

TISCO Financial Group Public Company Limited
and its subsidiary companies
Report and consolidated financial statements
31 December 2021

Independent Auditor's Report

To the Shareholders of TISCO Financial Group Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of TISCO Financial Group Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2021, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of TISCO Financial Group Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of TISCO Financial Group Public Company Limited and its subsidiaries and of TISCO Financial Group Public Company Limited as at 31 December 2021, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards and the Bank of Thailand's regulations.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Group in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matters

I draw attention to Notes 1.2 and 3.8.3 to the financial statements regarding the COVID-19 pandemic which is impacting various businesses and industries. This situation could create uncertainties and may be impacting the operating results and cash flows in the future; and due to the impact of that situation, the Group has elected to adopt the Accounting Guidance on Temporary Relief Measures for Entities Providing Assistance to Debtors Impacted by Situations that Affect the Thai Economy as issued by the Federation of Accounting Professions in preparing the financial statements. My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

I have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures respond to each matter are described below.

Allowance for expected credit loss on loans to customers

As discussed in Note 3.8 to the financial statements, as at 31 December 2021, the Group had total loans to customers of Baht 204,662 million (accounting for 84% of total assets) and allowance for expected credit loss of Baht 11,740 million, which are material to the financial statements. The method used for calculation of allowance for expected credit loss requires complex calculation modelling, involving the use of significant management judgement and estimates in the model development, the identification of criteria for a significant increase in credit risk since initial recognition, the probability of default, the loss given default, the exposure at default, the calculation of allowance for expected credit loss, the selection of future economic variables to be incorporated into the model and the management overlay adjustment to the allowance for expected credit loss due to limitations of the model. Because of the materiality and the extent of judgement and estimates as mentioned above, I addressed the adequacy of the allowance for expected credit loss of loans to customers as a key audit matter.

I gained an understanding of, assessed and tested, on a sampling basis, the effectiveness of internal controls relevant to the loan origination and collection processes, the assessment of probability of default, loss given default and exposure at default, as well as the calculation of allowance for expected credit loss on loans to customers, and tested internal control systems over the relevant information technology systems. In addition, I evaluated and tested the reasonableness of the expected credit loss models, the rules and criteria applied by the Group in the assessment of significant increase in credit risk since initial recognition, including the data used in the model design, the effectiveness of models for significant loan types and the governance process over the model development, by examining model development documentation, testing, on a sampling basis, the accuracy and completeness of data used in model development, and assessing the methods and assumptions applied in the calculation. I assessed the reasonableness of macroeconomic factors and probability of different scenario weights as well as the reasonableness of the management overlay adjustments. In addition, I examined the management's policies, which addressed the policies and approaches used to derive the estimation of allowance for expected credit loss, and its approval by management at an appropriate level. I compared accounting policies of the Group with financial reporting standards and rules of the Bank of Thailand, and evaluated the adequacy of the disclosure. Moreover, I examined the allowance for expected credit loss by testing, on a sampling basis, the classification of loans to customers and recalculating the allowance for expected credit loss as at the end of the accounting period, including testing the completeness of data used in the calculation of allowance for expected credit loss.

Recognition of interest income on loans to customers

For the year 2021, the Group recognised interest income on loans to customers amounting to Baht 14,556 million (accounting for 77% of total income), which is considered main income of the Group. The Group recognises interest income using the effective interest rate method, which involves use of management judgement and estimates in the estimation of future cash inflows throughout the expected life of financial instruments, taking into account any discounts or premiums on acquisition, fees and costs that are an integral part of the effective interest rate. In addition, interest income is generated from various types of loans provided to a large number of customers with a high volume of transactions, and each type of loan is subject to different recognition conditions. I therefore focused my audit on whether interest income on loans to customers is recognised correctly, appropriately and in a timely manner.

I gained an understanding of, assessed and tested, on a sampling basis, the effectiveness of internal controls relating to the processes of loan origination, interest income recognition and loan collection, including relevant internal controls over information technology systems, by inquiring of management to gain an understanding, assessing the methods applied by the management in estimating future cash inflows and the expected life of financial instruments in the determination of effective interest rate, as well as testing, on a sampling basis, the accuracy of data and calculation. In addition, I applied a sampling method in selecting loan agreements to test whether the recording of loans as well as the income recognition complies with the conditions stipulated in the contracts and is adjusted in line with the effective interest rate according to the income recognition policy, and in accordance with Thai Financial Reporting Standards and the regulations announced by the Bank of Thailand. I also performed analytical procedures on interest income and tested, on a sampling basis, significant adjustments made through journal vouchers.

Other Information

Management is responsible for the other information. The other information comprises the information included in annual report of the Group, but does not include the financial statements and my auditor's report thereon. The annual report of the Group is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the annual report of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.



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From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

I am responsible for the audit resulting in this independent auditor's report.

Somjai Khunapasut
Certified Public Accountant (Thailand) No. 4499

EY Office Limited
Bangkok: 10 February 2022

TISCO Financial Group Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2021

(Unit: Thousand Baht)

	Note	Consolidated		Separate	
		2021	2020	2021	2020
Assets					
Cash		1,103,425	1,220,207	-	70
Interbank and money market items - net	3.3, 3.10	30,489,211	38,212,028	22,584	17,394
Financial assets measured at fair value through profit or loss	3.4	2,081,052	2,173,020	1,048,821	890,053
Derivatives assets	3.5	-	62,095	-	-
Investments - net	3.6, 3.10	8,042,759	9,953,256	202,271	205,965
Investments in subsidiaries and joint venture - net	3.7	809,629	804,925	20,069,144	20,069,143
Loans to customers and accrued interest receivables	3.8, 3.10				
Loans to customers		220,419,498	244,355,748	3,310,000	3,180,000
Accrued interest receivables and undue interest income		1,712,501	1,901,983	-	-
Total loans to customers and accrued interest receivables		222,131,999	246,257,731	3,310,000	3,180,000
Less: Deferred revenue		(17,469,825)	(19,544,201)	-	-
Less: Allowance for expected credit loss	3.9	(11,740,174)	(11,825,544)	(4,303)	(4,134)
Loans to customers and accrued interest receivables - net		192,922,000	214,887,986	3,305,697	3,175,866
Properties foreclosed - net	3.11	120,522	29,671	-	-
Investment properties	3.12	27,305	27,334	910,728	910,728
Premises and equipment - net	3.13	2,780,562	2,921,739	781,673	826,965
Right-of-use assets - net	3.14	752,829	885,486	600	879
Intangible assets - net	3.15	130,919	214,268	74,171	98,827
Deferred tax assets	3.31	759,729	766,444	255,234	202,800
Securities and derivatives business receivables - net		1,131,229	1,058,180	-	-
Dividend receivables from subsidiaries	3.33	-	-	4,590,530	3,844,954
Other assets	3.16	2,470,763	2,226,573	199,467	188,819
Total assets		243,621,934	275,443,212	31,460,920	30,432,463

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

TISCO Financial Group Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2021

(Unit: Thousand Baht)

	Note	Consolidated		Separate	
		financial statements		financial statements	
		2021	2020	2021	2020
Liabilities and equity					
Liabilities					
Deposits	3.17	166,541,926	203,472,825	-	-
Interbank and money market items	3.18	8,080,700	5,807,646	565,000	3,780,000
Liabilities payable on demand		274,432	1,284,765	-	-
Derivatives liabilities	3.5	3,385	-	-	-
Debts issued and borrowings	3.19	14,961,919	12,825,919	6,065,000	1,629,000
Lease liabilities	3.20	707,179	828,590	614	889
Provisions	3.21	1,728,981	1,691,054	303,612	291,741
Deferred tax liabilities	3.31	-	1,097	-	-
Securities and derivatives business payables - net		1,521,353	1,033,041	-	-
Accrued interest payable		481,691	735,903	11,256	1,029
Income tax payable		661,620	495,672	14,125	10,237
Other liabilities	3.22	7,458,365	7,804,621	1,680,799	1,603,518
Total liabilities		202,421,551	235,981,133	8,640,406	7,316,414

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

TISCO Financial Group Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2021

(Unit: Thousand Baht)

	Note	Consolidated		Separate	
		financial statements		financial statements	
		2021	2020	2021	2020
Equity					
Share capital					
Registered					
33,858 preference shares of Baht 10 each		339	339	339	339
800,669,437 ordinary shares of Baht 10 each		8,006,694	8,006,694	8,006,694	8,006,694
		<u>8,007,033</u>	<u>8,007,033</u>	<u>8,007,033</u>	<u>8,007,033</u>
Issued and paid-up					
9,859 preference shares of Baht 10 each		99	99	99	99
800,645,624 ordinary shares of Baht 10 each		8,006,456	8,006,456	8,006,456	8,006,456
		<u>8,006,555</u>	<u>8,006,555</u>	<u>8,006,555</u>	<u>8,006,555</u>
Share premium					
Share premium on preference shares		-	-	87	87
Share premium on ordinary shares		1,018,408	1,018,408	7,031,436	7,031,436
		<u>1,018,408</u>	<u>1,018,408</u>	<u>7,031,523</u>	<u>7,031,523</u>
Other components of equity	3.24	1,828,088	1,837,917	307,442	304,430
Retained earnings					
Appropriated - statutory reserve		801,000	801,000	801,000	801,000
Unappropriated		29,543,039	27,795,056	6,673,994	6,972,541
		<u>41,197,090</u>	<u>39,458,936</u>	<u>22,820,514</u>	<u>23,116,049</u>
Equity attributable to equity holders of the Company					
Non-controlling interest of the subsidiaries		3,293	3,143	-	-
		<u>41,200,383</u>	<u>39,462,079</u>	<u>22,820,514</u>	<u>23,116,049</u>
Total equity					
		<u>243,621,934</u>	<u>275,443,212</u>	<u>31,460,920</u>	<u>30,432,463</u>
Total liabilities and equity					

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



Mr. Suthas Ruangmanamongkol
(Chairman of the Executive Board)




Mr. Sakchai Peechapat
(Group Chief Executive)

