

TISCO Financial Group Public Company Limited
and its subsidiary companies
Review report and interim financial information
31 March 2021

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 2021, 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.



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Emphasis of Matter

I draw attention to Notes 1.2 and 3.8.2 to the consolidated interim financial statements regarding the COVID-19 pandemic which is impacting various businesses and industries. This situation could create uncertainties and may be impacting the operating results and cash flows in the future; and due to the impact of that situation, the Group has elected to adopt the Accounting Guidance on Temporary Relief Measures for Entities Providing Assistance to Debtors Impacted by Situations that Affect the Thai Economy as issued by the Federation of Accounting Professions. My conclusion is not modified in respect of this matter.

Somjai Khunapasut
Certified Public Accountant (Thailand) No. 4499

EY Office Limited
Bangkok: 12 May 2021

TISCO Financial Group Public Company Limited and its subsidiaries

Statement of financial position

As at 31 March 2021

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 March 2021	31 December 2020	31 March 2021	31 December 2020
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Cash		1,125,390	1,220,207	70	70
Interbank and money market items - net	3.3, 3.10	36,728,964	38,212,028	21,148	17,394
Financial assets measured at fair value through profit or loss	3.4	2,423,074	2,173,020	902,703	890,053
Derivatives assets	3.5	-	62,095	-	-
Investments - net	3.6, 3.10	8,194,991	9,953,256	205,965	205,965
Investments in subsidiaries and joint venture - net	3.7	819,805	804,925	20,069,143	20,069,143
Loans to customers and accrued interest receivables	3.8, 3.10				
Loans to customers		239,839,239	244,355,748	3,720,000	3,180,000
Accrued interest receivables and undue interest income		1,848,710	1,901,983	-	-
Total loans to customers and accrued interest receivables		241,687,949	246,257,731	3,720,000	3,180,000
Less: Deferred revenue		(19,082,101)	(19,544,201)	-	-
Less: Allowance for expected credit loss	3.9	(12,267,897)	(11,825,544)	(4,836)	(4,134)
Total loans to customers and accrued interest receivables - net		210,337,951	214,887,986	3,715,164	3,175,866
Properties foreclosed - net		31,326	29,671	-	-
Investment properties		27,334	27,334	910,728	910,728
Premises and equipment - net	3.11	2,884,080	2,921,739	813,412	826,965
Right-of-use assets - net	3.12	816,527	885,486	809	879
Intangible assets - net		183,565	214,268	90,009	98,827
Deferred tax assets	3.26	755,339	766,444	208,153	202,800
Securities and derivatives business receivables - net		1,237,022	1,058,180	-	-
Dividend receivables from subsidiaries		-	-	-	3,844,954
Other assets	3.13	3,139,358	2,226,573	172,105	188,819
Total assets		268,704,726	275,443,212	27,109,409	30,432,463

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

TISCO Financial Group Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 March 2021

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 March 2021	31 December 2020	31 March 2021	31 December 2020
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and equity					
Liabilities					
Deposits	3.14	198,151,468	203,472,825	-	-
Interbank and money market items		5,137,136	5,807,646	900,000	3,780,000
Liabilities payable on demand		391,456	1,284,765	-	-
Derivatives liabilities	3.5	26,836	-	-	-
Debts issued and borrowings	3.15	9,876,919	12,825,919	1,000,000	1,629,000
Lease liabilities	3.16	766,196	828,590	821	889
Provisions	3.17	1,678,942	1,691,054	296,005	291,741
Deferred tax liabilities	3.26	46,050	1,097	-	-
Securities and derivatives business payables - net		2,476,029	1,033,041	-	-
Accrued interest payable		645,746	735,903	1,223	1,029
Income tax payable		786,123	495,672	16,671	10,237
Other liabilities	3.18	7,501,152	7,804,621	1,710,635	1,603,518
Total liabilities		227,484,053	235,981,133	3,925,355	7,316,414

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

TISCO Financial Group Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 March 2021

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		
	Note	31 March 2021	31 December 2020	31 March 2021	31 December 2020
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Equity					
Share capital					
Registered					
33,858 preference shares of Baht 10 each		339	339	339	339
800,669,437 ordinary shares of Baht 10 each		8,006,694	8,006,694	8,006,694	8,006,694
		<u>8,007,033</u>	<u>8,007,033</u>	<u>8,007,033</u>	<u>8,007,033</u>
Issued and paid-up					
9,859 preference shares of Baht 10 each		99	99	99	99
800,645,624 ordinary shares of Baht 10 each		8,006,456	8,006,456	8,006,456	8,006,456
		<u>8,006,555</u>	<u>8,006,555</u>	<u>8,006,555</u>	<u>8,006,555</u>
Share premium					
Share premium on preference shares		-	-	87	87
Share premium on ordinary shares		1,018,408	1,018,408	7,031,436	7,031,436
		<u>1,018,408</u>	<u>1,018,408</u>	<u>7,031,523</u>	<u>7,031,523</u>
Other components of equity		1,833,026	1,837,917	304,264	304,430
Retained earnings					
Appropriated - statutory reserve		801,000	801,000	801,000	801,000
Unappropriated		29,558,453	27,795,056	7,040,712	6,972,541
Equity attributable to equity holders of the Company		<u>41,217,442</u>	<u>39,458,936</u>	<u>23,184,054</u>	<u>23,116,049</u>
Non-controlling interest of the subsidiaries		3,231	3,143	-	-
Total equity		<u>41,220,673</u>	<u>39,462,079</u>	<u>23,184,054</u>	<u>23,116,049</u>
Total liabilities and equity		<u>268,704,726</u>	<u>275,443,212</u>	<u>27,109,409</u>	<u>30,432,463</u>

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



Mr. Suthas Ruangmanamongkol
(Chairman of the Executive Board)



Mr. Sakchai Peechapat
(Group Chief Executive)



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

(Unaudited but reviewed)

TISCO Financial Group Public Company Limited and its subsidiaries**Statement of comprehensive income****For the three-month period ended 31 March 2021**

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

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Profit or loss:					
Interest income	3.20	3,776,286	4,552,915	16,646	14,990
Interest expenses	3.21	(665,989)	(1,095,023)	(7,182)	(9,221)
Net interest income		3,110,297	3,457,892	9,464	5,769
Fee and service income		1,627,655	1,476,251	-	-
Fee and service expenses		(84,783)	(78,445)	(5,098)	(3,248)
Net fee and service income	3.22	1,542,872	1,397,806	(5,098)	(3,248)
Net gain (loss) on financial instruments measured at fair value through profit or loss	3.23	312,617	(87,273)	12,650	7,221
Net gain on investments	3.24	3,422	1,650	-	-
Share of profit from investment accounted for under equity method	3.7.2	13,155	15,507	-	-
Dividend income		37,417	31,361	-	-
Penalty fee income from loans		49,469	63,512	-	-
Intercompany supporting fee income	3.28	-	-	526,428	537,417
Other operating income		32,185	31,510	19,142	20,720
Total operating income		5,101,434	4,911,965	562,586	567,879
Operating expenses					
Employee expenses		1,452,467	1,339,017	289,663	196,884
Directors' remuneration		4,710	4,080	4,710	4,080
Premises and equipment expenses		316,850	321,470	162,636	153,309
Taxes and duties		65,993	78,610	2,291	2,203
Other operating expenses		224,515	251,653	15,077	16,319
Total operating expenses		2,064,535	1,994,830	474,377	372,795
Expected credit loss	3.25	833,053	1,073,349	2,282	4,488
Profit from operations before income tax expenses		2,203,846	1,843,786	85,927	190,596
Income tax expenses	3.26	440,131	357,619	17,963	34,267
Profit for the period		1,763,715	1,486,167	67,964	156,329

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 2021

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

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Other comprehensive income:					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>					
Gain (loss) on valuation of investments in debt instruments					
measured at fair value through other comprehensive income		(7,145)	13,198	-	-
Share of other comprehensive income of joint venture:					
Cash flow hedges of joint venture (loss)	3.7.2	1,725	(2,602)	-	-
Income tax effects		1,429	(2,641)	-	-
Other comprehensive income to be reclassified					
to profit or loss in subsequent periods - net of income tax (loss)		(3,991)	7,955	-	-
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial loss					
		(1,659)	-	-	-
Income tax effects					
		332	-	-	-
Other comprehensive income not to be reclassified					
to profit or loss in subsequent periods - net of income tax (loss)		(1,327)	-	-	-
Other comprehensive income for the period (loss)					
		(5,318)	7,955	-	-
Total comprehensive income for the period					
		1,758,397	1,494,122	67,964	156,329
Profits attributable to					
Equity holders of the Company					
	3.27	1,763,627	1,486,067	67,964	156,329
Non-controlling interests of the subsidiaries					
		88	100		
		1,763,715	1,486,167		
Total comprehensive income attributable to					
Equity holders of the Company					
		1,758,309	1,494,022	67,964	156,329
Non-controlling interests of the subsidiaries					
		88	100		
		1,758,397	1,494,122		
Earnings per share of equity holders of the Company					
Basic earnings per share (Baht per share)					
	3.27	2.20	1.86	0.08	0.20

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 2021**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Cash flows from operating activities				
Profit from operations before income tax	2,203,846	1,843,786	85,927	190,596
Adjustments to reconcile profit from operations before income tax to net cash provided by (paid from) operating activities				
Depreciation and amortisation	154,126	163,240	28,132	32,008
Expected credit loss	1,269,730	1,531,541	2,282	4,488
Share of profit from investment accounted for under equity method	(13,155)	(15,507)	-	-
Allowance for impairment of properties foreclosed (reversal)	9	(59)	-	-
(Gain) loss on disposal of investments in securities	(31,391)	550	-	-
Unrealised (gain) loss on foreign exchange transactions and trading derivatives	4,182	(88,855)	(33,102)	(67,010)
(Gain) loss on financial instruments measured at fair value through profit or loss	(211,581)	150,974	20,452	59,789
(Gain) loss on disposal/write-off of equipment and intangible assets	(31)	1,873	-	248
Gain on disposal of properties foreclosed	(7,671)	(6,242)	-	-
Employee benefit expenses	1,220	82,716	5,166	9,303
Decrease (increase) in accrued income	12,148	228,320	4,948	(6,616)
Increase (decrease) in accrued expenses	418,601	(94,201)	181,841	81,456
Net interest income	(3,110,297)	(3,457,892)	(9,464)	(5,769)
Dividend income	(37,417)	(31,361)	-	-
Cash received on interest income	3,750,342	4,171,695	15,057	15,135
Cash paid on interest expenses	(628,787)	(830,092)	(6,983)	(26,116)
Cash received on dividend income	26,187	29,511	3,844,954	5,877,944
Cash paid on income tax	(91,669)	(92,904)	(16,841)	(16,868)
Profit from operating activities before changes in operating assets and liabilities	3,708,392	3,587,093	4,122,369	6,148,588
Operating assets (increase) decrease				
Interbank and money market items	1,485,118	(6,391,348)	(3,744)	1,093,284
Loans to customers	3,271,620	4,333,471	(540,000)	(1,240,000)
Securities and derivatives business receivables	(178,842)	46,361	-	-
Receivables from clearing house	(990,721)	(93,852)	-	-
Properties foreclosed	(1,664)	2,720	-	-
Other assets	77,590	42,710	11,766	13,619

