

TISCO Financial Group Public Company Limited  
and its subsidiary companies  
Report and consolidated interim financial information  
31 March 2020

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

To the Shareholders of TISCO Financial Group Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of TISCO Financial Group Public Company Limited and its subsidiaries as at 31 March 2020, the related consolidated statements of comprehensive income, changes in equity and cash flows for the three-month period then ended, as well as the condensed notes to the interim consolidated financial statements. I have also reviewed the separate financial information of TISCO Financial Group Public Company Limited for the same period (collectively "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 Interim Financial Reporting and the Bank of Thailand's regulations. My responsibility is to express a conclusion on this interim financial information based on my review.

### **Scope of Review**

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

### **Conclusion**


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

### **Emphasis of Matter**

I draw attention to Note 1.4 to the interim consolidated financial statements. The COVID-19 pandemic is continuing to evolve, impacting various businesses and industries and resulting in an economic slowdown and fluctuations in the money market and the capital market. This situation could create uncertainties and may be impacting the operating results and cash flows in the future. The impact cannot be reasonably estimated at this stage. My conclusion is not modified in respect of this matter.

### **Other Matter**

Due to the impact of COVID-19 outbreak situation, the Company has postponed the annual general meeting of the Company's shareholders which results in no resolution for the appointment of the auditor of the Company for the accounting period of 2020 yet. However, the Board of Director of the Company has a resolution to propose to the annual general meeting of the Company's shareholders to appoint me as the auditor of the Company for the accounting period of 2020. I therefore have conducted my review on the interim financial information for first quarter of 2020 which is in compliance with the notification of the Capital Market Supervisory Board (CMSB) No. TorChor. 28/2563 dated 27 March 2020.



Somjai Khunapasut  
Certified Public Accountant (Thailand) No. 4499

EY Office Limited  
Bangkok: 12 May 2020

**TISCO Financial Group Public Company Limited and its subsidiaries**

**Statement of financial position**

**As at 31 March 2020**

(Unit: Thousand Baht)

|  | Note      | Consolidated financial statements |                    | Separate financial statements |                   |
|--|-----------|-----------------------------------|--------------------|-------------------------------|-------------------|
|  |           | 31 March 2020                     | 31 December 2019   | 31 March 2020                 | 31 December 2019  |
|  |           | (Unaudited but reviewed)          | (Audited)          | (Unaudited but reviewed)      | (Audited)         |
| <b>Assets</b>  |           |                                   |                    |                               |                   |
| Cash   |           | 1,278,087                         | 1,102,557          | 70                            | 70                |
| Interbank and money market items - net                         | 4.3, 4.10 | 51,686,628                        | 45,300,141         | 5,027                         | 1,098,459         |
| Financial assets measured at fair value through profit or loss | 4.4       | 1,837,888                         | -                  | 844,048                       | -                 |
| Derivatives assets   | 4.5       | -                                 | 21,907             | -                             | -                 |
| Investments - net  | 4.6, 4.10 | 11,577,762                        | 9,363,032          | -                             | 836,827           |
| Investments in subsidiaries and joint venture - net            | 4.7       | 826,505                           | 813,602            | 20,069,144                    | 20,069,135        |
| Loans to customers and accrued interest receivables            | 4.8, 4.10 |                                   |                    |                               |                   |
| Loans to customers   |           | 258,364,922                       | 263,569,157        | 3,450,000                     | 2,210,000         |
| Accrued interest receivables and undue interest receivables    |           | 1,510,760                         | 1,240,929          | -                             | -                 |
| Total loans to customers and accrued interest receivables      |           | 259,875,682                       | 264,810,086        | 3,450,000                     | 2,210,000         |
| Less: Deferred revenue   |           | (20,491,897)                      | (20,743,017)       | -                             | -                 |
| Less: Allowance for expected credit losses                     | 4.9       | (11,536,263)                      | -                  | (4,485)                       | -                 |
| Less: Allowance for doubtful accounts                          | 4.9       | -                                 | (10,709,365)       | -                             | -                 |
| Less: Allowance for loss on debt restructuring                 | 4.9       | -                                 | (7,343)            | -                             | -                 |
| Loans to customers and accrued interest receivables - net      |           | 227,847,522                       | 233,350,361        | 3,445,515                     | 2,210,000         |
| Properties foreclosed - net                                    |           | 15,768                            | 18,429             | -                             | -                 |
| Investment properties  |           | 30,304                            | 30,304             | 955,266                       | 955,266           |
| Premises and equipment - net                                   | 4.11      | 2,990,590                         | 2,984,152          | 804,645                       | 800,379           |
| Right-of-use assets - net                                      | 4.12      | 1,019,457                         | -                  | 1,088                         | -                 |
| Intangible assets - net  |           | 300,713                           | 329,460            | 119,194                       | 124,209           |
| Deferred tax assets  | 4.28      | 1,036,647                         | 1,324,904          | 161,053                       | 146,763           |
| Securities and derivatives business receivables - net          |           | 1,117,705                         | 1,164,066          | -                             | -                 |
| Dividend receivable from subsidiaries                          |           | -                                 | -                  | -                             | 5,877,944         |
| Other assets   | 4.13      | 1,989,110                         | 2,501,180          | 189,708                       | 196,712           |
| <b>Total assets</b>  |           | <b>303,554,686</b>                | <b>298,304,095</b> | <b>26,594,758</b>             | <b>32,315,764</b> |

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 March 2020**

(Unit: Thousand Baht)

|  | Note | Consolidated financial statements |                    | Separate financial statements |                  |
|--|------|-----------------------------------|--------------------|-------------------------------|------------------|
|  |      | 31 March 2020                     | 31 December 2019   | 31 March 2020                 | 31 December 2019 |
|  |      | (Unaudited but reviewed)          | (Audited)          | (Unaudited but reviewed)      | (Audited)        |
| <b>Liabilities and equity</b>                      |      |                                   |                    |                               |                  |
| <b>Liabilities</b>                                 |      |                                   |                    |                               |                  |
| Deposits   | 4.14 | 220,628,732                       | 216,084,551        | -                             | -                |
| Interbank and money market items                   |      | 4,126,107                         | 4,656,133          | 8,000                         | -                |
| Liabilities payable on demand                      |      | 251,988                           | 306,867            | -                             | -                |
| Derivatives liabilities                            | 4.5  | 41,558                            | -                  | -                             | -                |
| Debts issued and borrowings                        | 4.15 | 23,626,919                        | 25,016,919         | 370,000                       | 6,300,000        |
| Lease liabilities                                  | 4.16 | 947,327                           | -                  | 1,091                         | -                |
| Provisions   | 4.17 | 1,561,510                         | 1,485,868          | 274,200                       | 265,897          |
| Securities and derivatives business payables - net |      | 804,903                           | 820,545            | -                             | -                |
| Accrued interest payable                           |      | 1,143,347                         | 1,005,621          | 144                           | 17,045           |
| Income tax payable                                 |      | 1,002,229                         | 911,330            | 41,030                        | 9,380            |
| Other liabilities                                  | 4.18 | 8,285,401                         | 8,820,147          | 1,469,981                     | 1,449,497        |
| <b>Total liabilities</b>                           |      | <b>262,420,021</b>                | <b>259,107,981</b> | <b>2,164,446</b>              | <b>8,041,819</b> |

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 March 2020

(Unit: Thousand Baht)

| Note   | Consolidated financial statements         |                               | Separate financial statements             |                               |
|--|---|-------------------------------|---|-------------------------------|
|  | 31 March 2020<br>(Unaudited but reviewed) | 31 December 2019<br>(Audited) | 31 March 2020<br>(Unaudited but reviewed) | 31 December 2019<br>(Audited) |
| <b>Equity</b>  |   |                               |   |                               |
| <b>Share capital</b>                                 |   |                               |   |                               |
| <b>Registered</b>                                    |   |                               |   |                               |
| 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>              |
| <b>Issued and paid-up</b>                            |   |                               |   |                               |
| 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>              |
| <b>Share premium</b>                                 |   |                               |   |                               |
| 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                           | 1,853,858                                 | 1,810,936                     | 306,136                                   | 348,081                       |
| <b>Retained earnings</b>                             |   |                               |   |                               |
| Appropriated-statutory reserve                       | 801,000                                   | 801,000                       | 801,000                                   | 801,000                       |
| Unappropriated                                       | 29,451,622                                | 27,556,084                    | 8,285,098                                 | 8,086,786                     |
| Equity attributable to equity holders of the Company | <u>41,131,443</u>                         | <u>39,192,983</u>             | <u>24,430,312</u>                         | <u>24,273,945</u>             |
| Non-controlling interest of the subsidiaries         | 3,222                                     | 3,131                         | -   | -                             |
| <b>Total equity</b>                                  | <u>41,134,665</u>                         | <u>39,196,114</u>             | <u>24,430,312</u>                         | <u>24,273,945</u>             |
| <b>Total liabilities and equity</b>                  | <u>303,554,686</u>                        | <u>298,304,095</u>            | <u>26,594,758</u>                         | <u>32,315,764</u>             |

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



Mr. Suthas Ruangmanamongkol  
(Group Chief Executive)



บริษัท ทีเอสซีไฟแนนเชียลกรุ๊ป จำกัด (มหาชน)  
TISCO Financial Group Public Company Limited



Mr. Sakchai Peechapat  
(Chief Operating Officer)

(Unaudited but reviewed)

## TISCO Financial Group Public Company Limited and its subsidiaries

## Statement of comprehensive income

For the three-month period ended 31 March 2020

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

|  | Note | Consolidated financial statements |                  | Separate financial statements |                |
|--|------|-----------------------------------|------------------|-------------------------------|----------------|
|  |      | 2020                              | 2019             | 2020                          | 2019           |
| <b>Profit or loss:</b>                                   |      |                                   |                  |                               |                |
| Interest income  | 4.20 | 4,552,915                         | 4,389,632        | 14,990                        | 17,489         |
| Interest expenses  | 4.21 | (1,095,023)                       | (1,287,176)      | (9,221)                       | (13,419)       |
| <b>Net interest income</b>                               |      | <b>3,457,892</b>                  | <b>3,102,456</b> | <b>5,769</b>                  | <b>4,070</b>   |
| Fee and service income                                   |      | 1,476,251                         | 1,459,994        | -                             | -              |
| Fee and service expenses                                 |      | (78,445)                          | (61,009)         | (3,248)                       | (4,071)        |
| <b>Net fee and service income</b>                        | 4.22 | <b>1,397,806</b>                  | <b>1,398,985</b> | <b>(3,248)</b>                | <b>(4,071)</b> |
| Net gains (losses) on financial instruments measured     |      |                                   |                  |                               |                |
| at fair value through profit or loss                     | 4.23 | (87,273)                          | -                | 7,221                         | -              |
| Net losses on trading and foreign exchange transactions  |      | -                                 | (27,930)         | -                             | (17,132)       |
| Net gains on investments                                 | 4.24 | 1,650                             | 4,440            | -                             | -              |
| Share of profit (loss) from investment accounted         |      |                                   |                  |                               |                |
| for under equity method                                  | 4.7  | 15,507                            | (37,200)         | -                             | -              |
| Dividend income  |      | 31,361                            | 32,395           | -                             | -              |
| Penalty fee income from loans                            |      | 63,512                            | 78,467           | -                             | -              |
| Intercompany supporting fee income                       | 4.31 | -                                 | -                | 537,417                       | 574,004        |
| Other operating income                                   | 4.25 | 31,510                            | 35,664           | 20,720                        | 20,821         |
| <b>Total operating income</b>                            |      | <b>4,911,965</b>                  | <b>4,587,277</b> | <b>567,879</b>                | <b>577,692</b> |
| <b>Operating expenses</b>                                |      |                                   |                  |                               |                |
| Employee expenses  |      | 1,339,017                         | 1,671,094        | 196,884                       | 286,795        |
| Directors' remuneration                                  |      | 4,080                             | 4,340            | 4,080                         | 4,340          |
| Premises and equipment expenses                          |      | 321,470                           | 306,932          | 153,309                       | 146,409        |
| Taxes and duties   |      | 78,610                            | 74,556           | 2,203                         | 2,229          |
| Other operating expenses                                 | 4.26 | 251,653                           | 259,775          | 16,319                        | 23,244         |
| <b>Total operating expenses</b>                          |      | <b>1,994,830</b>                  | <b>2,316,697</b> | <b>372,795</b>                | <b>463,017</b> |
| Bad debts, doubtful accounts and impairment losses       |      | -                                 | 108,208          | -                             | -              |
| Expected credit losses                                   | 4.27 | 1,073,349                         | -                | 4,488                         | -              |
| <b>Profit from operations before income tax expenses</b> |      | <b>1,843,786</b>                  | <b>2,162,372</b> | <b>190,596</b>                | <b>114,675</b> |
| Income tax expenses                                      | 4.28 | 357,619                           | 430,898          | 34,267                        | 19,052         |
| <b>Profit for the period</b>                             |      | <b>1,486,167</b>                  | <b>1,731,474</b> | <b>156,329</b>                | <b>95,623</b>  |

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

(Unaudited but reviewed)

## TISCO Financial Group Public Company Limited and its subsidiaries

## Statement of comprehensive income (continued)

For the three-month period ended 31 March 2020

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

|  | Note | Consolidated financial statements |           | Separate financial statements |          |
|--|------|-----------------------------------|-----------|-------------------------------|----------|
|  |      | 2020                              | 2019      | 2020                          | 2019     |
| <b>Other comprehensive income:</b>   | 4.29 |                                   |           |                               |          |
| <b>Other comprehensive income to be reclassified to profit or loss in subsequent periods</b>                   |      |                                   |           |                               |          |
| Gain on valuation in investments in debt instruments measured at fair value through other comprehensive income |      | 13,198                            | -         | -                             | -        |
| Gains on valuation in available-for-sale investments   |      | -                                 | 85,040    | -                             | 73,665   |
| Share of other comprehensive income of joint venture:  |      |                                   |           |                               |          |
| Cash flow hedges of joint venture  | 4.7  | (2,602)                           | 749       | -                             | -        |
| Income tax effects   |      | (2,641)                           | (17,008)  | -                             | (14,733) |
| Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax      |      | 7,955                             | 68,781    | -                             | 58,932   |
| <b>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</b>               |      |                                   |           |                               |          |
| Actuarial gains  |      | -                                 | -         | -                             | 14,278   |
| Income tax effects   |      | -                                 | -         | -                             | (2,856)  |
| Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax  |      | -                                 | -         | -                             | 11,422   |
| <b>Other comprehensive income for the period</b>   |      | 7,955                             | 68,781    | -                             | 70,354   |
| <b>Total comprehensive income for the period</b>   |      | 1,494,122                         | 1,800,255 | 156,329                       | 165,977  |
| <b>Profits attributable to</b>   |      |                                   |           |                               |          |
| Equity holders of the Company  | 4.30 | 1,486,067                         | 1,729,598 | 156,329                       | 95,623   |
| Non-controlling interests  |      | 100                               | 1,876     |                               |          |
|  |      | 1,486,167                         | 1,731,474 |                               |          |
| <b>Total comprehensive income attributable to</b>  |      |                                   |           |                               |          |
| Equity holders of the Company  |      | 1,494,022                         | 1,798,379 | 156,329                       | 165,977  |
| Non-controlling interests  |      | 100                               | 1,876     |                               |          |
|  |      | 1,494,122                         | 1,800,255 |                               |          |
| <b>Earnings per share of equity holders of the Company</b>   |      |                                   |           |                               |          |
| Basic earnings per share (Baht per share)  | 4.30 | 1.86                              | 2.16      | 0.20                          | 0.12     |

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



(Unaudited but reviewed)

**TISCO Financial Group Public Company Limited and its subsidiaries****Cash flow statement****For the three-month period ended 31 March 2020**

(Unit: Thousand Baht)

|  | Consolidated financial statements |             | Separate financial statements |           |
|--|-----------------------------------|-------------|-------------------------------|-----------|
|  | 2020                              | 2019        | 2020                          | 2019      |
| <b>Cash flows from operating activities</b>  |                                   |             |                               |           |
| Profit from operations before income tax   | 1,843,786                         | 2,162,372   | 190,596                       | 114,675   |
| Adjustments to reconcile profit from operations before income tax to net cash provided by (paid from) operating activities |                                   |             |                               |           |
| Depreciation and amortisation  | 163,240                           | 94,916      | 32,008                        | 37,938    |
| Expected credit losses on loans to customers and accrued interest receivables  | 1,491,554                         | -           | 4,485                         | -         |
| Expected credit losses on investments in debt instruments  | 3,095                             | -           | -                             | -         |
| Expected credit losses on interbank and money market items   | 707                               | -           | 3                             | -         |
| Expected credit losses on committed credit line and financial guarantees   | 845                               | -           | -                             | -         |
| Bad debts and doubtful accounts  | -                                 | 549,255     | -                             | -         |
| Share of profit (loss) from investment accounted for under equity method   | (15,507)                          | 37,200      | -                             | -         |
| Reversal allowance for impairment of investments   | -                                 | (2,151)     | -                             | -         |
| Reversal of allowance for impairment of properties foreclosed  | (59)                              | (10,970)    | -                             | -         |
| (Gains) losses on disposal of investments in securities  | 550                               | (2,362)     | -                             | -         |
| Unrealised (gains) losses on foreign exchange transactions and trading derivatives   | (88,855)                          | 24,881      | (67,010)                      | 17,132    |
| Losses on financial instruments measured at fair value through profit or loss  | 150,974                           | -           | 59,789                        | -         |
| (Gains) losses on disposal of equipment and intangible assets  | 1,134                             | (367)       | -                             | 189       |
| Losses on written-off of equipment and intangible assets   | 739                               | 294         | 248                           | -         |
| Gains on disposal of properties foreclosed   | (6,242)                           | (18,673)    | -                             | -         |
| Employee benefit expenses  | 82,716                            | 241,438     | 9,303                         | 55,062    |
| (Increase) decrease in accrued income  | 228,320                           | (8,748)     | (6,616)                       | 322       |
| Increase (decrease) in accrued expenses  | (94,201)                          | 287,088     | 81,456                        | 141,023   |
| Net interest income  | (3,457,892)                       | (3,102,456) | (5,769)                       | (4,070)   |
| Dividend income  | (31,361)                          | (32,395)    | -                             | -         |
| Cash received on interest income   | 4,171,695                         | 4,327,430   | 15,135                        | 17,248    |
| Cash paid on interest expenses   | (830,092)                         | (736,668)   | (26,116)                      | (22,236)  |
| Cash received on dividend income   | 29,511                            | 30,595      | 5,877,944                     | 5,258,642 |
| Cash paid on income tax  | (92,904)                          | (75,173)    | (16,868)                      | (18,196)  |
| Profit from operating activities before changes in operating assets and liabilities  | 3,551,753                         | 3,765,506   | 6,148,588                     | 5,597,729 |
| Operating assets (increase) decrease   |                                   |             |                               |           |
| Interbank and money market items - net   | (6,391,348)                       | 5,345,317   | 1,093,284                     | 28,230    |
| Loans to customers   | 3,940,611                         | (2,192,202) | (1,240,000)                   | (270,000) |
| Securities and derivatives business receivables  | 46,361                            | (1,067,650) | -                             | -         |
| Receivables from clearing house  | (93,852)                          | 108,743     | -                             | -         |
| Properties foreclosed  | 430,920                           | 472,819     | -                             | -         |
| Other assets   | 42,710                            | 58,931      | 13,619                        | 8,483     |

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

(Unaudited but reviewed)

**TISCO Financial Group Public Company Limited and its subsidiaries****Cash flow statement (continued)****For the three-month period ended 31 March 2020**