TISCO Financial Group Public Company Limited and its subsidiaries

Statement of comprehensive income

For the year ended 31 December 2021

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

	Note	Consolidated		Separate	
		financial statements		financial statements	
		2021	2020	2021	2020
Profit or loss:					
Interest income	3.25	14,791,685	16,756,709	63,367	65,370
Interest expenses	3.26	(2,331,858)	(3,659,000)	(43,636)	(70,440)
Net interest income		12,459,827	13,097,709	19,731	(5,070)
Fee and service income		6,130,361	5,512,092	-	-
Fee and service expenses		(514,989)	(366,061)	(16,964)	(21,975)
Net fee and service income	3.27	5,615,372	5,146,031	(16,964)	(21,975)
Net gain (loss) on financial instruments measured at fair value through profit or loss	3.28	403,826	257,485	(134,315)	53,226
Net gain on investments	3.29	6,283	12,372	-	-
Share of profit (loss) from investment accounted for under equity method	3.7.2	7,216	(1,717)	-	-
Dividend income	3.7.1	69,609	58,903	4,594,553	4,821,694
Penalty fee income from loans		173,927	217,139	-	-
Intercompany supporting fee income	3.33	-	-	2,108,928	2,145,465
Other operating income		99,863	116,021	77,905	79,293
Total operating income		18,835,923	18,903,943	6,649,838	7,072,633
Operating expenses					
Employee expenses		5,727,009	5,288,351	1,057,868	1,062,114
Directors' remuneration		20,002	18,160	20,002	18,160
Premises and equipment expenses		1,338,717	1,272,885	682,543	624,414
Taxes and duties		243,281	276,538	2,165	2,238
Other operating expenses		950,178	1,155,889	72,687	81,555
Total operating expenses		8,279,187	8,011,823	1,835,265	1,788,481
Expected credit loss	3.30	2,063,979	3,330,604	10,101	172,415
Profit from operations before income tax expenses		8,492,757	7,561,516	4,804,472	5,111,737
Income tax expenses	3.31	1,707,764	1,497,654	43,548	52,442
Total profit for the year		6,784,993	6,063,862	4,760,924	5,059,295

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

TISCO Financial Group Public Company Limited and its subsidiaries

Statement of comprehensive income (continued)

For the year ended 31 December 2021

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

	Note	Consolidated		Separate	
		financial statements		financial statements	
		2021	2020	2021	2020
Other comprehensive income:					
<i>Other comprehensive income to be reclassified</i>					
<i>to profit or loss in subsequent periods</i>					
Gain (loss) on valuation of investments in debt instruments					
measured at fair value through other comprehensive income		(4,583)	2,053	4,607	(1,536)
Share of other comprehensive income of joint venture -					
Cash flow hedges of joint venture (loss)		(2,512)	(6,960)	-	-
Income tax effects	3.31	917	(411)	(921)	307
Other comprehensive income to be reclassified					
to profit or loss in subsequent periods - net of income tax (loss)		(6,178)	(5,318)	3,686	(1,229)
<i>Other comprehensive income not to be reclassified</i>					
<i>to profit or loss in subsequent periods</i>					
Actuarial gain (loss)		3,979	(40,273)	(20,281)	(13,848)
Income tax effects	3.31	(953)	8,072	4,056	2,770
Other comprehensive income not to be reclassified					
to profit or loss in subsequent periods - net of income tax (loss)		3,026	(32,201)	(16,225)	(11,078)
Other comprehensive income for the year (loss)		(3,152)	(37,519)	(12,539)	(12,307)
Total other comprehensive income for the year		6,781,841	6,026,343	4,748,385	5,046,988
Profits attributable to					
Equity holders of the Company	3.32	6,784,593	6,063,483	4,760,924	5,059,295
Non-controlling interests of the subsidiaries		400	379		
		<u>6,784,993</u>	<u>6,063,862</u>		
Total comprehensive income attributable to					
Equity holders of the Company		6,781,441	6,025,964	4,748,385	5,046,988
Non-controlling interests of the subsidiaries		400	379		
		<u>6,781,841</u>	<u>6,026,343</u>		
Earnings per share of equity holders of the Company					
Basic earnings per share (Baht per share)	3.32	<u>8.47</u>	<u>7.57</u>	<u>5.95</u>	<u>6.32</u>

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

TISCO Financial Group Public Company Limited and its subsidiaries

Cash flow statement

For the year ended 31 December 2021

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Cash flows from operating activities				
Profit from operations before income tax	8,492,757	7,561,516	4,804,472	5,111,737
Adjustments to reconcile profit from operations before income tax to net cash provided by (paid from) operating activities				
Depreciation and amortisation	592,479	657,177	118,500	124,178
Expected credit loss	3,718,818	5,116,156	10,101	172,415
Share of (profit) loss from investment accounted for under equity method	(7,216)	1,717	-	-
Allowance for impairment of properties foreclosed (reversal)	(5)	564	-	-
Gain on disposal of investments in securities	(607,601)	(12,372)	-	-
Unrealised (gain) loss on foreign exchange transactions and trading derivatives	(155,857)	(21,803)	(86,307)	1,738
(Gain) loss on financial instruments measured at fair value through profit or loss	306,669	(253,456)	220,622	(54,964)
Loss on changes in value of investment properties	29	2,970	-	-
Gain on disposal of equipment and intangible assets	(6,414)	(4,891)	(1,188)	(316)
Loss on write-off of equipment and intangible assets	3,148	2,751	32	248
Gain on disposal of properties foreclosed	(48,345)	(33,340)	-	-
Employee benefit expenses	132,576	204,697	21,786	24,364
(Increase) decrease in accrued income	(28,122)	184,294	5,606	(6,506)
Increase (decrease) in accrued expenses	(196,846)	(801,440)	52,944	148,384
Net interest income	(12,459,827)	(13,097,709)	(19,731)	5,070
Dividend income	(69,609)	(58,903)	(4,594,553)	(4,821,694)
Cash received on interest income	14,696,962	15,729,391	61,738	61,468
Cash paid on interest expenses	(2,096,139)	(3,364,522)	(33,392)	(86,432)
Cash received on dividend income	69,609	58,903	3,848,977	6,854,684
Cash paid on income tax	(1,535,529)	(1,456,983)	(88,791)	(104,386)
Profit from operating activities before changes in operating assets and liabilities	10,801,537	10,414,717	4,320,816	7,429,988
Operating assets (increase) decrease				
Interbank and money market items	7,723,466	7,077,408	(5,193)	1,080,847
Loans to customers	18,266,553	14,267,839	(130,000)	(970,000)
Securities and derivatives business receivables	(73,049)	105,886	-	-
Receivables from clearing house	(104,541)	(291,291)	-	-
Properties foreclosed	(106,350)	(11,837)	-	-
Other assets	-114,895	388,509	-16,253	14,399

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

TISCO Financial Group Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the year ended 31 December 2021

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Operating liabilities increase (decrease)				
Deposits	(36,930,899)	(12,611,726)	-	-
Interbank and money market items	2,273,054	1,151,513	(3,215,000)	3,780,000
Liabilities payable on demand	(1,010,333)	977,898	-	-
Securities and derivatives business payables	488,312	212,496	-	-
Short-term debts issued and borrowings	2,116,000	(2,351,000)	4,436,000	(4,671,000)
Payables to clearing house	(309,866)	(28,955)	-	-
Provision for long-term employee benefits	(77,481)	(54,500)	(30,196)	(12,368)
Other liabilities	(4,036)	(328,901)	24,338	5,637
Net cash flows from operating activities	2,937,472	18,918,056	5,384,512	6,657,503
Cash flows from investing activities				
Cash paid for purchase of investments in securities	(12,166,216)	(31,435,476)	(293,082)	(371,662)
Cash received from disposal of investments in securities	14,512,470	29,164,080	-	-
Cash paid for purchase of equipment	(74,396)	(168,903)	(28,864)	(64,792)
Cash paid for purchase of intangible assets	(30,794)	(30,943)	(19,445)	(18,120)
Cash received from disposal of equipment	4,611	7,663	1,189	2,415
Cash paid for acquisition of a subsidiary	-	-	(1)	(8)
Net cash flows from (used in) investing activities	2,245,675	(2,463,579)	(340,203)	(452,167)
Cash flows from financing activities				
Cash received from issuance of long-term debentures	700,000	4,160,000	-	-
Cash paid for redemption of long-term debentures	(680,000)	(14,000,000)	-	-
Cash paid on lease liabilities	(275,842)	(291,784)	(292)	(293)
Dividend paid	(5,044,087)	(6,205,043)	(5,044,087)	(6,205,043)
Net cash flows used in financing activities	(5,299,929)	(16,336,827)	(5,044,379)	(6,205,336)
Net increase (decrease) in cash	(116,782)	117,650	(70)	-
Cash at beginning of the year	1,220,207	1,102,557	70	70
Cash at end of the year	1,103,425	1,220,207	-	70
	-	-	-	-
Supplemental cash flows information				
Non-cash transactions				
Right-of-use assets	108,550	158,039	-	-
Transfer-in of properties foreclosed in settlement of loans to customers	2,342,967	1,847,708	-	-
Transfer of investment properties to premises and equipment	-	-	-	44,538

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

TISCO Financial Group Public Company Limited and its subsidiaries

Statement of changes in equity

For the year ended 31 December 2021

(Unit: Thousand Baht)

Consolidated financial statements													
Equity attributable to equity holders of the Company													
		Other components of equity							Retained earnings		Equity		
		Surplus on changes in value of investments measured at fair value through		Surplus on revaluation of assets	Share of other comprehensive income of joint venture	Adjustment from business combination of entities under common control	Total			Total equity attributable to equity holders of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total	
Issued and paid-up		Share premium on ordinary shares	other comprehensive income	of assets	income of joint venture	under holding restructuring plan		Appropriated	Unappropriated	the Company	the subsidiaries		
Preference shares	Ordinary shares	ordinary shares											
Balance as at 1 January 2020	99	8,006,456	1,018,408	4,229	1,160,712	2,602	679,266	1,846,809	801,000	27,964,453	39,637,225	3,131	39,640,356
Dividend paid (Note 4)	-	-	-	-	-	-	-	-	-	(6,205,043)	(6,205,043)	-	(6,205,043)
Profit for the year	-	-	-	-	-	-	-	-	-	6,063,483	6,063,483	379	6,063,862
Other comprehensive income for the year (loss)	-	-	-	1,642	-	(6,960)	-	(5,318)	-	(32,201)	(37,519)	-	(37,519)
Total comprehensive income for the year (loss)	-	-	-	1,642	-	(6,960)	-	(5,318)	-	6,031,282	6,025,964	379	6,026,343
Transfer surplus on revaluation of assets													
to retained earnings	-	-	-	-	(3,574)	-	-	(3,574)	-	4,364	790	-	790
Decrease in non-controlling interests of the subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(367)	(367)
Balance as at 31 December 2020	99	8,006,456	1,018,408	5,871	1,157,138	(4,358)	679,266	1,837,917	801,000	27,795,056	39,458,936	3,143	39,462,079
Balance as at 1 January 2021	99	8,006,456	1,018,408	5,871	1,157,138	(4,358)	679,266	1,837,917	801,000	27,795,056	39,458,936	3,143	39,462,079
Dividend paid (Note 4)	-	-	-	-	-	-	-	-	-	(5,044,087)	(5,044,087)	-	(5,044,087)
Profit for the year	-	-	-	-	-	-	-	-	-	6,784,593	6,784,593	400	6,784,993
Other comprehensive income for the year (loss)	-	-	-	(3,666)	-	(2,512)	-	(6,178)	-	3,026	(3,152)	-	(3,152)
Total comprehensive income for the year (loss)	-	-	-	(3,666)	-	(2,512)	-	(6,178)	-	6,787,619	6,781,441	400	6,781,841
Transfer surplus on revaluation of assets													
to retained earnings	-	-	-	-	(3,651)	-	-	(3,651)	-	4,451	800	-	800
Decrease in non-controlling interests of the subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(250)	(250)
Balance as at 31 December 2021	99	8,006,456	1,018,408	2,205	1,153,487	(6,870)	679,266	1,828,088	801,000	29,543,039	41,197,090	3,293	41,200,383

