986</u>	<u>65,177</u>	<u>5,042</u>	<u>6,700</u>	<u>-</u>	<u>-</u>	<u>192,572</u>
Commitments and contingent liabilities								
Avals to bills and other guarantees	1	-	34	-	-	491	-	526
Other commitments	-	-	1,563	963	-	-	-	2,526

(Unit: Million Baht)

Consolidated financial statements as at 31 December 2020

Transactions	At call	0 - 3 months	3 - 12 months	1 - 5 years	Over 5 years	Unspecified	Financial	Total
							assets that are credit- impaired	
Financial assets								
Cash	1,220	-	-	-	-	-	-	1,220
Interbank and money market items	3,623	34,590	-	-	-	-	-	38,213
Financial assets measured at fair value through profit or loss	-	-	-	-	-	2,173	-	2,173
Derivatives assets	-	62	-	-	-	-	-	62
Investments	-	4,861	4,858	3	-	-	231	9,953
Loans to customers	4,177	15,491	42,640	124,292	34,173	-	5,941	226,714
Securities and derivatives business receivables - net	-	1,058	-	-	-	-	-	1,058
Other assets - receivables from clearing house	-	292	-	-	-	-	-	292
Other assets - fee and service receivables	-	451	-	-	-	-	-	451
Other assets - other receivables	-	605	-	-	-	-	-	605
	<u>9,020</u>	<u>57,410</u>	<u>47,498</u>	<u>124,295</u>	<u>34,173</u>	<u>2,173</u>	<u>6,172</u>	<u>280,741</u>
Financial liabilities								
Deposits	53,986	84,431	64,812	244	-	-	-	203,473
Interbank and money market items	881	1,221	392	3,313	-	-	-	5,807
Liabilities payable on demand	1,285	-	-	-	-	-	-	1,285
Debts issued and borrowings	37	3,949	-	2,220	6,620	-	-	12,826
Lease liabilities	-	-	180	574	75	-	-	829
Securities and derivatives business payables - net	-	1,033	-	-	-	-	-	1,033
Accrued interest payable	18	459	257	2	-	-	-	736
Other liabilities - payables to clearing house	-	310	-	-	-	-	-	310
	<u>56,207</u>	<u>91,403</u>	<u>65,641</u>	<u>6,353</u>	<u>6,695</u>	<u>-</u>	<u>-</u>	<u>226,299</u>
Commitments and contingent liabilities								
Avals to bills and other guarantees	2	-	32	24	-	439	-	497
Other commitments	-	1,190	179	1,159	-	-	-	2,528

(Unit: Million Baht)

Separate financial statements as at 31 December 2021

Transactions	At call	0 - 3 months	3 - 12 months	1 - 5 years	Over 5 years	Unspecified	Financial	Total
							assets that are credit- impaired	
Financial assets								
Interbank and money market items	23	-	-	-	-	-	-	23
Financial assets measured at fair value through profit or loss	-	-	-	-	-	1,049	-	1,049
Investments	-	-	-	-	-	-	202	202
Loans to customers	3,310	-	-	-	-	-	-	3,310
Other assets - fee and service receivables	-	121	-	-	-	-	-	121
	3,333	121	-	-	-	1,049	202	4,705
Financial liabilities								
Interbank and money market items	565	-	-	-	-	-	-	565
Debts issued and borrowings	-	6,065	-	-	-	-	-	6,065
Lease liabilities	-	-	-	1	-	-	-	1
Accrued interest payable	-	11	-	-	-	-	-	11
	565	6,076	-	1	-	-	-	6,642

(Unit: Million Baht)

Separate financial statements as at 31 December 2020

Transactions	At call	0 - 3 months	3 - 12 months	1 - 5 years	Over 5 years	Unspecified	Financial	Total
							assets that are credit- impaired	
Financial assets								
Interbank and money market items	17	-	-	-	-	-	-	17
Financial assets measured at fair value through profit or loss	-	-	-	-	-	890	-	890
Investments	-	-	-	-	-	-	206	206
Loans to customers	3,180	-	-	-	-	-	-	3,180
Other assets - fee and service receivables	-	126	-	-	-	-	-	126
	3,197	126	-	-	-	890	206	4,419
Financial liabilities								
Interbank and money market items	3,780	-	-	-	-	-	-	3,780
Debts issued and borrowings	-	1,629	-	-	-	-	-	1,629
Lease liabilities	-	-	-	1	-	-	-	1
Accrued interest payable	-	1	-	-	-	-	-	1
	3,780	1,630	-	1	-	-	-	5,411

Regarding the disclosure of the Financial Business Group's Liquidity Coverage Ratio as at 31 December 2021, it will be disclosed via the Company's website by April 2022.

3.37.4 Derivatives

As at 31 December 2021 and 2020, the subsidiary operating a banking business has a policy to enter into foreign exchange contracts to manage the risk associated with its financial assets. The subsidiary classified them as trading derivatives and measured them at fair value through profit or loss, as follows:

(Unit: Million Baht)

As at 31 December 2021		
Maturity	Notional amount	Loss on measurement of fair value
2022	1,513	(3)

(Unit: Million Baht)

As at 31 December 2020		
Maturity	Notional amount	Gain on measurement of fair value
2021	1,190	62

3.38 Fair value hierarchy

3.38.1 As at 31 December 2021 and 2020, the Group has assets and liabilities that are measured or disclosed at fair value using different levels of inputs as follows:

(Unit: Million Baht)

	Consolidated financial statements				Total
	As at 31 December 2021				
	Book value	Fair value			
	Level 1	Level 2	Level 3		
<u>Financial assets measured at fair value</u>					
Financial assets measured at fair value through profit for loss					
Equity securities	1,215	425	-	790	1,215
Unit trusts	866	807	59	-	866
Investments - debt securities	8,043	-	7,816	227	8,043
<u>Financial liabilities measured at fair value</u>					
Derivatives					
Foreign exchange contracts	3	-	3	-	3
<u>Assets measured at fair value</u>					
Investment properties	27	-	-	27	27
Office condominiums	2,393	-	-	2,393	2,393
<u>Financial assets for which fair value is disclosed</u>					
Cash	1,103	1,103	-	-	1,103
Interbank and money market items	30,489	1,950	28,539	-	30,489
Loans to customers and accrued interest receivables	192,922	-	39,472	158,473	197,945
Securities and derivatives business receivables - net	1,131	-	1,131	-	1,131
Other assets - receivables from clearing house	396	-	396	-	396
Other assets - fee and service receivables	480	-	480	-	480
Other assets - other receivables	715	-	715	-	715
<u>Financial liabilities for which fair value is disclosed</u>					
Deposits	166,542	49,094	117,448	-	166,542
Interbank and money market items	8,081	1,627	6,454	-	8,081
Liabilities payable on demand	274	274	-	-	274
Debts issued and borrowings	14,962	-	14,459	-	14,459
Securities and derivatives business payables - net	1,521	-	1,521	-	1,521
Accrued interest payable	482	6	476	-	482

(Unit: Million Baht)

	Consolidated financial statements				Total
	As at 31 December 2020				
	Book value	Fair value			
	Level 1	Level 2	Level 3		
<u>Financial assets measured at fair value</u>					
Financial assets measured at fair value through profit for loss					
Equity securities	1,227	455	-	772	1,227
Unit trusts	946	890	56	-	946
Derivatives					
Foreign exchange contracts	62	-	62	-	62
Investments - debt securities	9,953	-	9,722	231	9,953
<u>Assets measured at fair value</u>					
Investment properties	27	-	-	27	27
Office condominiums	2,425	-	-	2,425	2,425
<u>Financial assets for which fair value is disclosed</u>					
Cash	1,220	1,220	-	-	1,220
Interbank and money market items	38,212	3,539	34,673	-	38,212
Loans to customers and accrued interest receivables					
	215,944 ⁽¹⁾	-	52,859	168,667	221,526
Securities and derivatives business receivables - net					
	1,058	-	1,058	-	1,058
Other assets - receivables from clearing house					
	292	-	292	-	292
Other assets - fee and service receivables					
	451	-	451	-	451
Other assets - other receivables					
	605	-	605	-	605
<u>Financial liabilities for which fair value is disclosed</u>					
Deposits	203,473	53,520	149,953	-	203,473
Interbank and money market items	5,808	1,125	4,683	-	5,808
Liabilities payable on demand	1,285	1,285	-	-	1,285
Debts issued and borrowings	12,826	-	12,228	-	12,228
Securities and derivatives business payables - net					
	1,033	-	1,033	-	1,033
Accrued interest payable	736	7	729	-	736
Other liabilities - payables to clearing house					
	310	-	310	-	310

(1) Book value of loans to customers and accrued interest receivables before deduction of excess provision amounting to Baht 1,056 million.

(Unit: Million Baht)

	Separate financial statements				
	As at 31 December 2021				
	Book value	Fair value			Total
	Level 1	Level 2	Level 3		
Financial assets measured at fair value					
Financial assets measured at fair value through profit or loss					
Equity securities	241	241	-	-	241
Unit trusts	807	807	-	-	807
Investments - debt securities	202	-	-	202	202
Assets measured at fair value					
Investment properties	911	-	-	911	911
Office condominiums	643	-	-	643	643
Financial assets for which fair value is disclosed					
Interbank and money market items	23	23	-	-	23
Loans to customers and accrued interest receivables	3,306	-	-	3,306	3,306
Other assets - fee and service receivables	121	-	121	-	121
Financial liabilities for which fair value is disclosed					
Interbank and money market items	565	-	-	565	565
Debts issued and borrowings	6,065	-	6,065	-	6,065
Accrued interest payable	11	-	11	-	11

(Unit: Million Baht)

	Separate financial statements				
	As at 31 December 2020				
	Book value	Fair value			Total
	Level 1	Level 2	Level 3		
Financial assets measured at fair value					
Financial assets measured at fair value through profit or loss - unit trusts					
Equity securities	890	890	-	-	890
Investments - debt securities	206	-	-	206	206
Assets measured at fair value					
Investment properties	911	-	-	911	911
Office condominiums	654	-	-	654	654
Financial assets for which fair value is disclosed					
Interbank and money market items	17	17	-	-	17
Loans to customers and accrued interest receivables	3,176	-	-	3,176	3,176
Other assets - fee and service receivables	126	-	126	-	126
Financial liabilities for which fair value is disclosed					
Interbank and money market items	3,780	-	-	3,780	3,780
Debts issued and borrowings	1,629	-	1,629	-	1,629
Accrued interest payable	1	-	1	-	1

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

3.38.2 A reconciliation of the financial assets measured at fair value which are categorised within level 3 of the fair value hierarchy is presented as follows:

	Consolidated financial statements			(Unit: Million Baht)
	Non-marketable equity instruments	Investments - private sector debt securities	Total	Separate financial statements
Balance as at 1 January 2021	772	231	1,003	Investments - private sector debt securities 206
Disposal during the year	(25)	-	(25)	-
Reduction of share capital during the year	(1)	-	(1)	-
Net gain (loss) recognised in profit or loss	44	(9)	35	(8)
Net gain recognised in other comprehensive income	-	5	5	4
Balance as at 31 December 2021	790	227	1,017	202

Key assumptions used in the valuation are summarised below.