(Unit: Thousand Baht)

|  | Consolidated financial statements |                     | Separate financial statements |                |
|--|-----------------------------------|---------------------|-------------------------------|----------------|
|  | 2020                              | 2019                | 2020                          | 2019           |
| Operating liabilities increase (decrease)                                    |                                   |                     |                               |                |
| Deposits   | 4,544,181                         | 6,875,483           | -                             | -              |
| Interbank and money market items   | (530,026)                         | (97,629)            | 8,000                         | -              |
| Liabilities payable on demand  | (54,879)                          | 72,347              | -                             | -              |
| Securities and derivatives business payables                                 | (15,642)                          | 326,982             | -                             | -              |
| Short-term debts issued and borrowings                                       | (3,610,000)                       | (5,255,000)         | (5,930,000)                   | (5,255,000)    |
| Payable to clearing house  | 61,529                            | 632,558             | -                             | -              |
| Provision for long-term employee benefits                                    | (7,919)                           | (3,190)             | (1,000)                       | (974)          |
| Other liabilities  | (132,684)                         | (476,482)           | (60,973)                      | (103,015)      |
| <b>Net cash flows from operating activities</b>                              | <b>1,781,715</b>                  | <b>8,566,533</b>    | <b>31,518</b>                 | <b>5,453</b>   |
| <b>Cash flows from investing activities</b>                                  |                                   |                     |                               |                |
| Cash paid for purchase of investments in securities held for investment      | (15,735,088)                      | (3,128,638)         | -                             | -              |
| Cash received from disposal of investments in securities held for investment | 12,055,397                        | 4,802,573           | -                             | -              |
| Cash paid for purchase of equipment  | (65,609)                          | (65,807)            | (25,065)                      | (10,762)       |
| Cash paid for purchase of intangible assets                                  | (7,944)                           | (7,281)             | (6,372)                       | (743)          |
| Cash received from disposal of equipment                                     | 15                                | 612                 | -                             | 6,017          |
| Cash received from disposal of intangible assets                             | -                                 | -                   | -                             | 35             |
| Cash paid for acquisition of a subsidiary                                    | (8)                               | -                   | (8)                           | -              |
| <b>Net cash flows from (used in) investing activities</b>                    | <b>(3,753,237)</b>                | <b>1,601,459</b>    | <b>(31,445)</b>               | <b>(5,453)</b> |
| <b>Cash flows from financing activities</b>                                  |                                   |                     |                               |                |
| Cash received from issuance of long-term debentures                          | 2,220,000                         | 2,400,000           | -                             | -              |
| Cash paid for redemption of long-term debentures                             | -                                 | (12,400,000)        | -                             | -              |
| Cash paid for lease liabilities  | (72,948)                          | -                   | (73)                          | -              |
| <b>Net cash flows from (used in) financing activities</b>                    | <b>2,147,052</b>                  | <b>(10,000,000)</b> | <b>(73)</b>                   | <b>-</b>       |
| <b>Net increase in cash</b>  | <b>175,530</b>                    | <b>167,992</b>      | <b>-</b>                      | <b>-</b>       |
| Cash at beginning of the period  | 1,102,557                         | 1,191,800           | 70                            | 70             |
| <b>Cash at end of the period</b>   | <b>1,278,087</b>                  | <b>1,359,792</b>    | <b>70</b>                     | <b>70</b>      |
|  | -                                 | -                   | -                             | -              |
| <b>Supplemental cash flows information</b>                                   |                                   |                     |                               |                |
| Non-cash transactions  |                                   |                     |                               |                |
| Right-of-use assets  | 42,412                            | -                   | -                             | -              |

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

(Unaudited but reviewed)

## TISCO Financial Group Public Company Limited and its subsidiaries

## Statement of changes in equity

For the three-month period ended 31 March 2020

(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 ordinary shares | Deficit on changes in value of available-for-sale investments | Surplus on changes in value of investments in debt instruments measured at fair value through other comprehensive income | Surplus on revaluation of assets | Share of other comprehensive income of joint venture | Adjustment from business combination of entities under common control under holding restructuring plan | Total other components of equity | Retained earnings |                | Total equity attributable to equity holders of the Company | Equity attributable to non-controlling interests of the subsidiaries | Total      |
|   | Preference shares  | Ordinary shares |                                  |   |  |                                  |  |  |                                  | Appropriated      | Unappropriated |  |  |            |
| <b>Balance as at 1 January 2019</b>   | 99                 | 8,006,456       | 1,018,408                        | (91,062)  | -  | 1,164,360                        | 1,260  | 679,266  | 1,753,824                        | 801,000           | 26,116,740     | 37,696,527   | 132,929  | 37,829,456 |
| Profit for the period   | -                  | -               | -                                | -   | -  | -                                | -  | -  | -                                | -                 | 1,729,598      | 1,729,598  | 1,876  | 1,731,474  |
| Other comprehensive income for the period   | -                  | -               | -                                | 68,032  | -  | -                                | 749  | -  | 68,781                           | -                 | -              | 68,781   | -  | 68,781     |
| Total comprehensive income for the period   | -                  | -               | -                                | 68,032  | -  | -                                | 749  | -  | 68,781                           | -                 | 1,729,598      | 1,798,379  | 1,876  | 1,800,255  |
| Transfer surplus on revaluation of assets to retained earnings                      | -                  | -               | -                                | -   | -  | (897)                            | -  | -  | (897)                            | -                 | 1,091          | 194  | -  | 194        |
| Decrease in non-controlling interests of the subsidiaries                           | -                  | -               | -                                | -   | -  | -                                | -  | -  | -                                | -                 | -              | -  | (99)   | (99)       |
| <b>Balance as at 31 March 2019</b>  | 99                 | 8,006,456       | 1,018,408                        | (23,030)  | -  | 1,163,463                        | 2,009  | 679,266  | 1,821,708                        | 801,000           | 27,847,429     | 39,495,100   | 134,706  | 39,629,806 |
| <b>Balance as at 1 January 2020</b>   | 99                 | 8,006,456       | 1,018,408                        | (31,644)  | -  | 1,160,712                        | 2,602  | 679,266  | 1,810,936                        | 801,000           | 27,556,084     | 39,192,983   | 3,131  | 39,196,114 |
| Cumulative effect due to the adoption of new financial reporting standards (Note 2) | -                  | -               | -                                | 35,873  | -  | -                                | -  | -  | 35,873                           | -                 | 408,369        | 444,242  | -  | 444,242    |
| Reclassification  | -                  | -               | -                                | (4,229)   | 4,229  | -                                | -  | -  | -                                | -                 | -              | -  | -  | -          |
| <b>Balance as at 1 January 2020 - as restated</b>                                   | 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 |
| Profit for the period   | -                  | -               | -                                | -   | -  | -                                | -  | -  | -                                | -                 | 1,486,067      | 1,486,067  | 100  | 1,486,167  |
| Other comprehensive income for the period   | -                  | -               | -                                | -   | 10,557   | -                                | (2,602)  | -  | 7,955                            | -                 | -              | 7,955  | -  | 7,955      |
| Total comprehensive income for the period   | -                  | -               | -                                | -   | 10,557   | -                                | (2,602)  | -  | 7,955                            | -                 | 1,486,067      | 1,494,022  | 100  | 1,494,122  |
| Transfer surplus on revaluation of assets to retained earnings                      | -                  | -               | -                                | -   | -  | (906)                            | -  | -  | (906)                            | -                 | 1,102          | 196  | -  | 196        |
| Decrease in non-controlling interests of the subsidiaries                           | -                  | -               | -                                | -   | -  | -                                | -  | -  | -                                | -                 | -              | -  | (9)  | (9)        |
| <b>Balance as at 31 March 2020</b>  | 99                 | 8,006,456       | 1,018,408                        | -   | 14,786   | 1,159,806                        | -  | 679,266  | 1,853,858                        | 801,000           | 29,451,622     | 41,131,443   | 3,222  | 41,134,665 |

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

(Unaudited but reviewed)

## TISCO Financial Group Public Company Limited and its subsidiaries

## Statement of changes in equity (continued)

For the three-month period ended 31 March 2020

(Unit: Thousand Baht)

|   | Separate financial statements |                  |                   |                  |                            |   |                                  |                                  |                  |                   |
|---|-------------------------------|------------------|-------------------|------------------|----------------------------|---|----------------------------------|----------------------------------|------------------|-------------------|
|   | Issued and paid-up            |                  |                   |                  | Other components of equity |   |                                  | Retained earnings                |                  | Total             |
|   | Preference shares             |                  | Ordinary shares   |                  | Share premium              | Surplus on changes in value of available-for-sale investments | Surplus on revaluation of assets | Total other components of equity | Appropriated     |                   |
|   | Preference shares             | Ordinary shares  | Preference shares | Ordinary shares  |                            |   |                                  |                                  |                  |                   |
| <b>Balance as at 1 January 2019</b>   | 99                            | 8,006,456        | 87                | 7,031,436        | (49,621)                   | 306,925   | 257,304                          | 801,000                          | 7,482,643        | 23,579,025        |
| Profit for the period   | -                             | -                | -                 | -                | -                          | -   | -                                | -                                | 95,623           | 95,623            |
| Other comprehensive income for the period   | -                             | -                | -                 | -                | 58,932                     | -   | 58,932                           | -                                | 11,422           | 70,354            |
| Total comprehensive income for the period   | -                             | -                | -                 | -                | 58,932                     | -   | 58,932                           | -                                | 107,045          | 165,977           |
| Transfer surplus on revaluation of assets to retained earnings                      | -                             | -                | -                 | -                | -                          | (155)   | (155)                            | -                                | 195              | 40                |
| <b>Balance as at 31 March 2019</b>  | <u>99</u>                     | <u>8,006,456</u> | <u>87</u>         | <u>7,031,436</u> | <u>9,311</u>               | <u>306,770</u>  | <u>316,081</u>                   | <u>801,000</u>                   | <u>7,589,883</u> | <u>23,745,042</u> |
| <b>Balance as at 1 January 2020</b>   | 99                            | 8,006,456        | 87                | 7,031,436        | 41,787                     | 306,294   | 348,081                          | 801,000                          | 8,086,786        | 24,273,945        |
| Cumulative effect due to the adoption of new financial reporting standards (Note 2) | -                             | -                | -                 | -                | (41,787)                   | -   | (41,787)                         | -                                | 41,787           | -                 |
| <b>Balance as at 1 January 2020 - as restated</b>                                   | <u>99</u>                     | <u>8,006,456</u> | <u>87</u>         | <u>7,031,436</u> | <u>-</u>                   | <u>306,294</u>  | <u>306,294</u>                   | <u>801,000</u>                   | <u>8,128,573</u> | <u>24,273,945</u> |
| Profit for the period   | -                             | -                | -                 | -                | -                          | -   | -                                | -                                | 156,329          | 156,329           |
| Other comprehensive income for the period   | -                             | -                | -                 | -                | -                          | -   | -                                | -                                | -                | -                 |
| Total comprehensive income for the period   | -                             | -                | -                 | -                | -                          | -   | -                                | -                                | 156,329          | 156,329           |
| Transfer surplus on revaluation of assets to retained earnings                      | -                             | -                | -                 | -                | -                          | (158)   | (158)                            | -                                | 196              | 38                |
| <b>Balance as at 31 March 2020</b>  | <u>99</u>                     | <u>8,006,456</u> | <u>87</u>         | <u>7,031,436</u> | <u>-</u>                   | <u>306,136</u>  | <u>306,136</u>                   | <u>801,000</u>                   | <u>8,285,098</u> | <u>24,430,312</u> |

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

**TISCO Financial Group Public Company Limited and its subsidiaries**

**Notes to interim financial statements**

**For the three-month period ended 31 March 2020**

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

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

This interim financial information is prepared in accordance with Thai Accounting Standard No. 34 Interim Financial Reporting, with the Company choosing to present condensed interim financial information. However, the Company has presented the statements of financial position, comprehensive income, changes in equity and cash flows in the same format as that used for the annual financial statements, and in accordance with the regulations of the Bank of Thailand (“BOT”), and their presentation has been made in compliance with the BOT’s Notification No. Sor Nor Sor. 21/2561 regarding “Preparation and Announcement of Financial Statements of Commercial Banks and Parent Companies of Financial Holding Groups”, dated 31 October 2018, which has become effective for the financial statements for the year 2020.

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

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

**1.2 Basis of interim consolidation**

The basis of interim consolidation is the same as that for the consolidated financial statements for the year ended 31 December 2019. During the period, there was no change in the composition of the subsidiaries.

**1.3 The separate financial statements**

The Company prepares the separate financial statements which present investments in subsidiaries and joint venture under the cost method.

#### 1.4 **Coronavirus disease 2019 pandemic**

The Coronavirus disease 2019 pandemic is continuing to evolve, impacting various businesses and industries and resulting in an economic slowdown and fluctuations in the money market and the capital market. This situation could create uncertainties and may be impacting the operating results and cash flows in the future. However, the impact cannot be reasonably estimated at this stage. 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.

#### 1.5 **New financial reporting standards that became effective in the current period**

During the period, the Group has adopted the revised (revised 2019) and new financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. However, the new standards involve changes to key principles, which are summarised below:

##### **Financial reporting standards related to financial instruments**

A set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

|        |                                    |
|--------|------------------------------------|
| TFRS 7 | Financial Instruments: Disclosures |
| TFRS 9 | Financial Instruments              |

Accounting standard:

|        |                                     |
|--------|-------------------------------------|
| TAS 32 | Financial Instruments: Presentation |
|--------|-------------------------------------|

Financial Reporting Standard Interpretations:

|          |   |
|----------|---|
| TFRIC 16 | Hedges of a Net Investment in a Foreign Operation           |
| TFRIC 19 | Extinguishing Financial Liabilities with Equity Instruments |

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments.

The impact of the adoption of these standards on the Group's financial statements is as follows:

#### Classification and measurement of financial assets

The Group classifies its financial assets and financial liabilities in accordance with the business model and management of the Group's assets and liabilities based on the characteristics of the contractual cash flows of financial assets and the facts and circumstances as of the date these financial reporting standards were initially adopted.

- Classification and measurement of investments in equity instruments of non-listed companies: The Group measures investments in equity instruments of non-listed companies at fair value and classifies the investments as financial assets at fair value through profit or loss.
- Classification and measurement of investments in available-for-sale equity securities of listed companies measured at fair value through other comprehensive income: The Group has decided to classify these investments as financial assets at fair value through profit or loss. The cumulative gains (or losses) on changes in the value of reclassified available-for-sale investments that were previously presented in other comprehensive income is to be reclassified to retained earnings.

#### Classification of financial liabilities

The adoption of these standards does not have an impact on the classification of financial liabilities. The Group continues to classify and measure its financial liabilities at amortised cost.

#### Impairment of financial assets

This TFRS requires entities to estimate allowance for expected credit losses in place of the incurred losses recognised under the previous accounting policy. It requires that impairment loss be recognised using the Expected Credit Loss Model for all financial assets that are debt instruments and not measured at fair value through profit or loss, including for undrawn commitments and financial guarantees, and it is not necessary for a credit-impaired event to have occurred prior to the recognition. The Group adopts the General Approach to determine expected credit losses of financial assets e.g. loans to customers, loans to financial institutions and investments in debt instruments.

#### Practice during transitional period

The Group adopted these financial reporting standards which the cumulative effect is recognised as an adjustment to the retained earnings or other components of equity as at 1 January 2020, and the comparative information was not restated. Therefore, the presentation of the 2019 figures cannot be compared with the financial statements for the year 2020.

The cumulative effect of the change is described in Note 2 to the interim financial statements.

### **TFRS 16 Leases**

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases.

The Group adopted these financial reporting standards using the modified retrospective method of initial adoption of which the cumulative effect is recognised as an adjustment to the retained earnings as at 1 January 2020 (if any), and the comparative information was not restated.

The cumulative effect of the change is described in Note 2 to the interim financial statements.

### **Accounting Guidance on Temporary Relief Measures for Entities Providing Assistance to Debtors Impacted by Situations That Affect the Thai Economy**

The Federation of Accounting Professions announced Accounting Guidance on Temporary Relief Measures for Entities Providing Assistance to Debtors Impacted by Situations That Affect the Thai Economy. Its objectives are to provide temporary relief measures solely for entities providing assistance to debtors impacted by the situations that affect the Thai economy, such as COVID-19, economic conditions, trade wars and drought, and to provide an alternative for all entities providing assistance to debtors in accordance with measures to assist debtors specified in the circular of the BOT No. BOT.RPD.(23)C. 276/2563 “Guidelines on providing assistance to debtors impacted by situations that affect the Thai economy” and the circular of the BOT No. BOT.RPD.(01)C. 380/2563 “Measures to provide additional assistance to debtors during the COVID-19 situation” or any other measures announced by the BOT. Such entities include credit card businesses, businesses providing loans secured against vehicle registrations without collateral, personal loan businesses under the supervision of the BOT and certain entities not under the supervision of the BOT, such as leasing, hire-purchase, motorcycle hire-purchase and factoring businesses. Entities providing assistance to debtors in accordance with the BOT’s measures and electing to apply this Accounting Guidance have to apply all temporary relief measures in this guidance.



On 22 April 2020, the Accounting Guidance was announced in the Royal Gazette and it is effective for entities providing assistance to debtors impacted by the aforementioned situations during the period from 1 January 2020 to 31 December 2021, 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, and classification of the debtor remains at the same stage as before.
- (2) For the provision of assistance to non-performing loans (NPL), the Group classifies them as performing loans if the debtor is able to make payment in accordance with the debt restructuring agreement for 3 months or 3 installments consecutively, whichever is the longer period.
- (3) Additional working capital loans provided to a debtor in order to increase liquidity and enable the debtor to continue its business operations during the debt restructuring are classified by account level if the debtor has cash flows to support repayment or if, considering other factors, the debtor has the ability to pay the debt.
- (4) The guidelines of the BOT relating to assessment of whether there has been a significant increase in credit risk are applied to assess whether a debtor is moving to Stage 2.
- (5) Expected credit losses are 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 cases where a general approach is used in determining expected credit losses, 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.

As at 31 March 2020, the Group has entered into the scheme to provide assistance to affected debtors. However, no debtors have been applied with the procedures in accordance with the Accounting Guidance as mentioned above.

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

The Federation of Accounting Professions announced Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic. Its objectives are to alleviate some of the impact of applying certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation.

On 22 April 2020, the Accounting Guidance was announced in the Royal Gazette and it is effective for the financial statements prepared for reporting periods ending between 1 January 2020 and 31 December 2020.

The Group has elected to apply the following temporary relief measures on accounting alternatives:

- To measure the fair value as at 31 March 2020 of investments in unquoted equity instruments using the fair value as at 1 January 2020.
- Not to account for any reduction in lease payments by lessors resulting from the COVID-19 situation as a lease modification, with the lease liabilities that come due in each period reduced in proportion to the reduction and depreciation of right-of-use assets and interest on lease liabilities recognised in each period reversed in proportion to the reduction, with any differences then recognised in profit or loss.

#### **1.6 Significant accounting policies**

The interim financial information is prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2019 except for the changes in the accounting policies which became effective on 1 January 2020, as follows:

### **1.6.1 Classification and measurement**

Financial assets that are debt instruments are measured at fair value through profit or loss, fair value through other comprehensive income, or amortised cost. Classification is driven by the Group's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets that are equity instruments are measured at fair value through profit or loss.

Financial liabilities are classified and measured at amortised cost.

### **1.6.2 Revenue recognition**

a) Interest income and discounts on loans to customers

Since 1 January 2020 the Group has recognised interest on loans on an accrual basis, using the effective interest rate method, applied to the outstanding principal amount, without ceasing revenue recognition. If loans to customers are later credit-impaired, the Group recognises interest income using the effective interest rate method applied to the net carrying value of the loan (the loan amount minus allowance for expected credit losses). Before 1 January 2020, the Group had a policy to stop accruing interest income for corporate loans on which interest payments had been defaulted for more than one month and for other loan accounts that were overdue for more than three months, and then reverse already recorded accrued interest from the accounts. Interest income was then recognised on a cash basis.

b) Gains (losses) on financial instruments measured at fair value through profit or loss

Gains (losses) on securities and derivatives trades are recognised as income (expenses) on the transaction dates. Changes in the fair value are recorded in profit or loss.

### **1.6.3 Investments in securities**

Since 1 January 2020 the Group has classified investments in securities as investments in securities measured at fair value through profit or loss, investments in securities measured at fair value through other comprehensive income or as investments in securities measured at amortised cost.

#### Investments in securities measured at fair value through profit or loss

Investments in debt instruments and investments in equity instruments measured at fair value through profit or loss are initially recognised at their fair value.

After initial recognition, gains or losses from changes in fair value are recognised in profit or loss.

Investments in securities measured at fair value through other comprehensive income

Investments in debt instruments measured at fair value through other comprehensive income are initially recognised at their fair value.

After initial recognition, gains or losses from changes in fair value are presented as a separate item in other comprehensive income, with gains or losses from changes in the accumulated fair value of investments in debt instruments recognised as net gains (losses) on investments in profit or loss upon the disposal of investments.