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

TISCO Financial Group Public Company Limited and its subsidiaries

Statement of changes in equity (continued)

For the year ended 31 December 2021

(Unit: Thousand Baht)

	Separate financial statements									
	Other components of equity									
	Issued and paid-up		Share premium		Surplus (deficit) on changes in value of investments		Total	Retained earnings		Total
	Preference shares	Ordinary shares	Preference shares	Ordinary shares	measured at fair value through other comprehensive income	Surplus on revaluation of assets		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
Dividend paid (Note 4)	-	-	-	-	-	-	-	-	(6,205,043)	(6,205,043)
Profit for the year	-	-	-	-	-	-	-	-	5,059,295	5,059,295
Other comprehensive income for the year (loss)	-	-	-	-	(1,229)	-	(1,229)	-	(11,078)	(12,307)
Total comprehensive income for the year (loss)	-	-	-	-	(1,229)	-	(1,229)	-	5,048,217	5,046,988
Transfer surplus on revaluation of assets to retained earnings	-	-	-	-	-	(635)	(635)	-	794	159
Balance as at 31 December 2020	<u>99</u>	<u>8,006,456</u>	<u>87</u>	<u>7,031,436</u>	<u>(1,229)</u>	<u>305,659</u>	<u>304,430</u>	<u>801,000</u>	<u>6,972,541</u>	<u>23,116,049</u>
Balance as at 1 January 2021	99	8,006,456	87	7,031,436	(1,229)	305,659	304,430	801,000	6,972,541	23,116,049
Dividend paid (Note 4)	-	-	-	-	-	-	-	-	(5,044,087)	(5,044,087)
Profit for the year	-	-	-	-	-	-	-	-	4,760,924	4,760,924
Other comprehensive income for the year (loss)	-	-	-	-	3,686	-	3,686	-	(16,225)	(12,539)
Total comprehensive income for the year	-	-	-	-	3,686	-	3,686	-	4,744,699	4,748,385
Transfer surplus on revaluation of assets to retained earnings	-	-	-	-	-	(674)	(674)	-	841	167
Balance as at 31 December 2021	<u>99</u>	<u>8,006,456</u>	<u>87</u>	<u>7,031,436</u>	<u>2,457</u>	<u>304,985</u>	<u>307,442</u>	<u>801,000</u>	<u>6,673,994</u>	<u>22,820,514</u>

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

TISCO Financial Group Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2021

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

1.1 Basis for preparation and presentation of financial statements

The financial statements for the year ended 31 December 2021 have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Profession Act B.E. 2547, and with reference to the regulations stipulated by the Bank of Thailand (“BOT”). The presentation has been made in compliance with the BOT’s Notification No. Sor Nor Sor. 21/2561 regarding “Preparation and Announcement of Financial Statements of Commercial Banks and Parent Companies of Financial Holding Groups”, dated 31 October 2018.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

1.2 Coronavirus disease 2019 pandemic

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

1.3 Basis of consolidation

- a) The consolidated financial statements of TISCO Group include the financial statements of TISCO Financial Group Public Company Limited (“the Company”) and its subsidiary companies (“the subsidiaries”) (collectively as “the Group”) as mentioned in Note 3.1 to the financial statements.
- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.

- c) Subsidiaries are fully consolidated, from the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries are prepared for the same reporting period and using the same significant accounting policies as the Company.
- e) Material balances and transactions between the Group have been eliminated from the consolidated financial statements.
- f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

1.4 Separate financial statements

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

1.5 New financial reporting standards

1.5.1 Financial reporting standards that became effective in the current year

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

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

1.5.2 Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2022

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2022. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and, for some standards, providing temporary reliefs or temporary exemptions for users.

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

1.5.3 Accounting Guidance on the Guidelines Regarding the Provision of Financial Assistance to Debtors Affected by COVID-19 that will become effective for fiscal year beginning on or after 1 January 2022

The Federation of Accounting Professions announced Accounting Guidance on the Guidelines Regarding the Provision of Financial Assistance to Debtors Affected by COVID-19. Its objectives are to provide temporary relief measures and an alternative for all entities providing assistance to debtors in accordance with the measures to assist debtors specified in the circular of the BOT No. BOT.RPD2.C. 802/2564 "Guidelines regarding the provision of financial assistance to debtors affected by COVID-19 (sustainable debt resolution)" or any other measures announced by the BOT. Such entities include credit card business, business providing loans secured against vehicle registrations, personal loan business under the supervision of the BOT and certain entities not under the supervision of the BOT, such as leasing, hire-purchase, motorcycle hire-purchase and factoring businesses.

The accounting guidance is effective for entities that provide assistance to debtors impacted by COVID-19 during the period from 1 January 2022 to 31 December 2023 or until the BOT makes changes with which the entities are to comply. The guidance applies to the staging assessment and setting aside of provisions for qualified debtors, and covers all types of debtors, namely large debtors, small and medium-sized debtors and retail debtors.

- a) In cases of debt restructuring for the purpose of reducing the debt burden of debtors that involve more than just extending the payment timeline, the applicable procedures are as follows:
- Loans that are not yet non-performing (Non-NPL) are classified as loans with no significant increase in credit risk (Performing or Stage 1), provided that the payment terms and conditions are clearly stated in the debt restructuring agreement and the debtor is considered able to comply with the debt restructuring agreement.
 - Non-performing loans (NPL) are classified as performing loans or Stage 1 if the debtor is able to make payment in accordance with the debt restructuring agreement for 3 consecutive months or installments, whichever is the longer period.
 - Additional loans provided to a debtor for use as additional working capital or to increase liquidity to enable the debtor to continue its business operations during the debt restructuring are classified as performing loans or Stage 1 if the debtor is considered able to comply with the debt restructuring agreement.
 - Loans are classified as loans with significant increase in credit risk (Under-performing or Stage 2) only when principal or interest payments are more than 30 days past due or 1 month past due.

- A new effective interest rate is applied to determine the present value of loans that have been restructured if the debt restructuring causes the existing effective interest rate to no longer reflect the estimated cash inflows from the loan.
- b) In cases of the debt restructuring involving only a timeline extension, e.g. an extension of payment period, a provision of grace period on principal and/or interest payments, a conversion of short-term debts into long-term debts, the applicable procedures are as follows:
- The staging assessment and setting aside of provisions are performed in accordance with the relevant financial reporting standards.
 - The guidelines specified in the appendix of the circular of the BOT No. BOT.RPD2.C. 802/2564 relating to assessment of whether there has been a significant increase in credit risk are applied to assess whether a debtor is to move to under-performing stage or Stage 2.
- c) Expected credit loss is determined based on the outstanding balance of the drawn down portion only.
- d) For retail debtors and SME debtors who are in the process of debt restructuring and unable to complete the process by 31 December 2021 in accordance with guidelines specified in the circular of the BOT No. BOT.RPD2.C. 594/2564 "Guidelines regarding debt restructuring to assist debtors affected by COVID-19", classification of the debtors remains at the same stage as before restructuring until 31 March 2022 or until the BOT makes changes with which the entities are to comply.

For debtors whose debt is restructured between 1 January 2021 and 31 December 2021, in accordance with the above clauses no. a) and b), the guidelines on staging assessment and provisioning under this accounting guidance apply from 1 January 2022 to 31 December 2023. However, for the year 2021 entities can still apply the Accounting Guidance on Temporary Relief Measures for Entities Providing Assistance to Debtors Impacted by Situations That Affect the Thai Economy, according to the notification of the Federation of Accounting Professions No. 17/2563 dated 16 April 2020.

The management of the Group believes that this accounting guidance will not have any significant impact on the Group's financial statements when it is adopted.

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

During the year 2020, the Group elected to apply the temporary relief measures on accounting alternatives relating to the measurement of fair value of investments in non-marketable equity instruments as at 31 December 2020 using the fair value as at 1 January 2020. However, as the temporary relief measures on accounting alternatives are no longer applicable for the period after 31 December 2020, the Group recognised fair value of investments in non-marketable equity instruments as at 1 January 2021 totalling Baht 31 million as part of operating income in the consolidated statement of comprehensive income for the year ended 31 December 2021 (Separate financial statements: none).

1.7 Significant accounting policies

1.7.1 Income recognition

a) Interest income and discounts on loans

The Group recognises interest on loans on an accrual basis, using the effective interest rate method, applied to the outstanding principal amount. The effective interest rate is the discount rate that estimates future cash flows over the expected life of the financial instrument to the net carrying amount of the financial asset. The effective interest rate is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the effective interest rate.

For hire purchase receivables, fee income, commissions and direct expenses incurred at the initiation of hire purchase are recognised over time using the effective interest rate method, and are presented as deductions from interest income on hire purchase over the contract term in order to reflect the effective rate of return of the contract.

Deferred revenue on hire purchase is stated net of commissions and direct expenses incurred at the initiation of hire purchase.

For loans to customers that are later credit-impaired, the Group recognises interest income using the effective interest rate method applied to the net carrying value of the loan (the loan amount net of allowance for expected credit loss). Subsequently, if the financial asset is no longer credit-impaired, the Group reverts to calculating interest income on a gross carrying amount.

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

Gain (loss) on financial instruments measured at fair value through profit or loss consists of gain (loss) on trading and foreign exchange transactions, gain (loss) on changes in fair value of derivatives and financial assets measured at fair value through profit or loss, and gain (loss) on sales of financial assets measured at fair value through profit or loss and derivatives, which the Group recognises as income or expenses on the transaction date.

c) Interest and dividend on investments in securities

Interest on investments is recognised as income on an accrual basis. Dividend on investments is recognised as income when the right to receive the dividend is established.

d) Brokerage fees

Brokerage fees on securities and derivatives trading are recognised as income on the transaction date.

e) Fee and service income

Fee and service income is recognised as income on an accrual basis except fee income that is an integral part of the effective interest rate.

f) Incentive fee income on fund management

The subsidiary operating an asset management business recognises incentive fee income, which arises when the annual returns of funds that the company is managing exceeds the threshold for the performance of the fund, as revenue when it is certain that the income has occurred.

g) Interest expenses

Interest expenses are recognised on an accrual basis using the effective interest rate method.

h) Fee and service expenses and other operating expenses

Fee and service expenses and other operating expenses are recognised on an accrual basis.

1.7.2 Securities purchased under resale agreements according to private repurchase transactions

The subsidiary operating a banking business has purchased securities under resale agreements according to private repurchase transactions, which stipulate definite dates, terms and prices. Amounts paid for the securities purchased under resale agreements are presented under the caption of “Interbank and money market items - net” in the statement of financial position, and the securities purchased are used as collateral.

Under securities purchased under resale agreements according to private repurchase transactions, the subsidiary obtains securities under resale agreements as collateral securities on terms which permit it to repledge or resell the securities to others.