Financial instruments	Valuation technique	Significant unobservable inputs	Rates	Sensitivity of the input to fair value
Investments in non-marketable equity instruments	Discounted future cash flows	Terminal growth rate	0%, 0.5%	1% increase in the terminal growth rate would result in an increase in fair value by Baht 52 million.
		Equity risk premium	10.80%	1% increase in the equity risk premium would result in a decrease in fair value by Baht 52 million.

Fair value of investments in private debt securities is wholly determined using yield rates quoted by the Thai Bond Market Association. However, as they are investments in companies with weak financial positions and poor operating results, they are categorised within level 3, and sensitivity of the input to fair value has not been calculated.

4. Dividend payment

	Approved by	Dividend per share		Amounts of	Dividend
		Preference share	Ordinary share	dividend paid	payment period
		(Baht per share)	(Baht per share)	(Million Baht)	
Interim dividends for 2019	The Meeting of the Board of Directors on 10 April 2020	7.75	7.75	6,205	May 2020
Total dividend payment in year 2020				<u>6,205</u>	
Annual dividends for 2020	The 2021 Annual General Meeting of the Shareholders on 22 April 2021	6.30	6.30	5,044	May 2021
Total dividend payment in year 2021				<u>5,044</u>	

5. Reclassification

The Group has reclassified some items in the statements of comprehensive income for the year ended 31 December 2020 in order to correspond to the classification in the current year. The reclassification does not impact profit or equity as previously reported, as follows:

(Unit: Thousand Baht)

	Consolidated financial statements	
	For the year ended 31 December 2020	
	As reclassified	As previously reported
Statement of comprehensive income		
Net fee and service income		
Fee and service income	5,512,092	5,459,691
Fee and service expenses	366,061	313,660

6. Approval of financial statements

These financial statements were approved by the Company's Audit Committee on 10 February 2022.

	Amount due for payment under the contract			
	Less than			
	1 year	1 - 5 years	Over 5 years	Total
Undiscounted lease payments	292	630	-	922
Deferred interest expenses	(17)	(16)	-	(33)
Lease liabilities	<u>275</u>	<u>614</u>	<u>-</u>	<u>889</u>

The Group had total cash outflows on leases during the year ended 31 December 2020 of Baht 303 million (the Company only: Baht 3 million).

Expenses relating to leases that are recognised in profit or loss for the year ended 31 December 2020 are as follows:

	(Unit: Million Baht)	
	Consolidated financial statements	Separate financial statements
Depreciation expense of right-of-use assets	288	-
Interest expense on lease liabilities	24	-
Expense relating to variable lease payments	18	3
Total	330	3

4.21 Provision

	(Unit: Thousand Baht)			
	Consolidated financial statements as at 31 December		Separate financial statements as at 31 December	
	2020	2019	2020	2019
Allowance for expected credit loss on loan commitments	14,716	-	-	-
Provision for long-term employee benefits	1,676,338	1,485,868	291,741	265,897
Total provisions	1,691,054	1,485,868	291,741	265,897

4.21.1 Allowance for expected credit loss on loan commitments

As at 31 December 2020, allowance for expected credit loss on loan commitments by classification is as follows:

	(Unit: Thousand Baht)	
	Consolidated financial statements as at 31 December 2020	
	Loan commitments	Allowance for expected credit loss
Financial assets with no significant increase in credit risk (Performing)	1,338,700	14,716
Financial assets with significant increases in credit risk (Under-performing)	-	-
Financial assets that are credit-impaired (Non-performing)	-	-
Total	1,338,700	14,716

Changes in allowance for expected credit loss on loan commitments is as follows:

(Unit: Thousand Baht)

Consolidated financial statements as at 31 December 2020				
	Financial assets with no significant increase in credit risk (12-mth ECL)	Financial assets with significant increase in credit risk (Lifetime ECL - not credit impaired)	Financial assets that are credit- impaired (Lifetime ECL - credit impaired)	Total
Balance - beginning of year	-	-	-	-
Changes from revaluation of allowance for credit loss	14,716	-	-	14,716
Balance - end of year	14,716	-	-	14,716

4.21.2 Provision for long-term employee benefits

Provision for long-term employee benefits, which is compensations on employees' retirement and other long-term benefits, as at 31 December 2020 and 2019 is as follows:

(Unit: Thousand Baht)

Consolidated financial statements as at 31 December		
	2020	2019
Defined post-employment benefit obligation at beginning of year	1,234,614	659,719
Current service cost	96,685	72,855
Interest cost	19,502	24,672
Past service cost	-	213,412
Benefits paid during the year	(35,104)	(24,619)
Included in other comprehensive income:		
Actuarial (gain) loss arising from		
Demographic assumptions changes	22,155	169,837
Financial assumptions changes	28,635	161,618
Other assumptions changes	(10,517)	(42,880)
Defined post-employment benefit obligation at end of year	1,355,970	1,234,614
Other long-term benefits	320,368	251,254
Total provision for long-term employee benefits at end of year	1,676,338	1,485,868

(Unit: Thousand Baht)

	Separate financial statements	
	as at 31 December	
	2020	2019
Defined post-employment benefit obligation at beginning of year	241,239	155,960
Current service cost	14,175	12,189
Interest cost	3,200	4,844
Past service cost	-	49,486
Benefits paid during the year	(9,139)	(1,867)
Included in other comprehensive income:		
Actuarial (gain) loss arising from		
Demographic assumptions changes	2,590	29,652
Financial assumptions changes	7,717	35,796
Other assumptions changes	3,541	(44,821)
Defined post-employment benefit obligation at end of year	263,323	241,239
Other long-term benefits	28,418	24,658
Total provision for long-term employee benefits at end of year	291,741	265,897

Long-term employee benefit expenses included in the profit or loss for the years ended 31 December 2020 and 2019 are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2020	2019	2020	2019
Current service cost	129,086	93,966	16,632	14,148
Interest cost	23,081	28,688	3,524	5,293
Past service cost	-	213,412	-	49,486
Actuarial loss	52,530	70,833	4,208	3,251
Total employee benefit expenses	204,697	406,899	24,364	72,178

As at 31 December 2020 and 2019, the Group expects to pay long-term employee benefits during the next year of Baht 131 million and Baht 120 million, respectively (the Company only: Baht 52 million and Baht 44 million, respectively).

As at 31 December 2020 and 2019, the weighted average duration of the liabilities for long-term employee benefits is 16 years (the Company only: 11 years and 12 years, respectively).

Significant actuarial assumptions as at the assessment date are summarised below:

(Unit: Percent per annum)

	Consolidated financial statements		Separate financial statements	
	As at 31 December		As at 31 December	
	2020	2019	2020	2019
Discount rate	0.46 - 2.61	1.25 - 2.25	0.46 - 2.41	1.25 - 2.19
Average salary increase rate	5.00	5.00	5.00	5.00

The results of sensitivity analysis for significant assumptions that affect the increase (decrease) in the present value of the employee benefit obligation as at 31 December 2020 and 2019 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements as at 31 December			
	2020		2019	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
Discount rate	(37,366)	39,014	(34,429)	35,962
Average salary increase rate	37,673	(36,298)	34,780	(33,498)

(Unit: Thousand Baht)

	Separate financial statements as at 31 December			
	2020		2019	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
Discount rate	(4,327)	4,479	(4,219)	4,365
Average salary increase rate	4,314	(4,192)	4,216	(4,098)

4.22 Other liabilities

(Unit: Thousand Baht)

	Consolidated financial statements as at 31 December		Separate financial statements as at 31 December	
	2020	2019	2020	2019
	Payable to clearing house	309,866	338,821	-
Withholding income tax and other tax payables	593,909	528,570	94,560	88,931
Accrued insurance premium	479,958	474,845	-	-
Deferred income	1,481,571	1,642,236	-	-
Accrued expenses	3,458,156	4,259,596	1,508,858	1,360,474
Suspense creditors	1,075,205	1,014,778	-	-
Other liabilities	405,956	400,296	100	92
Total other liabilities	7,804,621	8,659,142	1,603,518	1,449,497

The above accrued expenses include accrued bonus expenses which are remunerations paid to employees and management based on annual performance. These accrued bonus expenses include costs of annual bonus that are determined with reference to the Company's share price, paid to employees whose performance impacts the Company's operating results, as an incentive to work effectively and to build loyalty to the Company. This vested bonus is continuously set aside for payment five years later. It is paid in cash and determined based on the average daily price of the Company's shares over the period of five years from grant date to settlement date. As of 31 December 2020, the Group has accrued bonus under this scheme amounting to Baht 444 million (the Company only: Baht 217 million).

As at 31 December 2020, the above other liabilities include advances received from Electronic Funds Transfer transactions of the maintained operating a banking business amounting to Baht 3 million, and the subsidiary maintained an asset amounting to Baht 13 million to reserve for advances received through such transactions, presented under interbank and money market items (assets) in the statement of financial position.

4.23 Capital funds

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

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

Regarding Capital funds as at 31 December 2020 and 2019, the Financial Business Group has allocated the additional reserve from classification as part of regulatory capital funds. The reserve has been classified to Tier 1 capital and Tier 2 capital based on method under BOT's regulation.