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 net of allowance for expected credit losses (if any).

Investments in securities measured at amortised cost

Investments in debt investments measured at amortised cost 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 at amortised cost net of allowance for expected credit losses (if any).

Revenue from investments and disposals of investments

Gains or losses on disposals of investments are recognised in profit or loss on the transaction date.

Changes in classification of investments in debt instruments

When there are changes in the Group's business model for management of financial assets, the Group has to reclassify investments in debt instruments and adjust the value of these investments to their fair value on the reclassification date. Differences between the book value and fair value of investments in debt instruments on the reclassification date are recorded in profit or loss or other comprehensive income, depending on the classification of the investment.

**1.6.4 Loans to customers**

Loans to customers are stated at the principal balances, excluding accrued interest receivables. Unrecognised deferred revenue/discounts on loans to customers are presented as deductions from loans to customers.

Hire purchase and finance lease receivables are stated at the outstanding contract value, net of the remaining balance of deferred revenue. Deferred revenue is stated net of commissions and direct expenses incurred at the initiation of hire purchase contracts and advances received from finance lease receivables.

### **1.6.5 Investments in receivables purchased or transferred in**

Investments in receivables purchased or transferred in are classified as held-to-maturity financial assets, and initially recognised at acquisition cost. At the end of the period these investments are presented in the statement of financial position at amortised cost net of allowance for expected credit losses (if any).

If the receivable enters into a troubled debt restructuring agreement, the investment is transferred to loans to customers at fair value, which is based on the outstanding balance of the receivable net of allowance for expected credit loss as at the transfer date or the date of restructuring.

### **1.6.6 Allowance for expected credit losses**

The Group uses general principles to calculate expected credit losses on 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 and committed credit lines and financial guarantees.

The Group classifies financial assets with no credit impairment since initial purchase or acquisition into three groups (Three-stage approach) in order to measure the expected credit losses, 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 measures allowance for expected credit losses equal to the 12-month expected credit losses.

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

For financial assets with significant increases in credit risk since the initial recognition date but that are not credit-impaired, the Group recognises the expected credit losses over the expected lifetime of the financial instrument.

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

For financial assets that are considered to be credit-impaired, the Group recognises the expected credit losses over the expected lifetime of the asset.

At the end of each reporting period the Group evaluates whether the credit risk of financial assets has increased significantly since the initial recognition date, by comparing the risk of default on the financial asset as at reporting date with the risk of default as at the initial recognition date. The Group may use internal quantitative or qualitative bases and forward-looking information as a basis for assessing a decrease in credit quality, such as debtors overdue for more than 30 days. 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 occurs affecting the estimated future contractual cash flows. Evidence that loans are credit-impaired includes being overdue for more than 90 days or indicators 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 the significant increase in credit risk from the initial recognition date that was assessed in the previous period no longer exists, the Group changes from recognising expected credit losses over the expected lifetime to recognising them within the next 12 months.

When the terms of repayment of a loan to customer are renegotiated or the terms of the contractual cash flow are modified because the debtor is 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 that contractual cash flows will not be recoverable has decreased significantly and there are no indicators of impairment.

Expected credit loss is the probability-weighted estimate of expected credit losses 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 losses, using current macroeconomic data and macroeconomic forecasts. The Group determines both current and future economic scenarios, and probability-weights each scenario (base scenario, upturn scenario, downturn scenario and stress scenario) for the purpose of calculating expected credit losses. Use of forward-looking data increases the degree of judgement required in evaluating how relevant current macroeconomic changes affect expected credit losses. 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 losses also include a management overlay.

The increase (decrease) in an allowance for expected credit losses 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.

For financial assets that are credit-impaired upon initial acquisition (investments in receivables purchased or transferred in), the Group measures allowance for expected credit losses at an amount equal to the outstanding receivable balance because it does not expect to receive cash flows from these receivables.

#### **1.6.7 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 losses, 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, the debtor continues to be classified as financial asset with a significant increase in credit risk (Stage 2) or as a financial asset that is credit-impaired (Stage 3) unless the debtor has been able to make payment in accordance with the debt restructuring agreement for not less than 12 months counting from the restructuring date. At that point, it can be reclassified as a financial asset with no significant increase in credit risk (Stage 1).

### **1.6.8 Leases**

#### ***Right-of-use assets***

The Group recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised through initial measurement, initial direct costs incurred, and lease payments made at or before the commencement date, less any lease incentives received.

Unless the Group is reasonably certain that it will obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis from the commencement date of the lease to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

#### ***Lease liabilities***

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of the lease payments to be made over the lease term, discounted by the interest rate implicit in the lease or 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 modification or reassessment.

#### ***Short-term leases and Leases of low-value assets***

Payments under leases that, have a lease term of 12 months or less at the commencement date, or are leases of low-value assets, are recognised as expenses on a straight-line basis over the lease term.

### **1.7 Significant accounting judgements and estimates**

The interim financial information is prepared using subjective judgements and estimates as same as those used for the financial statements for the year ended 31 December 2019, except for the changes in judgements and estimates related to the following matters that became effective on 1 January 2020.

#### **1.7.1 Allowance for expected credit losses on hire purchase receivables**

The management is required to use judgement in estimating the allowance for expected credit losses on hire purchase receivables. 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.



## 2. Cumulative effects of changes in accounting policies due to the adoption of new financial reporting standards

As described in Note 1.5 to the interim consolidated financial statements, during the current period, the Group has adopted financial reporting standards related to financial instruments and TFRS 16. The cumulative effect of initially applying these standards is recognised as an adjustment to retained earnings as at 1 January 2020. Therefore, the comparative information was not restated.

The amounts of adjustments affecting the statements of financial position as at 1 January 2020 from changes in accounting policies due to the adoption of these standards are presented as follows:

(Unit: Million Baht)

|  | Consolidated financial statements |   |         |                   |
|--|-----------------------------------|---|---------|-------------------|
|  | 31 December<br>2019               | The impacts of  |         | 1 January<br>2020 |
|  |                                   | Financial<br>reporting<br>standards<br>related to<br>financial<br>instruments | TFRS 16 |                   |
| <b>Statement of financial position</b>                                 |                                   |   |         |                   |
| <b>Assets</b>  |                                   |   |         |                   |
| Financial instruments measured at<br>fair value through profit or loss | -                                 | 1,921   | -       | 1,921             |
| Investments - net  | 9,363                             | (1,366)   | -       | 7,997             |
| Right-of-use assets  | -                                 | -   | 1,062   | 1,062             |
| Deferred tax assets  | 1,325                             | (111)   | -       | 1,214             |
| Other assets   | 2,501                             | -   | (78)    | 2,423             |
| <b>Liabilities</b>   |                                   |   |         |                   |
| Lease liabilities  | -                                 | -   | 984     | 984               |
| <b>Equity</b>  |                                   |   |         |                   |
| Other components of equity   | 1,811                             | 36  | -       | 1,847             |
| Retained earnings - unappropriated                                     | 27,556                            | 408   | -       | 27,964            |

(Unaudited but reviewed)

(Unit: Million Baht)

|  | Separate financial statements |   |         | 1 January<br>2020 |
|--|-------------------------------|---|---------|-------------------|
|  | 31 December<br>2019           | The impacts of<br>Financial<br>reporting<br>standards<br>related to<br>financial<br>instruments | TFRS 16 |                   |
| <b>Statement of financial position</b>                                 |                               |   |         |                   |
| <b>Assets</b>  |                               |   |         |                   |
| Financial instruments measured at<br>fair value through profit or loss | -                             | 837   | -       | 837               |
| Investments - net  | 837                           | (837)   | -       | -                 |
| Right-of-use assets  | -                             | -   | 1       | 1                 |
| <b>Liabilities</b>   |                               |   |         |                   |
| Lease liabilities  | -                             | -   | 1       | 1                 |
| <b>Equity</b>  |                               |   |         |                   |
| Other components of equity   | 348                           | (42)  | -       | 306               |
| Retained earnings - unappropriated                                     | 8,087                         | 42  | -       | 8,129             |

## 2.1 Financial instruments

Details of the impact on equity as at 1 January 2020 due to the adoption of financial reporting standards related to financial instruments are presented as follows:

|  | (Unit: Million Baht)                    |                                     |
|--|---|-------------------------------------|
|  | Consolidated<br>financial<br>statements | Separate<br>financial<br>statements |
| <b>Other components of equity</b>  |   |                                     |
| Classification of investments in available-for-sale equity   |   |                                     |
| securities as financial assets at fair value through profit or loss  | 45                                      | (53)                                |
| Less: Income tax effects   | (9)                                     | 11                                  |
| Impacts on other components of equity due to the adoption of<br>financial reporting standards related to financial instruments | <u>36</u>                               | <u>(42)</u>                         |

(Unaudited but reviewed)

|   | (Unit: Million Baht)                    |                                     |
|---|---|-------------------------------------|
|   | Consolidated<br>financial<br>statements | Separate<br>financial<br>statements |
| <b>Retained earnings - unappropriated</b>                           |   |                                     |
| Classification of investments in available-for-sale equity          |   |                                     |
| securities as financial assets at fair value through profit or loss | (45)                                    | 53                                  |
| Fair value measurement of investments in equity instruments         |   |                                     |
| of non-listed companies   | 555                                     | -                                   |
| Less: Income tax effects  | (102)                                   | (11)                                |
| Impacts on retained earnings due to the adoption of financial       |   |                                     |
| reporting standards related to financial instruments                | <u>408</u>                              | <u>42</u>                           |

However, the adoption of these financial reporting standards requires the Group to recognise an allowance for expected credit losses, in place of the losses recognised under the previous accounting method, in accordance with the model for each group of assets. Based on the impact calculation, the Group has a remaining excess loan loss reserve of Baht 2,113 million, which will be released in quarterly amounts over 2 years under the straight-line method, in line with the BOT's guideline.

(Unaudited but reviewed)

The classifications and measurement of financial assets and financial liabilities in accordance with TFRS 9, compared with the classifications and measurement of the carrying amounts under the former basis, are as follows:

(Unit: Million Baht)

| Consolidated financial statements  |   |   |   |  |         |         |
|--|---|---|---|--|---------|---------|
| Classification and measurement under the former basis as at 31 December 2019 | Classification and measurement in accordance with TFRS 9 as at 1 January 2020 |   |   |  |         | Total   |
|  | Financial instruments measured at fair value through profit or loss           | Financial instruments measured at fair value through comprehensive income | Investments in equity instruments designated at fair value through comprehensive income | Financial instruments measured at amortised cost |         |         |
| <b>Financial assets</b>  |   |   |   |  |         |         |
| Cash   | 1,103   | -   | -   | -  | 1,103   | 1,103   |
| Interbank and money market items - net                                       | 45,300  | -   | -   | -  | 45,300  | 45,300  |
| Derivatives assets   | 22  | 22  | -   | -  | -       | 22      |
| Investments - net  | 9,363   | 1,921   | 7,997   | -  | -       | 9,918   |
| Loans to customers and accrued interest receivables - net                    | 233,350   | -   | -   | -  | 233,350 | 233,350 |
| Securities and derivatives business receivables - net                        | 1,164   | -   | -   | -  | 1,164   | 1,164   |
| <b>Financial liabilities</b>   |   |   |   |  |         |         |
| Deposits   | 216,085   | -   | -   | -  | 216,085 | 216,085 |
| Interbank and money market items   | 4,656   | -   | -   | -  | 4,656   | 4,656   |
| Liabilities payable on demand  | 307   | -   | -   | -  | 307     | 307     |
| Debts issued and borrowings  | 25,017  | -   | -   | -  | 25,017  | 25,017  |
| Securities and derivatives business payables - net                           | 821   | -   | -   | -  | 821     | 821     |
| Other liabilities - payable to clearing house                                | 339   | -   | -   | -  | 339     | 339     |

(Unit: Million Baht)

| Separate financial statements  |   |   |   |   |  |       |
|--|---|---|---|---|--|-------|
| Classification and measurement under the former basis as at 31 December 2019 | Classification and measurement in accordance with TFRS 9 as at 1 January 2020 |   |   |   |  |       |
|  | Financial instruments measured at fair value through profit or loss           | Financial instruments measured at fair value through comprehensive income | Financial instruments measured at fair value through other comprehensive income | Investments in equity instruments designated at fair value through other comprehensive income | Financial instruments measured at amortised cost | Total |
| <b>Financial assets</b>  |   |   |   |   |  |       |
| Interbank and money market   |   |   |   |   |  |       |
| items - net  | 1,098   | -   | -   | -   | 1,098  | 1,098 |
| Investments - net  | 837   | 837   | -   | -   | -  | 837   |
| Loans to customers and   |   |   |   |   |  |       |
| accrued interest   |   |   |   |   |  |       |
| receivables - net  | 2,210   | -   | -   | -   | 2,210  | 2,210 |
| <b>Financial liabilities</b>   |   |   |   |   |  |       |
| Debts issued and borrowings  | 6,300   | -   | -   | -   | 6,300  | 6,300 |

The table below presents a reconciliation of allowance for impairment as at 31 December 2019 which was recognised in accordance with the BOT and Thai Accounting Standard No. 105 Accounting for Investments in Debt and Equity Securities, and provision for contingent obligation which was recognised in accordance with Thai Accounting Standard No. 37 Provisions, Contingent Liabilities and Contingent Assets, and allowance for impairment as at 1 January 2020 which was recognised in accordance with TFRS 9. All the changes are the result of the remeasurement of allowance for expected credit losses in accordance with TFRS 9.

(Unit: Million Baht)

|  | Consolidated financial statements |               |                |
|--|-----------------------------------|---------------|----------------|
|  | As at                             |               | As at          |
|  | 31 December 2019                  | Remeasurement | 1 January 2020 |
| Allowance for expected credit losses - investments in available-for-sale debt securities reclassified as investments in debt instruments measured at fair value through other comprehensive income | 1                                 | -             | 1              |
| Allowance for expected credit losses - loans to customers and accrued interest receivables   | 10,717                            | -             | 10,717         |
| <b>Total</b>   | <b>10,718</b>                     | <b>-</b>      | <b>10,718</b>  |

## 2.2 Leases

Upon initial application of TFRS 16 the Group recognised lease liabilities previously classified as operating leases at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate at 1 January 2020.

|  | (Unit: Million Baht)                    |                                     |
|--|---|-------------------------------------|
|  | Consolidated<br>financial<br>statements | Separate<br>financial<br>statements |
| Operating lease commitments as at 31 December 2019 | 461                                     | -                                   |
| Add: Option to extend lease term                   | 600                                     | 1                                   |
| Less: Deferred interest expenses                   | (77)                                    | -                                   |
| Lease liabilities as at 1 January 2020             | 984                                     | 1                                   |

The adjustments of right-of-use assets due to TFRS 16 adoption as at 1 January 2020 are summarised below:

|                           | (Unit: Million Baht)                    |                                     |
|---------------------------|---|-------------------------------------|
|                           | Consolidated<br>financial<br>statements | Separate<br>financial<br>statements |
| Buildings                 | 1,062                                   | 1                                   |
| Total right-of-use assets | 1,062                                   | 1                                   |

## 3. General information

### 3.1 The Company's information

TISCO Financial Group Public Company Limited ("the Company") is a holding company and is the parent company of TISCO Group. Its registered address is 48/49 TISCO Tower, 21st Floor, North Sathorn Road, Silom, Bangrak, Bangkok.

### 3.2 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.

#### 4. Supplemental information

##### 4.1 Consolidated financial statements

A list of subsidiaries included in the consolidated financial statements as at 31 March 2020 and 31 December 2019 is provided below.

| Company's name  | Nature of business            | Country of incorporation | (Unit: Percent)                                |                  |
|---|-------------------------------|--------------------------|--|------------------|
|   |                               |                          | Percentage of shares held by the Company as at |                  |
|   |                               |                          | 31 March 2020                                  | 31 December 2019 |
| <b><u>Subsidiaries directly held by the Company</u></b>   |                               |                          |  |                  |
| 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            |
| <b><u>Subsidiaries indirectly held by the Company</u></b> |                               |                          |  |                  |
| TISCO Investment Advisory Securities Co., Ltd.            | Securities business           | Thailand                 | 99.99  | 99.99            |

## 4.2 Classification of financial assets and financial liabilities

(Unit: Thousand Baht)

|  | As at 31 March 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   |             |  |
| <b><u>Financial assets</u></b>                                 |   |   |             |  |
| Cash   | -   | -   | 1,278,087   | 1,278,087  |
| Interbank and money market items - net                         | -   | -   | 51,686,628  | 51,686,628                                       |
| Financial assets measured at fair value through profit or loss | 1,837,888   | -   | -           | 1,837,888  |
| Investments - net  | -   | 11,577,762  | -           | 11,577,762                                       |
| Loans to customers and accrued interest receivables - net      | -   | -   | 227,847,522 | 227,847,522                                      |
| Securities and derivatives business receivables - net          | -   | -   | 1,117,705   | 1,117,705  |
| Other assets - receivables from clearing house                 | -   | -   | 94,457      | 94,457   |
| <b><u>Financial liabilities</u></b>                            |   |   |             |  |
| Deposits   | -   | -   | 220,628,732 | 220,628,732                                      |
| Interbank and money market items                               | -   | -   | 4,126,107   | 4,126,107  |
| Liabilities payable on demand                                  | -   | -   | 251,988     | 251,988  |
| Derivatives liabilities  | 41,558  | -   | -           | 41,558   |
| Debts issued and borrowings                                    | -   | -   | 23,626,919  | 23,626,919                                       |
| Securities and derivatives business payables - net             | -   | -   | 804,903     | 804,903  |
| Other liabilities - payable to clearing house                  | -   | -   | 400,350     | 400,350  |
| Lease liabilities  | -   | -   | 947,327     | 947,327  |



(Unaudited but reviewed)

(Unit: Thousand Baht)

| As at 31 March 2020  |   |   |  |           |
|--|---|---|--|-----------|
| Separate financial statement                                   |   |   |  |           |
|  | Financial instruments   |   |  |           |
|  | Financial instruments measured at fair value through profit or loss | measured at fair value through other comprehensive income | Financial instruments measured at amortised cost | Total     |
| <b><u>Financial assets</u></b>                                 |   |   |  |           |
| Interbank and money market items - net                         | -   | -   | 5,027  | 5,027     |
| Financial assets measured at fair value through profit or loss | 844,048   | -   | -  | 844,048   |
| Loans to customers and accrued interest receivables - net      | -   | -   | 3,445,515  | 3,445,515 |
| <b><u>Financial liabilities</u></b>                            |   |   |  |           |
| Interbank and money market items                               | -   | -   | 8,000  | 8,000     |
| Debts issued and borrowings                                    | -   | -   | 370,000  | 370,000   |
| Lease liabilities  | -   | -   | 1,091  | 1,091     |

### 4.3 Interbank and money market items

As at 31 March 2020 and 31 December 2019, interbank and money market items include purchases of securities under resale agreements made by the subsidiary company operating a banking business in accordance with private repurchase transactions, with the securities purchased being used as collateral, as follows:

(Unit: Thousand Baht)

|                                    | Securities purchased under resale agreements according to private repurchase transactions |                  |
|------------------------------------|---|------------------|
|                                    | Consolidated financial statements as at   |                  |
|                                    | 31 March 2020   | 31 December 2019 |
| Commercial banks                   | 24,700,000  | 26,800,000       |
| Specialised Financial Institutions | 24,100,000  | 15,000,000       |

Fair value of securities received as collateral is as follows:

(Unit: Thousand Baht)

|                                    | Fair value of securities received as collateral |                  |
|------------------------------------|---|------------------|
|                                    | Consolidated financial statements as at         |                  |
|                                    | 31 March 2020                                   | 31 December 2019 |
| Commercial banks                   | 24,628,100                                      | 26,456,400       |
| Specialised Financial Institutions | 24,371,700                                      | 15,057,800       |

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

(Unit: Thousand Baht)

| Investments                                | Consolidated financial statements as at |                  | Separate financial statements as at |                  |
|--|---|------------------|-------------------------------------|------------------|
|  | 31 March 2020                           | 31 December 2019 | 31 March 2020                       | 31 December 2019 |
|  | Fair value                              | Fair value       | Fair value                          | Fair value       |
| <b>Others</b>                              |   |                  |                                     |                  |
| Other securities - domestic unit trusts    | 49,183                                  | -                | -                                   | -                |
| Other securities - foreign unit trusts     | 844,048                                 | -                | 844,048                             | -                |
| Domestic marketable equity instruments     | 172,088                                 | -                | -                                   | -                |
| Domestic non-marketable equity instruments | 772,569                                 | -                | -                                   | -                |
| Total                                      | 1,837,888                               | -                | 844,048                             | -                |

Investments in which the subsidiary company operating a banking business holds not less than 10 percent of the equity of the investees

(Unit: Thousand Baht)

| Securities' name                  | Consolidated financial statements as at 31 March 2020 |               |                           |
|-----------------------------------|---|---------------|---------------------------|
|                                   | Fair value of investments                             | Unpaid amount | Percentage of holding (%) |
| <b>Services:</b>                  |   |               |                           |
| Jiji Press (Thailand) Co., Ltd.   | 1,825   | 300           | 10                        |
| <b>Trading import and export:</b> |   |               |                           |
| Juki (Thailand) Co., Ltd.         | 6,025   | -             | 10                        |
| PDTL Trading Co., Ltd.            | 3,637   | -             | 10                        |
| Wattana Inter-Trade Co., Ltd.     | 19,158  | -             | 10                        |
| <b>Real estate:</b>               |   |               |                           |
| UMI Property Co., Ltd.            | 4,031   | -             | 10                        |
| <b>Industrial:</b>                |   |               |                           |
| Siam Art Ceramic Co., Ltd.        | 11,268  | -             | 10                        |

#### 4.5 Derivatives assets/derivatives liabilities

The subsidiary company operating a banking business entered into foreign exchange contracts to manage the risk associated with financial assets, as follows:

(Unit: Thousand Baht)

| Type of risk  | Consolidated financial statements as at |             |                 |                  |             |                 |
|---------------|---|-------------|-----------------|------------------|-------------|-----------------|
|               | 31 March 2020                           |             |                 | 31 December 2019 |             |                 |
|               | Fair value                              |             | Notional amount | Fair value       |             | Notional amount |
|               | Assets                                  | Liabilities |                 | Assets           | Liabilities |                 |
| Exchange rate | -                                       | 41,558      | 1,162,809       | 21,907           | -           | 917,044         |
| Total         | -                                       | 41,558      | 1,162,809       | 21,907           | -           | 917,044         |

All counterparties of these derivatives transactions are financial institutions.