1.7.3 Financial assets

Financial assets - Debt instruments

The Group classifies its financial assets - debt instruments as subsequently measured at amortised cost or fair value in accordance with the Group's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets, based on the facts and circumstances as of the date these financial reporting standards were initially adopted or the acquisition date. Classifications are as follows:

a) Financial assets measured at fair value through profit or loss

Investments in debt instruments held within a business model whose objective is not to hold financial assets in order to collect contractual cash flows, or the contractual terms of the financial assets represent contractual cash flows that are not solely payments of principal and interest on the principal amount outstanding. The Group recognises these as financial assets measured at fair value through profit or loss. These financial assets are initially recognised at fair value.

After initial recognition, unrealised gain or loss on changes in fair value is recognised in profit or loss.

At the end of reporting period, investments in debt instruments measured at fair value through profit or loss are presented in the statement of financial position at fair value.

b) Financial assets measured at fair value through other comprehensive income

Investments in debt instruments whose both of the following conditions are met: the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and the contractual terms of the financial assets represent contractual cash flows that are solely payments of principal and interest on the principal amount outstanding. The Group recognises these as financial assets measured at fair value through other comprehensive income. These financial assets are initially recognised at fair value.

After initial recognition, unrealised gain or loss on changes in fair value is presented as a separate item in other comprehensive income until disposal. Gain or loss on disposal of the instruments are recognised in profit or loss. Expected credit loss and interest income calculated using the effective interest rate method are recognised in profit or loss.

At the end of reporting period, investments in debt instruments measured at fair value through other comprehensive income are presented in the statement of financial position at fair value.

c) Financial assets measured at amortised cost

Investments in debt instruments whose both of the following conditions are met: the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and the contractual terms of the financial assets represent contractual cash flows that are solely payments of principal and interest on the principal amount outstanding. The Group recognises these as financial assets measured at amortised cost. These financial assets are initially recognised at fair value.

At the end of reporting period, investments in debt instruments measured at amortised cost are presented in the statement of financial position net of allowance for expected credit loss (if any).

Financial assets - Equity instruments

All investments in equity instruments are measured at fair value in the statement of financial position. The Group classifies investments in equity instruments as financial assets measured at fair value through profit or loss.

After initial recognition, unrealised gain or loss on subsequent changes in fair value of investments is recognised in profit or loss. Dividends on these investments are recognised in profit or loss.

At the end of reporting period, investments in equity instruments measured at fair value through profit or loss are presented in the statement of financial position at fair value.

Recognition

Purchases and sales of investments are recognised on the settlement date. The weighted average method is used for computation of investment cost.

Changes in classification of investments in debt instruments

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

1.7.4 Classification and measurement of financial liabilities

The Group classifies and measures its financial liabilities at amortised cost, except for derivatives liabilities which are measured at fair value through profit or loss.

1.7.5 Investments in receivables purchased or transferred in

The Group classifies investments in receivables purchased or transferred in as financial assets measured at amortised cost which are initially recognised at acquisition cost. At the end of reporting period, these investments in receivables are presented in the statement of financial position at amortised cost net of allowance for expected credit loss (if any).

1.7.6 Investments in subsidiaries and joint venture

Investment in joint venture is accounted for in the consolidated financial statements using the equity method.

Investments in subsidiaries and joint venture are accounted for in the separate financial statements using the cost method.

1.7.7 Loans to customers

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

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

1.7.8 Allowance for expected credit loss on financial assets

The Group applies the General Approach to calculate expected credit loss on its financial assets, such as deposits at financial institutions, investments in debt instruments measured at amortised cost, investments in debt instruments measured at fair value through other comprehensive income, loans to customers and accrued interest receivables, securities and derivatives business receivables, receivables from clearing house, and committed credit lines.

The Group classifies financial assets into three groups (Three-stage approach) in order to measure the allowance for expected credit loss, with the classification of the financial assets determined on the basis of the change in credit quality since the initial transaction date, as follows:

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

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

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

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

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

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

At the end of each reporting period, the Group assesses whether the credit risk of financial assets has increased significantly since the initial recognition date, by comparing the risk of expected default on the financial assets as at reporting date with the risk of default as at the initial recognition date. The Group uses internal quantitative and qualitative bases and forward-looking information as a basis for assessing a decrease in credit quality, such as debtors overdue for more than 30 days and credit rating. Evaluations of whether credit risk has increased significantly since the initial recognition date may be conducted individually or collectively for groups of financial assets.

Loans to customers are considered to be credit-impaired when one or more events occur affecting the estimated future contractual cash flows of the counterparties. Evidence that financial assets are credit-impaired includes being overdue for more than 90 days or indications that debtors are facing significant financial difficulties, breaches of contract, the legal status, renegotiation of terms of repayment or debt restructuring.

In subsequent periods, if the credit quality of financial assets improves and it is assessed that there is no longer significant increase in credit risk from the initial recognition date that was assessed in the previous period, the Group will change from recognising expected credit loss over the expected lifetime to recognising the 12-month expected credit loss.

When the terms of repayment of a loan to customer are renegotiated or the terms of the contractual cash flow are modified because the debtors are in financial difficulty, the loan is considered to be a financial asset with a significant increase in credit risk or credit-impaired, unless there is evidence that the risk of that contractual cash flows will not be recoverable has decreased significantly and there are no other indicators of impairment.

Expected credit loss is the probability-weighted estimate of expected credit loss over the lifetime of a financial instrument, taking into account the present value of all cash flows that are expected not to be recoverable. This is determined with reference to historical loss experience data grouped by asset on the basis of shared credit risk characteristics, taking into account type of loan, type of collateral, months on books, and other relevant factors, adjusted for current observable data, as well as forward-looking information that is supportable and reasonable, provided it can be shown to be statistically related. It also involves the appropriate exercise of judgement to estimate the amount of expected credit loss, using current macroeconomic data. The Group determines both current and future economic scenarios, and probability-weights each scenario (base scenario, upturn scenario, downturn scenario and stress scenario) for the purpose of calculating expected credit loss. Use of forward-looking data increases the degree of judgement required in evaluating how relevant macroeconomic changes affect expected credit loss. However, the Group has established a process to review and monitor the methodologies, assumptions and forward-looking macroeconomics scenarios on a regular basis. In addition, expected credit loss also includes a management overlay.

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

The measurement of expected credit loss on loan commitments is the present value difference between the contractual cash flows that are due to the Group if the commitment is drawn down and the cash flows that the Group expects to receive. The measurement of expected credit loss for financial guarantees is based on the expected payments to reimburse the holder less any amounts that the Group expects to recover.

The increase (decrease) in an allowance for expected credit loss is recognised as an expense in profit or loss in the statement of comprehensive income. The Group has a policy to write off receivables when they are identified as bad debts.

The Group considers using the Simplified Approach to determine allowance for expected credit loss over a lifetime for accrued fee and service income and other receivables.

In addition, the Group has adopted the accounting guidance in determining the staging and the provisioning of loans to customers for debtors meeting the criteria for relief measures in accordance with the BOT's circulars, as described in Note 1.7.28 to the financial statements.

1.7.9 Financial assets with modifications of terms/Debt restructuring

When a financial asset's terms of repayment are renegotiated or modified, or debt is restructured, or an existing financial asset is replaced with a new financial asset because a debtor is having financial difficulties, the Group assesses whether to derecognise the financial asset and measures the expected credit loss, as follows:

- If the modification of terms does not result in derecognition of the financial asset, the Group calculates the gross book value of the new financial asset based on the present value of the new or modified cash flows, discounted using the original effective interest rate of the financial asset, and recognises a gain or loss on modification of terms in profit or loss.
- If the modification of terms results in derecognition of the financial asset, the fair value of the new financial asset is the latest cash flows of the original financial asset as at the date of derecognition. The difference between the book value and the fair value of the financial asset is recognised in profit or loss.

If the debt restructuring does not meet the criteria for derecognition as of the restructuring date, the debtor continues to be classified as a financial asset with a significant increase in credit risk (Stage 2) until the debtor has been able to make payment in accordance with the debt restructuring agreement for 3 consecutive months or installments, whichever is the longer period; or continues to be classified as a financial asset that is credit-impaired (Stage 3) until the debtor has been able to make payment in accordance with the debt restructuring agreement for 3 consecutive months or installments, whichever is the longer period, before being able to be reclassified as a financial asset with a significant increase in credit risk (Stage 2), and if the debtor is able to make payment for additional 9 consecutive months or installments, it can be reclassified as a financial asset with no significant increase in credit risk (Stage 1). If the debt restructuring results in a derecognition, the new financial asset is considered a financial asset with no significant increase in credit risk (Performing or Stage 1).

However, for debtors which the Group provides assistance to in accordance with measures as specified in the circulars of the BOT, the Group does not consider whether modification of terms results in derecognition, but if the existing effective interest rate does not reflect the estimated cash flows that are expected to be recoverable, it will apply a newly calculated effective interest rate to determine the present value of the restructured loans and to recognise interest income. The Group is allowed to recognise interest income on the basis of this new effective interest rate during the grace period, as described in Note 1.7.28 to the financial statements.

1.7.10 Securities and derivatives business receivables

Securities and derivatives business receivables comprise the net balance of securities business receivables and derivatives business receivables, after deducting allowance for expected credit loss. Securities business receivables comprise the net receivable balances of cash accounts, securities borrowing and lending receivables, guaranteed deposit receivables and other receivables such as securities receivables that are subject to legal proceeding, undergoing restructuring or settling in installments.

1.7.11 Receivables from/Payables to clearing house

Receivables from/payables to clearing house comprise the net balance of amount receivable from/payable to Thailand Clearing House in respect of settlements for securities trades and derivatives instruments including cash pledged with Thailand Clearing House as collateral for derivatives trading, and the net balance of amount receivable from/payable to overseas securities companies in respect of securities trades settled through overseas securities companies.

1.7.12 Recognition and derecognition of customers' deposits

Cash which customers have placed with a subsidiary operating a securities business in cash accounts for securities trading and derivatives trading is recorded as an asset of the subsidiary for the customers' position for internal control purposes. At the financial statements date, the subsidiary does not present those amounts as its assets and liabilities but presents only those assets which belong to the subsidiary.

1.7.13 Borrowing and lending of securities

A subsidiary operating a securities business is engaged in securities borrowing and lending transactions, whereby the subsidiary acts as an agent through agreements made with borrowers and lenders of securities.

The subsidiary records its obligations to return borrowed securities which it has lent as "Securities borrowing payables" and securities lent to customers are recorded as "Securities borrowing receivables" in the statement of financial position. At the end of the reporting period, the balances of securities borrowing payables and securities borrowing receivables are adjusted based on the latest offer price quoted on the Stock Exchange of Thailand on the last working day of the year. Gain or loss arising from such adjustments is included in profit or loss in the statement of comprehensive income. The subsidiary records cash paid or received as collateral for securities borrowing and lending as "Guarantee deposit receivables" or "Guarantee deposit payables". Fees from borrowing and lending are recognised on an accrual basis over the lending term.

1.7.14 Properties foreclosed

Properties foreclosed represents assets transferred in respect of receivables on which the debtors have defaulted or restructured receivables.