Capital funds of the Financial Business Group (under Basel III principles) are as follows:

	(Unit: Thousand Baht)	
	As at 31 December	
	2020	2019
<u>Common Equity Tier I capital</u>		
Issued and paid-up share capital	8,006,456	8,006,456
Premium on share capital	1,018,408	1,018,408
Statutory reserve	801,000	801,000
Net profits after appropriation	21,759,372	20,512,152
Other components of equity	1,837,917	1,810,937
Less: Deductions from Common Equity Tier I items	(1,054,338)	(1,753,842)
Total Common Equity Tier I capital	32,368,815	30,395,111
<u>Financial Instrument Tier I capital</u>		
Issued and paid-up share capital - non cumulative preferred shares	99	99
Total Tier I capital	32,368,914	30,395,210
<u>Tier II capital</u>		
Long-term subordinated debentures	6,620,000	6,680,000
Surplus of provision	762,036	769,245
Reserve for loans classified as normal	726,676	717,550
Total Tier II capital	8,108,712	8,166,795
Total capital funds	40,477,626	38,562,005

	(Unit: Percent)			
	As at 31 December			
	2020		2019	
Capital fund ratios	Financial Business Group	Requirement	Financial Business Group	Requirement
	Common Equity Tier I capital to risk assets	17.48	7.00	16.38
Tier I capital to risk assets	17.48	8.50	16.38	8.50
Total capital to risk assets	21.86	11.00	20.78	11.00

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

(Unit: Thousand Baht)

	As at 31 December	
	2020	2019
<u>Common Equity Tier I capital</u>		
Issued and fully paid-up share capital	9,215,676	9,215,676
Premium on share capital	2,543,024	2,543,024
Statutory reserve	984,000	984,000
Net profits after appropriation	17,713,142	17,277,459
Other components of equity	309,469	304,899
Less: Deductions from Common Equity Tier I items	(366,769)	(1,080,464)
Total Common Equity Tier I capital	30,398,542	29,244,594
<u>Financial Instrument Tier I capital</u>		
Issued and fully paid-up share capital - non cumulative preferred shares	1	1
Total Tier I capital	30,398,543	29,244,595
<u>Tier II Capital</u>		
Long-term subordinated debentures	6,620,000	6,680,000
Surplus of provision	741,712	749,945
Reserve for loans classified as normal	557,567	542,598
Total Tier II capital	7,919,279	7,972,543
Total capital funds	38,317,822	37,217,138

(Unit: Percent)

Capital fund ratios	As at 31 December			
	2020		2019	
	TISCO Bank	Requirement	TISCO Bank	Requirement
Common Equity Tier I capital to risk assets	18.07	7.00	17.37	7.00
Tier I capital to risk assets	18.07	8.50	17.37	8.50
Total capital to risk assets	22.78	11.00	22.10	11.00

To comply with the Notification of the BOT No. Sor Nor Sor. 15/2562 regarding "Public Disclosure of Capital Maintenance for Financial Business Group (No.2)", the Company will disclose capital maintenance information of the Financial Business Group as at 31 December 2020 on its website (www.tisco.co.th) within April 2021.

4.24 Other components of equity

4.24.1 Surplus (deficit) on valuation of available-for-sale investments

(Unit: Thousand Baht)

	Consolidated financial statements as at 31 December		Separate financial statements as at 31 December	
	2020	2019	2020	2019
Balance - beginning of year	(14,260)	(88,532)	52,234	(62,026)
Changes due to the adoption of new financial reporting standards	14,260	-	(52,234)	-
Balance - beginning of year after adjustment	-	(88,532)	-	(62,026)
Increase from changes in value of investments during the year	-	74,272	-	114,260
	-	(14,260)	-	52,234
Less: Effect of deferred tax liabilities	-	(17,384)	-	(10,447)
Balance - end of year	-	(31,644)	-	41,787

4.24.2 Surplus (deficit) on valuation of investments at fair value through other comprehensive income

(Unit: Thousand Baht)

	Consolidated financial statements as at 31 December		Separate financial statements as at 31 December	
	2020	2019	2020	2019
Balance - beginning of year	-	-	-	-
Changes due to the adoption of new financial reporting standards	5,286	-	-	-
Balance - beginning of year after adjustment	5,286	-	-	-
Increase (decrease) from changes in value of investments during the year	2,053	-	(1,536)	-
	7,339	-	(1,536)	-
Add: Effect of deferred tax assets	-	-	307	-
Less: Effect of deferred tax liabilities	(1,468)	-	-	-
Balance - end of year	5,871	-	(1,229)	-

4.24.3 Surplus on revaluation of assets

This represents surplus arising from revaluation of office condominiums. The surplus is amortised to retained earnings on a straight-line basis over the remaining life of the related assets.

(Unit: Thousand Baht)

	Consolidated financial statements as at 31 December		Separate financial statements as at 31 December	
	2020	2019	2020	2019
Balance - beginning of year	1,451,010	1,455,449	382,866	383,656
Transfer to retained earnings	(4,364)	(4,439)	(794)	(790)
	1,446,646	1,451,010	382,072	382,866
Less: Effect of deferred tax liabilities	(289,508)	(290,298)	(76,413)	(76,572)
Balance - end of year	1,157,138	1,160,712	305,659	306,294

4.25 Interest income

Interest income in the statements of comprehensive income for the years ended 31 December 2020 and 2019 consisted of the following:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	For the years ended 31		For the years ended 31	
	December		December	
	2020	2019	2020	2019
Interbank and money market items	251,331	575,858	2,653	6,951
Investments in debt securities	142,275	232,414	6,953	3,815
Loans to customers and overdrafts	8,002,719	8,047,674	55,764	49,892
Hire purchase and finance lease	8,360,384	9,025,261	-	-
Total interest income	16,756,709	17,881,207	65,370	60,658

Interest income for the year ended 31 December 2020 consisted of interest income on credit-impaired financial assets amounting to Baht 548 million. The subsidiaries fully recognised expected credit loss on such interest income.

4.26 Interest expenses

Interest expenses in the statements of comprehensive income for the years ended 31 December 2020 and 2019 consisted of the following:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2020	2019	2020	2019
Deposits	2,637,766	3,242,249	-	-
Interbank and money market items	25,468	28,431	19,589	127
Contribution fee to the Deposit Protection Agency and the Bank of Thailand	523,948	1,062,716	-	-
Issued debt securities				
- Subordinated debentures	265,996	275,075	-	-
- Unsubordinated debentures	180,703	467,063	50,827	73,630
Borrowings	913	13,264	-	12,352
Others	24,206	-	24	-
Total interest expenses	3,659,000	5,088,798	70,440	86,109

4.27 Net fee and service income

Net fee and service income in the statements of comprehensive income for the years ended 31 December 2020 and 2019 consisted of the following:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2020	2019	2020	2019
Fee and service income				
- Acceptance, aval and guarantees	6,670	5,271	-	-
- Insurance service	2,222,944	3,129,050	-	-
- Brokerage fee	784,796	718,042	-	-
- Fund management	1,219,100	1,527,632	-	-
- Others	1,226,181	1,130,977	-	-
Total fee and service income	5,459,691	6,510,972	-	-
Fee and service expenses				
- Information service expenses	(17,760)	(14,885)	-	-
- Others	(295,900)	(310,869)	(21,975)	(17,175)
Total fee and service expenses	(313,660)	(325,754)	(21,975)	(17,175)
Net fee and service income	5,146,031	6,185,218	(21,975)	(17,175)

4.28 Net gain on financial instruments measured at fair value through profit or loss

Net gain on financial instruments measured at fair value through profit or loss in the statements of comprehensive income for the years ended 31 December 2020 and 2019 consisted of the following:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2020	2019	2020	2019
Gains (losses) on financial instruments				
measured at fair value through profit or loss				
- Foreign currencies and derivatives				
on foreign exchange	(15,283)	-	(1,738)	-
- Debt securities	20,032	-	-	-
- Equity securities	252,741	-	54,964	-
- Others	(5)	-	-	-
Net gain on financial instruments measured at				
fair value through profit or loss	257,485	-	53,226	-

4.29 Net loss on trading and foreign exchange transactions

Net loss on trading and foreign exchange transactions in the statements of comprehensive income for the years ended 31 December 2020 and 2019 consisted of the following:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2020	2019	2020	2019
Gains (losses) on trading and foreign exchange transactions				
- Foreign currencies and derivatives on foreign exchange	-	(58,331)	-	(59,493)
- Derivatives on interest rates	-	(2)	-	-
- Debt securities	-	34,294	-	-
- Others	-	(188)	-	-
Net loss on trading and foreign exchange transactions	-	(24,227)	-	(59,493)

4.30 Net gain on investments

Net gain on investments in the statements of comprehensive income for the years ended 31 December 2020 and 2019 consisted of the following:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2020	2019	2020	2019
Gains on disposal				
- Debt instruments measured at fair value through other comprehensive income	4,921	-	-	-
- Debt instruments measured at amortised cost	7,451	-	-	-
- Available-for-sale investments	-	703	-	-
- Held-to-maturity debt securities	-	9,880	-	-
- General investments	-	1,918	-	-
Total	12,372	12,501	-	-
Loss on impairment				
- General investments	-	(5,684)	-	-
Total	-	(5,684)	-	-
Net gain on investments	12,372	6,817	-	-

4.31 Bad debts, doubtful accounts and impairment loss

Bad debts, doubtful accounts and impairment loss in the statements of comprehensive income for the years ended 31 December 2020 and 2019 consisted of the following:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2020	2019	2020	2019
Held-to-maturity debt securities (reversal)	-	(915)	-	-
Loans to customers	-	1,110,018	-	-
Total	-	1,109,103	-	-

4.32 Expected credit loss

Expected credit loss and gain or loss from the modifications of terms of financial assets in the statements of comprehensive income for the year ended 31 December 2020 and 2019 consisted of the following:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2020	2019	2020	2019
Expected credit loss				
- Interbank and money market items	1,081	-	9	-
- Investments in debt instruments measured at amortised cost (reversal)	(390)	-	-	-
- Investments in debt instruments measured at fair value through other comprehensive income and accrued interest receivables	193,797	-	168,272	-
- Loans to customers	3,067,524	-	4,134	-
Loss from the modification of terms				
- Loans to customers	53,876	-	-	-
Loan commitments	14,716	-	-	-
Total	3,330,604	-	172,415	-

4.33 Income tax expenses

Income tax expenses of the Group for the years ended 31 December 2020 and 2019 are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2020	2019	2020	2019
Current income tax:				
Income tax expenses for the year	1,040,671	2,081,022	105,243	91,600
Adjustments of prior year's income tax	37	-	-	-
Deferred tax:				
Deferred tax on temporary differences and reversion of temporary differences	456,946	(298,469)	(52,801)	(12,760)
Income tax expenses reported in the statement of comprehensive income	1,497,654	1,782,553	52,442	78,840

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2020 and 2019 are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2020	2019	2020	2019
(Gain) loss on valuation of investments in debt instruments measured at fair value through other comprehensive income	(411)	-	307	-
Gain on valuation of available-for-sale investments	-	(14,854)	-	(22,852)
Actuarial loss	8,072	57,556	2,770	4,125
Income tax expenses recorded directly to other comprehensive income	7,661	42,702	3,077	(18,727)