#### 4.6 Investments

##### 4.6.1 Investments classified by type of investments (in accordance with new accounting standards)

As at 31 March 2020, investments classified by type are as follows:

(Unit: Thousand Baht)

|  | Consolidated financial statement as at |                               |
|--|--|-------------------------------|
|  | 31 March 2020                          | 31 December 2019              |
|  | Fair value/<br>amortised cost          | Fair value/<br>amortised cost |
| <b>Investments in debt instruments measured at fair value through other comprehensive income</b> |  |                               |
| Government and state enterprise securities   | 11,395,492                             | -                             |
| Private sector debt securities   | 182,270                                | -                             |
| Total  | 11,577,762                             | -                             |
| <b>Investments in debt instruments measured at amortised cost</b>                                |  |                               |
| Investments in receivables   | 12,211                                 | -                             |
| Less: Allowance for expected credit losses   | (12,211)                               | -                             |
| Total  | -                                      | -                             |
| Total investments  | 11,577,762                             | -                             |

(Unaudited but reviewed)

As at 31 December 2019, investments classified by type are as follows:

(Unit: Thousand Baht)

Consolidated financial statements as at

|   | 31 March 2020 | 31 December 2019 |
|---|---------------|------------------|
| <b>Available-for-sale investments - fair value</b>            |               |                  |
| Government and state enterprise securities                    | -             | 7,815,106        |
| Private sector debt securities                                | -             | 183,387          |
| Domestic marketable equity securities                         | -             | 252,900          |
| Other securities - domestic unit trusts                       | -             | 59,006           |
| Other securities - foreign unit trusts                        | -             | 836,827          |
| Less: Allowance for impairment                                | -             | (1,460)          |
| <b>Total available-for-sale investments</b>                   | -             | 9,145,766        |
| <b>Held-to-maturity debt securities - cost/amortised cost</b> |               |                  |
| Investments in receivables                                    | -             | 12,437           |
| Less: Allowance for impairment                                | -             | (12,437)         |
| <b>Total held-to-maturity debt securities</b>                 | -             | -                |
| <b>General investments - cost</b>                             |               |                  |
| Domestic non-marketable equity securities                     | -             | 257,578          |
| Less: Allowance for impairment                                | -             | (40,312)         |
| <b>Total general investments</b>                              | -             | 217,266          |
| <b>Investments - net</b>                                      | -             | 9,363,032        |

(Unit: Thousand Baht)

Separate financial statements as at

|  | 31 March 2020 | 31 December 2019 |
|--|---------------|------------------|
| <b>Available-for-sale investments - fair value</b> |               |                  |
| Other securities - foreign unit trusts             | -             | 836,827          |
| <b>Investments - net</b>                           | -             | 836,827          |

(Unaudited but reviewed)

## 4.6.2 Classified by remaining years to maturity of the debt instruments

(Unit: Million Baht)

|  | Consolidated financial statements as at 31 March 2020 |             |              |               |
|--|---|-------------|--------------|---------------|
|  | Due within  |             |              |               |
|  | Less than 1 year                                      | 1 - 5 years | Over 5 years | Total         |
| <b>Investments in debt instruments measured at fair value through other comprehensive income</b> |   |             |              |               |
| Government and state enterprise securities   | 11,023  | 373         | -            | 11,396        |
| Private sector debt securities   | 182   | -           | -            | 182           |
| <b>Total</b>   | <b>11,205</b>   | <b>373</b>  | <b>-</b>     | <b>11,578</b> |
| <b>Investments in debt instruments measured at amortised cost</b>                                |   |             |              |               |
| Investments in receivables   | 12  | -           | -            | 12            |
| Less: Allowance for expected credit losses   | (12)  | -           | -            | (12)          |
| <b>Total</b>   | <b>-</b>  | <b>-</b>    | <b>-</b>     | <b>-</b>      |
| <b>Total debt instruments</b>  | <b>11,205</b>   | <b>373</b>  | <b>-</b>     | <b>11,578</b> |

(Unit: Million Baht)

|  | Consolidated financial statements as at 31 December 2019 |             |              |              |
|--|--|-------------|--------------|--------------|
|  | Due within   |             |              |              |
|  | Less than 1 year   | 1 - 5 years | Over 5 years | Total        |
| <b>Available-for-sale investments</b>      |  |             |              |              |
| Government and state enterprise securities | 7,812  | 3           | -            | 7,815        |
| Private sector debt securities             | 183  | -           | -            | 183          |
| <b>Total</b>                               | <b>7,995</b>   | <b>3</b>    | <b>-</b>     | <b>7,998</b> |
| Less: Allowance for impairment             | (1)  | -           | -            | (1)          |
| <b>Total</b>                               | <b>7,994</b>   | <b>3</b>    | <b>-</b>     | <b>7,997</b> |
| <b>Held-to-maturity debt securities</b>    |  |             |              |              |
| Investments in receivables                 | 12   | -           | -            | 12           |
| Less: Allowance for impairment             | (12)   | -           | -            | (12)         |
| <b>Total</b>                               | <b>-</b>   | <b>-</b>    | <b>-</b>     | <b>-</b>     |
| <b>Total debt instruments</b>              | <b>7,994</b>   | <b>3</b>    | <b>-</b>     | <b>7,997</b> |

## 4.6.3 Investments subject to restrictions

(Unit: Million Baht)

| Type of investments        | Consolidated financial statements as at |                  | Type of restrictions                                      |
|----------------------------|---|------------------|---|
|                            | 31 March 2020                           | 31 December 2019 |   |
| Government debt securities | 2                                       | 2                | Pledged for electricity usage                             |
| Government debt securities | -                                       | 2,912            | Pledge for the use of credit balance on clearing position |

(Unaudited but reviewed)

4.6.4 Investments in companies with weak financial positions and poor operating results of the subsidiary company operating a banking business

(Unit: Thousand Baht)

Consolidated financial statements  
as at 31 March 2020

|   | Cost  | Fair value | Allowance for<br>impairment |
|---|-------|------------|-----------------------------|
| Companies having problems with debt repayment or in default | 1,460 | -          | 1,460                       |

(Unit: Thousand Baht)

Consolidated financial statements  
as at 31 December 2019

|   | Cost  | Fair value | Allowance for<br>impairment |
|---|-------|------------|-----------------------------|
| Companies having problems with debt repayment or in default | 1,460 | -          | 1,460                       |

4.6.5 Investments in which the subsidiary company operating a banking business holds not less than 10 percent of the equity of the investees

(Unit: Thousand Baht)

Consolidated financial statements  
as at 31 December 2019

| Securities' name                  | Fair value of<br>investments | Unpaid<br>amounts | Percentage of<br>holding<br>(%) |
|-----------------------------------|------------------------------|-------------------|---------------------------------|
| <b>Services:</b>                  |                              |                   |                                 |
| Jiji Press (Thailand) Co., Ltd.   | 814                          | 300               | 10                              |
| <b>Trading import and export:</b> |                              |                   |                                 |
| Juki (Thailand) Co., Ltd.         | 5,707                        | -                 | 10                              |
| PDTL Trading Co., Ltd.            | 3,637                        | -                 | 10                              |
| Wattana Inter-Trade Co., Ltd.     | 5,382                        | -                 | 10                              |
| <b>Real estate:</b>               |                              |                   |                                 |
| UMI Property Co., Ltd.            | 4,097                        | -                 | 10                              |
| <b>Industrial:</b>                |                              |                   |                                 |
| Siam Art Ceramic Co., Ltd.        | 11,299                       | -                 | 10                              |

#### 4.7 Investments in subsidiaries and joint venture

(Unit: Thousand Baht)

|                             | Consolidated financial statements as at |                  | Separate financial statements as at |                   |
|-----------------------------|---|------------------|-------------------------------------|-------------------|
|                             | 31 March 2020                           | 31 December 2019 | 31 March 2020                       | 31 December 2019  |
| Investments in subsidiaries | -                                       | -                | 19,995,899                          | 19,995,890        |
| Investment in joint venture | 826,505                                 | 813,602          | 73,245                              | 73,245            |
|                             | <u>826,505</u>                          | <u>813,602</u>   | <u>20,069,144</u>                   | <u>20,069,135</u> |

##### 4.7.1 Investments in subsidiaries

(Unit: Million Baht)

| Company's name  | Nature of business            | Separate financial statements |                   |                             |                  |                                      |                  |   |               |
|---|-------------------------------|-------------------------------|-------------------|-----------------------------|------------------|--------------------------------------|------------------|---|---------------|
|   |                               | Type of investments as at     |                   | Percentage of holding as at |                  | Investment value - cost method as at |                  | Dividend received for the three-month periods ended |               |
|   |                               | 31 March 2020                 | 31 December 2019  | 31 March 2020               | 31 December 2019 | 31 March 2020                        | 31 December 2019 | 31 March 2020                                       | 31 March 2019 |
|   |                               |                               |                   | (%)                         | (%)              |                                      |                  |   |               |
| <b>Subsidiaries directly held by the Company</b>            |                               |                               |                   |                             |                  |                                      |                  |   |               |
| TISCO Bank Public Company Limited                           | Banking                       | Ordinary shares               | Ordinary shares   | 99.99                       | 99.99            | 17,641                               | 17,641           | -   | -             |
| TISCO Securities Co., Ltd.                                  | Securities business           | Ordinary shares               | Ordinary shares   | 99.99                       | 99.99            | 1,075                                | 1,075            | -   | -             |
| TISCO Asset Management Co., Ltd.                            | Asset management              | Ordinary shares               | Ordinary shares   | 99.99                       | 99.99            | 110                                  | 110              | -   | -             |
| Hi-Way Co., Ltd.  | Hire purchase and retail loan | Preference shares             | Preference shares | 99.99                       | 99.99            | 3                                    | 3                | -   | -             |
|   |                               | Ordinary shares               | Ordinary shares   | 99.99                       | 99.99            | 770                                  | 770              | -   | -             |
| TISCO Information Technology Co., Ltd.                      | Services                      | Ordinary shares               | Ordinary shares   | 99.99                       | 99.99            | 22                                   | 22               | -   | -             |
| TISCO Insurance Solution Co., Ltd.                          | Insurance broker              | Ordinary shares               | Ordinary shares   | 99.99                       | 99.99            | 137                                  | 137              | -   | -             |
| Primus Leasing Co., Ltd.<br>(In the process of liquidation) | Hire purchase                 | Ordinary shares               | Ordinary shares   | 99.99                       | 99.99            | 142                                  | 142              | -   | -             |
| TISCO Learning Center Co., Ltd.                             | Services                      | Ordinary shares               | Ordinary shares   | 99.99                       | 99.99            | 5                                    | 5                | -   | -             |
| All-Ways Co., Ltd.  | Services                      | Ordinary shares               | Ordinary shares   | 99.99                       | 99.99            | 200                                  | 200              | -   | -             |
|   |                               |                               |                   |                             |                  | <u>20,105</u>                        | <u>20,105</u>    | <u>-</u>  | <u>-</u>      |
| Less: Allowance for impairment                              |                               |                               |                   |                             |                  | (109)                                | (109)            |   |               |
| Investments in subsidiaries - net                           |                               |                               |                   |                             |                  | <u>19,996</u>                        | <u>19,996</u>    |   |               |

## 4.7.2 Investment in joint venture

## a) Details of investment in joint venture

Investment in joint venture represents investment in entity which is jointly controlled by the Company and another company. Details of this investment are as follows:

(Unit: Thousand Baht)

| Jointly controlled entity     | Nature of business | Consolidated financial statements |                  |               |                  |   |                  |
|-------------------------------|--------------------|-----------------------------------|------------------|---------------|------------------|---|------------------|
|                               |                    | Shareholding percentage as at     |                  | Cost as at    |                  | Carrying amounts based on equity method as at |                  |
|                               |                    | 31 March 2020                     | 31 December 2019 | 31 March 2020 | 31 December 2019 | 31 March 2020                                 | 31 December 2019 |
|                               |                    | (%)                               | (%)              |               |                  |   |                  |
| TISCO Tokyo Leasing Co., Ltd. | Leasing            | 49.00                             | 49.00            | 73,245        | 73,245           | 826,505                                       | 813,602          |

(Unit: Thousand Baht)

| Jointly controlled entity     | Nature of business | Separate financial statements |                  |               |                  |  |                  |   |                  |
|-------------------------------|--------------------|-------------------------------|------------------|---------------|------------------|--|------------------|---|------------------|
|                               |                    | Shareholding percentage as at |                  | Cost as at    |                  | Allowance for impairment of investment as at |                  | Carrying amounts based on cost method - net as at |                  |
|                               |                    | 31 March 2020                 | 31 December 2019 | 31 March 2020 | 31 December 2019 | 31 March 2020                                | 31 December 2019 | 31 March 2020                                     | 31 December 2019 |
|                               |                    | (%)                           | (%)              |               |                  |  |                  |   |                  |
| TISCO Tokyo Leasing Co., Ltd. | Leasing            | 49.00                         | 49.00            | 73,245        | 73,245           | -  | -                | 73,245  | 73,245           |

## b) Share of comprehensive income and dividend received

During the period, the Company recognised its share of comprehensive income from investment in joint venture in the consolidated financial statements and dividend income in the separate financial statements as follows:

(Unit: Thousand Baht)

| Jointly controlled entity     | Consolidated financial statements  |          |  |      | Separate financial statements                                |      |
|-------------------------------|--|----------|--|------|--|------|
|                               | Share of other   |          |  |      |  |      |
|                               | Share of profit/loss from investment in joint venture for the three-month periods ended 31 March |          | comprehensive income from investment in joint venture for the three-month periods ended 31 March |      | Dividend received for the three-month periods ended 31 March |      |
|                               | 2020   | 2019     | 2020   | 2019 | 2020   | 2019 |
| TISCO Tokyo Leasing Co., Ltd. | 15,507   | (37,200) | (2,602)  | 749  | -  | -    |



## 4.8 Loans to customers and accrued interest receivables

### 4.8.1 Classified by type of loans to customers

(Unit: Thousand Baht)

|  | Consolidated financial statements as at |                    |
|--|---|--------------------|
|  | 31 March 2020                           | 31 December 2019   |
| <b>Loans to customers</b>  |   |                    |
| Overdrafts   | 47,292                                  | 107,811            |
| Loans  | 101,156,678                             | 103,448,283        |
| Hire purchase receivables  | 157,152,407                             | 160,003,772        |
| Finance lease receivables  | 13,003                                  | 17,904             |
| Less: Deferred revenue   | (20,491,897)                            | (20,743,017)       |
| Advances received from finance lease receivables                 | (4,458)                                 | (8,613)            |
| Total loans to customers   | 237,873,025                             | 242,826,140        |
| Add: Accrued interest receivables and undue interest receivables | 1,510,760                               | 1,240,929          |
| Less: Allowance for expected credit losses                       | (11,536,263)                            | -                  |
| Allowance for doubtful accounts                                  | -                                       | (10,709,365)       |
| Allowance for loss on debt restructuring                         | -                                       | (7,343)            |
| Loans to customers and accrued interest receivables - net        | <u>227,847,522</u>                      | <u>233,350,361</u> |

(Unit: Thousand Baht)

|   | Separate financial statements as at |                  |
|---|-------------------------------------|------------------|
|   | 31 March 2020                       | 31 December 2019 |
| <b>Loans to customers</b>                                 |                                     |                  |
| Loans   | 3,450,000                           | 2,210,000        |
| Less: Allowance for expected credit losses                | (4,485)                             | -                |
| Loans to customers and accrued interest receivables - net | <u>3,445,515</u>                    | <u>2,210,000</u> |

## 4.8.2 Classified by currency and residency of debtors

(Unit: Thousand Baht)

|                          | Consolidated financial statements as at |                  |                    |                    |                  |                    |
|--------------------------|---|------------------|--------------------|--------------------|------------------|--------------------|
|                          | 31 March 2020                           |                  |                    | 31 December 2019   |                  |                    |
|                          | Domestic                                | Foreign          | Total              | Domestic           | Foreign          | Total              |
| Baht                     | 229,437,783                             | 7,272,433        | 236,710,216        | 234,690,878        | 7,218,218        | 241,909,096        |
| US Dollars               | -                                       | 1,162,809        | 1,162,809          | -                  | 917,044          | 917,044            |
| Total loans to customers |   |                  |                    |                    |                  |                    |
| net of deferred revenue  | <u>229,437,783</u>                      | <u>8,435,242</u> | <u>237,873,025</u> | <u>234,690,878</u> | <u>8,135,262</u> | <u>242,826,140</u> |

(Unit: Thousand Baht)

|                          | Separate financial statements as at |          |                  |                  |          |                  |
|--------------------------|-------------------------------------|----------|------------------|------------------|----------|------------------|
|                          | 31 March 2020                       |          |                  | 31 December 2019 |          |                  |
|                          | Domestic                            | Foreign  | Total            | Domestic         | Foreign  | Total            |
| Baht                     | 3,450,000                           | -        | 3,450,000        | 2,210,000        | -        | 2,210,000        |
| Total loans to customers |                                     |          |                  |                  |          |                  |
| net of deferred revenue  | <u>3,450,000</u>                    | <u>-</u> | <u>3,450,000</u> | <u>2,210,000</u> | <u>-</u> | <u>2,210,000</u> |

## 4.8.3 Classified by loan classification

## 4.8.3.1 Classified by loan classification of the subsidiary company operating a banking business

(Unit: Thousand Baht)

|  | As at 31 March 2020                                 |                                      |
|--|---|--------------------------------------|
|  | Loans to customers and accrued interest receivables | Allowance for expected credit losses |
| Financial assets with no significant increase in credit risk<br>(Performing)     | 202,811,192   | 3,702,921                            |
| Financial assets with significant increases in credit risk<br>(Under-performing) | 25,847,499  | 3,544,689                            |
| Financial assets that are credit-impaired (Non-performing)                       | 5,618,934   | 1,628,696                            |
| Allowance established in excess  | -   | 1,848,698                            |
| Total  | <u>234,277,625</u>                                  | <u>10,725,004</u>                    |

## (Unaudited but reviewed)

(Unit: Thousand Baht)

|                                  | As at 31 December 2019                              |  |   |
|----------------------------------|---|--|---|
|                                  | Loans to customers and accrued interest receivables | Net amount used for setting up allowance for doubtful accounts | Allowance for doubtful accounts <sup>(1)</sup> <sup>(2)</sup> |
| Provision under BOT's guidelines |   |  |   |
| - Pass                           | 217,488,690   | 175,206,431  | 2,438,575   |
| - Special mention                | 16,491,289  | 15,191,241   | 2,352,268   |
| - Sub-standard                   | 2,927,707   | 2,389,220  | 1,037,284   |
| - Doubtful                       | 1,409,323   | 1,178,170  | 480,613   |
| - Doubtful of loss               | 955,442   | 320,408  | 202,811   |
| Allowance established in excess  | -   | -  | 3,562,564   |
| Total                            | 239,272,451   | 194,285,470  | 10,074,115  |

(1) Allowance for doubtful accounts for loans to customers is determined based on debt balance less collateral value in accordance with the BOT's guidelines (except for hire purchase and finance lease receivables, for which TISCO Bank does not deduct the collateral value from the outstanding loan balance).