At the end of reporting period, the value of properties foreclosed is stated at the lower of cost or net realisable value. Net realisable value is determined at the market value or the appraisal value less estimated selling expenses. In addition, the subsidiary operating a banking business is required to record additional allowance for impairment of properties foreclosed in accordance with the notifications of the BOT.

The Group recognises loss on impairment in profit or loss. Gain or loss from disposal of properties foreclosed is recognised in profit or loss in the statement of comprehensive income upon disposal.

1.7.15 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value. Any gain or loss arising from changes in the fair value of investment properties is recognised in profit or loss when incurred.

The difference between the net disposal proceed and the carrying amount of the asset is recognised in profit or loss in the year in which the asset is derecognised.

1.6.16 Premises and equipment/Depreciation

Land is stated at cost. Buildings, office condominiums and equipment are stated at cost or revalued amount less accumulated depreciation and allowance for loss on impairment of assets (if any).

Office condominiums are initially recorded at cost on the acquisition date, and subsequently revalued by an independent professional appraiser, and then recorded at fair value. Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from fair value at the end of reporting period.

Differences arising from the revaluation are dealt with in the financial statements as follows:

- When an asset's carrying amount is increased as a result of the revaluation of the Group's assets, the increase is credited directly to other comprehensive income and the cumulative increase is recognised in equity under the heading of "Surplus on revaluation of assets". However, the revaluation increase is recognised as income to the extent that it reverses the revaluation decrease in respect of the same asset previously recognised as an expense.

- When an asset's carrying amount is decreased as a result of the revaluation of the Group's assets, the decrease is recognised in profit or loss. However, the revaluation decrease is charged to other comprehensive income to the extent that it does not exceed the amount already held in "Surplus on revaluation of assets" in respect of the same asset.

The surplus on revaluation of assets is amortised to retained earnings on a straight-line basis over the remaining life of the related assets. The revaluation surplus which is transferred to retained earnings is the difference between the depreciation calculated on book value of the revalued assets and the depreciation calculated on original cost of the assets. The revaluation surplus can neither be offset against deficit nor used for dividend payment.

Depreciation of buildings, office condominiums, and equipment is calculated by reference to their cost or revalued amount on the straight-line basis (except for the depreciation of communications equipment, which is calculated using the sum-of-the-year-digits method over estimated useful lives of 3 years) over the following estimated useful lives:

Buildings	-	20	years
Buildings and office condominiums	-	18 - 50	years
Office improvements	-	5, 20	years
Furniture, fixtures and equipment	-	5	years
Motor vehicles	-	5, 6	years

Depreciation attributed to the original cost portion and the revaluation portion is included in determining income.

No depreciation is provided on land and assets under installation.

An item of land, buildings and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised. Remaining surplus on revaluation of assets as at the date of derecognition is directly transferred to retained earnings.

1.7.17 Leases

At inception of contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group applies a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. At the commencement date of the lease, the Group recognises right-of-use assets representing the right to use underlying assets and lease liabilities based on lease payments.

Right-of-use assets

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

Depreciation of right-of-use assets are calculated by reference to their costs, on the straight-line basis over the shorter of their estimated useful lives and the lease term, as follows:

Land and buildings - 1 - 15 years

Lease liabilities

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be payable under residual value guarantees, and payments of penalties for terminating the lease if the lease term reflects the Group exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the year in which the event or condition that triggers the payment occurs.

The Group discounts the present value of the lease payments by the Group's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the lease payments, or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

A lease that has a lease term of less than or equal to 12 months from commencement date or a lease of low-value assets is recognised as expenses on a straight-line basis over the lease term.

1.7.18 Intangible assets

The Group initially recognises intangible assets at cost. Following the initial recognition, the intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment loss (if any).

The Group amortises intangible assets with finite lives on a straight-line basis over the economic useful life and tests for impairment whenever there is an indication that the intangible assets may be impaired. The Group reviews the amortisation period and the amortisation method of such intangible assets at least at each financial year end. The amortisation expense is charged to profit or loss.

Intangible assets with finite lives are software license fees that the Group amortises over the following estimated useful lives:

The license agreements with specified number of years of usage	-	according to the period of license agreement
The license agreements with no specified number of years of usage	-	5 years
No license agreements	-	5 years

1.7.19 Income tax

Income tax represents the sum of corporate income tax currently payable and deferred tax.

Current tax

Current tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred tax assets/liabilities are recognised for temporary differences between the tax bases of assets and liabilities and their carrying amounts as at the end of reporting period. They will be realised as tax income or tax expense when the income is realised, or the expenses provided for are actually incurred and considered deductible for income tax purposes.

The Group recognises deferred tax assets for all deductible temporary differences to the extent that it is probable that future taxable profits will be available against which such deductible deferred tax assets can be utilised. The Group recognises deferred tax liabilities for all taxable temporary differences.

The Group records deferred tax directly to equity if the tax relates to items that are recorded directly to equity.

At the end of each reporting period, the Group reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax assets to be utilised.

1.7.20 Impairment of non-financial assets

At the end of each reporting period, the Group assesses whether there is an indication that a non-financial asset may be impaired. If any indication exists, an impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. Fair value less costs to sell reflects the amount that the Group could obtain from the disposal of the asset on the statement of financial position in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised in profit or loss. However, in cases where assets were previously revalued and the revaluation was taken to equity, a part of such impairment is recognised in equity up to the amount of the previous revaluation.

In the assessment of asset impairment, if there is any indication that a previously recognised impairment loss may no longer exist or may have decreased, the Group estimates the asset's recoverable amount. The previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised immediately in profit or loss in the statement of comprehensive income.

1.7.21 Derecognition of financial assets and financial liabilities

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or when the Group has transferred substantially all risks and rewards of ownership. If the Group neither transfers nor retains substantially all risks and rewards of ownership of such financial assets, and retains control of such financial assets, the Group continues to recognise the financial assets to the extent of its continuing involvement. Financial liabilities are derecognised when they are extinguished e.g. when the obligation specified in the contract is discharged, cancelled or expired.

1.7.22 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Group's functional currency.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling on the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the reference rates announced by the BOT at the end of each reporting period.

Gain and loss on exchange is included in determining income.

1.7.23 Employee benefits

a) Short-term employee benefits

The Group records salaries, wages, bonuses and contributions to the social security fund as expenses when incurred.

Apart from the annual bonus portion of bonus expenses which is remuneration for employees' annual performance that is paid in cash, the Group also has another portion of bonus expenses which is paid in cash with reference to the Company's share price. The Group records this portion of expenses and related accrued bonus over the service period of those employees, counting from the grant date. It is recorded based on the average daily share price from the grant date to the end of reporting period, and any increase or decrease in the expenses according to changes in the share price is recognised in order to reflect the fair value of accrued bonus liability at the end of each reporting period, until the bonuses are settled.

b) Post-employment benefits and other long-term employee benefits

Defined contribution plans

The Group and its employees have jointly established a provident fund. The fund is monthly contributed by the employees and by the Group. The fund's assets are held in a separate trust fund and the Group's contributions are recognised as expenses when incurred.

Defined benefit plans and other long-term employee benefits

The Group has obligations in respect of the severance payments it must make to employees upon retirement under labor law and other employee benefit plan. The Group treats these severance payment obligations as a defined benefit plan. In addition, the Group provides other long-term employee benefit plan, namely long service awards.

The obligation under the defined benefit plan is determined by the Group based on actuarial techniques.

Actuarial gain or loss arising from post-employment benefits is recognised immediately in other comprehensive income.

Actuarial gain or loss arising from other long-term benefits is recognised immediately in profit or loss.

1.7.24 Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that an outflow of resource embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

1.7.25 Derivatives

Derivatives are initially recognised at fair value on the trade date and are classified as trading. They are subsequently remeasured at fair value. Subsequent changes are recognised as net gain (loss) on financial instruments measured at fair value through profit or loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The fair value of derivatives is based on the market price, or a formula which is generally accepted in cases where there is no market price.

1.7.26 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Group applies a quoted market price in an active market to measure its assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Group measures fair value using valuation techniques that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categories of input to be used in fair value measurement as follows:

Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities.

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly.

Level 3 - Use of unobservable inputs such as estimates of future cash flows.

At the end of each reporting period, the Group determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

1.7.27 Financial instruments

a) Financial risk management

The financial risks associated with these financial instruments and how they are managed is described in Note 3.37 to the financial statements.

b) Fair value of financial instruments

In determining the fair value of financial instruments, the estimated fair value will be adjusted by allowance for expected credit loss with respective risk. For financial instruments with duration of one year or less, the book value represents a reasonable estimate of fair value. For financial instruments with duration of greater than one year, fair value is determined based on the quoted market prices, where available, or otherwise based on present value of contractual cash flows, discounted using the rate used for financial instruments with similar features.

The methods used by the Group in estimating the fair value of financial instruments are as follows:

- For financial assets and liabilities which have short-term maturities or carry interest at rates approximating the market rate, including cash, interbank and money market items (assets), securities and derivatives business receivables, receivables from clearing house, fee and service receivables, other receivables, deposits, interbank and money market items (liabilities), liabilities payable on demand, securities and derivatives business payables and payables to clearing house, the carrying amounts in the statement of financial position approximate their fair value.

- For investments in marketable equity securities, their fair value is stated based on the latest bid price at the end of last working day of the year as quoted by the Stock Exchange of Thailand, or based on discounted future cash flows and/or book value of the investees for investments in non-marketable equity securities.
- Government and state enterprise securities and private debt securities are stated at fair value which is determined using yield rates quoted by the Thai Bond Market Association.
- Unit trusts are stated at fair value based on their net asset value at the end of reporting period.
- Loans to customers and accrued interest receivables, except for hire purchase receivables and other retail loans, are presented at fair value which is estimated from balance of loans to customers and accrued interest receivables as stated in the financial statements less allowance for expected credit loss, since most loans to customers carry interest at floating rates. Fair value of hire purchase receivables and other retail loans is calculated from the present value of future cash inflows, discounted by the current interest rate for new loans less allowance for expected credit loss.
- The fair value of debts issued and borrowings is estimated by discounting expected future cash outflows by the current market interest rates of the borrowings with similar terms and conditions.
- For derivatives, their fair value is determined by using a discounted future cash flow model and a valuation model technique. Most of the inputs used for the valuation are observable in the relevant market, such as spot rates of foreign currencies, yield curves of the respective currencies and interest rate yield curves. The Group has considered the counterparty's credit risk when determining the fair value of derivatives.