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 2021**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Operating liabilities increase (decrease)				
Deposits	(5,321,357)	4,544,181	-	-
Interbank and money market items	(670,510)	(530,026)	(2,880,000)	8,000
Liabilities payable on demand	(893,309)	(54,879)	-	-
Securities and derivatives business payables	1,442,988	(15,642)	-	-
Short-term debts issued and borrowings	(2,949,000)	(3,610,000)	(629,000)	(5,930,000)
Payables to clearing house	(273,235)	61,529	-	-
Provision for long-term employee benefits	(5,697)	(7,919)	(902)	(1,000)
Other liabilities	(486,363)	(132,684)	(74,724)	(60,973)
Net cash flows from (used in) operating activities	(1,784,990)	1,781,715	5,765	31,518
Cash flows from investing activities				
Cash paid for purchase of investments in securities	(4,444,952)	(15,735,088)	-	-
Cash received from disposal of investments in securities	6,219,720	12,055,397	-	-
Cash paid for purchase of equipment	(15,410)	(65,609)	(4,247)	(25,065)
Cash paid for purchase of intangible assets	(3,439)	(7,944)	(1,445)	(6,372)
Cash received from disposal of equipment	48	15	-	-
Cash paid for acquisition of a subsidiary	-	(8)	-	(8)
Net cash flows from (used in) investing activities	1,755,967	(3,753,237)	(5,692)	(31,445)
Cash flows from financing activities				
Cash received from issuance of long-term debentures	-	2,220,000	-	-
Cash paid on lease liabilities	(65,794)	(72,948)	(73)	(73)
Net cash flows from (used in) financing activities	(65,794)	2,147,052	(73)	(73)
Net increase (decrease) in cash	(94,817)	175,530	-	-
Cash at beginning of the period	1,220,207	1,102,557	70	70
Cash at end of the period	1,125,390	1,278,087	70	70
	-	-	-	-

Supplemental cash flows information

Non-cash transactions

Right-of-use assets	824	42,412	-	-
Transfer-in of properties foreclosed in settlement of loans to customers	389,138	420,517	-	-

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 2021

(Unit: Thousand Baht)

	Consolidated financial statements												
	Equity attributable to equity holders of the Company											Equity attributable to non-controlling interests of the subsidiaries	
	Other components of equity							Retained earnings		Total equity attributable to equity holders of the Company	Total		
	Issued and paid-up		Share premium on ordinary shares	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	Appropriated				Unappropriated
Preference shares	Ordinary shares	income								income	income		
Balance as at 1 January 2020	99	8,006,456	1,018,408	4,229	1,160,712	2,602	679,266	1,846,809	801,000	27,964,453	39,637,225	3,131	39,640,356
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)
Balance as at 31 March 2020	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
Balance as at 1 January 2021	99	8,006,456	1,018,408	5,871	1,157,138	(4,358)	679,266	1,837,917	801,000	27,795,056	39,458,936	3,143	39,462,079
Profit for the period	-	-	-	-	-	-	-	-	-	1,763,627	1,763,627	88	1,763,715
Other comprehensive income for the period (loss)	-	-	-	(5,716)	-	1,725	-	(3,991)	-	(1,327)	(5,318)	-	(5,318)
Total comprehensive income for the period	-	-	-	(5,716)	-	1,725	-	(3,991)	-	1,762,300	1,758,309	88	1,758,397
Transfer surplus on revaluation of assets to retained earnings	-	-	-	-	(900)	-	-	(900)	-	1,097	197	-	197
Balance as at 31 March 2021	99	8,006,456	1,018,408	155	1,156,238	(2,633)	679,266	1,833,026	801,000	29,558,453	41,217,442	3,231	41,220,673

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 2021

(Unit: Thousand Baht)

	Separate financial statements										
	Issued and paid-up				Share premium		Other components of equity				Total
	Preference	Ordinary	Preference	Ordinary	Deficit on changes in value of investments in debt securities measured at fair value through other comprehensive income	Surplus on revaluation of assets	Total	Retained earnings			
	shares	shares	shares	shares				Appropriated	Unappropriated		
Balance as at 1 January 2020	99	8,006,456	87	7,031,436	-	306,294	306,294	801,000	8,128,573	24,273,945	
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	
Balance as at 31 March 2020	99	8,006,456	87	7,031,436	-	306,136	306,136	801,000	8,285,098	24,430,312	
Balance as at 1 January 2021	99	8,006,456	87	7,031,436	(1,229)	305,659	304,430	801,000	6,972,541	23,116,049	
Profit for the period	-	-	-	-	-	-	-	-	67,964	67,964	
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-	-	
Total comprehensive income for the period	-	-	-	-	-	-	-	-	67,964	67,964	
Transfer surplus on revaluation of assets to retained earnings	-	-	-	-	-	(166)	(166)	-	207	41	
Balance as at 31 March 2021	99	8,006,456	87	7,031,436	(1,229)	305,493	304,264	801,000	7,040,712	23,184,054	

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

TISCO Financial Group Public Company Limited and its subsidiaries

Notes to interim consolidated financial statements

For the three-month period ended 31 March 2021

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

1.1 Basis for preparation of interim financial information

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

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

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

1.2 Coronavirus disease 2019 pandemic

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

1.3 Basis of interim consolidation

The basis of interim consolidation is the same as that for the consolidated financial statements for the year ended 31 December 2020 with no change in the composition of the subsidiaries during the current period.

1.4 Separate financial statements

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

1.5 New financial reporting standards

a) Financial reporting standards that became effective in the current period

During the period, the Group has adopted the revised financial reporting standards and interpretations which are effective for fiscal year beginning on or after 1 January 2021. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements.

b) Financial reporting standards that will become effective for fiscal year beginning on or after 1 January 2022

The Federation of Accounting Professions issued amendments to Thai Financial Reporting Standard 16 Leases that provide temporary exemptions from the impact of interest rate benchmark reform for a lessee, provided that all specified conditions are to be met.

The management of the Group believes that the adoption of these amendments will not have any significant impact on the Group's financial statements.

1.6 Impacts of an expiration of Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the -19 Pandemic

As the temporary relief measures on accounting alternatives is no longer applicable for the period after 31 December 2020, during the current period the Group recognised fair value of investments in non-marketable equity instruments as at 31 March 2021 and recognised the difference resulting from this totalling Baht 31 million (Separate financial statements: none) as part of operating income in the consolidated statement of comprehensive income for the three-month period ended 31 March 2021.

1.7 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 2020.

2. General information

2.1 The Company's information

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

2.2 Related party transactions

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

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

3. Supplemental information

3.1 Consolidated financial statements

A list of subsidiaries included in the consolidated financial statements as at 31 March 2021 and 31 December 2020 is provided below.

Company's name	Nature of business	Country of incorporation	(Unit: Percent)	
			Percentage of shares held by the Company as at	
			31 March 2021	31 December 2020
<u>Subsidiaries directly held by the Company</u>				
TISCO Bank Public Company Limited	Banking	Thailand	99.99	99.99
TISCO Securities Co., Ltd.	Securities business	Thailand	99.99	99.99
TISCO Asset Management Co., Ltd.	Asset management	Thailand	99.99	99.99
Hi-Way Co., Ltd.	Hire purchase and retail loans	Thailand	99.99	99.99
TISCO Information Technology Co., Ltd.	Services	Thailand	99.99	99.99
TISCO Insurance Solution Co., Ltd.	Insurance broker	Thailand	99.99	99.99
Primus Leasing Co., Ltd. (In the process of liquidation)	Hire purchase	Thailand	99.99	99.99
TISCO Learning Center Co., Ltd.	Services	Thailand	99.99	99.99
All-Ways Co., Ltd.	Services	Thailand	99.99	99.99

3.2 Classification of financial assets and financial liabilities

(Unit: Thousand Baht)

	As at 31 March 2021			
	Consolidated financial statements			
	Financial instruments measured at fair value through profit or loss	Financial instruments measured at fair value through other comprehensive income	Financial instruments measured at amortised cost	Total
<u>Financial assets</u>				
Cash	-	-	1,125,390	1,125,390
Interbank and money market items - net	-	-	36,728,964	36,728,964
Financial assets measured at fair value				
through profit or loss	2,423,074	-	-	2,423,074
Investments - net	-	8,194,991	-	8,194,991
Loans to customers and accrued interest				
receivables - net	-	-	210,337,951	210,337,951
Securities and derivatives business				
receivables - net	-	-	1,237,022	1,237,022
Other assets - receivables from clearing house	-	-	1,282,617	1,282,617
<u>Financial liabilities</u>				
Deposits	-	-	198,151,468	198,151,468
Interbank and money market items	-	-	5,137,136	5,137,136
Liabilities payable on demand	-	-	391,456	391,456
Derivatives liabilities	26,836	-	-	26,836
Debts issued and borrowings	-	-	9,876,919	9,876,919
Lease liabilities	-	-	766,196	766,196
Securities and derivatives business payables - net	-	-	2,476,029	2,476,029
Accrued interest payable	-	-	645,746	645,746
Other liabilities - payables to clearing house	-	-	36,631	36,631

(Unaudited but reviewed)

(Unit: Thousand Baht)