(2) As at 31 December 2019, the provisions set aside by TISCO Bank exceeded the BOT's notification No. Sor Nor Sor. 5/2559 minimum requirement by a total of Baht 5,714 million. TISCO Bank allocated Baht 2,151 million of the excess provision to specific provision for individual debtors and so combined with the minimum provision requirement of Baht 4,360 million, the total provision set aside in accordance with BOT's requirement is Baht 6,511 million.

|                  | As at 31 December 2019                                   |  |                            |
|------------------|--|--|----------------------------|
|                  | Percentage of allowance for doubtful accounts set up (%) |  |                            |
|                  | Hire purchase receivables <sup>(3)</sup>                 | Loan against auto license receivables <sup>(3)</sup> | Other loans <sup>(4)</sup> |
| Pass             | 0.72   | 1.87   | 1                          |
| Special mention  | 7.64   | 17.25  | 2                          |
| Sub-standard     | 26.35  | 39.13  | 100                        |
| Doubtful         | 31.89  | 39.13  | 100                        |
| Doubtful of loss | 26.21  | 39.13  | 100                        |

(3) These percentages of allowance for doubtful accounts are average percentages used in setting up allowance for doubtful accounts, after inclusion of the allowance for doubtful accounts from assigning provision in excess of BOT's minimum requirement to specific provision for individual debtors.

(4) These percentages are the rates used to set aside allowance for doubtful accounts in accordance with the BOT's minimum requirement.

(Unaudited but reviewed)

#### 4.8.3.2 Classified by loan classification of other subsidiaries

(Unit: Thousand Baht)

As at 31 March 2020

|   | Loans to customers<br>and accrued interest<br>receivables | Allowance for<br>expected credit losses |
|---|---|---|
| Financial assets with no significant increase in credit risk (Performing)     | 3,488,070   | 217,180                                 |
| Financial assets with significant increases in credit risk (Under-performing) | 992,169   | 283,485                                 |
| Financial assets that are credit-impaired (Non-performing)                    | 633,921   | 310,729                                 |
| Total   | <u>5,114,160</u>  | <u>811,394</u>                          |

(Unit: Thousand Baht)

As at 31 December 2019

|                  | Debt balance     | Allowance for<br>doubtful accounts | Debt balance - net |
|------------------|------------------|------------------------------------|--------------------|
| Pass             | 3,517,250        | 205,731                            | 3,311,519          |
| Special mention  | 600,766          | 116,842                            | 483,924            |
| Sub-standard     | 249,172          | 145,089                            | 104,083            |
| Doubtful         | 209,091          | 119,257                            | 89,834             |
| Doubtful of loss | 84,386           | 48,331                             | 36,055             |
| Total            | <u>4,660,665</u> | <u>635,250</u>                     | <u>4,025,415</u>   |

#### 4.8.3.3 Classified by loan classification of the Company

(Unit: Thousand Baht)

Separate financial statements  
as at 31 March 2020

|   | Loans to customers<br>and accrued interest<br>receivables | Allowance for<br>expected credit losses |
|---|---|---|
| Financial assets with no significant increase in credit risk (Performing)     | 3,450,000   | 4,485                                   |
| Financial assets with significant increases in credit risk (Under-performing) | -   | -                                       |
| Financial assets that are credit-impaired (Non-performing)                    | -   | -                                       |
| Total   | <u>3,450,000</u>  | <u>4,485</u>                            |

(Unaudited but reviewed)

(Unit: Thousand Baht)

## Separate financial statements as at 31 December 2019

|                  | Allowance for |                   |                    |
|------------------|---------------|-------------------|--------------------|
|                  | Debt balance  | doubtful accounts | Debt balance - net |
| Pass             | 2,210,000     | -                 | 2,210,000          |
| Special mention  | -             | -                 | -                  |
| Sub-standard     | -             | -                 | -                  |
| Doubtful         | -             | -                 | -                  |
| Doubtful of loss | -             | -                 | -                  |
| Total            | 2,210,000     | -                 | 2,210,000          |

4.8.4 As at 31 March 2020, loans to customers of the subsidiary company operating a banking business classified by loan classification and type of debtors are as follows:

(Unit: Million Baht)

## As at 31 March 2020

|   | Loans against auto license                          |                                      |   |                                      |   |                                      |   |                                      |
|---|---|--------------------------------------|---|--------------------------------------|---|--------------------------------------|---|--------------------------------------|
|   | Hire purchase receivables                           |                                      | receivables   |                                      | Other loans   |                                      | Total   |                                      |
|   | Loans to customers and accrued interest receivables | Allowance for expected credit losses | Loans to customers and accrued interest receivables | Allowance for expected credit losses | Loans to customers and accrued interest receivables | Allowance for expected credit losses | Loans to customers and accrued interest receivables | Allowance for expected credit losses |
| Financial assets with no significant increase in credit risk (Performing)     | 111,754   | 1,309                                | 25,787  | 819                                  | 65,270  | 1,575                                | 202,811   | 3,703                                |
| Financial assets with significant increases in credit risk (Under-performing) | 17,904  | 1,718                                | 4,857   | 759                                  | 3,087   | 1,067                                | 25,848  | 3,544                                |
| Financial assets that are credit-impaired (Non-performing)                    | 3,353   | 822                                  | 839   | 302                                  | 1,427   | 505                                  | 5,619   | 1,629                                |
| Total   | 133,011   | 3,849                                | 31,483  | 1,880                                | 69,784  | 3,147                                | 234,278   | 8,876                                |
| Allowance established in excess   |   |                                      |   |                                      |   |                                      |   | 1,849                                |
| Total   |   |                                      |   |                                      |   |                                      |   | 10,725                               |

(Unaudited but reviewed)

As at 31 December 2019, loans to customers of the subsidiary company operating a banking business classified by loan classification in accordance with the BOT's guidelines are as follows:

(Unit: Million Baht)

|                                 | As at 31 December 2019    |                                  |                            |                                  |               |                                  |                |                                  |
|---------------------------------|---------------------------|----------------------------------|----------------------------|----------------------------------|---------------|----------------------------------|----------------|----------------------------------|
|                                 | Hire purchase receivables |                                  | Loans against auto license |                                  |               |                                  | Total          |                                  |
|                                 |                           |                                  | receivables                |                                  | Other loans   |                                  |                |                                  |
|                                 | Allowance for             |                                  | Allowance for              |                                  | Allowance for |                                  | Allowance for  |                                  |
|                                 | Debt balance              | doubtful accounts <sup>(5)</sup> | Debt balance               | doubtful accounts <sup>(5)</sup> | Debt balance  | doubtful accounts <sup>(5)</sup> | Debt balance   | doubtful accounts <sup>(5)</sup> |
| Pass                            | 120,479                   | 867                              | 26,640                     | 497                              | 69,533        | 1,074                            | 216,652        | 2,438                            |
| Special mention                 | 11,569                    | 883                              | 2,965                      | 511                              | 1,688         | 958                              | 16,222         | 2,352                            |
| Sub-standard                    | 1,817                     | 479                              | 391                        | 153                              | 719           | 405                              | 2,927          | 1,037                            |
| Doubtful                        | 860                       | 274                              | 200                        | 78                               | 349           | 129                              | 1,409          | 481                              |
| Doubtful of loss                | 121                       | 32                               | 79                         | 31                               | 755           | 140                              | 955            | 203                              |
| Total                           | <u>134,846</u>            | <u>2,535</u>                     | <u>30,275</u>              | <u>1,270</u>                     | <u>73,044</u> | <u>2,706</u>                     | 238,165        | 6,511                            |
| Accrued interest receivables    |                           |                                  |                            |                                  |               |                                  | 1,107          | -                                |
| Allowance established in excess |                           |                                  |                            |                                  |               |                                  | -              | 3,563                            |
| Total                           |                           |                                  |                            |                                  |               |                                  | <u>239,272</u> | <u>10,074</u>                    |

(5) This allowance for doubtful accounts includes the allowance for doubtful accounts from assigning provision in excess of BOT's minimum requirement to specific provision for individual debtors.

#### 4.8.5 Hire purchase and finance lease receivables

As at 31 March 2020, receivables of the subsidiaries under hire purchase and finance lease agreements amount to Baht 136,926 million (31 December 2019: Baht 139,459 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 March 2020            |                                  |              |  |                |
|--|--|----------------------------------|--------------|--|----------------|
|  | Amounts of installments due under the long-term lease agreements |                                  |              |  |                |
|  | Not over 1 year  | Over 1 year but not over 5 years | Over 5 years | Financial assets that are credit-impaired (Non-performing) | Total          |
|  |  |                                  |              |  |                |
| Gross investment in the agreements                 | 47,599   | 93,412                           | 7,956        | 8,198  | 157,165        |
| Less: Deferred revenue <sup>(6)</sup>              | (6,609)  | (9,008)                          | (286)        | (4,332)  | (20,235)       |
| Advances received from finance lease receivables   | (4)  | -                                | -            | -  | (4)            |
| Present value of minimum lease pay from agreements | <u>40,986</u>  | <u>84,404</u>                    | <u>7,670</u> | <u>3,866</u>   | 136,926        |
| Allowance for expected credit losses               |  |                                  |              |  | (4,634)        |
| Net hire purchase and finance lease receivables    |  |                                  |              |  | <u>132,292</u> |

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

(Unaudited but reviewed)

(Unit: Million Baht)

| Consolidated financial statements as at 31 December 2019         |                    |                                     |              |                         |          |
|--|--------------------|-------------------------------------|--------------|-------------------------|----------|
| Amounts of installments due under the long-term lease agreements |                    |                                     |              |                         |          |
|  | Not over<br>1 year | Over 1 year but<br>not over 5 years | Over 5 years | Non-performing<br>loans | Total    |
| Gross investment in the agreements                               | 48,905             | 96,165                              | 7,412        | 7,540                   | 160,022  |
| Less: Deferred revenue <sup>(6)</sup>                            | (6,776)            | (9,250)                             | (325)        | (4,203)                 | (20,554) |
| Advances received from finance<br>lease receivables              | (9)                | -                                   | -            | -                       | (9)      |
| Present value of minimum lease pay<br>from agreements            | 42,120             | 86,915                              | 7,087        | 3,337                   | 139,459  |
| Allowance for doubtful accounts <sup>(5)</sup>                   |                    |                                     |              |                         | (3,167)  |
| Net hire purchase and finance lease receivables                  |                    |                                     |              |                         | 136,292  |

(5) This allowance for doubtful accounts includes the allowance for doubtful accounts from assigning provision in excess of BOT's minimum requirement to specific provision for individual debtors.

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

#### 4.8.6 Loans to customers of the subsidiary companies for which the recognition of interest income has been ceased

As at 31 December 2019, loans to customers for which the recognition of interest income has been ceased of the subsidiary companies under the BOT's guidelines and TISCO Bank's policy are as follows:

| TISCO Bank | As at 31 December 2019  |   |
|------------|---|---|
|            | Amounts calculated<br>under BOT's guidelines <sup>(8)</sup>                                       | Amounts calculated<br>under the Bank's policy |
|            | Loans to customers for which the recognition of<br>interest income has been ceased <sup>(7)</sup> | 6,816   |

(7) These amounts are calculated on an account by account basis.

(8) Accrual of interest ceases when interest payments have been defaulted on for more than three months, counting from the due date.

| Other subsidiaries   | (Unit: Million Baht)   |
|--|------------------------|
|  | As at 31 December 2019 |
| Hire purchase receivables, finance lease receivables and other loan receivables<br>for which the recognition of interest income has been ceased in compliance<br>with the Group's policy | 605                    |

However, in order to align with the financial reporting standards which became effective on 1 January 2020, the subsidiary companies revised their accounting policy by cancelling the policy to cease the recognition of interest income. Therefore, as at 31 March 2020 the subsidiary companies do not have loans to customers for which the recognition of interest income has been ceased.

(Unaudited but reviewed)

#### 4.8.7 Deferred revenue which is presented as a deduction against loans to customers of the subsidiary companies

(Unit: Million Baht)

|                                 | Consolidated financial statements as at |                  |
|---------------------------------|---|------------------|
|                                 | 31 March 2020                           | 31 December 2019 |
| Deferred revenue <sup>(9)</sup> | 20,492                                  | 20,743           |

(9) These amounts include deferred revenue of hire purchase and finance lease contracts which are stated net of commissions and direct expenses incurred at the initiation of hire purchase.

#### 4.8.8 Troubled debt restructuring of the subsidiary company operating a banking business

Supplemental information regarding the subsidiary's debt restructuring agreements with debtors for the three-month periods ended 31 March 2020 and 2019 is as follows:

|  | For the three-month periods ended 31 March |      |
|--|--|------|
|  | 2020                                       | 2019 |
| Debtors restructured during the period                           |  |      |
| Number of debtors restructured by modification of terms (number) | 213  | 277  |
| Loan balances before restructuring (Million Baht)                | 88   | 83   |
| Loan balances after restructuring (Million Baht)                 | 89   | 84   |
| Loss on troubled debt restructuring (Million Baht)               | -  | -    |
| Average contract period of debt restructuring (years)            |  |      |
| Hire purchase receivables  | 5  | 4    |
| Mortgage loan receivables  | 16   | 4    |
| Loan against auto license receivables                            | 4  | 5    |

Supplemental information for the three-month periods ended 31 March 2020 and 2019 relating to the restructured debts is as follows:

|   | (Unit: Million Baht)                       |      |
|---|--|------|
|   | For the three-month periods ended 31 March |      |
|   | 2020                                       | 2019 |
| Interest income on restructured receivables | 31   | 55   |
| Receipt of principal and interest           | 225  | 316  |



(Unaudited but reviewed)

As at 31 March 2020 and 31 December 2019, the subsidiary company operating a banking business has the outstanding balances with troubled debt restructuring debtors as follows:

(Unit: Million Baht)

|                                       | As at             |                     |                   |                     |
|---------------------------------------|-------------------|---------------------|-------------------|---------------------|
|                                       | 31 March 2020     |                     | 31 December 2019  |                     |
|                                       | Number of debtors | Outstanding balance | Number of debtors | Outstanding balance |
| The balance of the restructured debts | 9,655             | 1,934               | 10,615            | 2,109               |

#### 4.9 Allowance for expected credit losses/allowance for doubtful accounts/allowance for loss on debt restructuring

##### 4.9.1 Allowance for expected credit losses

As at 31 March 2020, the Group has allowance for expected credit losses which is classified by type of financial assets as follows:

(Unit: Thousand Baht)

|  | Consolidated financial statements   |   |  |  |                                 |              |
|--|---|---|--|--|---------------------------------|--------------|
|  | For the three-month period ended 31 March 2020                            |   |  |  |                                 |              |
|  | Financial assets with no significant increase in credit risk (12-mth ECL) | Financial assets with significant increases in credit risk (Lifetime ECL - not credit impaired) | Financial assets that are credit-impaired (Lifetime ECL - credit impaired) | Allowance for doubtful accounts/ allowance for impairments | Allowance established in excess | Total        |
| <b>Interbank and money market items (assets)</b>   |   |   |  |  |                                 |              |
| Balance - beginning of period  | -   | -   | -  | -  | -                               | -            |
| Increase during the period   | 707   | -   | -  | -  | -                               | 707          |
| Balance - end of period  | <u>707</u>  | <u>-</u>  | <u>-</u>   | <u>-</u>   | <u>-</u>                        | <u>707</u>   |
| <b>Investments in debt instruments measured at fair value through other comprehensive income</b> |   |   |  |  |                                 |              |
| Balance - beginning of period  | -   | -   | -  | 1,460  | -                               | 1,460        |
| Changes due to the adoption of new financial reporting standards <sup>(1)</sup>                  | -   | -   | 1,460  | (1,460)  | -                               | -            |
|  | -   | -   | 1,460  | -  | -                               | 1,460        |
| Increase during the period   | 3,320   | -   | -  | -  | -                               | 3,320        |
| Balance - end of period  | <u>3,320</u>  | <u>-</u>  | <u>1,460</u>   | <u>-</u>   | <u>-</u>                        | <u>4,780</u> |

(Unit: Thousand Baht)

| Consolidated financial statements   |                  |                  |               |               |             |            |
|---|------------------|------------------|---------------|---------------|-------------|------------|
| For the three-month period ended 31 March 2020  |                  |                  |               |               |             |            |
|   | Financial assets |                  |               | Allowance for |             |            |
| Financial assets  | with significant | Financial assets | Allowance for | Allowance     |             |            |
| with no   | increases in     | that are credit- | doubtful      | established   |             | Total      |
| significant   | credit risk      | impaired         | accounts/     | in excess     |             |            |
| increase in   | (Lifetime ECL -  | (Lifetime ECL -  | allowance for |               |             |            |
| credit risk   | not credit       | credit impaired) | impairments   |               |             |            |
| (12-mth ECL)  | impaired)        |                  |               |               |             |            |
| <b>Investments in debt instruments</b>  |                  |                  |               |               |             |            |
| <b>measured at amortised cost</b>   |                  |                  |               |               |             |            |
| Balance - beginning of period   | -                | -                | -             | 12,437        | -           | 12,437     |
| Changes due to the adoption of new financial reporting standards <sup>(1)</sup>             |                  |                  | 12,437        | (12,437)      | -           | -          |
|   | -                | -                | 12,437        | -             | -           | 12,437     |
| Decrease during the period  | -                | -                | (226)         | -             | -           | (226)      |
| Balance - end of period   | -                | -                | 12,211        | -             | -           | 12,211     |
| <b>Loans to customers and accrued interest receivables</b>                                  |                  |                  |               |               |             |            |
| Balance - beginning of period   | -                | -                | -             | 7,146,393     | 3,562,972   | 10,709,365 |
| Changes due to the adoption of new financial reporting standards <sup>(1)</sup>             |                  |                  |               |               |             |            |
| - Allocation of allowance for doubtful accounts   | 3,870,485        | 3,103,592        | 1,622,490     | (7,146,393)   | (1,450,174) | -          |
| - Transfer allowance for loss on debt restructuring to allowance for expected credit losses | -                | 7,343            | -             | -             | -           | 7,343      |
|   | 3,870,485        | 3,110,935        | 1,622,490     | -             | 2,112,798   | 10,716,708 |
| Increase (decrease) during the period   | 48,957           | 723,120          | 983,578       | -             | (264,100)   | 1,491,555  |
| Bad debts written-off   | (42)             | (6,766)          | (665,192)     | -             | -           | (672,000)  |
| Balance - end of period   | 3,919,400        | 3,827,289        | 1,940,876     | -             | 1,848,698   | 11,536,263 |

(1) Beginning balance of allowance for doubtful accounts, measured in accordance with the rules of the BOT, is presented as 12-mth ECL and Lifetime ECL on TFRS9, without restatement of the comparative information.

The amount of allowance for expected credit losses (ECL) as at 1 January 2020 as determined in accordance with TFRS 9: Financial Instruments was lower than the amount of allowance for doubtful accounts as at 31 December 2019 as determined in accordance with the former accounting policy by Baht 2,113 million. Such amount will be released in quarterly amounts over 2 years under the straight-line method, in line with the BOT's guideline.