1.7.28 Accounting Guidance on Temporary Relief Measures for Entities Providing Assistance to Debtors Impacted by Situations that Affect the Thai Economy

During the year 2020, The Federation of Accounting Professions announced Accounting Guidance on Temporary Relief Measures for Entities Providing Assistance to Debtors Impacted by Situations that Affect the Thai Economy. Its objectives are to provide temporary relief measures solely for entities providing assistance to debtors impacted by the situations that affect the Thai economy, such as COVID-19, economic conditions, trade wars and drought, and to provide an alternative for all entities providing assistance to debtors in accordance with measures to assist debtors specified in the circular of the BOT No. BOT.RPD.(23)C. 276/2563 “Guidelines on providing assistance to debtors impacted by situations that affect the Thai economy” and the circular of the BOT No. BOT.RPD.(01)C. 380/2563 “Measures to provide additional assistance to debtors during the COVID-19 situation” or any other measures announced by the BOT. The Accounting Guidance is effective for entities providing assistance to debtors impacted by the aforementioned situations during the period from 1 January 2020 to 31 December 2021 or until the BOT makes changes, with which the entities are to comply. The guidance applies to large-sized debtors, small and medium-sized debtors, and retail debtors who have the ability to run a business or to repay debts in the future and have been impacted directly or indirectly by such situations, considering the following guidelines.

- Debtors who were not yet non-performing (Stage 1 or Stage 2) on or after 1 January 2020
- Debtors who became non-performing (Stage 3) on or after 1 January 2019, unless the entity is able to prove that the debtors becoming non-performing before 1 January 2019 are non-performing loans affected by the economic conditions

The Group has entered into the scheme to provide assistance to affected debtors in accordance with the BOT’s guideline. For the debtors who meet the conditions under the temporary relief measures, the Accounting Guidance can be applied as follows:

- (1) For the provision of assistance to loans that are not yet non-performing (Non-NPL), the Group classifies them as loans with no significant increase in credit risk (Performing or Stage 1), provided that analysis of its status and business shows that the debtor is able to comply with the debt restructuring agreement without compliance monitoring and the debt restructuring is considered a pre-emptive debt restructuring rather than a troubled debt restructuring.

- (2) For the provision of assistance to non-performing loans (NPL), the Group classifies them as performing loans if the debtor is able to make payment in accordance with the debt restructuring agreement for 3 months or 3 installments consecutively, whichever is the longer period.
- (3) Additional working capital loans provided to a debtor in order to increase liquidity and enable the debtor to continue its business operations during the debt restructuring are classified by account level if the debtor has cash flows to support repayment or if, considering other factors, the debtor has the ability to pay the debt.
- (4) The guidelines of the BOT relating to assessment of whether there has been a significant increase in credit risk are applied to assess whether a debtor is moving to Stage 2.
- (5) Expected credit loss is determined based on the outstanding balance of the drawn down portion only.
- (6) If the debt restructuring causes the existing effective interest rate to no longer reflect the estimated cash inflows from the loan, the Group applies a newly calculated effective interest rate to determine the present value of loans that have been restructured and recognises interest income on the basis of this new effective interest rate during the grace period, or in accordance with the BOT's new guidelines if there are changes.
- (7) In determining expected credit loss, consideration is given to placing less weight on forward-looking information that is the result of the temporary crisis than on information reflecting ability of debt payment from historical experience.

In addition, the BOT issued the circular of the BOT No. BOT.RPD.(01)C. 648/2563 "Measures to provide additional assistance to small-sized debtors during the COVID-19 situation - Phase 2" dated 19 June 2020, and the circular of the BOT No. BOT.DRU.C. 480/2564 "Measures to provide assistance to small-sized debtors during the Coronavirus 2019 (COVID-19) situation - Phase 3" dated 14 May 2021, in order to provide additional assistance to debtors.

Because the Group has participated in the schemes to provide assistance to affected debtors, it has also adopted the related accounting guidance.

1.7.29 Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:

Recognition and derecognition of assets and liabilities

In considering whether to recognise or to derecognise assets and liabilities, the management is required to make judgement on whether significant risks and rewards of those assets or liabilities have been transferred, based on their best knowledge of the current events and arrangements.

Allowance for expected credit loss on financial assets

The management is required to use judgement in estimating the allowance for expected credit loss on financial assets. The estimation relies on a complex model, a dataset of assumptions, model development and assessments related to the increase in credit risk, as well as the selection of forward-looking information, which involves a large number of variables. Therefore, actual results could differ from these estimates.

Fair value of financial instruments

In determining the fair value of financial instruments recognised in the statement of financial position that are not actively traded and for which quoted market prices are not readily available, the management exercises judgement, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk of both the Company and the counterparty, liquidity, correlation and longer-term volatility of financial instruments. Change in assumptions about these factors could affect the fair value recognised in the statement of financial position and disclosures of fair value hierarchy.

Investment properties

The Group presents investment properties at the fair value estimated by an internal appraiser of TISCO Bank, and recognises changes in the fair value in profit or loss. The appraiser valued the investment properties using the market approach. The key assumptions used in estimating the fair value are described in Note 3.12 to the financial statements.

Premises and equipment/Depreciation

In determining depreciation of buildings and equipment, the management is required to make estimates of the useful life and residual value of buildings and equipment and to review estimated useful life and residual value when there are any changes.

The Group measures office condominiums at revalued amounts. Such amounts are determined by the independent appraiser using the market approach. The valuation involves certain assumptions and estimates as described in Note 3.13 to the financial statements.

In addition, the management is required to review land, buildings and equipment for impairment on a periodical basis and record impairment loss when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

Leases

In determining lease terms, the management is required to use judgement to assess whether the Group is reasonably certain to exercise options to extend the terms of leases or to cancel the leases, taking into account all relevant facts and circumstances that create economic incentives for the Group to exercise or not to exercise such options.

In addition, the management is required to exercise judgement in estimating the incremental borrowing rate to discount lease liabilities. The incremental borrowing rate is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax loss to the extent that it is probable that taxable profits will be available against which the temporary differences and loss can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimated future taxable profits.

Post-employment benefits under defined benefit plans and other long-term employee benefits

The obligation under the defined benefit plans and other long-term employee benefit plans is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate, and staff turnover rate.

Litigation

The Group has contingent liabilities as a result of litigation. The management has used judgement to assess of the results of the litigation and believes that no loss will result. Therefore, no contingent liabilities are recorded as at the end of the reporting period.

2. General information

2.1 The Company's information

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

2.2 Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until such reserve reaches 10 percent of its registered share capital. The statutory reserve is not available for dividend distribution. At present, the statutory reserve has fully been set aside.

2.3 Directors' remuneration

Directors' remuneration represents the benefits paid to the Group's directors in accordance with Section 90 of the Public Limited Companies Act, exclusive of salaries and related benefits payable to directors who hold executive positions.

2.4 Related party transactions

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

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

3. Supplemental information

3.1 Consolidated financial statements

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

(Unit: Percent)

Company's name	Nature of business	Country of incorporation	Percentage of shares held by the Company as at 31 December	
			2021	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 loan	Thailand	99.99	99.99
TISCO Information Technology Co., Ltd.	Services	Thailand	99.99	99.99
TISCO Insurance Solution Co., Ltd.	Insurance broker	Thailand	99.99	99.99
Primus Leasing Co., Ltd. (In the process of liquidation)	Hire purchase	Thailand	99.99	99.99
TISCO Learning Center Co., Ltd.	Services	Thailand	99.99	99.99
All-Ways Co., Ltd.	Services	Thailand	99.99	99.99

3.2 Classification of financial assets and financial liabilities

The Group has classified the significant financial assets and financial liabilities as follows:

(Unit: Thousand Baht)

	As at 31 December 2021			
	Consolidated financial statements			
	Financial instruments measured at fair value through profit or loss	Financial instruments measured at fair value through comprehensive income	Financial instruments measured at amortised cost	Total
<u>Financial assets</u>				
Cash	-	-	1,103,425	1,103,425
Interbank and money market items	-	-	30,489,211	30,489,211
Financial assets measured at fair value through profit or loss	2,081,052	-	-	2,081,052
Investments	-	8,042,759	-	8,042,759
Loans to customers and accrued interest receivables	-	-	192,922,000	192,922,000
Securities and derivatives business receivables - net	-	-	1,131,229	1,131,229
Other assets - receivables from clearing house	-	-	396,437	396,437
Other assets - fee and service receivables	-	-	479,617	479,617
Other assets - other receivables	-	-	715,363	715,363

(Unit: Thousand Baht)

As at 31 December 2021

Consolidated financial statements				
	Financial instruments measured at fair value through profit or loss		Financial instruments measured at amortised cost	Total
<u>Financial liabilities</u>				
Deposits	-	-	166,541,926	166,541,926
Interbank and money market items	-	-	8,080,700	8,080,700
Liabilities payable on demand	-	-	274,432	274,432
Derivatives liabilities	3,385	-	-	3,385
Debts issued and borrowings	-	-	14,961,919	14,961,919
Lease liabilities	-	-	707,179	707,179
Securities and derivatives business payables - net	-	-	1,521,353	1,521,353
Accrued interest payable	-	-	481,691	481,691

(Unit: Thousand Baht)

As at 31 December 2020

Consolidated financial statements				
	Financial instruments measured at fair value through profit or loss		Financial instruments measured at amortised cost	Total
<u>Financial assets</u>				
Cash	-	-	1,220,207	1,220,207
Interbank and money market items	-	-	38,212,028	38,212,028
Financial assets measured at fair value				
through profit or loss	2,173,020	-	-	2,173,020
Derivatives assets	62,095	-	-	62,095
Investments	-	9,953,256	-	9,953,256
Loans to customers and accrued interest				
receivables	-	-	214,887,986	214,887,986
Securities and derivatives business				
receivables - net	-	-	1,058,180	1,058,180
Other assets - receivables from clearing house	-	-	291,896	291,896
Other assets - fee and service receivables	-	-	451,495	451,495
Other assets - other receivables	-	-	605,456	605,456

(Unit: Thousand Baht)

As at 31 December 2020

Consolidated financial statements				
	Financial instruments measured at fair value through profit or loss		Financial instruments measured at amortised cost	Total
<u>Financial liabilities</u>				
Deposits	-	-	203,472,825	203,472,825
Interbank and money market items	-	-	5,807,646	5,807,646
Liabilities payable on demand	-	-	1,284,765	1,284,765
Debts issued and borrowings	-	-	12,825,919	12,825,919
Lease liabilities	-	-	828,590	828,590
Securities and derivatives business payables - net	-	-	1,033,041	1,033,041
Accrued interest payable	-	-	735,903	735,903
Other liabilities - payables to clearing house	-	-	309,866	309,866

(Unit: Thousand Baht)

As at 31 December 2021

Separate financial statements				
	Financial instruments measured at fair value through profit or loss		Financial instruments measured at amortised cost	Total
<u>Financial assets</u>				
Interbank and money market items	-	-	22,584	22,584
Financial assets measured at fair value				
through profit or loss	1,048,821	-	-	1,048,821
Investments	-	202,271	-	202,271
Loans to customers and accrued interest receivables	-	-	3,305,697	3,305,697
Other assets - fee and service receivables	-	-	120,833	120,833
<u>Financial liabilities</u>				
Interbank and money market items	-	-	565,000	565,000
Debts issued and borrowings	-	-	6,065,000	6,065,000
Lease liabilities	-	-	614	614
Accrued interest payable	-	-	11,256	11,256