A reconciliation between income tax expenses and the product of accounting profit multiplied by the applicable tax rate for the years ended 31 December 2020 and 2019 is as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2020	2019	2020	2019
Accounting profit before tax	7,561,516	9,055,751	5,111,737	6,303,124
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by applicable tax rate	1,512,303	1,811,150	1,022,347	1,260,625
Income tax effect:				
Tax effect of net tax-exempt income and net disallowed expenses	(13,367)	(23,936)	(969,905)	(1,181,785)
Adjustments of prior year's income tax	37	-	-	-
Others	(1,319)	(4,661)	-	-
Income tax expenses reported in the statement of comprehensive income	1,497,654	1,782,553	52,442	78,840
Weighted average tax rate	19.81%	19.68%	1.03%	1.25%

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

(Unit: Thousand Baht)

	Consolidated financial statements			
	As at 31 December		Changes in deferred tax assets/liabilities reported in profit or loss for the years ended 31 December	
	2020	2019	2020	2019
Allowance for doubtful accounts	391,269	838,399	(447,130)	124,910
Allowance for expected credit loss	42,846	-	42,846	-
Allowance for impairment of investments	34,788	39,063	(4,275)	(4,663)
Allowance for impairment of properties foreclosed	168	55	113	(2,319)
Non-accrual of interest income	10,719	55,655	(44,936)	4,971
Depreciation of assets	(69,190)	(75,889)	6,699	(6,411)
Finance leases	-	(12)	12	150
Gain on changes in value of investment properties	(1,441)	(4,722)	3,281	205
Surplus on revaluation of assets	(295,261)	(296,051)	-	-
Surplus on changes in value of investments	(961)	(17,385)	-	-
Unrealised (gain) loss on derivatives	-	(214)	214	(2,131)
Gain on changes in fair value of investment in securities	(131,109)	-	(10,915)	-
Deferred commission and direct expenses incurred				
at the initiation of hire purchase	(370,862)	(615,105)	244,243	(22,779)
Loss on disposal of properties foreclosed	46,727	49,173	(2,446)	26,710
Unearned interest income on hire purchase	101,877	197,238	(95,361)	18,017
Reduction of subsidiaries' share capital	21,435	25,048	(3,613)	3,613
Accrued expenses	581,072	694,211	(113,139)	87,811
Employee benefit expenses	308,945	295,862	12,622	81,825
Others	95,422	139,578	(44,156)	10,182
Deferred tax assets	<u>766,444</u>	<u>1,324,904</u>	<u>(455,941)</u>	<u>320,091</u>

(Unit: Thousand Baht)

	Consolidated financial statements			
	As at 31 December		Changes in deferred tax assets/liabilities reported in profit or loss for the years ended 31 December	
	2020	2019	2020	2019
Allowance for expected credit loss	(81)	-	(81)	-
Allowance for impairment of investments	(6)	-	(6)	-
Depreciation of assets	(1,757)	-	(1,757)	(1,200)
Gain on changes in fair value of investment properties	2,687	-	2,687	-
Surplus on revaluation of assets	507	-	-	-
Gain on changes in value of investments in securities	46,970	-	39,774	-
Accrued expenses	(21,343)	-	(21,343)	17,406
Employee benefit expenses	(24,862)	-	(17,251)	5,214
Others	(1,018)	-	(1,018)	202
Deferred tax liabilities	1,097	-	1,005	21,622

(Unit: Thousand Baht)

	Separate financial statements			
	As at 31 December		Changes in deferred tax assets/liabilities reported in profit or loss for the years ended 31 December	
	2020	2019	2020	2019
Allowance for expected credit loss	34,483	-	34,483	-
Allowance for impairment of investments	21,732	21,732	-	-
Depreciation of assets	(41,622)	(39,177)	(2,445)	(3,294)
Gain on changes in fair value of investment properties	(92,082)	(92,082)	-	-
Surplus on revaluation of assets	(76,413)	(76,573)	-	-
(Surplus) deficit on changes in value of investments	307	(10,447)	-	-
Gain on changes in value of investments in securities	(21,440)	-	(10,992)	-
Reduction of subsidiaries' share capital	21,435	21,435	-	-
Accrued expenses	297,228	268,696	28,532	2,398
Employee benefit expenses	58,348	53,179	2,399	13,656
Others	824	-	824	-
Deferred tax assets	202,800	146,763	52,801	12,760

4.34 Earnings per share

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

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2020	2019	2020	2019
Profit attributable to equity holders of the Company (Thousand Baht)	6,063,483	7,270,233	5,059,295	6,224,284
Weighted average number of shares (Thousand shares)	800,655	800,655	800,655	800,655
Basic earnings per share (Baht/share)	7.57	9.08	6.32	7.77

4.35 Related party transactions

The relationships between the Company and its related parties

Name of related parties	Relationship
TISCO Bank Public Company Limited	Subsidiary company
TISCO Securities Co., Ltd.	Subsidiary company
TISCO Asset Management Co., Ltd.	Subsidiary company
Hi-Way Co., Ltd.	Subsidiary company
TISCO Insurance Solution Co., Ltd.	Subsidiary company
TISCO Information Technology Co., Ltd.	Subsidiary company
TISCO Learning Center Co., Ltd.	Subsidiary company
All-Ways Co., Ltd.	Subsidiary company
Primus Leasing Co., Ltd. (In the process of liquidation)	Subsidiary company
TISCO Investment Advisory Securities Co., Ltd. ⁽¹⁾	Subsidiary company
TISCO Tokyo Leasing Co., Ltd.	Joint venture company

(1) The company registered the completeness of liquidation with the Ministry of Commerce on 28 October 2020.

As at 31 December 2020 and 2019, the balances of accounts between the Company and its related companies are as follows:

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	as at 31 December	
	2020	2019
<u>Outstanding balance</u>		
Directors and management - departmental manager upward Loans ⁽²⁾	23,839	22,366
Deposits	513,190	363,369
Companies which directors or their related persons have significant influence over		
Deposits	147,902	510,516
Related persons of directors and key management		
Deposits	35,880	35,571

(2) Including employee welfare loans and normal loans

(Unit: Thousand Baht)

Separate financial statements
as at 31 December

	2020	2019
<u>Outstanding balance</u>		
(Eliminated from the consolidated financial statements)		
Subsidiary companies		
Interbank and money market items - net (assets)		
TISCO Bank Public Company Limited	17,382	1,098,448
Loans to customers		
Hi-way Co., Ltd.	3,180,000	2,210,000
Dividend receivables		
TISCO Bank Public Company Limited	1,888,978	4,100,464
TISCO Securities Co., Ltd.	340,000	75,000
TISCO Asset Management Co., Ltd.	629,996	699,996
Hi-Way Co., Ltd.	416,500	550,000
TISCO Insurance Solution Co., Ltd.	374,987	384,987
TISCO Information Technology Co., Ltd.	159,995	49,999
TISCO Learning Center Co., Ltd.	34,498	17,499
Other assets		
TISCO Bank Public Company Limited	126,221	120,398
TISCO Securities Co., Ltd.	-	24
TISCO Asset Management Co., Ltd.	-	53
TISCO Learning Center Co., Ltd.	-	365
Interbank and money market items (liabilities)		
TISCO Bank Public Company Limited	3,780,000	-
Other liabilities		
TISCO Learning Center Co., Ltd.	179	43

Loans to related companies

As at 31 December 2020 and 2019, the balances of loans between the Company and its related companies and their movements are as follows:

	(Unit: Thousand Baht)			
	As at 31 December 2019	Increase	Decrease	As at 31 December 2020
Subsidiary companies				
Loans				
Hi-Way Co., Ltd	2,210,000	1,420,000	(450,000)	3,180,000

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

	Separate financial statements		
	For the years ended 31 December		Terms and pricing policies
	2020	2019	
<u>Transactions occurred during the year</u>			
(Eliminated from the consolidated financial statements)			
Subsidiary companies			
Interest income	58,417	56,690	With reference to the terms and prices as offered to other customers
Risk and financial management fee income, human resources management fee income and office administration fee income	2,145,465	2,185,213	Determined on market prices and/or actual costs in compliance with the criteria specified by the BOT
Rental income	75,987	80,246	With reference to the terms and prices as offered to other customers
Computer system advisory service expenses	315,000	292,000	Determined on actual costs in compliance with the criteria specified by the BOT
Training expenses	6,528	9,566	With reference to the prices as offered from other service providers
Interest expenses	19,589	127	With reference to the terms and prices as offered from other service providers
Other expenses	1,527	1,688	With reference to the terms and prices as offered to other customers

In May 2020, the Company invested in private sector debt securities totaling Baht 372 million of a company with weak financial position and poor operating results from mutual funds managed by the subsidiary operating an asset management business. As at 31 December 2020, the Company has already set up an allowance for expected credit loss amounting to Baht 164 million on these investments, calculated based on the average recovery rate as announced by the Thai Bond Market Association.

Directors' and key management's benefits

During the years ended 31 December 2020 and 2019, the Group had short-term benefit expenses and other employee benefit expenses to its directors and key management as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2020	2019	2020	2019
Short-term benefits	769	773	458	467
Post-employment benefits	61	60	32	32
Other long-term benefits	145	145	107	107
Total	975	978	597	606

4.36 Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance. The chief operating decision maker has been identified as the Group Chief Executive of TISCO Group.

For management purposes, the Group operates four main businesses as follows:

1. Commercial banking business: Provides financial services under the Commercial Banking Business license. Banking services are provided through TISCO Bank Public Company Limited headquarter and its branches.
2. Securities business: Provides securities business services under the Securities Business license. These businesses are serviced through the headquarter and branches of the subsidiary across the country.
3. Asset management business: Provides asset management services.
4. Support business: Provides all governance and support functions of the Group.

The Group has aggregated operating segments that have similar economic characteristics and are similar in the other respects required by the Thai Financial Reporting Standard.

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and total assets and on a basis consistent with that used to measure operating profit or loss and total assets in the financial statements. However, the Group income taxes are managed on a group basis. Therefore, these expenses are not allocated to operating segments.

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

The Group operate in Thailand only. As a result, all the revenues and assets as reflected in these financial statements pertain exclusively to this geographical reportable segment.

During the years 2020 and 2019, the Group did not have income from any customer amounting to or over 10 percent of its income.

The following tables present revenue and profit information regarding the Group operating segments for the years ended 31 December 2020 and 2019, respectively.