	As at 31 December 2020			
	Consolidated financial statements			
	Financial instruments measured at fair value through			
	Financial instruments measured at fair value through profit or loss	other comprehensive income	Financial instruments measured at amortised cost	Total
<u>Financial assets</u>				
Cash	-	-	1,220,207	1,220,207
Interbank and money market items - net	-	-	38,212,028	38,212,028
Financial assets measured at fair value				
through profit or loss	2,173,020	-	-	2,173,020
Derivatives assets	62,095	-	-	62,095
Investments - net	-	9,953,256	-	9,953,256
Loans to customers and accrued interest				
receivables - net	-	-	214,887,986	214,887,986
Securities and derivatives business				
receivables - net	-	-	1,058,180	1,058,180
Other assets - receivables from clearing house	-	-	291,896	291,896
<u>Financial liabilities</u>				
Deposits	-	-	203,472,825	203,472,825
Interbank and money market items	-	-	5,807,646	5,807,646
Liabilities payable on demand	-	-	1,284,765	1,284,765
Debts issued and borrowings	-	-	12,825,919	12,825,919
Lease liabilities	-	-	828,590	828,590
Securities and derivatives business payables - net	-	-	1,033,041	1,033,041
Accrued interest payable	-	-	735,903	735,903
Other liabilities - payables to clearing house	-	-	309,866	309,866

(Unaudited but reviewed)

(Unit: Thousand Baht)

As at 31 March 2021				
Separate financial statements				
	Financial instruments measured at fair value through other comprehensive income		Financial instruments measured at amortised cost	Total
<u>Financial assets</u>				
Cash	-	-	70	70
Interbank and money market items - net	-	-	21,148	21,148
Financial assets measured at fair value through profit or loss	902,703	-	-	902,703
Investments - net	-	205,965	-	205,965
Loans to customers and accrued interest receivables - net	-	-	3,715,164	3,715,164
<u>Financial liabilities</u>				
Interbank and money market items	-	-	900,000	900,000
Debts issued and borrowings	-	-	1,000,000	1,000,000
Lease liabilities	-	-	821	821
Accrued interest payable	-	-	1,223	1,223

(Unit: Thousand Baht)

As at 31 December 2020				
Separate financial statements				
	Financial instruments measured at fair value through other comprehensive income		Financial instruments measured at amortised cost	Total
<u>Financial assets</u>				
Cash	-	-	70	70
Interbank and money market items - net	-	-	17,394	17,394
Financial assets measured at fair value through profit or loss	890,053	-	-	890,053
Investments - net	-	205,965	-	205,965
Loans to customers and accrued interest receivables - net	-	-	3,175,866	3,175,866
<u>Financial liabilities</u>				
Interbank and money market items	-	-	3,780,000	3,780,000
Debts issued and borrowings	-	-	1,629,000	1,629,000
Lease liabilities	-	-	889	889
Accrued interest payable	-	-	1,029	1,029

3.3 Interbank and money market items (assets)

As at 31 March 2021 and 31 December 2020, interbank and money market items include securities purchases under resale agreements according to private repurchase transactions made by the subsidiary company operating a banking business, with the securities received under the resale agreements being used as collateral, as detailed below.

(Unit: Thousand Baht)

	Securities purchased under resale agreements according to private repurchase transactions as at	
	31 March 2021	31 December 2020
Commercial banks	17,000,000	18,800,000
Specialised Financial Institutions	17,000,000	14,700,000

Fair value of securities received as collateral is as follows:

(Unit: Thousand Baht)

	Fair value of securities received as collateral as at	
	31 March 2021	31 December 2020
Commercial banks	16,285,600	18,471,500
Specialised Financial Institutions	17,149,500	14,747,200

3.4 Financial assets measured at fair value through profit or loss

(Unit: Thousand Baht)

Investments	Consolidated financial statements as at			
	31 March 2021		31 December 2020	
	Cost	Fair value	Cost	Fair value
Others				
Domestic marketable equity instruments	231,488	683,743	231,488	454,798
Domestic non-marketable equity instruments	232,289	777,634	257,578	772,569
Other securities - domestic unit trusts	51,014	58,994	51,014	55,600
Other securities - foreign unit trusts	803,120	902,703	803,120	890,053
	1,317,911	<u>2,423,074</u>	1,343,200	<u>2,173,020</u>
Add: Allowance for changes in value	1,105,163		829,820	
Total	<u>2,423,074</u>		<u>2,173,020</u>	

(Unit: Thousand Baht)

Investments	Separate financial statements as at			
	31 March 2021		31 December 2020	
	Cost	Fair value	Cost	Fair value
Others				
Other securities - foreign unit trusts	803,120	902,703	803,120	890,053
	803,120	<u>902,703</u>	803,120	<u>890,053</u>
Add: Allowance for changes in value	99,583		86,933	
Total	<u>902,703</u>		<u>890,053</u>	

(Unaudited but reviewed)

Investments in non-marketable equity instruments include investments in which the subsidiary operating a banking business holds not less than 10 percent of the equity of the investees, as follows:

(Unit: Thousand Baht)

Consolidated financial statements as at

Securities' name	31 March 2021			31 December 2020		
	Fair value of investments	Unpaid amount	Percentage of holding (%)	Fair value of investments	Unpaid amount	Percentage of holding (%)
Services:						
Jiji Press (Thailand) Co., Ltd.	1,348	300	10	1,825	300	10
Trading import and export:						
Juki (Thailand) Co., Ltd.	3,869	-	10	6,025	-	10
PDTL Trading Co., Ltd.	3,676	-	10	3,637	-	10
Wattana Inter-Trade Co., Ltd.	21,689	-	10	19,158	-	10
Real estate:						
UMI Property Co., Ltd.	3,928	-	10	4,031	-	10
Industrial:						
Siam Art Ceramic Co., Ltd.	9,311	-	10	11,268	-	10

3.5 Derivatives assets/derivatives liabilities

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

(Unit: Thousand Baht)

Consolidated financial statements as at

Type of risks	31 March 2021			31 December 2020		
	Fair value		Notional amount	Fair value		Notional amount
	Assets	Liabilities		Assets	Liabilities	
Exchange rate	-	26,836	1,241,102	62,095	-	1,189,528
Total	-	26,836	1,241,102	62,095	-	1,189,528

All counterparties of these derivatives transactions are financial institutions.

3.6 Investments**3.6.1 Investments classified by type of investments**

As at 31 March 2021 and 31 December 2020, investments classified by type of investments are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements as at			
	31 March 2021		31 December 2020	
	Amortised cost	Fair value	Amortised cost	Fair value
Investments in debt instruments measured at fair value through other comprehensive income				
Government and state enterprise securities	7,962,297	7,964,211	9,713,417	9,722,476
Private sector debt securities	423,121	230,780	423,121	230,780
	<u>8,385,418</u>	<u>8,194,991</u>	<u>10,136,538</u>	<u>9,953,256</u>
Add: Surplus on changes in fair value	194		7,339	
Less: Allowance for expected credit loss	(190,621)		(190,621)	
Total	<u>8,194,991</u>		<u>9,953,256</u>	
Investments in debt instruments measured at amortised cost				
Investments in receivables	11,965		12,047	
Less: Allowance for expected credit loss	(11,965)		(12,047)	
Total	<u>-</u>		<u>-</u>	
Total investments	<u>8,194,991</u>		<u>9,953,256</u>	

(Unit: Thousand Baht)

	Separate financial statements as at			
	31 March 2021		31 December 2020	
	Amortised cost	Fair value	Amortised cost	Fair value
Investments in debt instruments measured at fair value through other comprehensive income				
Private sector debt securities	371,662	205,965	371,662	205,965
Add: Deficit on changes in fair value	(1,536)		(1,536)	
Less: Allowance for expected credit loss	(164,161)		(164,161)	
Total investments	<u>205,965</u>		<u>205,965</u>	

3.6.2 Investments subject to restrictions

(Unit: Million Baht)

Type of investments	Consolidated financial statements as at		Type of restrictions
	31 March 2021	31 December 2020	
Government debt securities	2	2	Pledge for electricity usage

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

As at 31 March 2021 and 31 December 2020, investments in securities of the Group include investments in securities issued by companies with weak financial positions and poor operating results as follows:

(Unit: Thousand Baht)

	Consolidated financial statements as at					
	31 March 2021			31 December 2020		
	Cost	Fair value	Allowance for expected credit loss	Cost	Fair value	Allowance for expected credit loss
Companies having problems with debt repayment or in default	423,121	230,780	190,621	423,121	230,780	190,621

(Unit: Thousand Baht)

	Separate financial statements as at					
	31 March 2021			31 December 2020		
	Cost	Fair value	Allowance for expected credit loss	Cost	Fair value	Allowance for expected credit loss
Companies having problems with debt repayment or in default	371,662	205,965	164,161	371,662	205,965	164,161

3.7 Investments in subsidiaries and joint venture

(Unit: Thousand Baht)

	Consolidated financial statements as at		Separate financial statements as at	
	31 March 2021	31 December 2020	31 March 2021	31 December 2020
Investments in subsidiaries	-	-	19,995,898	19,995,898
Investment in joint venture	819,805	804,925	73,245	73,245
	<u>819,805</u>	<u>804,925</u>	<u>20,069,143</u>	<u>20,069,143</u>

3.7.1 Investments in subsidiaries

(Unit: Thousand Baht)

Company's name	Type of investments	Separate financial statements					
		Percentage of holding as at		Investment value - cost method as at		Dividend received for the three-month periods ended	
		31 March 2021	31 December 2020	31 March 2021	31 December 2020	31 March 2021	31 December 2020
		(%)	(%)				
Subsidiaries directly held by the Company							
TISCO Bank Public Company Limited	Ordinary shares	99.99	99.99	17,641,209	17,641,209	-	-
TISCO Securities Co., Ltd.	Ordinary shares	99.99	99.99	1,075,065	1,075,065	-	-
TISCO Asset Management Co., Ltd.	Ordinary shares	99.99	99.99	110,075	110,075	-	-
Hi-Way Co., Ltd.	Preference shares	99.99	99.99	2,866	2,866	-	-
	Ordinary shares	99.99	99.99	770,053	770,053	-	-
TISCO Information Technology Co., Ltd.	Ordinary shares	99.99	99.99	22,117	22,117	-	-
TISCO Insurance Solution Co., Ltd.	Ordinary shares	99.99	99.99	136,655	136,655	-	-
Primus Leasing Co., Ltd	Ordinary shares	99.99	99.99	141,521	141,521	-	-
TISCO Learning Center Co., Ltd.	Ordinary shares	99.99	99.99	5,000	5,000	-	-
All-Ways Co., Ltd.	Ordinary shares	99.99	99.99	200,000	200,000	-	-
				20,104,561	20,104,561	-	-
Less: Allowance for impairment				(108,663)	(108,663)		
Investments in subsidiaries - net				19,995,898	19,995,898		