(Unit: Thousand Baht)

	As at 31 December 2020			
	Separate financial statements			
	Financial instruments measured at fair value through profit or loss	Financial instruments measured at fair value through comprehensive income	Financial instruments measured at amortised cost	Total
<u>Financial assets</u>				
Cash	-	-	70	70
Interbank and money market items	-	-	17,394	17,394
Financial assets measured at fair value				
through profit or loss	890,053	-	-	890,053
Investments	-	205,965	-	205,965
Loans to customers and accrued interest receivables				
receivables	-	-	3,175,866	3,175,866
Other assets - fee and service receivables	-	-	126,439	126,439
<u>Financial liabilities</u>				
Interbank and money market items	-	-	3,780,000	3,780,000
Debts issued and borrowings	-	-	1,629,000	1,629,000
Lease liabilities	-	-	889	889
Accrued interest payable	-	-	1,029	1,029

3.3 Interbank and money market items - net (assets)

(Unit: Thousand Baht)

	Consolidated financial statements as at 31 December					
	2021			2020		
	At call	Term	Total	At call	Term	Total
<u>Domestic</u>						
Bank of Thailand and Financial Institutions						
Development Fund	1,701,735	-	1,701,735	2,814,569	-	2,814,569
Commercial banks	239,591	12,050,489	12,290,080	765,573	19,636,195	20,401,768
Specialised Financial Institutions	100,348	16,395,033	16,495,381	365	14,993,941	14,994,306
Total	2,041,674	28,445,522	30,487,196	3,580,507	34,630,136	38,210,643
Add: Accrued interest receivables	163	2,200	2,363	563	1,872	2,435
Less: Allowance for expected credit loss	(339)	(96)	(435)	(984)	(97)	(1,081)
Total domestic	2,041,498	28,447,626	30,489,124	3,580,086	34,631,911	38,211,997
<u>Foreign</u>						
Hong Kong Dollars	87	-	87	31	-	31
Total foreign	87	-	87	31	-	31
Total domestic and foreign	2,041,585	28,447,626	30,489,211	3,580,117	34,631,911	38,212,028

(Unit: Thousand Baht)

	Separate financial statements as at 31 December					
	2021			2020		
	At call	Term	Total	At call	Term	Total
<u>Domestic</u>						
Commercial banks	22,595	-	22,595	17,402	-	17,402
Total	22,595	-	22,595	17,402	-	17,402
Add: Accrued interest receivables	1	-	1	1	-	1
Less: Allowance for expected credit loss	(12)	-	(12)	(9)	-	(9)
Total domestic	22,584	-	22,584	17,394	-	17,394

As at 31 December 2021 and 2020, cash at banks of a subsidiary amounting to Baht 10 million is pledged to secure a bank overdraft facility.

The subsidiary operating a banking business entered into securities purchases under resale agreements according to private repurchase transactions. Securities received under resale agreements are used as collateral. Details of transactions are as follows:

(Unit: Thousand Baht)

	Securities purchased under resale agreements according to private repurchase transactions as at 31 December	
	2021	2020
Commercial banks	11,200,000	18,800,000
Specialised Financial Institutions	16,000,000	14,700,000

Fair value of securities received as collateral is as follows:

(Unit: Thousand Baht)

	Fair value of securities received as collateral as at 31 December	
	2021	2020
Commercial banks	11,332,000	18,471,500
Specialised Financial Institutions	16,162,500	14,747,200

As at 31 December 2021 and 2020, interbank and money market items include insurance premiums received by the Group from the insured, amounting to Baht 353 million and Baht 225 million, respectively, that the Group has to remit to insurance companies. The Group cannot use, exploit, or deduct any expenses from these premiums, as specified in the broker appointment contract.

3.4 Financial assets measured at fair value through profit or loss

(Unit: Thousand Baht)

Investments	Consolidated financial statements as at 31 December			
	2021		2020	
	Cost	Fair value	Cost	Fair value
Others				
Domestic marketable equity instruments	93,088	183,023	231,488	454,798
Foreign marketable equity instruments	293,082	241,448	-	-
Domestic non-marketable equity instruments	231,289	790,261	257,578	772,569
Other securities - domestic unit trusts	54,856	58,947	54,856	55,600
Other securities - foreign unit trusts	803,120	807,373	803,120	890,053
	1,475,435	2,081,052	1,347,042	2,173,020
Add: Allowance for changes in value	605,617		825,978	
Total	2,081,052		2,173,020	

(Unit: Thousand Baht)

Investments	Separate financial statements as at 31 December			
	2021		2020	
	Cost	Fair value	Cost	Fair value
Others				
Foreign marketable equity instruments	293,082	241,448	-	-
Other securities - foreign unit trusts	803,120	807,373	803,120	890,053
	1,096,202	1,048,821	803,120	890,053
Add: Allowance for changes in value	(47,381)		86,933	
Total	1,048,821		890,053	

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

(Unit: Thousand Baht)

Securities' name	Consolidated financial statements as at 31 December					
	2021			2020		
	Fair value of investments	Unpaid amount	Percentage of holding (%)	Fair value of investments	Unpaid amount	Percentage of holding (%)
Services:						
Jiji Press (Thailand) Co., Ltd.	1,297	300	10	1,825	300	10
Trading import and export:						
Juki (Thailand) Co., Ltd.	4,240	-	10	6,025	-	10
PDTL Trading Co., Ltd.	3,743	-	10	3,637	-	10
Wattana Inter-Trade Co., Ltd.	21,008	-	10	19,158	-	10
Real estate:						
UMI Property Co., Ltd.	3,907	-	10	4,031	-	10
Industrial:						
Siam Art Ceramic Co., Ltd.	9,536	-	10	11,268	-	10

3.5 Derivatives assets/derivatives liabilities

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

(Unit: Thousand Baht)

Type of risks	Consolidated financial statements as at 31 December					
	2021			2020		
	Fair value		Notional amount	Fair value		Notional amount
	Assets	Liabilities		Assets	Liabilities	
Exchange rate	-	3,385	1,512,926	62,095	-	1,189,528
Total	-	3,385	1,512,926	62,095	-	1,189,528

All counterparties of these derivatives transactions are financial institutions.

3.6 Investments

3.6.1 Investments classified by type of investments

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

(Unit: Thousand Baht)

	Consolidated financial statements as at 31 December			
	2021		2020	
	Amortised cost	Fair value	Amortised cost	Fair value
Investments in debt instruments measured at fair value through other comprehensive income				
Government and state enterprise securities	7,816,804	7,816,118	9,713,417	9,722,476
Private sector debt securities	423,121	226,641	423,121	230,780
	8,239,925	8,042,759	10,136,538	9,953,256
Less: Allowance for changes in value	(197,166)		(183,282)	
Total	8,042,759		9,953,256	
Allowance for expected credit loss	199,921		190,621	
Investments in debt instruments measured at amortised cost				
Investments in receivables	11,958		12,047	
Less: Allowance for expected credit loss	(11,958)		(12,047)	
Total	-		-	
Total investments	8,042,759		9,953,256	

(Unit: Thousand Baht)

	Separate financial statements as at 31 December			
	2021		2020	
	Amortised cost	Fair value	Amortised cost	Fair value
Investments in debt instruments measured at fair value through other comprehensive income				
Private sector debt securities	371,662	202,271	371,662	205,965
Less: Allowance for changes in value	(169,391)		(165,697)	
Total investments	202,271		205,965	
Allowance for expected credit loss	172,461		164,161	

3.6.2 Investments subject to restrictions

(Unit: Million Baht)

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

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

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

(Unit: Thousand Baht)

	Consolidated financial statements as at 31 December					
	2021			2020		
	Cost	Fair value	Allowance for expected credit loss	Cost	Fair value	Allowance for expected credit loss
Companies having problems with debt repayment or in default	423,121	226,641	199,921	423,121	230,780	190,621

(Unit: Thousand Baht)

	Separate financial statements as at 31 December					
	2021			2020		
	Cost	Fair value	Allowance	Cost	Fair value	Allowance
			for expected credit loss			for expected credit loss
Companies having problems with debt repayment or in default	371,662	202,271	172,461	371,662	205,965	164,161

3.7 Investments in subsidiaries and joint venture

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	as at 31 December		as at 31 December	
	2021	2020	2021	2020
Investments in subsidiaries	-	-	19,995,899	19,995,898
Investment in joint venture	809,629	804,925	73,245	73,245
	<u>809,629</u>	<u>804,925</u>	<u>20,069,144</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 31 December		Investment value - cost method as at 31 December		Dividend received for the years ended 31 December	
		2021	2020	2021	2020	2021	2020
		(%)	(%)				
Subsidiaries directly held by the Company							
TISCO Bank Public Company Limited	Ordinary shares	99.99	99.99	17,641,210	17,641,209	1,999,552	2,865,718
TISCO Securities Co., Ltd.	Ordinary shares	99.99	99.99	1,075,065	1,075,065	650,000	340,000
TISCO Asset Management Co., Ltd.	Ordinary shares	99.99	99.99	110,075	110,075	999,994	629,996
Hi-Way Co., Ltd.	Preference shares	99.99	99.99	2,866	2,866	971	841
	Ordinary shares	99.99	99.99	770,053	770,053	470,029	415,659
TISCO Information Technology Co., Ltd.	Ordinary shares	99.99	99.99	22,117	22,117	147,995	159,995
TISCO Insurance Solution Co., Ltd.	Ordinary shares	99.99	99.99	136,655	136,655	299,990	374,987
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	21,999	34,498
All-Ways Co., Ltd.	Ordinary shares	99.99	99.99	200,000	200,000	-	-
				<u>20,104,562</u>	<u>20,104,561</u>	<u>4,590,530</u>	<u>4,821,694</u>
Less: Allowance for impairment				<u>(108,663)</u>	<u>(108,663)</u>		
Investments in subsidiaries - net				<u>19,995,899</u>	<u>19,995,898</u>		

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, as detailed below.