(Unaudited but reviewed)

(Unit: Thousand Baht)

| Separate financial statements   |   |  |   |                                    |       |
|---|---|--|---|------------------------------------|-------|
| For the three-month period ended 31 March 2020                        |   |  |   |                                    |       |
|   | Financial assets<br>with no significant<br>increase in<br>credit risk<br>(12-mth ECL) | Financial assets<br>with significant<br>increases in credit<br>risk (Lifetime<br>ECL - not credit<br>impaired) | Financial assets<br>that are credit-<br>impaired (Lifetime<br>ECL - credit<br>impaired) | Allowance for<br>doubtful accounts | Total |
| <b>Investments in debt instruments<br/>measured at amortised cost</b> |   |  |   |                                    |       |
| Balance - beginning of period   | -   | -  | -   | -                                  | -     |
| Increase during the period  | 4,485   | -  | -   | -                                  | 4,485 |
| Balance - end of period   | 4,485   | -  | -   | -                                  | 4,485 |

#### 4.9.2 Allowance for doubtful accounts

As at 31 December 2019, the Group has allowance for doubtful accounts classified by receivable classification as follows:

(Unit: Thousand Baht)

| Consolidated financial statements  |           |                    |                  |             |                     |                                       |             |
|--|-----------|--------------------|------------------|-------------|---------------------|---------------------------------------|-------------|
| For the year ended 31 December 2019  |           |                    |                  |             |                     |                                       |             |
|  | Pass      | Special<br>mention | Sub-<br>Standard | Doubtful    | Doubtful of<br>loss | Allowance<br>established<br>in excess | Total       |
| Balance - beginning of year  | 2,656,402 | 3,283,511          | 1,376,962        | 670,853     | 612,847             | 3,064,917                             | 11,665,492  |
| Increase (decrease) in<br>allowance for doubtful<br>accounts during the year | (11,252)  | (788,633)          | (96,469)         | 1,572,636   | 1,798,267           | 498,055                               | 2,972,604   |
| Bad debts written-off  | (845)     | (25,767)           | (98,121)         | (1,643,671) | (2,160,327)         | -                                     | (3,928,731) |
| Balance - end of year  | 2,644,305 | 2,469,111          | 1,182,372        | 599,818     | 250,787             | 3,562,972                             | 10,709,365  |

#### 4.9.3 Allowance for loss on debt restructuring of the subsidiary company operating a banking business

(Unit: Thousand Baht)

|  | For the three-month<br>period ended<br>31 March 2020 | For the<br>year ended<br>31 December 2019 |
|--|--|---|
| Balance - beginning of period                                    | 7,343  | 8,146                                     |
| Changes due to the adoption of new financial reporting standards | (7,343)  | -   |
| Amortisation during the period                                   | -  | (803)                                     |
| Balance - end of period  | -  | 7,343                                     |

#### 4.10 Classification of assets

##### 4.10.1 Investments in companies with weak financial positions and poor operating results of the subsidiary company operating a banking business

(Unit: Million Baht)

Allowance for possible loss  
provided in the accounts

|   | Cost as at |             | Fair value as at |             | as at    |             |
|---|------------|-------------|------------------|-------------|----------|-------------|
|   | 31 March   | 31 December | 31 March         | 31 December | 31 March | 31 December |
|   | 2020       | 2019        | 2020             | 2019        | 2020     | 2019        |
| Investments in debt instruments<br>measured at fair value through<br>other comprehensive income |            |             |                  |             |          |             |
| Debt instruments - debentures <sup>(1)</sup>  | 1          | 1           | -                | -           | 1        | 1           |

(1) Investments in subordinated debentures issued by financial institutions which the Bank of Thailand ordered closed on 8 December 1997.

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

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

(Unit: Million Baht)

|   | Consolidated financial statements as at 31 March 2020 |   |   |  |         |
|---|---|---|---|--|---------|
|   | Interbank and money<br>market items                   | Debt instruments<br>measured at<br>fair value<br>through other<br>comprehensive<br>income | Debt instruments<br>measured at<br>amortised cost | Loans<br>to customers and<br>accrued interest<br>receivables | Total   |
| Financial assets with no significant<br>increase in credit risk (Performing)        | 51,687  | 11,577  | -   | 206,291  | 269,555 |
| Financial assets with significant<br>increases in credit risk<br>(Under-performing) | -   | -   | -   | 26,840   | 26,840  |
| Financial assets that are credit-impaired<br>(Non-performing)                       | -   | 1   | 12  | 6,253  | 6,266   |
| Total   | 51,687  | 11,578  | 12  | 239,384  | 302,661 |

(Unit: Million Baht)

## Separate financial statements as at 31 March 2020

|   | Financial assets                 |   |   |                    | Total        |
|---|----------------------------------|---|---|--------------------|--------------|
|   | Interbank and money market items | Investments in debt instruments measured at fair value through other comprehensive income | Debt instruments measured at amortised cost | Loans to customers |              |
| Financial assets with no significant increase in credit risk (Performing)     | 5                                | -   | -   | 3,450              | 3,455        |
| Financial assets with significant increases in credit risk (Under-performing) | -                                | -   | -   | -                  | -            |
| Financial assets that are credit-impaired (Non-performing)                    | -                                | -   | -   | -                  | -            |
| <b>Total</b>  | <b>5</b>                         | <b>-</b>  | <b>-</b>                                    | <b>3,450</b>       | <b>3,455</b> |

As at 31 December 2019, the quality of assets of the subsidiary company operating a banking business classified in accordance with the BOT's guidelines is as follows:

(Unit: Million Baht)

## As at 31 December 2019

|                  | Loans to customers <sup>(2)</sup> | Investments in securities | Investments in receivables | Total          |
|------------------|-----------------------------------|---------------------------|----------------------------|----------------|
| Pass             | 258,452                           | -                         | -                          | 258,452        |
| Special mention  | 16,222                            | -                         | -                          | 16,222         |
| Sub-standard     | 2,927                             | -                         | -                          | 2,927          |
| Doubtful         | 1,409                             | -                         | -                          | 1,409          |
| Doubtful of loss | 955                               | 42                        | 12                         | 1,009          |
| <b>Total</b>     | <b>279,965</b>                    | <b>42</b>                 | <b>12</b>                  | <b>280,019</b> |

(2) Loans to customers include investments in debt securities under resale agreements of other commercial banks and loans to financial institutions (which are presented as part of interbank and money market items-net (assets) in the statement of financial position).

#### 4.10.3 Loans to customers with weak financial position and poor operating results of the subsidiary company operating a banking business

|   | Number of debtors |                  | Debt balance  |                  | Collateral value |                  | Allowance for expected credit losses/allowance for doubtful accounts provided in the accounts <sup>(4)</sup> |                    |
|---|-------------------|------------------|---------------|------------------|------------------|------------------|--|--------------------|
|   | as at             |                  | as at         |                  | as at            |                  | as at  |                    |
|   | 31 March 2020     | 31 December 2019 | 31 March 2020 | 31 December 2019 | 31 March 2020    | 31 December 2019 | 31 March 2020  | 31 December 2019   |
|   |                   |                  |               | (Million Baht)   | (Million Baht)   | (Million Baht)   | (Million Baht)   | (Million Baht)     |
| 1. Listed companies vulnerable to delisting from the SET <sup>(3)</sup>   | 1                 | 1                | 501           | 513              | 456              | 467              | 501  | 513 <sup>(5)</sup> |
| 2. Non-listed companies with similar operating results and financial positions to listed companies vulnerable to delisting from the SET | 7                 | 8                | 606           | 862              | 206              | 236              | 85   | 10                 |
| <b>Total</b>  | <b>8</b>          | <b>9</b>         | <b>1,107</b>  | <b>1,375</b>     | <b>662</b>       | <b>703</b>       | <b>586</b>   | <b>523</b>         |

(3) The company is currently under rehabilitation.

(4) This allowance for doubtful accounts includes the allowance for doubtful accounts from assigning provision in excess of BOT's minimum requirement to specific provision for individual debtors.

(5) This allowance for doubtful accounts includes the allowance for loss on debt restructuring.

#### 4.11 Premises and equipment

Movement of premises and equipment for the three-month period ended 31 March 2020 is as follows:

|   | (Unit: Thousand Baht)             |                               |
|---|-----------------------------------|-------------------------------|
|   | Consolidated financial statements | Separate financial statements |
| <b>Cost:</b>                            |                                   |                               |
| As at 1 January 2020                    | 4,695,830                         | 1,178,836                     |
| Additions                               | 65,609                            | 25,065                        |
| Disposals/transfers out                 | (105,251)                         | (9,337)                       |
| As at 31 March 2020                     | 4,656,188                         | 1,194,564                     |
| <b>Accumulated depreciation:</b>        |                                   |                               |
| As at 1 January 2020                    | 1,711,678                         | 378,457                       |
| Depreciation for the period             | 55,378                            | 20,551                        |
| Depreciation on disposals/transfers out | (101,458)                         | (9,089)                       |
| As at 31 March 2020                     | 1,665,598                         | 389,919                       |
| <b>Net book value:</b>                  |                                   |                               |
| 31 December 2019                        | 2,984,152                         | 800,379                       |
| 31 March 2020                           | 2,990,590                         | 804,645                       |

**4.12 Right-of-use assets**

Movement of right-of-use assets for the three-month period ended 31 March 2020 is as follows:

|                                      | (Unit: Thousand Baht)                |                                  |
|--------------------------------------|--------------------------------------|----------------------------------|
|                                      | Consolidated financial<br>statements | Separate financial<br>statements |
| <b>Cost</b>                          |                                      |                                  |
| 1 January 2020                       | 1,061,585                            | 1,158                            |
| Additions                            | 42,412                               | -                                |
| Contract termination                 | (13,992)                             | -                                |
| 31 March 2020                        | <u>1,090,005</u>                     | <u>1,158</u>                     |
| <b>Accumulated depreciation:</b>     |                                      |                                  |
| 1 January 2020                       | -                                    | -                                |
| Depreciation for the period          | 71,171                               | 70                               |
| Depreciation on terminated contracts | (623)                                | -                                |
| 31 March 2020                        | <u>70,548</u>                        | <u>70</u>                        |
| <b>Net book value</b>                |                                      |                                  |
| 1 January 2020                       | <u>1,061,585</u>                     | <u>1,158</u>                     |
| 31 March 2020                        | <u><u>1,019,457</u></u>              | <u><u>1,088</u></u>              |

**4.13 Other assets**

|   | (Unit: Thousand Baht)             |                         |                               |                       |
|---|-----------------------------------|-------------------------|-------------------------------|-----------------------|
|   | Consolidated financial statements |                         | Separate financial statements |                       |
|   | as at                             |                         | as at                         |                       |
|   | 31 March<br>2020                  | 31 December<br>2019     | 31 March<br>2020              | 31 December<br>2019   |
| Receivables from clearing house                 | 94,457                            | 605                     | -                             | -                     |
| Value added tax - net                           | 274,027                           | 398,298                 | 2,438                         | 3,796                 |
| Accrued interest receivables                    | 20,301                            | 11,333                  | -                             | -                     |
| Fee and service receivables                     | 424,930                           | 653,250                 | 126,549                       | 119,933               |
| Refundable income tax and<br>prepaid income tax | 16,178                            | 23,769                  | -                             | -                     |
| Deposits  | 88,063                            | 86,299                  | 2,095                         | 2,095                 |
| Other receivables                               | 677,886                           | 886,689                 | -                             | 365                   |
| Other assets                                    | 393,268                           | 440,937                 | 58,626                        | 70,523                |
| Total other assets                              | <u><u>1,989,110</u></u>           | <u><u>2,501,180</u></u> | <u><u>189,708</u></u>         | <u><u>196,712</u></u> |

(Unaudited but reviewed)

## 4.14 Deposits

### 4.14.1 Classified by type of deposits

(Unit: Thousand Baht)

|  | Consolidated financial statements as at |                  |
|--|---|------------------|
|  | 31 March 2020                           | 31 December 2019 |
| Deposits   |   |                  |
| Current accounts   | 3,392,778                               | 2,638,324        |
| Saving accounts  | 45,887,078                              | 37,801,616       |
| Fixed accounts   |   |                  |
| - not over 6 months  | 15,638,150                              | 19,248,789       |
| - over 6 months but not over 1 year                        | 36,056,875                              | 33,399,669       |
| - over 1 year  | 3,192,804                               | 3,912,418        |
| Certificates of deposit/negotiable certificates of deposit | 116,461,047                             | 119,083,735      |
| Total  | 220,628,732                             | 216,084,551      |

### 4.14.2 Classified by the remaining years of contract

(Unit: Thousand Baht)

|                                | Consolidated financial statements as at |                  |
|--------------------------------|---|------------------|
|                                | 31 March 2020                           | 31 December 2019 |
| Not over 1 year <sup>(1)</sup> | 220,063,842                             | 215,390,186      |
| Over 1 year                    | 564,890                                 | 694,365          |
| Total deposits                 | 220,628,732                             | 216,084,551      |

(1) Including fully-mature deposit contracts

4.14.3 As at 31 March 2020 and 31 December 2019, all outstanding deposits are deposits from domestic depositors and are in Baht.

## 4.15 Debts issued and borrowings

(Unit: Thousand Baht)

|                                     | Consolidated financial statements |             | Separate financial statements |             |
|-------------------------------------|-----------------------------------|-------------|-------------------------------|-------------|
|                                     | as at                             |             | as at                         |             |
|                                     | 31 March                          | 31 December | 31 March                      | 31 December |
|                                     | 2020                              | 2019        | 2020                          | 2019        |
| <u>Domestic borrowings</u>          |                                   |             |                               |             |
| Subordinated unsecured debentures   | 6,680,000                         | 6,680,000   | -                             | -           |
| Unsubordinated unsecured debentures | 16,910,000                        | 18,300,000  | 370,000                       | 6,300,000   |
| Bills of exchange                   | 36,122                            | 36,122      | -                             | -           |
| Promissory notes                    | 797                               | 797         | -                             | -           |
| Total                               | 23,626,919                        | 25,016,919  | 370,000                       | 6,300,000   |



## 4.15.1 Subordinated unsecured debentures

As at 31 March 2020 and 31 December 2019, the subsidiary company operating a banking business has long-term subordinated unsecured debentures as follows:

| Issued year | Units as at     |                  | Face value per unit (Baht) | Balance as at  |                  | Maturity in the year | Interest rate           |
|-------------|-----------------|------------------|----------------------------|----------------|------------------|----------------------|-------------------------|
|             | 31 March 2020   | 31 December 2019 |                            | 31 March 2020  | 31 December 2019 |                      |                         |
|             | (Million units) | (Million units)  |                            | (Million Baht) | (Million Baht)   |                      |                         |
| 2015        | 1.00            | 1.00             | 1,000                      | 1,000          | 1,000            | 2025                 | 4.50 percent per annum  |
| 2015        | 1.00            | 1.00             | 1,000                      | 1,000          | 1,000            | 2025                 | 4.25 percent per annum  |
| 2016        | 0.68            | 0.68             | 1,000                      | 680            | 680              | 2026                 | 3.875 percent per annum |
| 2017        | 1.00            | 1.00             | 1,000                      | 1,000          | 1,000            | 2027                 | 4.00 percent per annum  |
| 2017        | 0.60            | 0.60             | 1,000                      | 600            | 600              | 2027                 | 3.70 percent per annum  |
| 2019        | 1.20            | 1.20             | 1,000                      | 1,200          | 1,200            | 2029                 | 4.00 percent per annum  |
| 2019        | 1.20            | 1.20             | 1,000                      | 1,200          | 1,200            | 2029                 | 4.00 percent per annum  |
| Total       |                 |                  |                            | 6,680          | 6,680            |                      |                         |

## 4.15.2 Unsubordinated unsecured debentures

As at 31 March 2020 and 31 December 2019, the Group has short-term and long-term unsubordinated unsecured debentures as follows:

| Consolidated financial statements |                      |                 |                  |                            |                |                  |                      |                               |
|-----------------------------------|----------------------|-----------------|------------------|----------------------------|----------------|------------------|----------------------|-------------------------------|
| Issued year                       | Type of debentures   | Units as at     |                  | Face value per unit (Baht) | Balance as at  |                  | Maturity in the year | Interest rate                 |
|                                   |                      | 31 March 2020   | 31 December 2019 |                            | 31 March 2020  | 31 December 2019 |                      |                               |
|                                   |                      | (Million units) | (Million units)  |                            | (Million Baht) | (Million Baht)   |                      |                               |
| 2018                              | Long-term debenture  | 12.00           | 12.00            | 1,000                      | 12,000         | 12,000           | 2020                 | 1.65 - 2.05 percent per annum |
| 2019                              | Short-term debenture | -               | 6.30             | 1,000                      | -              | 6,300            | 2020                 | 1.50 - 1.85 percent per annum |
| 2020                              | Short-term debenture | 2.32            | -                | 1,000                      | 2,320          | -                | 2021                 | 1.30 percent per annum        |
| 2020                              | Long-term debenture  | 2.22            | -                | 1,000                      | 2,220          | -                | 2022                 | 1.40 percent per annum        |
| 2020                              | Short-term debenture | 0.37            | -                | 1,000                      | 370            | -                | 2020                 | 1.20 - 1.40 percent per annum |
| Total                             |                      |                 |                  |                            | 16,910         | 18,300           |                      |                               |

| Separate financial statements |                      |                 |                  |                            |                |                  |                      |                               |
|-------------------------------|----------------------|-----------------|------------------|----------------------------|----------------|------------------|----------------------|-------------------------------|
| Issued year                   | Type of debentures   | Units as at     |                  | Face value per unit (Baht) | Balance as at  |                  | Maturity in the year | Interest rate                 |
|                               |                      | 31 March 2020   | 31 December 2019 |                            | 31 March 2020  | 31 December 2019 |                      |                               |
|                               |                      | (Million units) | (Million units)  |                            | (Million Baht) | (Million Baht)   |                      |                               |
| 2019                          | Short-term debenture | -               | 6.30             | 1,000                      | -              | 6,300            | 2020                 | 1.50 - 1.85 percent per annum |
| 2020                          | Short-term debenture | 0.37            | -                | 1,000                      | 370            | -                | 2020                 | 1.20 - 1.40 percent per annum |
| Total                         |                      |                 |                  |                            | 370            | 6,300            |                      |                               |

#### 4.15.3 Bills of exchange

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

#### 4.16 Lease liabilities

(Unit: Thousand Baht)

|   | Consolidated financial statements |                     | Separate financial statements |                     |
|---|-----------------------------------|---------------------|-------------------------------|---------------------|
|   | as at                             |                     | as at                         |                     |
|   | 31 March<br>2020                  | 31 December<br>2019 | 31 March<br>2020              | 31 December<br>2019 |
| Beginning balance as at 1 January 2020 from the adoption of new financial reporting standards | 1,060,908                         | -                   | 1,215                         | -                   |
| Increase during the period  | 45,511                            | -                   | -                             | -                   |
| Paid during the period  | (72,948)                          | -                   | (73)                          | -                   |
| Terminated during the period  | (14,422)                          | -                   | -                             | -                   |
| Balance as at 31 March 2020   | 1,019,049                         | -                   | 1,142                         | -                   |
| Less: Deferred interest expense   | (71,722)                          | -                   | (51)                          | -                   |
| Lease liabilities - net   | <u>947,327</u>                    | <u>-</u>            | <u>1,091</u>                  | <u>-</u>            |

#### 4.17 Provisions

(Unit: Thousand Baht)

|  | Consolidated financial statements |                     | Separated financial statements |                     |
|--|-----------------------------------|---------------------|--------------------------------|---------------------|
|  | as at                             |                     | as at                          |                     |
|  | 31 March<br>2020                  | 31 December<br>2019 | 31 March<br>2020               | 31 December<br>2019 |
| Allowance for expected credit losses for committed credit lines and financial guarantees | 845                               | -                   | -                              | -                   |
| Provision for long-term employee benefits  | 1,560,665                         | 1,485,868           | 274,200                        | 265,897             |
| Total provisions   | <u>1,561,510</u>                  | <u>1,485,868</u>    | <u>274,200</u>                 | <u>265,897</u>      |

**4.18 Other liabilities**

(Unit: Thousand Baht)

|  | Consolidated financial statements |                     | Separate financial statements |                     |
|--|-----------------------------------|---------------------|-------------------------------|---------------------|
|  | as at                             |                     | as at                         |                     |
|  | 31 March<br>2020                  | 31 December<br>2019 | 31 March<br>2020              | 31 December<br>2019 |
| Payable to clearing house                        | 400,350                           | 338,821             | -                             | -                   |
| Withholding income tax and other<br>tax payables | 277,151                           | 528,570             | 27,952                        | 88,931              |
| Accrued insurance premium                        | 543,107                           | 678,209             | -                             | -                   |
| Deferred income                                  | 1,558,405                         | 1,642,236           | -                             | -                   |
| Accrued expenses                                 | 4,165,395                         | 4,259,596           | 1,441,930                     | 1,360,474           |
| Suspense creditors                               | 1,012,233                         | 1,014,778           | -                             | -                   |
| Other liabilities                                | 328,760                           | 357,937             | 99                            | 92                  |
| <b>Total other liabilities</b>                   | <b>8,285,401</b>                  | <b>8,820,147</b>    | <b>1,469,981</b>              | <b>1,449,497</b>    |

**4.19 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, cash liquidity and others in accordance with the regulations of the BOT's or relevant regulatory agencies.