3.7.2 Investment in joint venture

a) Details of investment in joint venture

Investment in joint venture (TISCO Tokyo Leasing Co., Ltd., which is engaged in leasing business) represents investment in ordinary shares of an entity which is jointly controlled by the Company and another company. Details of this investment are as follows:

(Unit: Thousand Baht)

Jointly controlled entity	Consolidated financial statements					
	Shareholding percentage as at		Cost as at		Carrying amounts based on equity method as at	
	31 March 2021	31 December 2020	31 March 2021	31 December 2020	31 March 2021	31 December 2020
	(%)	(%)				
TISCO Tokyo Leasing Co., Ltd.	49.00	49.00	73,245	73,245	819,805	804,925

(Unit: Thousand Baht)

Jointly controlled entity	Separate financial statements			
	Shareholding percentage		Cost	
	as at		as at	
	31 March 2021	31 December 2020	31 March 2021	31 December 2020
	(%)	(%)		
TISCO Tokyo Leasing Co., Ltd.	49.00	49.00	73,245	73,245

b) Share of comprehensive income and dividend received

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

Jointly controlled entity	Consolidated financial statements				Separate financial statements	
	Share of profit from investment in joint venture for the three-month periods ended 31 March		Share of other 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	
	2021	2020	2021	2020	2021	2020
	TISCO Tokyo Leasing Co., Ltd.	13,155	15,507	1,725	(2,602)	-

(Unaudited but reviewed)

3.8 Loans to customers and accrued interest receivables

3.8.1 Classified by type of loans to customers

(Unit: Thousand Baht)

	Consolidated financial statements as at	
	31 March 2021	31 December 2020
Loans to customers		
Overdrafts	26,680	31,721
Loans	95,702,855	96,713,852
Hire purchase receivables	144,101,160	147,601,631
Finance lease receivables	8,544	8,544
Less: Deferred revenue	(19,082,101)	(19,544,201)
Total loans to customers	220,757,138	224,811,547
Add: Accrued interest receivables and undue interest receivables	1,848,710	1,901,983
Total loans to customers and accrued interest receivables	222,605,848	226,713,530
Less: Allowance for expected credit loss	(12,267,897)	(11,825,544)
Loans to customers and accrued interest receivables - net	210,337,951	214,887,986

(Unit: Thousand Baht)

	Separate financial statements as at	
	31 March 2021	31 December 2020
Loans to customers		
Loans	3,720,000	3,180,000
Less: Allowance for expected credit loss	(4,836)	(4,134)
Loans to customers and accrued interest receivables - net	3,715,164	3,175,866

3.8.2 Classified by loan classification

(Unit: Thousand Baht)

	Consolidated financial statements as at		Separate financial statements as at	
	31 March 2021	31 December 2020	31 March 2021	31 December 2020
Loans to customers and accrued interest receivables				
Loans of the subsidiary				
operating a banking business	217,518,775	224,740,153	-	-
Loans of other subsidiaries	5,987,073	5,753,377	-	-
Loans of the Company	3,720,000	3,180,000	3,720,000	3,180,000
Less: Elimination	(4,620,000)	(6,960,000)	-	-
Total	222,605,848	226,713,530	3,720,000	3,180,000

3.8.2.1 Classified by loan classification of the subsidiary operating a banking business

(Unit: Thousand Baht)

	As at			
	31 March 2021		31 December 2020	
	Loans to customers and accrued interest receivables	Allowance for expected credit loss	Loans to customers and accrued interest receivables	Allowance for expected credit loss
Financial assets with no significant increase in credit risk (Performing)	186,126,968	5,947,928	190,435,185	5,172,224
Financial assets with significant increase in credit risk (Under-performing)	26,269,137	3,328,169	29,139,124	3,422,247
Financial assets that are credit-impaired (Non-performing)	5,122,670	1,271,601	5,165,844	1,287,313
Allowance established in excess	-	792,299	-	1,056,399
Total	<u>217,518,775</u>	<u>11,339,997</u>	<u>224,740,153</u>	<u>10,938,183</u>

The subsidiary operating a banking business has allowance established in excess resulting from the calculation of the allowance for expected credit loss as at 1 January 2020, in accordance with TFRS 9: Financial Instruments, which was lower than the amount of allowance for doubtful accounts as at 31 December 2019 as determined in accordance with the former accounting policy by Baht 2,113 million. Such amount is being released in quarterly amounts over 2 years under the straight-line method, in line with the BOT's guideline. As a result, as at 31 March 2021 the balance of allowance established in excess remained at Baht 792 million.

3.8.2.2 Classified by loan classification of other subsidiaries

(Unit: Thousand Baht)

	As at			
	31 March 2021		31 December 2020	
	Loans to customers and accrued interest receivables	Allowance for expected credit loss	Loans to customers and accrued interest receivables	Allowance for expected credit loss
Financial assets with no significant increase in credit risk (Performing)	4,230,321	283,663	3,921,251	238,400
Financial assets with significant increase in credit risk (Under-performing)	1,018,450	263,003	1,057,160	266,852
Financial assets that are credit-impaired (Non-performing)	738,302	385,613	774,966	400,513
Total	<u>5,987,073</u>	<u>932,279</u>	<u>5,753,377</u>	<u>905,765</u>

3.8.3.3 Classified by loan classification of the Company

(Unit: Thousand Baht)

	As at			
	31 March 2021		31 December 2020	
	Loans to customers and accrued interest receivables	Allowance for expected credit loss	Loans to customers and accrued interest receivables	Allowance for expected credit loss
Financial assets with no significant increase in credit risk (Performing)	3,720,000	4,836	3,180,000	4,134
Financial assets with significant increase in credit risk (Under-performing)	-	-	-	-
Financial assets that are credit-impaired (Non-performing)	-	-	-	-
Total	<u>3,720,000</u>	<u>4,836</u>	<u>3,180,000</u>	<u>4,134</u>

During the periods 2020 and 2021, the Group has entered into the scheme to provide assistance to affected debtors and has elected to apply Accounting Guidance by the Federation of Accounting Professions on Temporary Relief Measures for Entities Providing Assistance to Debtors Impacted by Situations that Affect the Thai Economy.

As at 31 March 2021, the Group's outstanding loan balances under the relief measures totalled Baht 11,890 million. The balance consists of the debtors under principal holiday scheme or installment reduction (subject to partial payments of principal and interest) of Baht 6,515 million, the debtors under debt moratorium scheme of Baht 54 million and the debtors receiving other forms of debt relief of Baht 5,321 million.

3.8.4 Classified by loan classification and type of debtors

As at 31 March 2021 and 31 December 2020, loans to customers of the subsidiary operating a banking business classified by loan classification and type of debtors are as follows:

(Unit: Million Baht)

	As at 31 March 2021							
	Hire purchase receivables		Loan against auto license receivables		Other loans		Total	
	Loans to customers and accrued interest receivables	Allowance for expected credit loss	Loans to customers and accrued interest receivables	Allowance for expected credit loss	Loans to customers and accrued interest receivables	Allowance for expected credit loss	Loans to customers and accrued interest receivables	Allowance for expected credit loss
Financial assets with no significant increase in credit risk (Performing)	101,342	2,797	21,529	880	63,256	2,271	186,127	5,948
Financial assets with significant increase in credit risk (Under-performing)	17,292	1,615	5,466	750	3,511	963	26,269	3,328
Financial assets that are credit-impaired (Non-performing)	2,688	589	1,045	363	1,390	320	5,123	1,272
Total	121,322	5,001	28,040	1,993	68,157	3,554	217,519	10,548
Allowance established in excess								792
Total								11,340

(Unit: Million Baht)

	As at 31 December 2020							
	Hire purchase receivables		Loan against auto license receivables		Other loans		Total	
	Loans to customers and accrued interest receivables	Allowance for expected credit loss	Loans to customers and accrued interest receivables	Allowance for expected credit loss	Loans to customers and accrued interest receivables	Allowance for expected credit loss	Loans to customers and accrued interest receivables	Allowance for expected credit loss
Financial assets with no significant increase in credit risk (Performing)	102,361	2,325	22,199	827	65,875	2,020	190,435	5,172
Financial assets with significant increase in credit risk (Under-performing)	19,418	1,543	5,804	796	3,917	1,083	29,139	3,422
Financial assets that are credit-impaired (Non-performing)	2,741	602	1,053	371	1,372	315	5,166	1,288
Total	124,520	4,470	29,056	1,994	71,164	3,418	224,740	9,882
Allowance established in excess								1,056
Total								10,938

3.8.5 Hire purchase and finance lease receivables

As at 31 March 2021, receivables of the subsidiaries under hire purchase and finance lease agreements amount to Baht 126,325 million (31 December 2020: Baht 129,399 million) and mostly comprise hire purchase agreements for cars and finance lease agreements for machines and equipment for business operation. The terms of the agreements are generally between 1 to 8 years, and under most agreements interest is charged at a fixed rate as specified in agreements.