(Unit: Million Baht)

For the year ended 31 December 2020

	Commercial banking business and lending business	Securities business	Asset manageme nt business	Support business	Total segments	Eliminations	Consolida ted financial statements
Revenue							
External customers	16,270	1,097	1,550	(13)	18,904	-	18,904
Inter-segment	887	2	(64)	8,104	8,929	(8,929)	-
Total revenue	<u>17,157</u>	<u>1,099</u>	<u>1,486</u>	<u>8,091</u>	<u>27,833</u>	<u>(8,929)</u>	<u>18,904</u>
Operating results							
Net interest income	13,082	11	4	(5)	13,092	6	13,098
Net fee and service income	3,682	879	1,476	996	7,033	(1,887)	5,146
Other operating income	393	209	6	7,100	7,708	(7,048)	660
Total operating income	<u>17,157</u>	<u>1,099</u>	<u>1,486</u>	<u>8,091</u>	<u>27,833</u>	<u>(8,929)</u>	<u>18,904</u>
Premises and equipment expenses and amortisation	(1,545)	(80)	(27)	(778)	(2,430)	1,012	(1,418)
Other operating expenses	(6,670)	(575)	(639)	(1,788)	(9,672)	3,079	(6,593)
Expected credit loss	(3,181)	(1)	-	(173)	(3,355)	24	(3,331)
Total operating expenses	<u>(11,396)</u>	<u>(656)</u>	<u>(666)</u>	<u>(2,739)</u>	<u>(15,457)</u>	<u>4,115</u>	<u>(11,342)</u>
Segment profit before income tax expenses	<u>5,761</u>	<u>443</u>	<u>820</u>	<u>5,352</u>	<u>12,376</u>	<u>(4,814)</u>	<u>7,562</u>
Income tax expenses							(1,498)
Non-controlling interests of the subsidiaries							-
Profit for the year - equity holders of the Company							<u>6,064</u>

(Unit: Million Baht)

For the year ended 31 December 2019							
	Commercial banking business and lending business	Securities business	Asset manageme nt business	Support business	Total segments	Eliminations	Consolidate d financial statements
Revenue							
External customers	17,074	777	1,736	(151)	19,436	-	19,436
Inter-segment	637	250	(40)	9,202	10,049	(10,049)	-
Total revenue	<u>17,711</u>	<u>1,027</u>	<u>1,696</u>	<u>9,051</u>	<u>29,485</u>	<u>(10,049)</u>	<u>19,436</u>
Operating results							
Net interest income	12,781	26	7	(22)	12,792	-	12,792
Net fee and service income	4,455	873	1,684	984	7,996	(1,811)	6,185
Other operating income	475	128	5	8,089	8,697	(8,238)	459
Total operating income	<u>17,711</u>	<u>1,027</u>	<u>1,696</u>	<u>9,051</u>	<u>29,485</u>	<u>(10,049)</u>	<u>19,436</u>
Premises and equipment expenses and amortisation	(1,562)	(84)	(28)	(793)	(2,467)	997	(1,470)
Other operating expenses	(7,539)	(841)	(657)	(1,854)	(10,891)	3,090	(7,801)
Bad debts, doubtful accounts and impairment loss	(1,105)	-	-	-	(1,105)	(4)	(1,109)
Total operating expenses	<u>(10,206)</u>	<u>(925)</u>	<u>(685)</u>	<u>(2,647)</u>	<u>(14,463)</u>	<u>4,083</u>	<u>(10,380)</u>
Segment profit before income tax expenses	<u>7,505</u>	<u>102</u>	<u>1,011</u>	<u>6,404</u>	<u>15,022</u>	<u>(5,966)</u>	9,056
Income tax expenses							(1,783)
Non-controlling interests of the subsidiaries							(3)
Profit for the year - equity holders of the Company							<u>7,270</u>

The following tables present total assets information regarding the Group's operating segments as at 31 December 2020 and 2019, respectively.

(Unit: Million Baht)

	As at 31 December 2020						Consolidated financial statements
	Commercial banking and lending business	Securities business	Asset management business	Support business	Total segments	Eliminations	
Segment total assets	272,267	3,392	1,412	31,087	308,158	(32,715)	275,443
Premises and equipment - net	910	18	249	847	2,024	898	2,922

(Unit: Million Baht)

	As at 31 December 2019						Consolidated financial statements
	Commercial banking and lending business	Securities business	Asset management business	Support business	Total segments	Eliminations	
Segment total assets	291,429	2,806	1,464	32,767	328,466	(30,323)	298,143
Premises and equipment - net	939	18	250	826	2,033	951	2,984

4.37 Provident fund

The Company, its eight subsidiaries and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The Group and the employees contribute to the fund monthly at the rates of 5 to 15 percent of the employees' salaries, in accordance with the rules prescribed in the fund's articles. The provident funds of the Company and its eight subsidiaries are managed by TISCO Asset Management Company Limited, and the fund of another subsidiary is managed by Bangkok Bank Public Company Limited. The funds will be paid to the employees upon termination in accordance with the fund rules. During the years 2020 and 2019, the Group recognised the contributions as expenses totaling Baht 320 million and Baht 301 million, respectively (the Company only: Baht 48 million and Baht 45 million, respectively).

4.38 Commitments and contingent liabilities

4.38.1 Avals, guarantees and commitments

(Unit: Thousand Baht)

	Consolidated financial statements as at 31 December	
	2020	2019
Other guarantees	497,316	482,094
Undrawn client overdraft facilities	20,000	46,439
Foreign exchange contracts (Note 4.39.5)	1,189,528	917,044
Others	1,338,700	548,509
Total	3,045,544	1,994,086

4.38.2 Litigation

As at 31 December 2020 and 2019, the subsidiaries have been sued for compensation totaling approximately Baht 392 million and Baht 314 million, respectively. Final judgements have not yet been reached in respect of these cases. The management of the Group believes that no material losses to the consolidated financial statements will be incurred as a result of the mentioned lawsuits.

4.38.3 Other commitments

- a) The subsidiary companies have commitments in relation to computer service agreements, whereby they are to pay both fixed fees and service fees which vary according to the quantity and type of services, as stipulated in the agreements.
- b) The subsidiary that operates a banking business has provided warranties in accordance with the terms of an agreement, related to the sale of a personal loan portfolio. The warranties cover a period of 3 years after the transfer date, to be expired in June 2021.

4.39 Risk management

4.39.1 Credit risk

Credit Risk is defined as the possibility that the obligor or borrower will be unable to comply with the terms and conditions of agreements, causing them to be unable to settle liabilities to the Group when due or to deliberately breach the terms of payment to the Group. If this occurs without collateral coverage, the Group will need to increase its bad debt provisions, adversely impacting the net income and capital of the Group.

Credit Risk Management Framework

The Risk Management Committee has been appointed to oversee credit risk management of the corporate portfolio. The committee is responsible for formulating credit risk strategies and establishing guidelines and limits, as well as advising other credit risk authorities on related issues. It also monitors and reviews credit risks at the portfolio level and reports essential credit risk information to the Board. In addition, the Risk Oversight Committee is to advise the Board of Directors on the risk governance framework to ensure that top management and heads of risk management functions comply with the approved risk management policy, strategies, and risk appetites, while reviewing the sufficiency and effectiveness of the overall risk management policy and strategies. The Risk Oversight Committee is also to report to the Board of Directors on risk exposures and to participate in evaluation of the performance of the heads of the risk management functions.

Specific-area credit risk at in-depth transaction level is under the supervision of the Credit Committee and the Problem Loan Committee. The Credit Committee is responsible for reviewing and granting credit approvals, and may delegate its authority to oversee credit risk to designated persons for lower-risk transactions. In addition, the Problem Loan Committee was set up to closely monitor and follow up overdue payments of problem loan accounts and properties foreclosed on a regular basis.

The credit risk assessment processes are key practices of the Group and include credit rating, credit analysis, delinquency analysis, concentration analysis and risk capital analysis. The Group is aware of the importance of the credit risk assessment process and so all credit activities must operate under a sound credit approval process in which an effective credit rating system is employed. In the retail lending area, quantitative-oriented approaches to credit grading are implemented, considering homogenous high-volume characteristics at the portfolio level. In the corporate lending area, qualitative-oriented credit grading approaches are employed, taking into account the widely varying risk profiles.

Concentration risk is another key factor in credit portfolio risk management. Appropriate guidelines are set to control credit concentration, taking into account appropriateness to and alignment with business practices and

the Group's capital. In addition, the Group uses credit risk management guidelines and limits that are comprehensively and strictly applied to all credit-related functions both at the portfolio and transactional levels, as well as monitoring and managing problem loan and properties foreclosed.

The maximum exposure to credit risk

The table below shows the maximum exposure to credit risk for recognised and unrecognised financial instruments. The maximum exposure is shown at gross before both the effect of mitigation through use of master netting and collateral arrangements.

For financial assets recognised on the statement of financial position, the maximum exposure to credit risk equals their gross carrying amount before deductions of allowance for expected credit loss.

For loan commitments that are irrevocable over the life of the respective facilities, the maximum exposure to credit risk is the full amount of the committed facilities.

As at 31 December 2020 and 2019, the maximum exposure to credit risk are as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	as at 31 December		as at 31 December	
	2020	2019	2020	2019
Interbank and money market items (Assets)	38,213	45,300	17	1,098
Investments in debt instruments measured at fair value through other comprehensive income	9,953	-	206	-
Investments in debt instruments measured at amortised cost	12	12	-	-
Available-for-sale debt investments	-	7,997	-	-
Loans to customers and accrued interest receivables	226,714	244,067	3,180	2,210
Securities and derivatives business receivables	1,058	1,164	-	-
Receivables from clearing house	292	1	-	-
Total financial assets	276,242	298,541	3,403	3,308
Loan commitments	1,339	595	-	-
Total credit risk exposure	277,581	299,136	3,403	3,308

Collateral and any operations to increase creditability

The Group has held collateral and any operations to increase creditability of exposure to risk. The details of the exposure to risk with collateral held by the Group for each type of financial assets are as follows:

(Unit: Million Baht)

	Exposure to risk with collateral	Type of collateral
	as at 31 December 2020	
Interbank and money market items	33,502	Bonds
Loans to customers and accrued interest receivables	224,979	Motor vehicles, lands and buildings, deposits, securities

Credit quality analysis

Credit risk refers to the risk that a customer or a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group has adopted the policy to prevent this risk by performing credit analysis from customers' information and follow-up on customer status consistently.

The table below shows the credit quality of financial assets exposed to credit risk, the amounts presented for financial assets are gross carrying amount (before allowance for expected credit loss). For loan commitments, the amounts in the table represent the amounts committed.