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 March 2020 and 31 December 2019, 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 the BOT's regulation.

(Unaudited but reviewed)

Capital funds of the Financial Business Group (under Basel III principles) are as follows:

(Unit: Thousand Baht)

|  | As at             |                   |
|--|-------------------|-------------------|
|  | 31 March 2020     | 31 December 2019  |
| <b><u>Common Equity Tier I capital</u></b>                         |                   |                   |
| 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                                    | 20,512,152        | 20,512,152        |
| Other components of equity   | 1,853,858         | 1,810,937         |
| Less: Deductions from Common Equity Tier I items                   | (1,421,998)       | (1,753,842)       |
| <b>Total Common Equity Tier I capital</b>                          | <b>30,769,876</b> | <b>30,395,111</b> |
| <b><u>Financial Instrument Tier I capital</u></b>                  |                   |                   |
| Issued and paid-up share capital - non cumulative preferred shares | 99                | 99                |
| <b>Total Tier I capital</b>  | <b>30,769,975</b> | <b>30,395,210</b> |
| <b><u>Tier II capital</u></b>                                      |                   |                   |
| Long-term subordinated debentures                                  | 6,680,000         | 6,680,000         |
| Surplus of provision   | 769,932           | 769,245           |
| Reserve for loans classified as pass                               | 402,110           | 717,550           |
| <b>Total Tier II capital</b>                                       | <b>7,852,042</b>  | <b>8,166,795</b>  |
| <b>Total capital funds</b>   | <b>38,622,017</b> | <b>38,562,005</b> |

(Unit: Percent)

| Capital fund ratios                         | As at                    |             |                          |             |
|---|--------------------------|-------------|--------------------------|-------------|
|   | 31 March 2020            |             | 31 December 2019         |             |
|   | Financial Business Group | Requirement | Financial Business Group | Requirement |
| Common Equity Tier I capital to risk assets | 16.49                    | 7.00        | 16.38                    | 7.00        |
| Tier I capital to risk assets               | 16.49                    | 8.50        | 16.38                    | 8.50        |
| Total capital to risk assets                | 20.70                    | 11.00       | 20.78                    | 11.00       |

(Unaudited but reviewed)

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

(Unit: Thousand Baht)

|  | As at             |                   |
|--|-------------------|-------------------|
|  | 31 March 2020     | 31 December 2019  |
| <b><u>Common Equity Tier I capital</u></b>                               |                   |                   |
| Issued and fully paid-up share capital                                   | 9,215,676         | 9,215,676         |
| Premium on share capital   | 2,543,024         | 2,543,024         |
| Statutory reserve  | 984,000           | 984,000           |
| Net profits after appropriation  | 17,277,459        | 17,277,459        |
| Other components of equity   | 317,621           | 304,899           |
| Less: Deductions from Common Equity Tier I items                         | (701,607)         | (1,080,464)       |
| <b>Total Common Equity Tier I capital</b>                                | <b>29,636,173</b> | <b>29,244,594</b> |
| <b><u>Financial Instrument Tier I capital</u></b>                        |                   |                   |
| Issued and fully paid-up share capital - non cumulative preferred shares | 1                 | 1                 |
| <b>Total Tier I capital</b>  | <b>29,636,174</b> | <b>29,244,595</b> |
| <b><u>Tier II Capital</u></b>  |                   |                   |
| Long-term subordinated debentures  | 6,680,000         | 6,680,000         |
| Surplus of provision   | 749,141           | 749,945           |
| Reserve for loans classified as pass                                     | 305,346           | 542,598           |
| <b>Total Tier II capital</b>   | <b>7,734,487</b>  | <b>7,972,543</b>  |
| <b>Total capital funds</b>   | <b>37,370,661</b> | <b>37,217,138</b> |

(Unit: Percent)

| Capital fund ratios                         | As at         |             |                  |             |
|---|---------------|-------------|------------------|-------------|
|   | 31 March 2020 |             | 31 December 2019 |             |
|   | TISCO Bank    | Requirement | TISCO Bank       | Requirement |
| Common Equity Tier I capital to risk assets | 17.58         | 7.00        | 17.37            | 7.00        |
| Tier I capital to risk assets               | 17.58         | 8.50        | 17.37            | 8.50        |
| Total capital to risk assets                | 22.16         | 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 has disclosed capital maintenance information of the Financial Business Group as at 31 December 2019 on its website ([www.tisco.co.th](http://www.tisco.co.th)) in April 2020.

**4.20 Interest income**

Interest income for the three-month periods ended 31 March 2020 and 2019 consisted of the following:

|                                  | (Unit: Thousand Baht)                      |                  |
|----------------------------------|--|------------------|
|                                  | Consolidated financial statements          |                  |
|                                  | For the three-month periods ended 31 March |                  |
|                                  | 2020                                       | 2019             |
| Interbank and money market items | 94,321                                     | 210,155          |
| Investments in debt securities   | 41,978                                     | 52,390           |
| Loans to customers               | 2,148,492                                  | 1,955,463        |
| Hire purchase and finance lease  | 2,268,124                                  | 2,171,624        |
| Total interest income            | <u>4,552,915</u>                           | <u>4,389,632</u> |
|                                  | (Unit: Thousand Baht)                      |                  |
|                                  | Separate financial statements              |                  |
|                                  | For the three-month periods ended 31 March |                  |
|                                  | 2020                                       | 2019             |
| Interbank and money market items | 902  | 2,850            |
| Investments in debt securities   | 1,865                                      | 2,070            |
| Loans to customers               | 12,223                                     | 12,569           |
| Total interest income            | <u>14,990</u>                              | <u>17,489</u>    |

Interest income for the three-month period ended 31 March 2020 consisted of interest income on impaired financial assets amounting to Baht 114 million. The subsidiaries recognised expected credit losses on which at the amount that fully covers this interest income.

**4.21 Interest expenses**

Interest expenses for the three-month periods ended 31 March 2020 and 2019 consisted of the following:

(Unit: Thousand Baht)

|   | Consolidated financial statements          |                  |
|---|--|------------------|
|   | For the three-month periods ended 31 March |                  |
|   | 2020                                       | 2019             |
| Deposits  | 813,741                                    | 746,325          |
| Interbank and money market items  | 8,111                                      | 7,316            |
| Contribution fee to the Deposit Protection Agency<br>and the Bank of Thailand | 134,728                                    | 278,941          |
| Issued debt securities  |  |                  |
| - Subordinated debentures   | 67,826                                     | 70,105           |
| - Unsubordinated debentures   | 62,379                                     | 171,912          |
| Borrowings  | 227  | 12,577           |
| Others  | 8,011                                      | -                |
| <b>Total interest expenses</b>  | <b>1,095,023</b>                           | <b>1,287,176</b> |

(Unit: Thousand Baht)

|                                  | Separate financial statements              |               |
|----------------------------------|--|---------------|
|                                  | For the three-month periods ended 31 March |               |
|                                  | 2020                                       | 2019          |
| Interbank and money market items | 26   | -             |
| Issued debt securities           |  |               |
| - Unsubordinated debentures      | 9,189                                      | 1,067         |
| Borrowings                       | -  | 12,352        |
| Others                           | 6  | -             |
| <b>Total interest expenses</b>   | <b>9,221</b>                               | <b>13,419</b> |

**4.22 Fee and service income**

Fee and service income for the three-month periods ended 31 March 2020 and 2019 consisted of the following:

|                                   | (Unit: Thousand Baht)                      |                       |
|-----------------------------------|--|-----------------------|
|                                   | Consolidated financial statements          |                       |
|                                   | For the three-month periods ended 31 March |                       |
|                                   | 2020                                       | 2019                  |
| Fee and service income            |  |                       |
| - Acceptance, aval and guarantees | 1,433                                      | 1,397                 |
| - Insurance service               | 679,248                                    | 701,677               |
| - Brokerage fee                   | 215,832                                    | 172,375               |
| - Fund management                 | 289,637                                    | 285,710               |
| - Financial advisory              | 5,243                                      | 2,821                 |
| - Others                          | 284,858                                    | 296,014               |
| Total fee and service income      | 1,476,251                                  | 1,459,994             |
| Fee and service expenses          |  |                       |
| - Information service expenses    | (3,950)                                    | (3,798)               |
| - Others                          | (74,495)                                   | (57,211)              |
| Total fee and service expenses    | (78,445)                                   | (61,009)              |
| Net fee and service income        | 1,397,806                                  | 1,398,985             |
|                                   |  | (Unit: Thousand Baht) |
|                                   | Separate financial statements              |                       |
|                                   | For the three-month periods ended 31 March |                       |
|                                   | 2020                                       | 2019                  |
| Fee and service income            | -  | -                     |
| Fee and service expenses          | (3,248)                                    | (4,071)               |
| Net fee and service income        | (3,248)                                    | (4,071)               |



#### 4.23 Net gains (losses) on financial instruments measured at fair value through profit or loss

Net gains (losses) on financial instruments measured at fair value through profit or loss for the three-month periods ended 31 March 2020 and 2019 consisted of the following:

|   | (Unit: Thousand Baht)                      |          |
|---|--|----------|
|   | Consolidated financial statements          |          |
|   | For the three-month periods ended 31 March |          |
|   | 2020                                       | 2019     |
| Gains (losses) on trading and foreign exchange transactions |  |          |
| - Foreign currencies and derivatives on foreign exchange    | 51,767                                     | -        |
| - Debt securities   | 11,934                                     | -        |
| - Equity securities   | (150,974)                                  | -        |
| <b>Total</b>  | <b>(87,273)</b>                            | <b>-</b> |

|   | (Unit: Thousand Baht)                      |          |
|---|--|----------|
|   | Separate financial statements              |          |
|   | For the three-month periods ended 31 March |          |
|   | 2020                                       | 2019     |
| Gains (losses) on trading and foreign exchange transactions |  |          |
| - Foreign currencies and derivatives on foreign exchange    | 67,010                                     | -        |
| - Equity securities   | (59,789)                                   | -        |
| <b>Total</b>  | <b>7,221</b>                               | <b>-</b> |

**4.24 Net gains on investments**

Net gains on investments for the three-month periods ended 31 March 2020 and 2019 consisted of the following:

(Unit: Thousand Baht)

|  | Consolidated financial statements          |       |
|--|--|-------|
|  | For the three-month periods ended 31 March |       |
|  | 2020                                       | 2019  |
| Gains (losses) on disposal   |  |       |
| - Debt instruments measured at fair value through other comprehensive income | 305  | -     |
| - Available-for-sale investments   | -  | (517) |
| - Debt instruments measured at amortised cost                                | 1,345                                      | -     |
| - Held-to-maturity debt instruments  | -  | 2,879 |
| Total  | 1,650                                      | 2,362 |
| Reversal of allowance for losses on impairment                               |  |       |
| - General investments  | -  | 2,078 |
| Total  | -  | 2,078 |
| Net gains on investments   | 1,650                                      | 4,440 |

**4.25 Other operating income**

Other operating income for the three-month periods ended 31 March 2020 and 2019 consisted of the following:

(Unit: Thousand Baht)

|  | Consolidated financial statements          |        |
|--|--|--------|
|  | For the three-month periods ended 31 March |        |
|  | 2020                                       | 2019   |
| Gains on disposal of properties foreclosed | 6,242                                      | 18,673 |
| Others                                     | 25,268                                     | 16,991 |
| Total                                      | 31,510                                     | 35,664 |

(Unit: Thousand Baht)

|               | Separate financial statements              |        |
|---------------|--|--------|
|               | For the three-month periods ended 31 March |        |
|               | 2020                                       | 2019   |
| Rental income | 19,850                                     | 20,325 |
| Others        | 870  | 496    |
| Total         | 20,720                                     | 20,821 |

**4.26 Other operating expenses**

Other operating expenses for the three-month periods ended 31 March 2020 and 2019 consisted of the following:

(Unit: Thousand Baht)

| Consolidated financial statements  |                |                |
|--|----------------|----------------|
| For the three-month periods ended 31 March                                     |                |                |
|  | 2020           | 2019           |
| Mailing expenses   | 20,157         | 19,714         |
| Software amortisation expenses   | 36,691         | 42,609         |
| Legal expenses relating to the business  | 69,282         | 70,655         |
| Transportation expenses  | 24,793         | 25,114         |
| Expenses related to the repossession and<br>the disposal of repossessed assets | 26,350         | 24,972         |
| Advertising and business promotion expenses                                    | 27,793         | 16,295         |
| Others   | 46,587         | 60,416         |
| <b>Total</b>   | <b>251,653</b> | <b>259,775</b> |

(Unit: Thousand Baht)

| Separate financial statements               |               |               |
|---|---------------|---------------|
| For the three-month periods ended 31 March  |               |               |
|   | 2020          | 2019          |
| Mailing expenses                            | 69            | 33            |
| Software amortisation expenses              | 11,387        | 17,591        |
| Transportation expenses                     | 2,013         | 2,058         |
| Advertising and business promotion expenses | 52            | 776           |
| Others                                      | 2,798         | 2,786         |
| <b>Total</b>                                | <b>16,319</b> | <b>23,244</b> |

**4.27 Expected credit losses**

Expected credit losses and gains or losses from the modifications of terms for financial assets for the three-month periods ended 31 March 2020 and 2019 are as follows:

(Unit: Thousand Baht)

|   | Consolidated financial statements          |      |
|---|--|------|
|   | For the three-month periods ended 31 March |      |
|   | 2020                                       | 2019 |
| Interbank and money market items  | 707  | -    |
| Investments in debt instruments measured at amortised cost                                | (225)                                      | -    |
| Investments in debt instruments measured at fair value through other comprehensive income | 3,320                                      | -    |
| Loans to customers  |  |      |
| - Expected credit losses  | 1,040,705                                  | -    |
| - Losses from the modification of terms   | 27,997                                     | -    |
| Total   | 1,072,504                                  | -    |
| Committed credit lines and financial guarantees   | 845  | -    |
| Total   | 1,073,349                                  | -    |

(Unit: Thousand Baht)

|                                  | Separate financial statements              |      |
|----------------------------------|--|------|
|                                  | For the three-month periods ended 31 March |      |
|                                  | 2020                                       | 2019 |
| Interbank and money market items | 3  | -    |
| Loans to customers               |  |      |
| - Expected credit losses         | 4,485                                      | -    |
| Total                            | 4,488                                      | -    |

#### 4.28 Income tax expenses

Income tax expenses for the three-month periods ended 31 March 2020 and 2019 are as follows:

|  | (Unit: Thousand Baht)                         |                |   |               |
|--|---|----------------|---|---------------|
|  | Consolidated                                  |                | Separate                                      |               |
|  | financial statements                          |                | financial statements                          |               |
|  | For the three-month periods<br>ended 31 March |                | For the three-month periods<br>ended 31 March |               |
|  | 2020  | 2019           | 2020  | 2019          |
| <b>Current income tax:</b>   |   |                |   |               |
| Income tax expenses for the period   | 182,868                                       | 549,905        | 48,518  | 29,204        |
| <b>Deferred tax:</b>   |   |                |   |               |
| Deferred tax on temporary differences and<br>reversion of temporary differences  | 174,751                                       | (119,007)      | (14,251)                                      | (10,152)      |
| <b>Income tax expenses reported in the<br/>statement of comprehensive income</b> | <u>357,619</u>                                | <u>430,898</u> | <u>34,267</u>                                 | <u>19,052</u> |

The components of deferred tax assets are as follows:

|  | (Unit: Thousand Baht)             |                     |  |          |
|--|-----------------------------------|---------------------|--|----------|
|  | Consolidated financial statements |                     |  |          |
|  | As at                             |                     | Change in deferred tax<br>assets/deferred tax liabilities<br>reported in profit or loss<br>for the three-month periods<br>ended 31 March |          |
|  | 31 March<br>2020                  | 31 December<br>2019 | 2020   | 2019     |
| Allowance for doubtful accounts  | 530,854                           | 838,399             | (307,545)  | 80,386   |
| Allowance for impairment of investments  | 39,030                            | 39,063              | (33)   | (430)    |
| Allowance for impairment of properties foreclosed                                      | 44                                | 55                  | (11)   | (2,290)  |
| Non-accrual of interest income   | 55,579                            | 55,655              | (76)   | (30)     |
| Depreciation of assets   | (72,921)                          | (75,889)            | 2,968  | (1,365)  |
| Finance leases   | 4                                 | (12)                | 16   | (30)     |
| Gains on changes in value of investment properties                                     | (4,722)                           | (4,722)             | -  | -        |
| Surplus on revaluation of assets   | (295,855)                         | (296,051)           | -  | -        |
| Surplus on changes in value of investments   | (20,026)                          | (17,385)            | -  | -        |
| Unrealised gain on derivatives   | -                                 | (214)               | 214  | (1,402)  |
| Gains on change in value of securities   | (80,975)                          | -                   | 30,086   | -        |
| Deferred commission and direct expenses incurred<br>at the initiation of hire purchase | (602,887)                         | (615,105)           | 12,218   | (15,977) |

(Unaudited but reviewed)

(Unit: Thousand Baht)

| Consolidated financial statements           |                  |   |                  |                |
|---|------------------|---|------------------|----------------|
|   |                  | Change in deferred tax assets/<br>liabilities reported in profit or loss<br>for the three-month periods ended |                  |                |
| As at                                       |                  | 31 March  |                  |                |
|   | 31 March         | 31 December   | 2020             | 2019           |
|   | 2020             | 2019  | 2020             | 2019           |
| Losses on disposal of properties foreclosed | 48,695           | 48,552  | 143              | (1,142)        |
| Unearned interest income on hire purchase   | 191,529          | 197,238   | (5,709)          | 5,183          |
| Reduction of subsidiaries' share capital    | 25,048           | 25,048  | -                | -              |
| Accrued expenses                            | 694,211          | 694,211   | -                | -              |
| Employee benefit expenses                   | 310,876          | 295,862   | 15,014           | 49,834         |
| Tax loss carried forward                    | 74,358           | -   | 74,358           | 1,810          |
| Others                                      | 143,805          | 140,199   | 3,606            | 4,460          |
| <b>Deferred tax assets</b>                  | <b>1,036,647</b> | <b>1,324,904</b>  | <b>(174,751)</b> | <b>119,007</b> |

(Unit: Thousand Baht)

| Separate financial statements                      |                |  |               |               |
|--|----------------|--|---------------|---------------|
|  |                | Change in deferred tax<br>assets/deferred tax liabilities<br>reported in profit or loss for the<br>three-month periods ended |               |               |
| As at  |                | 31 March   |               |               |
|  | 31 March       | 31 December  | 2020          | 2019          |
|  | 2020           | 2019   | 2020          | 2019          |
| Allowance for impairment of investments            | 21,732         | 21,732   | -             | -             |
| Depreciation of assets                             | (39,443)       | (39,177)   | (266)         | (665)         |
| Gains on changes in value of investment properties | (92,082)       | (92,082)   | -             | -             |
| Surplus on revaluation of assets                   | (76,534)       | (76,573)   | -             | -             |
| Surplus on changes in value of investments         | (10,447)       | (10,447)   | -             | -             |
| Gains on change in value of securities             | 11,958         | -  | 11,958        | -             |
| Reduction of subsidiaries' share capital           | 21,435         | 21,435   | -             | -             |
| Accrued expenses                                   | 268,696        | 268,696  | -             | -             |
| Employee benefit expenses                          | 54,840         | 53,179   | 1,661         | 10,817        |
| Others   | 898            | -  | 898           | -             |
| <b>Deferred tax assets</b>                         | <b>161,053</b> | <b>146,763</b>   | <b>14,251</b> | <b>10,152</b> |