(Unit: Million Baht)

Consolidated financial statements as at 31 March 2021					
Amounts of installments due under the long-term lease agreements					
	Not over 1 year	Over 1 year but not over 5 years	Over 5 years	Financial assets that are credit-impaired (Non- performing)	Total
Gross investment in the agreements	43,854	86,700	6,007	7,549	144,110
Less: Deferred revenue ⁽¹⁾	(5,957)	(8,086)	(290)	(4,374)	(18,707)
Present value of minimum lease payment from agreements	37,897	78,614	5,717	3,175	125,403
Accrued interest receivables	738	-	-	184	922
Total	38,635	78,614	5,717	3,359	126,325
Allowance for expected credit loss					(5,815)
Net hire purchase and finance lease receivables					120,510

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

(Unit: Million Baht)

Consolidated financial statements as at 31 December 2020					
Amounts of installments due under the long-term lease agreements					
	Not over 1 year	Over 1 year but not over 5 years	Over 5 years	Financial assets that are credit-impaired (Non- performing)	Total
Gross investment in the agreements	44,381	88,243	7,394	7,592	147,610
Less: Deferred revenue ⁽¹⁾	(6,111)	(8,433)	(326)	(4,313)	(19,183)
Present value of minimum lease payment from agreements	38,270	79,810	7,068	3,279	128,427
Accrued interest receivables	781	-	-	191	972
Total	39,051	79,810	7,068	3,470	129,399
Allowance for expected credit loss					(5,283)
Net hire purchase and finance lease receivables					124,116

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

3.8.6 Troubled debt restructuring of the subsidiary operating a banking business

As at 31 March 2021 and 31 December 2020, the subsidiary operating a banking business has outstanding balances with troubled debt restructuring debtors as follows:

	As at			
	31 March 2021		31 December 2020	
	Number of debtors	Outstanding balances (Million Baht)	Number of debtors	Outstanding balances (Million Baht)
Balances of restructured debts	7,599	2,436	8,856	2,762

3.9 Allowance for expected credit loss

As at 31 March 2021, the Group has allowance for expected credit loss classified by type of financial assets as follows:

(Unit: Thousand Baht)

	Consolidated financial statements				
	For the three-month period ended 31 March 2021				
	Financial assets with no significant increase in credit risk	Financial assets with significant increase in credit risk	Financial assets that are credit- impaired	Allowance established in excess	Total
Interbank and money market items (assets)					
Balance - beginning of period	1,081	-	-	-	1,081
Changes from revaluation of allowance for credit loss/new financial assets/derecognition	(506)	-	-	-	(506)
Balance - end of period	575	-	-	-	575
Investments in debt instruments measured at fair value through other comprehensive income					
Balance - beginning of period	-	-	190,621	-	190,621
Changes from revaluation of allowance for credit loss	-	-	-	-	-
Balance - end of period	-	-	190,621	-	190,621

(Unit: Thousand Baht)

Consolidated financial statements					
For the three-month period ended 31 March 2021					
	Financial assets with no significant increase in credit risk	Financial assets with significant increase in credit risk	Financial assets that are credit- impaired	Allowance established in excess	Total
Investments in debt instruments measured at amortised cost					
Balance - beginning of period	-	-	12,047	-	12,047
Changes from revaluation of allowance for credit loss	-	-	(82)	-	(82)
Balance - end of period	-	-	11,965	-	11,965
Loans to customers and accrued interest receivables					
Balance - beginning of period	5,392,220	3,689,099	1,687,826	1,056,399	11,825,544
Changes from transfers among stages	238,338	(346,557)	108,219	-	-
Changes from revaluation of allowance for credit loss	178,676	243,636	748,451	-	1,170,763
New financial assets	543,725	144,767	15,713	-	704,205
Derecognition	(125,747)	(139,773)	(69,020)	-	(334,540)
Write-off	-	-	(833,975)	-	(833,975)
Reduction in allowance established in excess	-	-	-	(264,100)	(264,100)
Balance - end of period	6,227,212	3,591,172	1,657,214	792,299	12,267,897
Other assets - Accrued interest receivables on investments					
Balance - beginning of period	-	-	4,636	-	4,636
Changes from revaluation of allowance for credit loss	-	-	1,578	-	1,578
Balance - end of period	-	-	6,214	-	6,214

(Unit: Thousand Baht)

Separate financial statements				
For the three-month period ended 31 March 2021				
	Financial assets with no significant increase in credit risk	Financial assets with significant increase in credit risk	Financial assets that are credit-impaired	Total
Interbank and money market items (assets)				
Balance - beginning of period	9	-	-	9
Changes from revaluation of allowance for credit loss/new financial assets/derecognition	2	-	-	2
Balance - end of period	<u>11</u>	<u>-</u>	<u>-</u>	<u>11</u>
Investments in debt instruments measured at fair value through other comprehensive income				
Balance - beginning of period	-	-	164,161	164,161
Changes from revaluation of allowance for credit loss	-	-	-	-
Balance - end of period	<u>-</u>	<u>-</u>	<u>164,161</u>	<u>164,161</u>
Loans to customers and accrued interest receivables				
Balance - beginning of period	4,134	-	-	4,134
Changes from revaluation of allowance for credit loss	702	-	-	702
Balance - end of period	<u>4,836</u>	<u>-</u>	<u>-</u>	<u>4,836</u>
Other assets - Accrued interest receivables of investments				
Balance - beginning of period	-	-	4,111	4,111
Changes from revaluation of allowance for credit loss	-	-	1,578	1,578
Balance - end of period	<u>-</u>	<u>-</u>	<u>5,689</u>	<u>5,689</u>

3.10 Classification of assets

3.10.1 Classification of assets under the BOT's guidelines

As at 31 March 2021 and 31 December 2020, classification of financial assets is as follows:

(Unit: Million Baht)

Consolidated financial statements as at 31 March 2021					
Financial assets					
	Interbank and money market items	Debt instruments measured at fair value through other comprehensive income	Debt instruments measured at amortised cost	Loans to customers and accrued interest receivables	Total
Financial assets with no significant increase in credit risk (Performing)	36,730	7,964	-	189,457	234,151
Financial assets with significant increase in credit risk (Under-performing)	-	-	-	27,288	27,288
Financial assets that are credit-impaired (Non-performing)	-	231	12	5,861	6,104
Total	36,730	8,195	12	222,606	267,543

(Unit: Million Baht)

Consolidated financial statements as at 31 December 2020					
Financial assets					
	Interbank and money market items	Debt instruments measured at fair value through other comprehensive income	Debt instruments measured at amortised cost	Loans to customers and accrued interest receivables	Total
Financial assets with no significant increase in credit risk (Performing)	38,213	9,722	-	190,577	238,512
Financial assets with significant increase in credit risk (Under-performing)	-	-	-	30,196	30,196
Financial assets that are credit-impaired (Non-performing)	-	231	12	5,941	6,184
Total	38,213	9,953	12	226,714	274,892

(Unaudited but reviewed)

(Unit: Million Baht)

Separate financial statements as at 31 March 2021

	Financial assets				Total
	Interbank and money market items	Debt instruments measured at fair value through other comprehensive income	Debt instruments measured at amortised cost	Loans to customers and accrued interest receivables	
Financial assets with no significant increase in credit risk (Performing)	21	-	-	3,720	3,741
Financial assets with significant increase in credit risk (Under-performing)	-	-	-	-	-
Financial assets that are credit-impaired (Non-performing)	-	206	-	-	206
Total	21	206	-	3,720	3,947

(Unit: Million Baht)

Separate financial statements as at 31 December 2020

	Financial assets				Total
	Interbank and money market items	Debt instruments measured at fair value through other comprehensive income	Debt instruments measured at amortised cost	Loans to customers and accrued interest receivables	
Financial assets with no significant increase in credit risk (Performing)	17	-	-	3,180	3,197
Financial assets with significant increase in credit risk (Under-performing)	-	-	-	-	-
Financial assets that are credit-impaired (Non-performing)	-	206	-	-	206
Total	17	206	-	3,180	3,403

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

	Number of debtors		Loans to customers and accrued interest receivables				Allowance for expected credit loss provided in the accounts	
	as at		as at		as at		as at	
	31 March	31 December	31 March	31 December	31 March	31 December	31 March	31 December
	2021	2020	2021	2020	2021	2020	2021	2020
		(Million Baht)		(Million Baht)		(Million Baht)		
1. Non-listed companies with similar operating results and financial positions to listed companies vulnerable to delisting from the SET and under rehabilitation	1	1	499	500	305	315	499	500
2. Non-listed companies with similar operating results and financial positions to listed companies vulnerable to delisting from the SET	8	8	844	890	483	430	89	108
Total	9	9	1,343	1,390	788	745	588	608

3.11 Premises and equipment

Movements of premises and equipment for the three-month period ended 31 March 2021 are as follows:

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Cost		
1 January 2021	4,652,967	1,271,225
Additions	15,410	4,247
Disposals/write-offs/transfers-out	(636)	(75)
31 March 2021	4,667,741	1,275,397
Accumulated depreciation		
1 January 2021	1,731,228	444,260
Depreciation for the period	53,051	17,800
Accumulated depreciation on disposals/write-offs/transfers-out	(618)	(75)
31 March 2021	1,783,661	461,985
Net book value		
31 December 2020	2,921,739	826,965
31 March 2021	2,884,080	813,412

3.12 Right-of-use assets

Movements of right-of-use assets for the three-month period ended 31 March 2021 are as follows:

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Cost		
1 January 2021	1,147,064	1,158
Additions	824	-
Contract amendment	(82)	-
Contract termination	(24,886)	-
31 March 2021	<u>1,122,920</u>	<u>1,158</u>
Accumulated depreciation		
1 January 2021	261,578	279
Depreciation for the period	66,933	70
Accumulated depreciation on terminated contracts	(22,118)	-
31 March 2021	<u>306,393</u>	<u>349</u>
Net book value		
31 December 2020	<u>885,486</u>	<u>879</u>
31 March 2021	<u>816,527</u>	<u>809</u>

3.13 Other assets

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	as at		as at	
	31 March 2021	31 December 2020	31 March 2021	31 December 2020
Receivables from clearing house	1,282,617	291,896	-	-
Value added tax - net	294,227	367,830	1,339	1,652
Accrued interest receivables	20,707	17,765	-	-
Fee and service receivables	456,808	468,956	121,491	126,439
Refundable income tax and prepaid income tax	8,757	8,751	-	-
Deposits	84,335	84,200	95	95
Other receivables	612,774	587,995	-	-
Other assets	379,133	399,180	49,180	60,633
Total other assets	<u>3,139,358</u>	<u>2,226,573</u>	<u>172,105</u>	<u>188,819</u>

3.14 Deposits**3.14.1 Classified by type of deposits**

(Unit: Thousand Baht)

	Consolidated financial statements as at	
	31 March 2021	31 December 2020
Deposits		
Current accounts	2,495,755	3,199,911
Savings accounts	46,309,819	50,319,591
Fixed accounts		
- not over 6 months	13,930,073	12,761,123
- over 6 months but not over 1 year	26,643,071	27,901,720
- over 1 year	2,417,806	3,219,474
Certificates of deposits/negotiable certificates of deposits	106,354,944	106,071,006
Total	198,151,468	203,472,825

3.14.2 As at 31 March 2021 and 31 December 2020, all outstanding deposits are deposits from domestic depositors and are in Baht.