(Unit: Million Baht)

	Consolidated financial statement as at 31 December 2020			
	Financial assets with no significant increase in credit risk (12-mth ECL)	Financial assets with significant increase in credit risk (Lifetime ECL - not credit impaired)	Financial assets that are credit- impaired (Lifetime ECL - credit impaired)	Total
Interbank and money market items (Assets)				
Investment grade	38,213	-	-	38,213
Non-investment grade	-	-	-	-
Total	38,213	-	-	38,213
Allowance for expected credit loss	1	-	-	1
Investments in debt securities measured at fair value through other comprehensive income				
Investment grade	9,722	-	-	9,722
Non-investment grade	-	-	231	231
Total	9,722	-	231	9,953
Allowance for expected credit loss	-	-	191	191
Investments in debt securities measured at amortised cost				
Investment grade	-	-	-	-
Non-investment grade	-	-	12	12
Total	-	-	12	12
Allowance for expected credit loss	-	-	12	12
Loans to customers and accrued interest receivables				
0 day overdue	179,250	8,228	364	187,842
1 - 30 days overdue	11,327	8,900	365	20,592
31 - 60 days overdue	-	9,805	275	10,080
61 - 90 days overdue	-	3,263	178	3,441
Over 90 days overdue	-	-	4,759	4,759
Total	190,577	30,196	5,941	226,714
Allowance for expected credit loss	5,393	3,689	1,688	10,770
Allowance established in excess				1,056
Total allowance for expected credit loss				11,826

(Unit: Million Baht)

Consolidated financial statement as at 31 December 2020

	Financial assets with no significant increase in credit risk (12-mth ECL)	Financial assets with significant increase in credit risk (Lifetime ECL - not credit impaired)	Financial assets that are credit- impaired (Lifetime ECL - credit impaired)	Total
Securities and derivatives business				
receivables				
0 day overdue	1,058	-	-	1,058
1 - 30 days overdue	-	-	-	-
31 - 60 days overdue	-	-	-	-
61 - 90 days overdue	-	-	-	-
Over 90 days overdue	-	-	-	-
Total	1,058	-	-	1,058
Allowance for expected credit loss	-	-	-	-
Receivables from clearing house				
0 day overdue	292	-	-	292
1 - 30 days overdue	-	-	-	-
31 - 60 days overdue	-	-	-	-
61 - 90 days overdue	-	-	-	-
Over 90 days overdue	-	-	-	-
Total	292	-	-	292
Allowance for expected credit loss	-	-	-	-
Loan commitments				
0 day overdue	1,339	-	-	1,339
1 - 30 days overdue	-	-	-	-
31 - 60 days overdue	-	-	-	-
61 - 90 days overdue	-	-	-	-
Over 90 days overdue	-	-	-	-
Total	1,339	-	-	1,339
Allowance for expected credit loss	15	-	-	15

(Unit: Million Baht)

	Separate financial statement as at 31 December 2020			Total
	Financial assets with no significant increase in credit risk (12-mth ECL)	Financial assets with significant increase in credit risk (Lifetime ECL - not credit impaired)	Financial assets that are credit-impaired (Lifetime ECL - credit impaired)	
Interbank and money market items (Assets)				
Investment grade	17	-	-	17
Non-investment grade	-	-	-	-
Total	17	-	-	17
Allowance for expected credit loss	-	-	-	-
Investments in debt securities measured at fair value through other comprehensive income				
Investment grade	-	-	-	-
Non-investment grade	-	-	206	206
Total	-	-	206	206
Allowance for expected credit loss	-	-	164	164
Loans to customers and accrued interest receivables				
0 day overdue	3,180	-	-	3,180
1 - 30 days overdue	-	-	-	-
31 - 60 days overdue	-	-	-	-
61 - 90 days overdue	-	-	-	-
Over 90 days overdue	-	-	-	-
Total	3,180	-	-	3,180
Allowance for expected credit loss	4	-	-	4

TISCO Group has centralised its risk management function under the regulatory guidelines for consolidated supervision issued by the Bank of Thailand. The Group manage credit risk by adopting appropriate credit control policies and procedures in the credit approval process, and by analysis of risk factors and the ability of customers to service debt. For hire purchase receivables, the Group has implemented a credit scoring system, in order to enhance efficiency in the credit approval process and better reflect the credit risk. The Group also adopted a credit review process that examines and reviews the quality of loans so as to prevent and provide a remedy for problem loans in the future. The Group therefore does not expect to incur material financial loss from loans and guarantees of loans. In addition, the Group is not exposed to concentrations of credit risk because it has a varied customer base and a large number of customers. The maximum exposure to credit risk is limited to the carrying amount of loans to customers as stated in the financial statements.

Quality of risk from credit granted by the Group is mainly from the provision of hire purchase receivables of the subsidiary operating a banking business. The subsidiary considers risk of hire purchase receivables as follows.

The risk of hire purchase that is not overdue can be classified into three groups, based on quality of risk in respect of expected loss that will be incurred within one year. These are "Very high grade", "High grade" and "Medium grade", with "Very high grade" credit defined as credit from which expected loss over the next year is less than or equal to 0.2% of the balance; "High grade" as credit from which loss within one year is expected to be between 0.2% and 2.0% and "Medium grade" as credit from which loss within one year is expected to exceed 2.0% of the balance.

Credit risk of hire purchase receivables classified by quality of credit is as follows:

(Unit: Million Baht)

	As at 31 December	
	2020	2019
Not yet past due		
Very high grade	53,570	56,241
High grade	45,175	52,635
Medium grade	3,616	11,603
Subtotal	102,361	120,479
Hire purchase receivables - overdue for 31 to 90 days	19,418	11,569
Hire purchase receivables - overdue for more than 90 days	2,741	2,798
Total	124,520	134,846

4.39.2 Market risk

Market risk is defined as the degree of vulnerability to movements in securities market prices and interest rates, which may affect income or the capital funds of the Group. In order to effectively manage market risk, a suitable risk treatment framework is to be implemented. The Group uses a combination of risk sensitivities, Value at Risk and stress testing to manage market risks and establish limits. The Value at Risk (VaR) concept has employed methodologies and internal techniques appropriate to the nature of risks involved. On-going Back-testing is also performed to validate the internal Value at Risk model, and stress testing is performed under various extreme scenarios as a supplement to VaR. The risk assessment and corresponding risk treatment takes into account the transaction intent as well as the market liquidity of the securities.

4.39.2.1 Market risk - Marketable portfolio

The following table shows the VaR calculation for marketable portfolio position as at the financial statements date. The VaR that the Group measures is an estimate, using a confidence level of 99%, of the potential loss that is not expected to be exceeded if the current marketable portfolio position were to be held unchanged for one year.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	Market risk as at 31 December		Market risk as at 31 December	
	2020	2019	2020	2019
Marketable financial assets				
Equity securities	348	235	151	114
Debt securities	4	4	-	-
Foreign currencies	60	31	60	31

4.39.2.2 Market risk sensitivity - Interest bearing assets and liabilities

The market risk sensitivity of interest bearing assets and liabilities is measured by assessing the effect of changes in interest rates on the net interest income over one year, based on the interest bearing asset and

liability positions held by the Group at the financial statements date. In making such assessment, changes in interest rates are applied prospectively and normal increases in assets and liabilities are not taken into account as presented below.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	Increase (decrease) in sensitivity of net interest income as at 31 December		Increase (decrease) in sensitivity of net interest income as at 31 December	
	2020	2019	2020	2019
Change in interest rate				
Increase by 1 percent	102.44	(23.28)	(21.34)	(22.18)
Decrease by 1 percent	(102.44)	23.28	21.34	22.18

However, to better reflect a realistic business environment, the sensitivity to interest rate risk is adjusted taking into account that business growth and interest rate shift are actually gradual. The net interest rate sensitivity incurred would be less than the effect on net interest income as illustrated in the analysis. This market risk sensitivity of interest bearing assets and liabilities does not include the status of marketable debt securities, which is presented in the market risk - marketable portfolio.

4.39.2.3 Interest rate risk

The Group has the following significant exposures to interest rate risk related to financial instruments.

(Unit: Million Baht)

Transactions	Consolidated financial statements as at 31 December 2020			
	Outstanding balances of financial instruments			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
<u>Financial assets</u>				
Cash	-	-	1,220	1,220
Interbank and money market items - net	132	34,591	3,490	38,213
Financial assets measured at fair value through profit or loss	-	-	2,173	2,173
Derivatives assets	-	-	62	62
Investments - net	-	4,691	5,262	9,953
Loans to customers	36,336	179,168	11,210	226,714
Securities and derivatives business receivables - net	-	-	1,058	1,058
Other assets - receivables from clearing house	-	-	292	292
	<u>36,468</u>	<u>218,450</u>	<u>24,767</u>	<u>279,685</u>
<u>Financial liabilities</u>				
Deposits	52,805	149,953	715	203,473
Interbank and money market items	343	5,326	138	5,807
Liabilities payable on demand	-	-	1,285	1,285
Debts issued and borrowings	-	12,826	-	12,826
Lease liabilities	-	829	-	829
Securities and derivatives business payables - net	-	-	1,033	1,033
Accrued interest payable	-	-	736	736
Other liabilities - payables to clearing house	-	-	310	310
	<u>53,148</u>	<u>168,934</u>	<u>4,217</u>	<u>226,299</u>

(Unit: Million Baht)

Consolidated financial statements as at 31 December 2019				
Transactions	Outstanding balances of financial instruments			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
<u>Financial assets</u>				
Cash	-	-	1,103	1,103
Interbank and money market items - net	307	43,001	1,992	45,300
Derivatives assets	-	-	22	22
Investments - net	-	2,745	6,618	9,363
Loans to customers ⁽¹⁾	25,960	207,994	10,113	244,067
Securities and derivatives business receivables - net	-	-	1,164	1,164
Other assets - receivables from clearing house	-	-	1	1
	<u>26,267</u>	<u>253,740</u>	<u>21,013</u>	<u>301,020</u>
<u>Financial liabilities</u>				
Deposits	39,772	175,645	668	216,085
Interbank and money market items	214	4,337	105	4,656
Liabilities payable on demand	-	-	307	307
Debts issued and borrowings	-	25,017	-	25,017
Securities and derivatives business payables - net	-	-	821	821
Accrued interest payable	-	-	1,006	1,006
Other liabilities - payables to clearing house	-	-	339	339
	<u>39,986</u>	<u>204,999</u>	<u>3,246</u>	<u>248,231</u>

(1) Loans to customers with floating interest rates and fixed interest rates include non-performing loans to customers on an accrual basis.