#### 4.29 Components of other comprehensive income

(Unit: Thousand Baht)

|  | Consolidated                                  |          | Separate                                      |          |
|--|---|----------|---|----------|
|  | financial statements                          |          | financial statements                          |          |
|  | For the three-month periods<br>ended 31 March |          | For the three-month periods<br>ended 31 March |          |
|  | 2020  | 2019     | 2020  | 2019     |
| <b>Other comprehensive income</b>  |   |          |   |          |
| Investments in debt instruments:   |   |          |   |          |
| Gains during the period  | 13,503  | -        | -   | -        |
| Less: Reclassification adjustments for gains included<br>in profit or loss | (305)   | -        | -   | -        |
|  | 13,198  | -        | -   | -        |
| Available-for-sale investments:  |   |          |   |          |
| Gains during the period  | -   | 84,523   | -   | 73,665   |
| Add: Reclassification adjustments for gains included<br>in profit or loss  | -   | 517      | -   | -        |
|  | -   | 85,040   | -   | 73,665   |
| Actuarial gains  | -   | -        | -   | 14,278   |
| Share of other comprehensive income of<br>joint venture:                   |   |          |   |          |
| Cash flow hedges of joint venture  | (2,602)                                       | 749      | -   | -        |
| Other comprehensive income   | 10,596  | 85,789   | -   | 87,943   |
| Income tax effects relating to components of other<br>comprehensive income | (2,641)                                       | (17,008) | -   | (17,589) |
| Net other comprehensive income for the period                              | 7,955   | 68,781   | -   | 70,354   |

#### 4.30 Earnings per share

Basic earnings per share is calculated by dividing profit for the period 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 period. The rights and benefits of the preference shareholders have been equal to those of the ordinary shareholders.

|   | Consolidated                                  |           | Separate                                      |         |
|---|---|-----------|---|---------|
|   | financial statements                          |           | financial statements                          |         |
|   | For the three-month periods<br>ended 31 March |           | For the three-month periods<br>ended 31 March |         |
|   | 2020  | 2019      | 2020  | 2019    |
| Profit attributable to equity holders of the<br>Company (Thousand Baht) | 1,486,067                                     | 1,729,598 | 156,329                                       | 95,623  |
| Weighted average number of shares<br>(Thousand shares)                  | 800,655                                       | 800,655   | 800,655                                       | 800,655 |
| Basic earnings per share (Baht/share)                                   | 1.86  | 2.16      | 0.20  | 0.12    |

**4.31 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    |
| TISCO Investment Advisory Securities 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 March 2020 and 31 December 2019, the balances of accounts between the Company and its related companies are as follows:

|   | (Unit: Thousand Baht) |                  |
|---|-----------------------|------------------|
|   | As at                 |                  |
|   | 31 March 2020         | 31 December 2019 |
| <b><u>Outstanding balance</u></b>                       |                       |                  |
| (Eliminated from the consolidated financial statements) |                       |                  |
| <b>Subsidiary companies</b>                             |                       |                  |
| Interbank and money market items - net (assets):        |                       |                  |
| TISCO Bank Public Company Limited                       | 5,018                 | 1,098,448        |
| Dividend receivables:                                   |                       |                  |
| TISCO Bank Public Company Limited                       | -                     | 4,100,464        |
| TISCO Securities Co., Ltd.                              | -                     | 75,000           |
| TISCO Asset Management Co., Ltd.                        | -                     | 699,996          |
| Hi-Way Co., Ltd.  | -                     | 550,000          |
| TISCO Information Technology Co., Ltd.                  | -                     | 49,999           |
| TISCO Insurance Solution Co., Ltd.                      | -                     | 384,987          |
| TISCO Learning Center Co., Ltd.                         | -                     | 17,499           |
| Other assets:   |                       |                  |
| TISCO Bank Public Company Limited                       | 126,583               | 120,398          |
| TISCO Securities Co., Ltd.                              | -                     | 24               |
| TISCO Asset Management Co., Ltd.                        | -                     | 53               |
| TISCO Learning Center Co., Ltd.                         | 352                   | 365              |
| Interbank and money market items - net (liabilities):   |                       |                  |
| TISCO Bank Public Company Limited                       | 8,000                 | -                |
| Other liabilities:                                      |                       |                  |
| TISCO Learning Center Co., Ltd.                         | 95                    | 43               |
| TISCO Securities Co., Ltd.                              | 299                   | -                |



Loans to related companies

As at 31 March 2020 and 1 January 2020, the balances of loans between the Company and its related companies and their movements are as follows:

|                             | (Unit: Thousand Baht)   |           |          |                        |
|-----------------------------|-------------------------|-----------|----------|------------------------|
|                             | As at<br>1 January 2020 | Increase  | Decrease | As at<br>31 March 2020 |
| <b>Subsidiary companies</b> |                         |           |          |                        |
| Loans                       |                         |           |          |                        |
| Hi-Way Co., Ltd.            | 2,210,000               | 1,240,000 | -        | 3,450,000              |

During the period, 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                 |         | Terms and pricing policy  |
|--|---|---------|---|
|  | For the three-month periods<br>ended 31 March |         |   |
|  | 2020  | 2019    |   |
| <b>Transactions occurred during the period</b><br>(Eliminated from the consolidated financial statements)                  |   |         |   |
| <b>Subsidiary companies</b>  |   |         |   |
| Risk and financial management fee income,<br>human resources management fee income<br>and office administration fee income | 537,417                                       | 574,004 | Determined on market prices and/or<br>actual cost in compliance with the<br>criteria specified by the Bank of<br>Thailand |
| Interest income  | 13,125  | 15,419  | With reference to the terms and<br>prices as offered to other customers   |
| Rental income  | 19,850  | 20,324  | With reference to the terms and<br>prices as offered to other customers   |
| Computer system advisory service expenses  | 78,750  | 73,000  | Determined on actual cost in<br>compliance with the criteria<br>specified by the Bank of Thailand                         |
| Training expenses  | 671   | 2,134   | With reference to the prices as<br>offered from other service providers   |
| Other expenses   | 478   | 645     | With reference to the terms and<br>prices as offered to other customers   |

## Loans to management-level employees (departmental manager upward)

(Unit: Thousand Baht)

|                      | Consolidated financial statements as at |                  |
|----------------------|---|------------------|
|                      | 31 March 2020                           | 31 December 2019 |
| Loans <sup>(1)</sup> | 21,715                                  | 22,366           |

*(1) Including employee welfare loans and normal loans*

## Liabilities payable to management-level employees (departmental manager upward)

(Unit: Thousand Baht)

|          | Consolidated financial statements as at |                  |
|----------|---|------------------|
|          | 31 March 2020                           | 31 December 2019 |
| Deposits | 279,800                                 | 304,192          |

Directors' and management's benefits

During the three-month periods ended 31 March 2020 and 2019, the Group had short-term benefit expenses paid to their directors and key management during the periods and other employee benefit expenses payable to their directors and management as follows:

(Unit: Million Baht)

|                          | Consolidated financial statements |      | Separate financial statements |      |
|--------------------------|-----------------------------------|------|-------------------------------|------|
|                          | For the three-month periods       |      | For the three-month periods   |      |
|                          | 31 March                          |      | 31 March                      |      |
|                          | 2020                              | 2019 | 2020                          | 2019 |
| Short-term benefits      | 83                                | 83   | 46                            | 44   |
| Post-employment benefits | 15                                | 65   | 8                             | 34   |
| Total                    | 98                                | 148  | 54                            | 78   |

**4.32 Segment information**

The Group is organised into business units based on its products and services. During the current period, the Group has not changed the organisation of its reportable segments.

(Unaudited but reviewed)

The following tables present revenue, profit (loss) and total assets information regarding the Group's operating segments for the three-month periods ended 31 March 2020 and 2019, respectively.

(Unit: Million Baht)

|  | For the three-month period ended 31 March 2020 |                        |                                 |                     |                |                                 |   |
|--|--|------------------------|---------------------------------|---------------------|----------------|---------------------------------|---|
|  | Commercial<br>banking<br>business              | Securities<br>business | Asset<br>management<br>business | Support<br>business | Total segments | Adjustments<br>and eliminations | Consolidated<br>financial<br>statements |
| <b>Revenue</b>   |  |                        |                                 |                     |                |                                 |   |
| External customers   | 4,596  | 134                    | 355                             | 281                 | 5,366          | (454)                           | 4,912                                   |
| Inter-segment  | -  | -                      | -                               | 558                 | 558            | (558)                           | -                                       |
| <b>Total revenue</b>   | <b>4,596</b>                                   | <b>134</b>             | <b>355</b>                      | <b>839</b>          | <b>5,924</b>   | <b>(1,012)</b>                  | <b>4,912</b>                            |
| <b>Operating results:</b>                                    |  |                        |                                 |                     |                |                                 |   |
| Net interest income  | 3,446  | 3                      | 1                               | 6                   | 3,456          | 2                               | 3,458                                   |
| Net fee and service income                                   | 1,031  | 218                    | 353                             | 268                 | 1,870          | (472)                           | 1,398                                   |
| Other operating income                                       | 119  | (87)                   | 1                               | 565                 | 598            | (542)                           | 56                                      |
| <b>Total operating income</b>                                | <b>4,596</b>                                   | <b>134</b>             | <b>355</b>                      | <b>839</b>          | <b>5,924</b>   | <b>(1,012)</b>                  | <b>4,912</b>                            |
| Premises and equipment expenses and amortisation             | (409)  | (20)                   | (7)                             | (194)               | (630)          | 272                             | (358)                                   |
| Other operating expenses                                     | (1,698)  | (136)                  | (157)                           | (392)               | (2,383)        | 746                             | (1,637)                                 |
| Expected credit losses                                       | (1,073)  | -                      | -                               | (5)                 | (1,078)        | 5                               | (1,073)                                 |
| <b>Total operating expenses</b>                              | <b>(3,180)</b>                                 | <b>(156)</b>           | <b>(164)</b>                    | <b>(591)</b>        | <b>(4,091)</b> | <b>1,023</b>                    | <b>(3,068)</b>                          |
| <b>Segment profit (loss) before income tax expenses</b>      | <b>1,416</b>                                   | <b>(22)</b>            | <b>191</b>                      | <b>248</b>          | <b>1,833</b>   | <b>11</b>                       | <b>1,844</b>                            |
| Income tax expenses  |  |                        |                                 |                     |                |                                 | (358)                                   |
| Non-controlling interests of the subsidiaries                |  |                        |                                 |                     |                |                                 | -                                       |
| <b>Profit for the period - equity holders of the Company</b> |  |                        |                                 |                     |                |                                 | <b>1,486</b>                            |
| <b>As at 31 March 2020</b>                                   |  |                        |                                 |                     |                |                                 |   |
| <b>Segment total assets</b>                                  | <b>297,196</b>                                 | <b>2,900</b>           | <b>961</b>                      | <b>27,177</b>       | <b>328,234</b> | <b>(24,679)</b>                 | <b>303,555</b>                          |
| Premises and equipment - net                                 | 948  | 17                     | 249                             | 828                 | 2,042          | 949                             | 2,991                                   |

(Unaudited but reviewed)

(Unit: Million Baht)

For the three-month period ended 31 March 2019

|  | Commercial<br>banking<br>business | Securities<br>business | Asset<br>management<br>business | Support<br>business | Total segments | Adjustments<br>and eliminations | Consolidated<br>financial<br>statements |
|--|-----------------------------------|------------------------|---------------------------------|---------------------|----------------|---------------------------------|---|
| <b>Revenue</b>   |                                   |                        |                                 |                     |                |                                 |   |
| External customers   | 4,144                             | 184                    | 332                             | (73)                | 4,587          | -                               | 4,587                                   |
| Inter-segment  | 127                               | 57                     | (8)                             | 896                 | 1,072          | (1,072)                         | -                                       |
| <b>Total revenue</b>   | <b>4,271</b>                      | <b>241</b>             | <b>324</b>                      | <b>823</b>          | <b>5,659</b>   | <b>(1,072)</b>                  | <b>4,587</b>                            |
| <b>Operating results:</b>                                    |                                   |                        |                                 |                     |                |                                 |   |
| Net interest income  | 3,091                             | 6                      | 1                               | 4                   | 3,102          | -                               | 3,102                                   |
| Net fee and service income                                   | 1,043                             | 231                    | 323                             | 241                 | 1,838          | (439)                           | 1,399                                   |
| Other operating income                                       | 137                               | 4                      | -                               | 578                 | 719            | (633)                           | 86                                      |
| <b>Total operating income</b>                                | <b>4,271</b>                      | <b>241</b>             | <b>324</b>                      | <b>823</b>          | <b>5,659</b>   | <b>(1,072)</b>                  | <b>4,587</b>                            |
| Premises and equipment expenses and amortisation             | (382)                             | (21)                   | (7)                             | (189)               | (599)          | 250                             | (349)                                   |
| Other operating expenses                                     | (1,846)                           | (238)                  | (166)                           | (515)               | (2,765)        | 797                             | (1,968)                                 |
| Bad debts, doubtful accounts and impairment losses           | (108)                             | -                      | -                               | -                   | (108)          | -                               | (108)                                   |
| <b>Total operating expenses</b>                              | <b>(2,336)</b>                    | <b>(259)</b>           | <b>(173)</b>                    | <b>(704)</b>        | <b>(3,472)</b> | <b>1,047</b>                    | <b>(2,425)</b>                          |
| <b>Segment profit (loss) before income tax expenses</b>      | <b>1,935</b>                      | <b>(18)</b>            | <b>151</b>                      | <b>119</b>          | <b>2,187</b>   | <b>(25)</b>                     | <b>2,162</b>                            |
| Income tax expenses  |                                   |                        |                                 |                     |                |                                 | (431)                                   |
| Non-controlling interests of the subsidiaries                |                                   |                        |                                 |                     |                |                                 | (2)                                     |
| <b>Profit for the period - equity holders of the Company</b> |                                   |                        |                                 |                     |                |                                 | <b>1,729</b>                            |
| <b>As at 31 December 2019</b>                                |                                   |                        |                                 |                     |                |                                 |   |
| <b>Segment total assets</b>                                  | <b>291,590</b>                    | <b>2,806</b>           | <b>1,464</b>                    | <b>32,767</b>       | <b>328,627</b> | <b>(30,323)</b>                 | <b>298,304</b>                          |
| Premises and equipment - net                                 | 939                               | 18                     | 250                             | 826                 | 2,033          | 951                             | 2,984                                   |

The Group operates 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 three-month periods ended 31 March 2020 and 2019, the Group does not have income from any clients amounting to or over 10 percent of its income.

### 4.33 Commitments and contingent liabilities

#### 4.33.1 Avals, guarantees and commitments

(Unit: Thousand Baht)

|                                     | Consolidated financial statements as at |                  |
|-------------------------------------|---|------------------|
|                                     | 31 March 2020                           | 31 December 2019 |
| Other guarantees                    | 464,428                                 | 482,094          |
| Undrawn client overdraft facilities | 20,000                                  | 46,439           |
| Foreign exchange contracts          | 1,162,809                               | 917,044          |
| Others                              | 642,681                                 | 548,509          |
| <b>Total</b>                        | <b>2,289,918</b>                        | <b>1,994,086</b> |

#### 4.33.2 Litigation

As at 31 March 2020 and 31 December 2019, the subsidiaries have been sued for compensation totaling approximately Baht 346 million and Baht 314 million, respectively. Final judgements have not yet been reached in respect of these cases. The management of the Company and its subsidiaries believes that no material losses to the consolidated financial statements will be incurred as a result of the mentioned lawsuits.

#### 4.33.3 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 companies have entered into several lease agreements in respect of the lease of office buildings and branch offices. The terms of the agreements are generally 1 - 15 years.

(Unaudited but reviewed)

As at 31 March 2020 and 31 December 2019, the subsidiary companies have future minimum lease payments required under the non-cancellable operating lease contracts as follows:

(Unit: Million Baht)

|                   | As at         |                  |
|-------------------|---------------|------------------|
|                   | 31 March 2020 | 31 December 2019 |
| Payable within    |               |                  |
| Not over 1 year   | -             | 186              |
| Over 1 to 5 years | -             | 228              |
| Over 5 years      | -             | 47               |

- c) 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 2021.
- d) The subsidiary has provided warranties in accordance with the terms of an agreement, related to the sale of a credit card business. The warranties cover a period of 2 years after the transfer of the business, to be expired in 2020.

#### 4.34 Fair value of financial instruments

As of 31 March 2020 and 31 December 2019, the Group has the financial assets and liabilities that were measured at fair value using different levels of inputs as follows:

(Unit: Million Baht)

|  | Consolidated financial statements |            |         |     |        |
|--|-----------------------------------|------------|---------|-----|--------|
|  | As at 31 March 2020               |            |         |     |        |
|  | Book                              | Fair Value |         |     | Total  |
| Value  | Level 1                           | Level 2    | Level 3 |     |        |
| <b>Financial assets measured at fair value</b>                 |                                   |            |         |     |        |
| Financial assets measured at fair value through profit or loss |                                   |            |         |     |        |
| Equity securities  | 945                               | 172        | -       | 773 | 945    |
| Unit trusts  | 893                               | 844        | 49      | -   | 893    |
| Investment - net   |                                   |            |         |     |        |
| Debt securities  | 11,578                            | -          | 11,578  | -   | 11,578 |
| <b>Financial liabilities measured at fair value</b>            |                                   |            |         |     |        |
| Derivatives  |                                   |            |         |     |        |
| Foreign exchange contracts                                     | 42                                | -          | 42      | -   | 42     |

(Unaudited but reviewed)

(Unit: Million Baht)

| Consolidated financial statements              |            |         |         |       |       |
|--|------------|---------|---------|-------|-------|
| As at 31 December 2019                         |            |         |         |       |       |
| Book Value                                     | Fair Value |         |         |       |       |
|  | Level 1    | Level 2 | Level 3 | Total |       |
| <b>Financial assets measured at fair value</b> |            |         |         |       |       |
| 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   |

(Unit: Million Baht)

| Separate financial statements                                  |            |         |         |       |     |
|--|------------|---------|---------|-------|-----|
| As at 31 March 2020  |            |         |         |       |     |
| Book Value   | Fair Value |         |         |       |     |
|  | Level 1    | Level 2 | Level 3 | Total |     |
| <b>Financial assets measured at fair value</b>                 |            |         |         |       |     |
| Financial assets measured at fair value through profit or loss |            |         |         |       |     |
| Unit trusts  | 844        | 844     | -       | -     | 844 |

(Unit: Million Baht)

| Separate financial statements                  |            |         |         |       |     |
|--|------------|---------|---------|-------|-----|
| As at 31 December 2019                         |            |         |         |       |     |
| Book Value                                     | Fair Value |         |         |       |     |
|  | Level 1    | Level 2 | Level 3 | Total |     |
| <b>Financial assets measured at fair value</b> |            |         |         |       |     |
| Available-for-sale investments                 |            |         |         |       |     |
| Unit trusts                                    | 837        | 837     | -       | -     | 837 |

#### Valuation techniques and inputs to Level 2 and Level 3 valuations

- The fair value of investments in debt instruments has been determined by using the yield curve as announced by the Thai Bond Market Association.
- The fair value of investments in non-marketable unit trusts has been determined by using the net asset value per unit as announced by the fund manager.

- c) The fair value of derivatives has been 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.
- d) Investments in non-marketable equity instruments has been determined by using a discounted future cash flow and/or comparing with similar companies.

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

#### **5. Event after the reporting period**

On 10 April 2020, the Board of Directors Meeting of the Company passed a resolution approving an interim dividend payment of Baht 7.75 per share to holders of both preference shares and ordinary shares listed in the share register as at 28 April 2020 in respect of the 2019 operating results. The dividend will be paid on 8 May 2020 and recorded in the accounts in the second quarter of 2020.

On 20 April 2020, the 2020 Annual General Meeting of the Shareholders of TISCO Investment Advisory Securities Company Limited (a subsidiary company) passed a resolution to dissolve the company, effective from 20 April 2020. On 24 April 2020, the subsidiary registered its dissolution with the Ministry of Commerce and it is currently in the process of liquidation.

#### **6. Approval of interim financial statements**

These interim financial statements were approved by the Company's Audit Committee on 12 May 2020.