3.15 Debts issued and borrowings

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	as at		as at	
	31 March 2021	31 December 2020	31 March 2021	31 December 2020
<u>Domestic borrowings</u>				
Subordinated unsecured debentures	6,620,000	6,620,000	-	-
Unsubordinated unsecured debentures	3,220,000	6,169,000	1,000,000	1,629,000
Bills of exchange	36,122	36,122	-	-
Promissory notes	797	797	-	-
Total	9,876,919	12,825,919	1,000,000	1,629,000

3.15.1 Subordinated unsecured debentures

As at 31 March 2021 and 31 December 2020, the subsidiary operating a banking business has long-term subordinated unsecured debentures with an early redemption right in accordance with the BOT's regulations as follows:

Issued year	Units as at		Face value (Baht per unit)	Balance as at		Maturity in the year	Interest rate
	31 March 2021	31 December 2020		31 March 2021	31 December 2020		
	(Million units)	(Million units)		(Million Baht)	(Million Baht)		
2016	0.68	0.68	1,000	680	680	2026	3.875 percent per annum
2017	1.00	1.00	1,000	1,000	1,000	2027	4.00 percent per annum
2017	0.60	0.60	1,000	600	600	2027	3.70 percent per annum
2019	1.20	1.20	1,000	1,200	1,200	2029	4.00 percent per annum
2019	1.20	1.20	1,000	1,200	1,200	2029	4.00 percent per annum
2020	1.25	1.25	1,000	1,250	1,250	2030	3.50 percent per annum
2020	0.69	0.69	1,000	690	690	2030	3.15 percent per annum
Total				<u>6,620</u>	<u>6,620</u>		

3.15.2 Unsubordinated unsecured debentures

As at 31 March 2021 and 31 December 2020, 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 (Baht per unit)	Balance as at		Maturity in the year	Interest rate
		31 March 2021	31 December 2020		31 March 2021	31 December 2020		
		(Million units)	(Million units)		(Million Baht)	(Million Baht)		
2020	Short-term debenture	-	1.629	1,000	-	1,629	2021	0.55 - 1.05 percent per annum
2020	Short-term debenture	-	2.32	1,000	-	2,320	2021	1.30 percent per annum
2020	Long-term debenture	2.22	2.22	1,000	2,220	2,220	2022	1.40 percent per annum
2021	Short-term debenture	1.00	-	1,000	1,000	-	2021	0.75 percent per annum
Total					<u>3,220</u>	<u>6,169</u>		

Separate financial statements								
Issued year	Type of debentures	Units as at		Face value (Baht per unit)	Balance as at		Maturity in the year	Interest rate
		31 March 2021 (Million units)	31 December 2020 (Million units)		31 March 2021 (Million Baht)	31 December 2020 (Million Baht)		
2020	Short-term debenture	-	1,629	1,000	-	1,629	2021	0.55 - 1.05 percent per annum
2021	Short-term debenture	1.00	-	1,000	1,000	-	2021	0.75 percent per annum
Total					<u>1,000</u>	<u>1,629</u>		

3.15.3 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.

3.16 Lease liabilities

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	as at		as at	
	31 March 2021	31 December 2020	31 March 2021	31 December 2020
Beginning balance	888,548	1,060,908	922	1,215
Increase during the period	909	171,171	-	-
Contract amendment	(112)	(4,353)	-	-
Paid during the period	(65,794)	(291,784)	(73)	(293)
Terminated during the period	(2,798)	(47,394)	-	-
Ending balance	820,753	888,548	849	922
Less: Deferred interest expenses	(54,557)	(59,958)	(28)	(33)
Lease liabilities - net	766,196	828,590	821	889
Current portion	(172,973)	(179,965)	(277)	(275)
Lease liabilities - net of current portion	<u>593,223</u>	<u>648,625</u>	<u>544</u>	<u>614</u>

(Unaudited but reviewed)

3.17 Provisions

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	as at		as at	
	31 March 2021	31 December 2020	31 March 2021	31 December 2020
Allowance for expected credit loss on loan commitments	5,422	14,716	-	-
Provision for long-term employee benefits	1,673,520	1,676,338	296,005	291,741
Total provisions	1,678,942	1,691,054	296,005	291,741

As at 31 March 2021 and 31 December 2020, allowance for expected credit loss on loan commitments is classified by stage as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements as at			
	31 March 2021		31 December 2020	
	Loan commitments	Allowance for expected credit loss	Loan commitments	Allowance for expected credit loss
Financial assets with no significant increase in credit risk (Performing)	962,917	5,422	1,338,700	14,716
Financial assets with significant increase in credit risk (Under-performing)	-	-	-	-
Financial assets that are credit-impaired (Non-performing)	-	-	-	-
Total	962,917	5,422	1,338,700	14,716

3.18 Other liabilities

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	as at		as at	
	31 March 2021	31 December 2020	31 March 2021	31 December 2020
Payables to clearing house	36,631	309,866	-	-
Withholding income tax and other tax payables	255,220	593,909	19,837	94,560
Accrued insurance premium	387,424	479,958	-	-
Deferred income	1,556,807	1,481,571	-	-
Accrued expenses	3,876,757	3,458,156	1,690,699	1,508,858
Suspense creditors	950,590	1,075,205	-	-
Other liabilities	437,723	405,956	99	100
Total other liabilities	7,501,152	7,804,621	1,710,635	1,603,518

The above accrued expenses include accrued bonus expenses which are remunerations paid to employees and management based on annual performance. These accrued bonus expenses include costs of annual bonus that are determined with reference to the Company's share price, paid to employees whose performance impacts the Company's operating results, as an incentive to work effectively and to build loyalty to the Company. This vested bonus is continuously set aside for payment five years later. It is paid in cash and determined based on the average daily price of the Company's shares over the period of five years from grant date to settlement date. As of 31 March 2021 and 31 December 2020, the Group has accrued bonus under this scheme amounting to Baht 509 million and Baht 444 million, respectively (Separate financial statements: Baht 250 million and Baht 217 million, respectively).

As at 31 December 2020, the above other liabilities included advances received from Electronic Funds Transfer transactions amounting to Baht 3 million (31 March 2021: no outstanding balance), and as at 31 March 2021 the subsidiary maintained an asset amounting to Baht 10 million (31 December 2020: Baht 13 million), to reserve for advances received through such transactions, presented under interbank and money market items (assets) in the statement of financial position.

3.19 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, in accordance with the regulations of the BOT.

The Group maintains capital adequacy ratio in compliance with Basel III principles by implementing capital to risk assets requirement based on Internal Ratings-Based Approach (IRB) for hire purchase receivables, loan against auto license receivables, corporate lending, car inventory financing loans, other commercial loans, equity exposure and other assets.

Regarding Capital funds as at 31 March 2021 and 31 December 2020, the Financial Business Group has allocated the additional reserve from classification as part of regulatory capital funds. The reserve has been classified to Tier 1 capital and Tier 2 capital based on method under BOT's regulation.

(Unaudited but reviewed)

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

(Unit: Thousand Baht)

	As at	
	31 March 2021	31 December 2020
<u>Common Equity Tier I capital</u>		
Issued and paid-up share capital	8,006,456	8,006,456
Premium on share capital	1,018,408	1,018,408
Statutory reserve	801,000	801,000
Net profits after appropriation	21,759,372	21,759,372
Other components of equity	1,833,026	1,837,917
Less: Deductions from Common Equity Tier I items	(965,619)	(1,054,338)
Total Common Equity Tier I capital	32,452,643	32,368,815
<u>Financial Instrument Tier I capital</u>		
Issued and paid-up share capital - non-cumulative preference shares	99	99
Total Tier I capital	32,452,742	32,368,914
<u>Tier II capital</u>		
Long-term subordinated debentures	6,620,000	6,620,000
Surplus of provision	758,713	762,036
Reserve for loans classified as normal	729,199	726,676
Total Tier II capital	8,107,912	8,108,712
Total capital funds	40,560,654	40,477,626

(Unit: Percent)

Capital fund ratios	As at			
	31 March 2021		31 December 2020	
	Financial Business Group	Requirement	Financial Business Group	Requirement
Common Equity Tier I capital to risk assets	17.56	7.00	17.48	7.00
Tier I capital to risk assets	17.56	8.50	17.48	8.50
Total capital to risk assets	21.95	11.00	21.86	11.00

(Unaudited but reviewed)

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

(Unit: Thousand Baht)

	As at	
	31 March 2021	31 December 2020
<u>Common Equity Tier I capital</u>		
Issued and fully paid-up share capital	9,215,676	9,215,676
Premium on share capital	2,543,024	2,543,024
Statutory reserve	984,000	984,000
Net profits after appropriation	17,713,142	17,713,142
Other components of equity	305,468	309,469
Less: Deductions from Common Equity Tier I items	(315,455)	(366,769)
Total Common Equity Tier I capital	30,445,855	30,398,542
<u>Financial Instrument Tier I capital</u>		
Issued and fully paid-up share capital - non-cumulative preference shares	1	1
Total Tier I capital	30,445,856	30,398,543
<u>Tier II Capital</u>		
Long-term subordinated debentures	6,620,000	6,620,000
Surplus of provision	738,548	741,712
Reserve for loans classified as normal	538,613	557,567
Total Tier II capital	7,897,161	7,919,279
Total capital funds	38,343,017	38,317,822

(Unit: Percent)

Capital fund ratios	As at			
	31 March 2021		31 December 2020	
	TISCO Bank	Requirement	TISCO Bank	Requirement
Common Equity Tier I capital to risk assets	18.32	7.00	18.07	7.00
Tier I capital to risk assets	18.32	8.50	18.07	8.50
Total capital to risk assets	23.07	11.00	22.78	11.00

To comply with the Notification of the BOT No. Sor Nor Sor. 15/2562 regarding “Public Disclosure of Capital Maintenance for Financial Business Group (No.2)”, the Company has disclosed capital maintenance information of the Financial Business Group as at 31 December 2020 on its website (www.tisco.co.th) in April 2021.

3.20 Interest income

Interest income in the statements of comprehensive income for the three-month periods ended 31 March 2021 and 2020 consisted of the following:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	For the three-month periods ended 31 March		For the three-month periods ended 31 March	
	2021	2020	2021	2020
Interbank and money market items	43,237	94,321	11	902
Investments in debt securities	24,539	41,978	1,578	1,865
Loans to customers and overdrafts	1,806,141	2,148,492	15,057	12,223
Hire purchase and finance lease	1,902,369	2,268,124	-	-
Total interest income	3,776,286	4,552,915	16,646	14,990

Interest income for the three-month periods ended 31 March 2021 and 2020 consisted of interest income on credit-impaired financial assets amounting to Baht 95 million and Baht 114 million, respectively. The subsidiaries fully recognised expected credit loss on such interest income.