(Unit: Million Baht)

Separate financial statements as at 31 December 2020				
Transactions	Outstanding balances of financial instruments			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
<u>Financial assets</u>				
Interbank and money market items - net	17	-	-	17
Financial assets measured at fair value through profit or loss	-	-	890	890
Investments - net	-	206	-	206
Loans to customers	-	3,180	-	3,180
	<u>17</u>	<u>3,386</u>	<u>890</u>	<u>4,293</u>
<u>Financial liabilities</u>				
Interbank and money market items	-	3,780	-	3,780
Debts issued and borrowings	-	1,629	-	1,629
Lease liabilities	-	1	-	1
Accrued interest payable	-	-	1	1
	<u>-</u>	<u>5,410</u>	<u>1</u>	<u>5,411</u>

(Unit: Million Baht)

Separate financial statements as at 31 December 2019				
Outstanding balances of financial instruments				
Transactions	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
<u>Financial assets</u>				
Interbank and money market items - net	6	1,092	-	1,098
Investments - net	-	-	837	837
Loans to customers	-	2,210	-	2,210
	<u>6</u>	<u>3,302</u>	<u>837</u>	<u>4,145</u>
<u>Financial liabilities</u>				
Debts issued and borrowings	-	6,300	-	6,300
Accrued interest payable	-	-	17	17
	<u>-</u>	<u>6,300</u>	<u>17</u>	<u>6,317</u>

Financial instruments which bear interest rate at fixed rates are classified below by the year from the financial statements date to the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

Consolidated financial statements as at 31 December 2020							
Repricing or maturity date							
Transactions	At call	0 - 3 months	3 - 12 months	1 - 5 years	Over 5 years	Total	Interest rates (%)
<u>Financial assets</u>							
Interbank and money market items - net	1	34,590	-	-	-	34,591	0.549
Investments - net	36	2,210	2,272	173	-	4,691	1.8251
Loans to customers	4,647	14,053	38,217	103,585	18,666	179,168	8.2204
	<u>4,684</u>	<u>50,853</u>	<u>40,489</u>	<u>103,758</u>	<u>18,666</u>	<u>218,450</u>	
<u>Financial liabilities</u>							
Deposits	466	84,431	64,812	244	-	149,953	1.1282
Interbank and money market items	400	1,221	392	3,313	-	5,326	1.4777
Debts issued and borrowings	37	3,949	-	2,220	6,620	12,826	3.4090
Lease liabilities	-	-	180	574	75	829	2.5040
	<u>903</u>	<u>89,601</u>	<u>65,384</u>	<u>6,351</u>	<u>6,695</u>	<u>168,934</u>	

(Unit: Million Baht)

Consolidated financial statements as at 31 December 2019							
Transactions	Repricing or maturity date					Total	Interest rates (%)
	At call	0 - 3 months	3 - 12 months	1 - 5 years	Over 5 years		
<u>Financial assets</u>							
Interbank and money market items - net	1	43,000	-	-	-	43,001	1.3172
Investments - net	-	2,131	611	3	-	2,745	1.6729
Loans to customers	4,493	16,071	42,742	118,702	25,986	207,994	8.0085
	<u>4,494</u>	<u>61,202</u>	<u>43,353</u>	<u>118,705</u>	<u>25,986</u>	<u>253,740</u>	
<u>Financial liabilities</u>							
Deposits	2,744	89,955	82,251	695	-	175,645	1.8088
Interbank and money market items	-	1,636	368	2,333	-	4,337	0.8304
Debts issued and borrowings	37	6,300	12,000	-	6,680	25,017	2.7367
	<u>2,781</u>	<u>97,891</u>	<u>94,619</u>	<u>3,028</u>	<u>6,680</u>	<u>204,999</u>	

(Unit: Million Baht)

Separate financial statements as at 31 December 2020							
Transactions	Repricing or maturity date					Total	Interest rates (%)
	At call	0 - 3 months	3 - 12 months	1 - 5 years	Over 5 years		
<u>Financial assets</u>							
Interbank and money market items - net							
Investment - net	11	-	25	170	-	206	3.3391
Loans to customers	3,180	-	-	-	-	3,180	1.7500
	<u>3,191</u>	<u>-</u>	<u>25</u>	<u>170</u>	<u>-</u>	<u>3,386</u>	
<u>Financial liabilities</u>							
Interbank and money market items	3,780	-	-	-	-	3,780	1.3970
Debts issued and borrowings	-	1,629	-	-	-	1,629	0.8439
Lease liabilities	-	-	-	1	-	1	2.3326
	<u>3,780</u>	<u>1,629</u>	<u>-</u>	<u>1</u>	<u>-</u>	<u>5,410</u>	

(Unit: Million Baht)

Separate financial statements as at 31 December 2019							
Transactions	Repricing or maturity date					Total	Interest rates (%)
	At call	0 - 3 months	3 - 12 months	1 - 5 years	Over 5 years		
<u>Financial assets</u>							
Interbank and money market items - net	1,092	-	-	-	-	1,092	0.7500
Loans to customers	2,210	-	-	-	-	2,210	2.0000
	<u>3,302</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,302</u>	
<u>Financial liabilities</u>							
Debts issued and borrowings	-	6,300	-	-	-	6,300	1.7662
	<u>-</u>	<u>6,300</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,300</u>	

4.39.3 Liquidity risk

Liquidity risk is uncertainty that the Group is unable to meet repayment obligations when they fall due. This could arise from a failure in asset conversion or to raise adequate fund for timely fulfillment of obligations, which could result in damages to the Group. Liquidity risk may result from both internal and external factors. Internal factors hinge on liquidity reserve and a structure of assets and liabilities. Meanwhile, external factors are mainly driven by market liquidity and confidence of depositors.

Liquidity risk management framework

The overall liquidity risk management is overseen by the Risk Management Committee. Treasury function will be responsible for ensuring that daily liquidity position complies with the risk management policy of the subsidiary operating a banking business and regulatory requirement. On the other hand, the Risk Management function will monitor and control liquidity risk based on the prescribed risk limits.

The key liquidity risk management policies involve the management of cash flow maturity profiles, deposit concentrations, liquidity reserve assets and emergency contingency plan. Liquidity risk strategies will take into account market liquidity and how unexpected changes would affect the subsidiary's risks. A manageable level of maturity mismatches of cash flows from assets and liabilities will then be consistently maintained and regularly monitored, together with the level of liquidity reserve assets. The procurement and concentration of funding sources will be well-planned to optimise risk and return. Contingency procedures for liquidity management in the times of unexpected financial crisis must be established and made ready for timely activation. In addition to the liquidity risk measurement, the subsidiary sets the limit of loan to total borrowing ratio and liquidity reserve asset level. The position of liquidity risk is monitored daily and reported to the management and other relevant functions.

The subsidiary has set stress testing scenarios for liquidity risk where the scenarios cover the subsidiary's specific scenarios and industry-based scenarios, which cause unusual cash outflow from the subsidiary.

The main sources of fund came from deposits. In the past, there was high rollover rate for matured deposits. Besides, the subsidiary also issued subordinated and unsubordinated debentures as another source of fund. On the uses of fund, the majority of fund is used in lending business while a proportion of fund is maintained as liquidity reserve assets as cushion against liquidity risk. Moreover, the subsidiary provides credit line to other companies under TISCO Group to support liquidity position if required.

The matured liabilities are generally rolled-over with 90 percent average rollover rate. By taking into account high rollover rate, the cash outflow at maturity will be lower than those presented by contractual maturity. On the other hand, the liabilities with remaining maturity of less than three months comprise current deposits and saving deposits. Both current deposits and saving deposits are considered to be more stable than term deposits in terms of cash outflow.

4.39.3.1 Volume and composition of highly liquid assets and internal ratio

	(Unit: Million Baht)	
	As at 31 December	
	2020	2019
Composition of highly liquid assets		
Cash	1,216	1,099
Interbank and money market - net	36,961	44,050
Current investments - net	9,410	7,466
Total highly liquid assets ⁽¹⁾	<u>47,587</u>	<u>52,615</u>
Liquid asset requirement ⁽¹⁾	34,142	38,862

(1) Highly liquid assets and liquid asset requirement are based on internal measurement.

The subsidiary operating a banking business has an internal policy to maintain the highly liquid assets in which the highly liquid assets must be higher than the internal liquid asset requirement. As at 31 December 2020 and 2019, the subsidiary has highly liquid assets, higher than the internal liquid asset requirement. In addition, the subsidiary has operating cash inflow from business, and available credit line from other financial institutions which is available to support uncertain liquidity requirement.

4.39.3.2 Counting from the financial statements date, as at 31 December 2020 and 2019, the periods to the maturity dates of financial instruments are as follows:

(Unit: Million Baht)

Consolidated financial statements as at 31 December 2020

Transactions	At call	0 - 3 months	3 - 12 months	1 - 5 years	Over 5 years	Unspecified	Financial assets that are credit impaired (Non- performing)	Total
Financial assets								
Cash	1,220	-	-	-	-	-	-	1,220
Interbank and money market items - net	3,623	34,590	-	-	-	-	-	38,213
Financial asset measured at fair value through profit or loss	-	-	-	-	-	2,173	-	2,173
Derivatives assets	-	62	-	-	-	-	-	62
Investments - net	-	4,861	4,858	3	-	-	231	9,953
Loans to customers	4,177	15,491	42,640	124,292	34,173	-	5,941	226,714
Securities and derivatives business receivables - net	-	1,058	-	-	-	-	-	1,058
Other assets - receivables from clearing house	-	292	-	-	-	-	-	292
	<u>9,020</u>	<u>56,354</u>	<u>47,498</u>	<u>124,295</u>	<u>34,173</u>	<u>2,173</u>	<u>6,172</u>	<u>279,685</u>
Financial liabilities								
Deposits	53,986	84,431	64,812	244	-	-	-	203,473
Interbank and money market items	881	1,221	392	3,313	-	-	-	5,807
Liabilities payable on demand	1,285	-	-	-	-	-	-	1,285
Debts issued and borrowings	37	3,949	-	2,220	6,620	-	-	12,826
Lease liabilities	-	-	180	574	75	-	-	829
Securities and derivatives business payables - net	-	1,033	-	-	-	-	-	1,033
Accrued interest payable	18	459	257	2	-	-	-	736
Other liabilities - payables to clearing house	-	310	-	-	-	-	-	310
	<u>56,207</u>	<u>91,403</u>	<u>65,641</u>	<u>6,353</u>	<u>6,695</u>	<u>-</u>	<u>-</u>	<u>226,299</u>
Commitments and contingent liabilities								
Avals to bills and guarantees of loans	2	-	32	24	-	439	-	497
Other commitments	-	1,190	179	1,159	-	20	-	2,548

(Unit: Million Baht)