3.21 Interest expenses

Interest expenses in the statements of comprehensive income for the three-month periods ended 31 March 2021 and 2020 consisted of the following:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	For the three-month periods ended 31 March		For the three-month periods ended 31 March	
	2021	2020	2021	2020
Deposits	452,754	813,741	-	-
Interbank and money market items	4,981	8,111	5,009	26
Contribution fee to the Deposit Protection Agency and the Bank of Thailand	123,818	134,728	-	-
Issued debt securities				
- Subordinated debentures	61,653	67,826	-	-
- Unsubordinated debentures	17,103	62,379	2,168	9,189
Borrowings	225	227	-	-
Others	5,455	8,011	5	6
Total interest expenses	665,989	1,095,023	7,182	9,221

3.22 Net fee and service income

Net fee and service income in the statements of comprehensive income for the three-month periods ended 31 March 2021 and 2020 consisted of the following:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	For the three-month periods ended 31 March		For the three-month periods ended 31 March	
	2021	2020	2021	2020
Fee and service income				
- Acceptance, aval and guarantees	1,653	1,433	-	-
- Insurance service	533,162	679,248	-	-
- Brokerage fee	238,579	215,832	-	-
- Fund management	342,199	289,637	-	-
- Others	512,062	290,101	-	-
Total fee and service income	1,627,655	1,476,251	-	-
Fee and service expenses				
- Information service expenses	(4,527)	(3,950)	-	-
- Others	(80,256)	(74,495)	(5,098)	(3,248)
Total fee and service expenses	(84,783)	(78,445)	(5,098)	(3,248)
Net fee and service income	1,542,872	1,397,806	(5,098)	(3,248)

3.23 Net gain (loss) on financial instruments measured at fair value through profit or loss

Net gain (loss) on financial instruments measured at fair value through profit or loss in the statements of comprehensive income for the three-month periods ended 31 March 2021 and 2020 consisted of the following:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	For the three-month periods ended 31 March		For the three-month periods ended 31 March	
	2021	2020	2021	2020
Gain (loss) on trading and foreign exchange measured at fair value through profit or loss				
- Foreign currencies and derivatives on foreign exchange	36,965	51,767	33,102	67,010
- Debt securities	2,565	11,934	-	-
- Equity securities	273,087	(150,974)	(20,452)	(59,789)
Net gain (loss) on financial instruments measured at fair value through profit or loss	312,617	(87,273)	12,650	7,221

3.24 Net gain on investments

Net gain on investments in the statements of comprehensive income for the three-month periods ended 31 March 2021 and 2020 consisted of the following:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	For the three-month periods ended 31 March		For the three-month periods ended 31 March	
	2021	2020	2021	2020
Gain on derecognition				
- Debt instruments measured at fair value through other comprehensive income	731	305	-	-
- Debt instruments measured at amortised cost	2,691	1,345	-	-
Net gain on investments	<u>3,422</u>	<u>1,650</u>	<u>-</u>	<u>-</u>

3.25 Expected credit loss

Expected credit loss and gain or loss from the modification of terms of financial assets in the statements of comprehensive income for the three-month periods ended 31 March 2021 and 2020 consisted of the following:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	For the three-month periods ended 31 March		For the three-month periods ended 31 March	
	2021	2020	2021	2020
Expected credit loss				
- Interbank and money market items (reversal)	(506)	707	2	3
- Investments in debt instruments measured at amortised cost (reversal)	(82)	(225)	-	-
- Investments in debt instruments measured at fair value through other comprehensive income and accrued interest receivables	1,578	3,320	1,578	-
- Loans to customers	839,651	1,040,705	702	4,485
Loss from the modification of terms				
- Loans to customers	1,706	27,997	-	-
Loan commitments	(9,294)	845	-	-
Total	<u>833,053</u>	<u>1,073,349</u>	<u>2,282</u>	<u>4,488</u>

3.26 Income tax expenses

Income tax expenses of the Group for the three-month periods ended 31 March 2021 and 2020 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	For the three-month periods ended 31 March		For the three-month periods ended 31 March	
	2021	2020	2021	2020
Current income tax:				
Income tax expenses for the period	372,701	182,868	23,275	48,518
Deferred tax:				
Deferred tax on temporary differences and reversion of temporary differences	67,430	174,751	(5,312)	(14,251)
Income tax expenses reported in the statement of comprehensive income	<u>440,131</u>	<u>357,619</u>	<u>17,963</u>	<u>34,267</u>

A reconciliation between income tax expenses and the product of accounting profit multiplied by the applicable tax rate for the three-month periods ended 31 March 2021 and 2020 is as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	For the three-month periods ended 31 March		For the three-month periods ended 31 March	
	2021	2020	2021	2020
Accounting profit before tax	<u>2,203,846</u>	<u>1,843,786</u>	<u>85,927</u>	<u>190,596</u>
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by applicable tax rate	440,769	368,757	17,185	38,119
Income tax effect:				
Tax effect of net tax-exempt income and net disallowed expenses	(944)	(9,000)	778	(3,852)
Others	306	(2,138)	-	-
Income tax expenses reported in the statement of comprehensive income	<u>440,131</u>	<u>357,619</u>	<u>17,963</u>	<u>34,267</u>
Weighted average tax rate	19.97%	19.40%	20.90%	17.98%

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

(Unit: Thousand Baht)

	Consolidated financial statements			
	As at		Changes in deferred tax assets/liabilities reported in profit or loss for the three-month periods ended	
	31 March		31 March	
	2021	2020	2021	2020
Allowance for expected credit loss	387,437	436,525	(49,088)	(307,590)
Allowance for impairment of investments	24,321	24,321	-	-
Allowance for impairment of properties foreclosed	101	168	(67)	(11)
Non-accrual of interest income	10,081	10,719	(638)	(76)
Depreciation of assets	(66,702)	(69,190)	2,488	2,968
Finance leases	-	-	-	16
Gain on changes in value of investment properties	(1,441)	(1,441)	-	-
Surplus on revaluation of assets	(295,064)	(295,261)	-	-
Surplus on changes in value of investments	(75)	(961)	-	-
Unrealised gain on derivatives	-	-	-	214
Gain on changes in fair value of investments in securities	(125,242)	(123,052)	(2,190)	30,098
Deferred commission and direct expenses incurred at the initiation of hire purchase	(320,561)	(370,862)	50,301	12,218
Loss on disposal of properties foreclosed	47,315	46,727	588	143
Unearned interest income on hire purchase	84,862	101,877	(17,015)	(5,709)
Reduction of subsidiaries' share capital	21,435	21,435	-	-
Accrued expenses	581,072	581,072	-	-
Employee benefit expenses	307,437	308,945	(1,839)	15,014
Loss carried forward	-	-	-	74,358
Others	100,363	95,422	(4,473)	3,606
Deferred tax assets	755,339	766,444	(21,933)	(174,751)
Allowance for expected credit loss	(41)	(81)	40	-
Depreciation of assets	(1,419)	(1,757)	338	-
Gain on changes in fair value of investment properties	2,687	2,687	-	-
Surplus on changes in value of investments	(36)	507	-	-
Gain on changes in value of investments in securities	93,222	46,964	46,258	-
Accrued expenses	(21,343)	(21,343)	-	-
Employee benefit expenses	(25,799)	(24,862)	(936)	-
Others	(1,221)	(1,018)	(203)	-
Deferred tax liabilities	46,050	1,097	45,497	-

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements			
	As at		Changes in deferred tax assets/liabilities reported in profit or loss for the three-month periods ended	
	31 March		31 March	
	2021	2020	2021	2020
Allowance for expected credit loss	34,939	34,483	456	-
Allowance for impairment of investments	21,732	21,732	-	-
Depreciation of assets	(42,025)	(41,622)	(403)	(266)
Gain on changes in fair value of investment properties	(92,082)	(92,082)	-	-
Surplus on revaluation of assets	(76,373)	(76,413)	-	-
Deficit on changes in value of investments	307	307	-	-
Gain on changes in value of investments in securities	(17,349)	(21,440)	4,091	11,958
Reduction of subsidiaries' share capital	21,435	21,435	-	-
Accrued expenses	297,228	297,228	-	-
Employee benefit expenses	59,201	58,348	852	1,661
Others	1,140	824	316	898
Deferred tax assets	208,153	202,800	5,312	14,251

3.27 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 ended 31 March		For the three-month periods ended 31 March	
	2021	2020	2021	2020
Profit attributable to equity holders of the Company (Thousand Baht)	1,763,627	1,486,067	67,964	156,329
Weighted average number of shares (Thousand shares)	800,655	800,655	800,655	800,655
Basic earnings per share (Baht/share)	2.20	1.86	0.08	0.20

3.28 Related party transactions

The relationships between the Company and its related parties

Name of related parties	Relationship
TISCO Bank Public Company Limited	Subsidiary company
TISCO Securities Co., Ltd.	Subsidiary company
TISCO Asset Management Co., Ltd.	Subsidiary company
Hi-Way Co., Ltd.	Subsidiary company
TISCO Insurance Solution Co., Ltd.	Subsidiary company
TISCO Information Technology Co., Ltd.	Subsidiary company
TISCO Learning Center Co., Ltd.	Subsidiary company
All-Ways Co., Ltd.	Subsidiary company
Primus Leasing Co., Ltd. (In the process of liquidation)	Subsidiary company
TISCO Tokyo Leasing Co., Ltd.	Joint venture company

As at 31 March 2021 and 31 December 2020, the balances of accounts between the Company and its related companies are as follows:

	(Unit: Thousand Baht)	
	Consolidated financial statements as at	
	31 March 2021	31 December 2020
<u>Outstanding balances</u>		
Joint venture company		
Deposits	831	1,099
Management - departmental manager upward		
Loans ⁽¹⁾	23,098	23,839
Directors and management - departmental manager upward		
Deposits	422,863	513,190
Companies which directors or their related persons have significant influence over		
Deposits	33,065	148,665
Related persons of directors and key management		
Deposits	40,762	35,880

(1) Including employee welfare loans and normal loans

(Unaudited but reviewed)

(Unit: Thousand Baht)

Separate financial statements as at

	31 March 2021	31 December 2020
<u>Outstanding balances</u>		
(Eliminated from the consolidated financial statements)		
Subsidiary companies		
Interbank and money market items - net (assets)		
TISCO Bank Public Company Limited	21,135	17,391
Loans to customers		
Hi-way Co., Ltd.	3,720,000	3,180,000
Dividend receivables		
TISCO Bank Public Company Limited	-	1,888,978
TISCO Securities Co., Ltd.	-	340,000
TISCO Asset Management Co., Ltd.	-	629,996
Hi-Way Co., Ltd.	-	416,500
TISCO Insurance Solution Co., Ltd.	-	374,987
TISCO Information Technology Co., Ltd.	-	159,995
TISCO Learning Center Co., Ltd.	-	34,498
Other assets		
TISCO Bank Public Company Limited	121,762	126,221
TISCO Learning Center Co., Ltd.	658	229
Interbank and money market items (liabilities)		
TISCO Bank Public Company Limited	900,000	3,780,000
Other liabilities		
TISCO Learning Center Co., Ltd.	276	179

Loans to related companies

As at 31 March 2021 and 31 December 2020, the balances of loans between the Company and its related companies and their movements are as follows:

	(Unit: Thousand Baht)			
	As at 31 December 2020	Increase	Decrease	As at 31 March 2021
Subsidiary companies				
Loans				
Hi-Way Co., Ltd	3,180,000	540,000	-	3,720,000

Borrowings from related companies

As at 31 March 2021 and 31 December 2020, the balances of borrowings between the Company and its related companies and their movements are as follows:

	(Unit: Thousand Baht)			
	As at 31 December 2020	Increase	Decrease	As at 31 March 2021
Subsidiary companies				
Borrowings				
TISCO Bank Public Company Limited	3,780,000	-	(2,880,000)	900,000

(Unaudited but reviewed)

During the periods, 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.

	<u>Consolidated financial statements</u>		
	For the three-month periods ended 31 March		<u>Terms and pricing policies</u>
	<u>2021</u>	<u>2020</u>	
(Unit: Thousand Baht)			
<u>Transactions occurred during the periods</u>			
Joint venture company			
Other income	2,049	1,983	With reference to the terms and prices as offered to other customers
(Unit: Thousand Baht)			
	<u>Separate financial statements</u>		
	For the three-month periods ended 31 March		<u>Terms and pricing policies</u>
	<u>2021</u>	<u>2020</u>	
<u>Transactions occurred during the periods</u>			
(Eliminated from the consolidated financial statements)			
Subsidiary companies			
Interest income	15,069	13,125	With reference to the terms and prices as offered to other customers
Risk and financial management fee income, human resources management fee income and office administration fee income	526,428	537,417	Determined on market prices and/or actual costs in compliance with the criteria specified by the BOT
Rental income	18,608	19,850	With reference to the terms and prices as offered to other customers
Computer system advisory service expenses	83,750	78,750	Determined on actual costs in compliance with the criteria specified by the BOT
Training expenses	1,046	671	With reference to the prices as offered from other service providers
Interest expenses	5,010	-	With reference to the terms and prices as offered from other service providers
Other expenses	438	478	With reference to the terms and prices as offered to other customers

Directors' and key management's benefits

During the three-month periods ended 31 March 2021 and 2020, the Group had short-term benefit expenses and other employee benefit expenses to its directors and key management as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	For the three-month periods ended		For the three-month periods ended	
	31 March		31 March	
	2021	2020	2021	2020
Short-term benefits	86	83	45	46
Post-employment benefits	15	15	8	8
Total	101	98	53	54

3.29 Segment information

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

(Unaudited but reviewed)

Revenue and profit information regarding the Group's operating segments for the three-month periods ended 31 March 2021 and 2020 is as follows:

(Unit: Million Baht)

	For the three-month period ended 31 March 2021						
	Commercial banking business and lending business	Securities business	Asset management business	Support business	Total segments	Eliminations	Consolidated financial statements
Revenue							
External customers	3,953	568	559	21	5,101	-	5,101
Inter-segment	255	2	(36)	797	1,018	(1,018)	-
Total revenue	<u>4,208</u>	<u>570</u>	<u>523</u>	<u>818</u>	<u>6,119</u>	<u>(1,018)</u>	<u>5,101</u>
Operating results							
Net interest income	3,097	2	1	9	3,109	1	3,110
Net fee and service income	955	312	511	251	2,029	(486)	1,543
Other operating income	156	256	11	558	981	(533)	448
Total operating income	<u>4,208</u>	<u>570</u>	<u>523</u>	<u>818</u>	<u>6,119</u>	<u>(1,018)</u>	<u>5,101</u>
Premises and equipment expenses and amortisation	(384)	(19)	(7)	(198)	(608)	258	(350)
Other operating expenses	(1,607)	(183)	(211)	(485)	(2,486)	772	(1,714)
Expected credit loss	(817)	-	-	(2)	(819)	(14)	(833)
Total operating expenses	<u>(2,808)</u>	<u>(202)</u>	<u>(218)</u>	<u>(685)</u>	<u>(3,913)</u>	<u>1,016</u>	<u>(2,897)</u>
Segment profit before income tax expenses	<u>1,400</u>	<u>368</u>	<u>305</u>	<u>133</u>	<u>2,206</u>	<u>(2)</u>	<u>2,204</u>
Income tax expenses							(440)
Non-controlling interests of the subsidiaries							-
Profit for the period - equity holders of the Company							<u>1,764</u>

(Unaudited but reviewed)

(Unit: Million Baht)

For the three-month period ended 31 March 2020

	Commercial banking business and lending business	Securities business	Asset management business	Support business	Total segments	Eliminations	Consolidated financial statements
Revenue							
External customers	4,596	134	355	281	5,366	(454)	4,912
Inter-segment	-	-	-	558	558	(558)	-
Total revenue	4,596	134	355	839	5,924	(1,012)	4,912
Operating results							
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
Total operating income	4,596	134	355	839	5,924	(1,012)	4,912
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 loss	(1,073)	-	-	(5)	(1,078)	5	(1,073)
Total operating expenses	(3,180)	(156)	(164)	(591)	(4,091)	1,023	(3,068)
Segment profit before income tax expenses	1,416	(22)	191	248	1,833	11	1,844
Income tax expenses							(358)
Non-controlling interests of the subsidiaries							-
Profit for the period - equity holders of the Company							1,486

(Unaudited but reviewed)

Total assets information regarding the Group's operating segments as at 31 March 2021 and 31 December 2020 is as follows:

(Unit: Million Baht)

As at 31 March 2021							
	Commercial banking and lending business	Securities business	Asset management business	Support business	Total segments	Eliminations	Consolidated financial statements
Segment total assets	260,915	4,629	1,142	27,647	294,333	(25,628)	268,705
Premises and equipment - net	892	16	248	832	1,988	896	2,884

(Unit: Million Baht)

As at 31 December 2020							
	Commercial banking and lending business	Securities business	Asset management business	Support business	Total segments	Eliminations	Consolidated financial statements
Segment total assets	272,267	3,392	1,412	31,087	308,158	(32,715)	275,443
Premises and equipment - net	910	18	249	847	2,024	898	2,922

3.30 Commitments and contingent liabilities

3.30.1 Avals, guarantees and commitments

(Unit: Thousand Baht)

	Consolidated financial statements as at	
	31 March 2021	31 December 2020
Other guarantees	556,168	497,316
Undrawn client overdraft facilities	20,000	20,000
Foreign exchange contracts	1,241,102	1,189,528
Others	962,917	1,338,700
Total	2,780,187	3,045,544

3.30.2 Litigation

As at 31 March 2021 and 31 December 2020, the subsidiaries have been sued for compensation totaling approximately Baht 393 million and Baht 392 million, respectively. Final judgements have not yet been reached in respect of these cases. The management of the Group believes that no material losses to the consolidated financial statements will be incurred as a result of the mentioned lawsuits.

3.30.3 Other commitments

- a) The subsidiary companies have commitments in relation to computer service agreements, whereby they are to pay both fixed fees and service fees which vary according to the quantity and type of services, as stipulated in the agreements.
- b) The subsidiary that operates a banking business has provided warranties in accordance with the terms of an agreement, related to the sale of a personal loan portfolio. The warranties cover a period of 3 years after the transfer date, to be expired in June 2021.

3.31 Fair value of financial instruments**3.31.1 Fair value hierarchy**

As at 31 March 2021 and 31 December 2020, the Group has financial assets and financial liabilities that are measured at fair value using different levels of inputs as follows:

(Unit: Million Baht)

	Consolidated financial statements				
	As at 31 March 2021				
	Book value	Fair value			Total
	Level 1	Level 2	Level 3		
<u>Financial assets measured at fair value</u>					
Financial assets measured at fair value through profit for loss					
Equity securities	1,462	684	-	778	1,462
Unit trusts	962	903	59	-	962
Investments - debt securities	8,195	-	8,195	-	8,195
<u>Financial liabilities measured at fair value</u>					
Derivatives					
Foreign exchange contracts	27	-	27	-	27

(Unit: Million Baht)

	Consolidated financial statements				
	As at 31 December 2020				
	Book value	Fair value			Total
	Level 1	Level 2	Level 3		
<u>Financial assets measured at fair value</u>					
Financial assets measured at fair value through profit for loss					
Equity securities	1,227	455	-	772	1,227
Unit trusts	946	890	56	-	946
Derivatives					
Foreign exchange contracts	62	-	62	-	62
Investments - debt securities	9,953	-	9,953	-	9,953

(Unaudited but reviewed)

(Unit: Million Baht)

	Separate financial statements			
	As at 31 March 2021			
	Book value	Fair value		
	Level 1	Level 2	Level 3	Total
<u>Financial assets measured at fair value</u>				
Financial assets measured at fair value				
through profit or loss - unit trusts	903	903	-	903
Investments - debt securities	206	-	206	206

(Unit: Million Baht)

	Separate financial statements			
	As at 31 December 2020			
	Book value	Fair value		
	Level 1	Level 2	Level 3	Total
<u>Financial assets measured at fair value</u>				
Financial assets measured at fair value				
through profit or loss - unit trusts	890	890	-	890
Investments - debt securities	206	-	206	206

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

3.31.2 A reconciliation of the financial assets measured at fair value which are categorised within level 3 of the fair value hierarchy is presented as follows:

	(Unit: Million Baht)
	Consolidated financial statements
	Non-marketable equity instruments
Balance as at 1 January 2021	772
Disposal during the period	(25)
Net gain recognised in profit or loss	31
Balance as at 31 March 2021	778

4. Subsequent events

On 22 April 2021, the 2021 Annual General Meeting of the shareholders of the Company passed a resolution approving a dividend payment of Baht 6.30 per share to holders of both preference shares and ordinary shares listed in the share register as at 29 April 2021 in respect of the operating results for the year 2020. The dividend is to be paid on 17 May 2021 and will be recorded in the accounts in the second quarter of year 2021.

5. Approval of interim financial information

This interim financial information was approved by the Company's Audit Committee on 12 May 2021.