Consolidated financial statements as at 31 December 2019

Transactions							Non-	Total
	At call	0 - 3 months	3 - 12 months	1 - 5 years	Over 5 years	Unspecifie d	performing loans	
Financial assets								
Cash	1,103	-	-	-	-	-	-	1,103
Interbank and money market items								
- net	2,299	43,001	-	-	-	-	-	45,300
Derivatives assets	-	22	-	-	-	-	-	22
Investments - net	-	6,331	1,662	3	-	1,367	-	9,363
Loans to customers	4,004	16,986	45,442	136,114	35,687	-	5,834	244,067
Securities and derivatives								
business receivables - net	-	1,164	-	-	-	-	-	1,164
Other assets - receivables from clearing house	-	1	-	-	-	-	-	1
	<u>7,406</u>	<u>67,505</u>	<u>47,104</u>	<u>136,117</u>	<u>35,687</u>	<u>1,367</u>	<u>5,834</u>	<u>301,020</u>
Financial liabilities								
Deposits	43,184	89,955	82,251	695	-	-	-	216,085
Interbank and money market items	319	1,636	368	2,333	-	-	-	4,656
Liabilities payable on demand	307	-	-	-	-	-	-	307
Debts issued and borrowings	37	6,300	12,000	-	6,680	-	-	25,017
Securities and derivatives								
business payables - net	-	821	-	-	-	-	-	821
Accrued interest payable	25	556	418	7	-	-	-	1,006
Other liabilities - payables to clearing house	-	339	-	-	-	-	-	339
	<u>43,872</u>	<u>99,607</u>	<u>95,037</u>	<u>3,035</u>	<u>6,680</u>	<u>-</u>	<u>-</u>	<u>248,231</u>
Commitments and contingent liabilities								
Avals to bills and guarantees of loans	2	1	32	21	-	426	-	482
Other commitments	-	917	90	489	-	76	-	1,572

(Unit: Million Baht)

Separate financial statements as at 31 December 2020

Transactions	At call	0 - 3 months	3 - 12 months	1 - 5 years	Over 5 years	Unspecified	Financial	Total
							assets that are credit impaired (Non- performing)	
Financial assets								
Interbank and money market items - net	17	-	-	-	-	-	-	17
Financial assets measured at fair value through profit or loss	-	-	-	-	-	890	-	890
Investments - net	-	-	-	-	-	-	206	206
Loans to customers	3,180	-	-	-	-	-	-	3,180
	<u>3,197</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>890</u>	<u>206</u>	<u>4,293</u>
Financial liabilities								
Interbank and money market items	3,780	-	-	-	-	-	-	3,780
Debts issued and borrowings	-	1,629	-	-	-	-	-	1,629
Lease liabilities	-	-	-	1	-	-	-	1
Accrued interest payable	-	1	-	-	-	-	-	1
	<u>3,780</u>	<u>1,630</u>	<u>-</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,411</u>

(Unit: Million Baht)

Separate financial statements as at 31 December 2019

Transactions	At call	0 - 3 months	3 - 12 months	1 - 5 years	Over 5 years	Unspecified	Non-	Total
							performing loans	
Financial assets								
Interbank and money market items - net	1,098	-	-	-	-	-	-	1,098
Investments - net	-	-	-	-	-	837	-	837
Loans to customers	2,210	-	-	-	-	-	-	2,210
	<u>3,308</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>837</u>	<u>-</u>	<u>4,145</u>
Financial liabilities								
Debts issued and borrowings	-	6,300	-	-	-	-	-	6,300
Accrued interest payable	-	17	-	-	-	-	-	17
	<u>-</u>	<u>6,317</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,317</u>

The Company will disclose the Financial Business Group's Liquidity Coverage Ratio as of 31 December 2020 via the Company's website within April 2021.

4.39.4 Commodity Price Risk

This is the risk that income or capital is adversely affected by changes in commodity price. The Group has no policy to hold such position.

4.39.5 Derivatives

As at 31 December 2020 and 2019, the subsidiary operating a banking business has a policy to enter into foreign exchange contracts to manage the risk associated with its financial assets, and classifies them as trading derivatives measured at fair value through profit or loss, as follows:

(Unit: Million Baht)

As at 31 December 2020		
Maturity	Notional amount	Gain on measurement of fair value
2021	1,190	62

(Unit: Million Baht)

As at 31 December 2019		
Maturity	Notional amount	Gain on measurement of fair value
2020	917	22

4.40 Fair value of financial instruments - Fair value hierarchy

As at 31 December 2020 and 2019, the Group has assets and liabilities that are measured or disclosed at fair value using different levels of inputs as follows:

(Unit: Million Baht)

	Consolidated financial statements				
	As at 31 December 2020				
	Book value	Fair value			Total
Level 1		Level 2	Level 3		
<u>Financial assets measured at fair value</u>					
Financial assets measured at fair value through profit for loss					
Equity securities	1,227	455	-	772	1,227
Unit trusts	946	890	56	-	946
Derivatives					
Foreign exchange contracts	62	-	62	-	62
Investments - debt securities	9,953	-	9,953	-	9,953
<u>Assets measured at fair value</u>					
Investment properties	27	-	-	27	27
Office condominiums	2,425	-	-	2,425	2,425
<u>Financial assets for which fair value is disclosed</u>					
Cash	1,220	1,220	-	-	1,220
Interbank and money market items - net	38,212	3,539	34,673	-	38,212
Loans to customers and accrued interest receivables	215,944 ⁽¹⁾	-	52,859	168,667	221,526
Securities and derivatives business receivables - net	1,058	-	1,058	-	1,058
Other assets - receivables from clearing house	292	292	-	-	292
<u>Financial liabilities for which fair value is disclosed</u>					
Deposits	203,473	53,520	149,953	-	203,473
Interbank and money market items	5,808	1,125	4,683	-	5,808
Liabilities payable on demand	1,285	1,285	-	-	1,285
Debts issued and borrowings	12,826	-	12,228	-	12,228
Lease liabilities	829	-	829	-	829
Securities and derivatives business payables - net	1,033	-	1,033	-	1,033
Accrued interest payable	736	7	729	-	736
Other liabilities - payables to clearing house	310	310	-	-	310

(1) Book value of loans to customers and accrued interest receivables does not include excess provision amounting to Baht 1,056 million.

(Unit: Million Baht)

	Consolidated financial statements				
	As at 31 December 2019				
	Book value	Fair value			Total
Level 1		Level 2	Level 3		
Financial assets measured at fair value					
Derivatives					
Foreign exchange contracts	22	-	22	-	22
Available-for-sale investments					
Equity securities	253	253	-	-	253
Debt securities	7,997	-	7,997	-	7,997
Unit trusts	896	837	59	-	896
<u>Assets measured at fair value</u>					
Investment properties	30	-	-	30	30
Office condominiums	2,456	-	-	2,456	2,456
<u>Financial assets for which fair value is disclosed</u>					
Cash	1,103	1,103	-	-	1,103
Interbank and money market items - net	45,300	2,331	42,969	-	45,300
General investments	217	-	-	773	773
Loans to customers and accrued interest receivables	236,913 ⁽²⁾	-	53,810	187,840	241,650
Securities and derivatives business receivables - net	1,164	-	1,164	-	1,164
Other assets - receivables from clearing house	1	1	-	-	1
<u>Financial liabilities for which fair value is disclosed</u>					
Deposits	216,085	40,440	175,645	-	216,085
Interbank and money market items	4,656	353	4,303	-	4,656
Liabilities payable on demand	307	307	-	-	307
Debts issued and borrowings	25,017	-	25,101	-	25,101
Securities and derivatives business payables - net	821	-	821	-	821
Accrued interest payable	1,006	8	998	-	1,006
Other liabilities - payables to clearing house	339	339	-	-	339

(2) Book value of loans to customers and accrued interest receivables does not include excess provision amounting to Baht 3,563 million.

(Unit: Million Baht)

	Separate financial statements				
	As at 31 December 2020				
	Book value	Fair value			Total
Level 1		Level 2	Level 3		
<u>Financial assets measured at fair value</u>					
Financial assets measured at fair value					
through profit or loss - unit trusts	890	890	-	-	890
Investments - debt securities	206	-	206	-	206
<u>Assets measured at fair value</u>					
Investment properties	911	-	-	911	911
Office condominiums	654	-	-	654	654
<u>Financial assets for which fair value is disclosed</u>					
Interbank and money market items - net	17	17	-	-	17
Loans to customers and accrued interest receivables	3,176	-	-	3,176	3,176
<u>Financial liabilities for which fair value is disclosed</u>					
Interbank and money market items	3,780	-	-	3,780	3,780
Debts issued and borrowings	1,629	-	1,629	-	1,629
Lease liabilities	1	-	1	-	1
Accrued interest payable	1	-	1	-	1

(Unit: Million Baht)

	Separate financial statements				
	As at 31 December 2019				
	Book value	Fair value			Total
Level 1		Level 2	Level 3		
<u>Financial assets measured at fair value</u>					
Available-for-sale investments					
Unit trusts	837	837	-	-	837
<u>Assets measured at fair value</u>					
Investment properties	955	-	-	955	955
Office condominiums	619	-	-	619	619
<u>Financial assets for which fair value is disclosed</u>					
Interbank and money market items - net	1,098	6	1,092	-	1,098
Loans to customers and accrued interest receivables	2,210	-	-	2,210	2,210
<u>Financial liabilities for which fair value is disclosed</u>					
Debts issued and borrowings	6,300	-	6,300	-	6,300
Accrued interest payable	17	-	17	-	17

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

5. Dividend payment

	Approved by	Dividend per share		Amounts of dividend paid (Million Baht)	Dividend payment period
		Preference share	Ordinary share		
		(Baht per share)	(Baht per share)		
Annual dividends for 2018	The 2019 Annual General Meeting of the Shareholders on 22 April 2019	7.00	7.00	5,604	May 2019
Total dividend payment in year 2019				<u>5,604</u>	
Interim dividends for 2019	The 2020 Meeting of the Board of Directors on 10 April 2020	7.75	7.75	6,205	May 2020
Total dividend payment in year 2020				<u>6,205</u>	

6. Reclassification

The Group has reclassified some items in the statement of financial position as at 31 December 2019 in order to correspond to the classification in the current year.

	(Unit: Thousand Baht)	
	As at 31 December 2019	
	As reclassified	As previously reported
Statement of financial position		
Assets		
Other assets	2,340,175	2,501,180
Liabilities		
Other liabilities	8,659,142	8,820,147

The Group does not present figures as at 1 January 2019 as comparative information because the reclassification does not significantly impact the statement of financial position.

7. Approval of financial statements

These financial statements were approved by the Company's Audit Committee on 11 February 2021.