(Unit: Thousand Baht)

Jointly controlled entity	Consolidated financial statements					
	Shareholding percentage		Cost		Carrying amounts	
	as at 31 December		as at 31 December		based on equity method	
	2021	2020	2021	2020	2021	2020
	(%)	(%)				
TISCO Tokyo Leasing Co., Ltd.	49.00	49.00	73,245	73,245	809,629	804,925

(Unit: Thousand Baht)

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

b) Share of comprehensive income and dividend received

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

(Unit: Thousand Baht)

Jointly controlled entity	Consolidated financial statements				Separate financial statements	
	Share of profit (loss) for the years ended		Share of other comprehensive income (loss) for the years ended		Dividend received for the years ended	
	31 December		31 December		31 December	
	2021	2020	2021	2020	2021	2020
TISCO Tokyo Leasing Co., Ltd.	7,216	(1,717)	(2,512)	(6,960)	-	-

c) Summary of significant financial information of joint venture

Condensed financial information of the joint venture is presented as follows:

Summarised information on financial position

(Unit: Thousand Baht)

	As at 31 December	
	2021	2020
Total assets	6,160,762	6,183,881
Total liabilities	(4,138,627)	(4,169,846)
Non-controlling interests of the subsidiary	(369,831)	(371,331)
Net assets	1,652,304	1,642,704
The Company's shareholding proportion	49%	49%
Carrying value of joint venture based on equity method	809,629	804,925

Summarised information on comprehensive income

(Unit: Thousand Baht)

	For the years ended 31 December	
	2021	2020
Total revenues	290,422	313,528
Total expenses	(240,095)	(300,074) ⁽¹⁾
Profit before income tax	50,327	13,454
Tax benefit (income tax expenses)	(10,641)	12,782
Non-controlling interests of the subsidiary	(24,960)	(29,739)
Profit (loss) for the year	14,726	(3,503)
Other comprehensive income (loss)	(5,126)	(14,205)
Total comprehensive income (loss)	9,600	(17,708)

(1) Including expected credit loss of Baht 125 million additionally set up by the Company

d) Commitments and contingent liabilities of joint venture

(Unit: Thousand Baht)

	As at 31 December	
	2021	2020
Cross currency and interest rate swap agreements	950,000	1,150,000

3.8 Loans to customers and accrued interest receivables

3.8.1 Classified by type of loans to customers

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	as at 31 December	
	2021	2020
Loans to customers		
Overdrafts	25,102	31,721
Loans	89,379,736	96,713,852
Hire purchase receivables	131,006,116	147,601,631
Finance lease receivables	8,544	8,544
Less: Deferred revenue	(17,469,825)	(19,544,201)
Total loans to customers	202,949,673	224,811,547
Add: Accrued interest receivables and undue interest receivables	1,712,501	1,901,983
Total loans to customers and accrued interest receivables	204,662,174	226,713,530
Less: Allowance for expected credit loss	(11,740,174)	(11,825,544)
Loans to customers and accrued interest receivables - net	<u>192,922,000</u>	<u>214,887,986</u>

	(Unit: Thousand Baht)	
	Separate financial statements	
	as at 31 December	
	2021	2020
Loans to customers		
Loans	3,310,000	3,180,000
Less: Allowance for expected credit loss	(4,303)	(4,134)
Loans to customers and accrued interest receivables - net	<u>3,305,697</u>	<u>3,175,866</u>

3.8.2 Classified by residency of debtors

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	as at 31 December		as at 31 December	
	2021	2020	2021	2020
Loans to customers net of deferred revenue				
- Domestic	193,499,099	216,056,459	3,310,000	3,180,000
- Foreign	9,450,574	8,755,088	-	-
Total	<u>202,949,673</u>	<u>224,811,547</u>	<u>3,310,000</u>	<u>3,180,000</u>

3.8.3 Classified by loan classification

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	as at 31 December		as at 31 December	
	2021	2020	2021	2020
Loans to customers and accrued interest receivables				
Loans of the subsidiary				
operating a banking business	198,881,036	224,740,153	-	-
Loans of other subsidiaries	6,346,138	5,753,377	-	-
Loans of the Company	3,310,000	3,180,000	3,310,000	3,180,000
Less: Elimination	(3,875,000)	(6,960,000)	-	-
Total	204,662,174	226,713,530	3,310,000	3,180,000

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

(Unit: Thousand Baht)

	As at 31 December			
	2021		2020	
	Loans to customers and accrued interest receivables	Allowance for expected credit loss	Loans to customers and accrued interest receivables	Allowance for expected credit loss
Financial assets with no significant increase in credit risk (Performing)	172,789,920	6,357,689	190,435,185	5,172,224
Financial assets with significant increase in credit risk (Under-performing)	21,555,713	3,002,574	29,139,124	3,422,247
Financial assets that are credit-impaired (Non-performing)	4,535,403	1,305,933	5,165,844	1,287,313
Allowance established in excess	-	-	-	1,056,399
Total	198,881,036	10,666,196	224,740,153	10,938,183

The subsidiary operating a banking business has allowance established in excess resulting from the calculation of the allowance for expected credit loss as at 1 January 2020, in accordance with TFRS 9: Financial Instruments, which was lower than the amount of allowance for doubtful accounts as at 31 December 2019 as determined in accordance with the former accounting policy by Baht 2,113 million. Such amount has been released in quarterly amounts over 2 years under the straight-line method, in line with the BOT's guideline, resulting in no remaining balance of allowance established in excess as at 31 December 2021.

3.8.3.2 Classified by loan classification of other subsidiaries

(Unit: Thousand Baht)

	As at 31 December			
	2021		2020	
	Loans to customers and accrued interest receivables	Allowance for expected credit loss	Loans to customers and accrued interest receivables	Allowance for expected credit loss
Financial assets with no significant increase in credit risk (Performing)	4,443,903	345,613	3,921,251	238,400
Financial assets with significant increase in credit risk (Under-performing)	1,153,222	316,821	1,057,160	266,852
Financial assets that are credit-impaired (Non-performing)	749,013	414,407	774,966	400,513
Total	6,346,138	1,076,841	5,753,377	905,765

3.8.3.3 Classified by loan classification of the Company

(Unit: Thousand Baht)

	As at 31 December			
	2021		2020	
	Loans to customers and accrued interest receivables	Allowance for expected credit loss	Loans to customers and accrued interest receivables	Allowance for expected credit loss
Financial assets with no significant increase in credit risk (Performing)	3,310,000	4,303	3,180,000	4,134
Financial assets with significant increase in credit risk (Under-performing)	-	-	-	-
Financial assets that are credit-impaired (Non-performing)	-	-	-	-
Total	3,310,000	4,303	3,180,000	4,134

During the years 2020 and 2021, the Group entered into the scheme to provide assistance to affected debtors and elected to apply Accounting Guidance by the Federation of Accounting Professions on Temporary Relief Measures for Entities Providing Assistance to Debtors Impacted by Situations that Affect the Thai Economy. Some of the assisted debtors have made full payments/transferred assets to settle debts and closed the accounts, while others continue to make payments in accordance with the agreements. As at 31 December 2021, the Group's outstanding loan balance under the relief measures totalled Baht 16,007 million. The balance consists of the debtors under principal holiday scheme (still subject to interest payments) or installment reduction (subject to partial payments of principal and interest), the debtors under debt moratorium scheme, and the debtors receiving other forms of debt relief.

3.8.4 Classified by loan classification and type of debtors

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

(Unit: Million Baht)

	As at 31 December 2021							
	Hire purchase receivables		Loan against auto license receivables		Other loans		Total	
	Loans to customers and accrued interest receivables	Allowance for expected credit loss	Loans to customers and accrued interest receivables	Allowance for expected credit loss	Loans to customers and accrued interest receivables	Allowance for expected credit loss	Loans to customers and accrued interest receivables	Allowance for expected credit loss
Financial assets with no significant increase in credit risk (Performing)	93,381	3,181	21,340	918	58,069	2,259	172,790	6,358
Financial assets with significant increase in credit risk (Under-performing)	14,085	1,642	4,481	543	2,990	817	21,556	3,002
Financial assets that are credit-impaired (Non-performing)	2,217	634	885	301	1,433	371	4,535	1,306
Total	109,683	5,457	26,706	1,762	62,492	3,447	198,881	10,666

(Unit: Million Baht)

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

3.8.5 Hire purchase and finance lease receivables

As at 31 December 2021, receivables of the subsidiaries under hire purchase and finance lease agreements amount to Baht 114,797 million (31 December 2020: Baht 129,399 million) and mostly comprise hire purchase agreements for cars and finance lease agreements for machines and equipment for business operation. The terms of the agreements are generally between 1 to 8 years and under most agreements interest is charged at a fixed rate as specified in agreements.

(Unit: Million Baht)

Consolidated financial statements as at 31 December 2021					
Amounts of installments due under the long-term lease agreements					
	Not over 1 year	Over 1 year but not over 5 years	Over 5 years	Financial assets that are credit-impaired	Total
Gross investment in the agreements	40,660	77,865	5,250	7,240	131,015
Less: Deferred revenue ⁽¹⁾	(5,382)	(6,933)	(195)	(4,547)	(17,057)
Present value of minimum lease payment from agreements	35,278	70,932	5,055	2,693	113,958
Accrued interest receivables	676	-	-	163	839
Total	35,954	70,932	5,055	2,856	114,797
Allowance for expected credit loss					(6,362)
Net hire purchase and finance lease receivables					108,435

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

(Unit: Million Baht)

Consolidated financial statements as at 31 December 2020					
Amounts of installments due under the long-term lease agreements					
	Not over 1 year	Over 1 year but not over 5 years	Over 5 years	Financial assets that are credit-impaired	Total
Gross investment in the agreements	44,381	88,243	7,394	7,592	147,610
Less: Deferred revenue ⁽¹⁾	(6,111)	(8,433)	(326)	(4,313)	(19,183)
Present value of minimum lease payment from agreements	38,270	79,810	7,068	3,279	128,427
Accrued interest receivables	781	-	-	191	972
Total	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 December 2021 and 2020, the subsidiary operating a banking business has outstanding balances with troubled debt restructuring debtors as follows:

	As at 31 December			
	2021		2020	
	Number of debtors	Outstanding balances (Million Baht)	Number of debtors	Outstanding balances (Million Baht)
Balances of restructured debts	4,586	1,812	8,856	2,762

3.9 Allowance for expected credit loss

As at 31 December 2021 and 2020, the Group has allowance for expected credit loss classified by type of financial assets as follows:

(Unit: Thousand Baht)

	Consolidated financial statements					
	For the year ended 31 December 2021					
	Financial assets with no significant increase in credit risk	Financial assets with significant increase in credit risk	Financial assets that are credit-impaired	Allowance established in excess	Financial assets applying a simplified approach to determine expected credit loss	Total
Interbank and money market items (assets)						
Balance - beginning of year	1,081	-	-	-	-	1,081
Changes from revaluation of allowance for credit loss	(646)	-	-	-	-	(646)
Balance - end of year	435	-	-	-	-	435
Investments in debt instruments measured at fair value through other comprehensive income						
Balance - beginning of year	-	-	190,621	-	-	190,621
Changes from revaluation of allowance for credit loss	-	-	9,300	-	-	9,300
Balance - end of year	-	-	199,921	-	-	199,921
Investments in debt instruments measured at amortised cost						
Balance - beginning of year	-	-	12,047	-	-	12,047
Changes from revaluation of allowance for credit loss	-	-	(89)	-	-	(89)
Balance - end of year	-	-	11,958	-	-	11,958

Consolidated financial statements

For the year ended 31 December 2021

	Financial assets with no significant increase in credit risk	Financial assets with significant increase in credit risk	Financial assets that are credit-impaired	Allowance established in excess	Financial assets applying a simplified approach to determine expected credit loss	Total
Loans to customers and accrued interest receivables						
Balance - beginning of year	5,392,220	3,689,099	1,687,826	1,056,399	-	11,825,544
Changes from transfers among stages	184,524	(686,132)	501,608	-	-	-
Changes from revaluation of allowance for credit loss	(302,493)	73,065	3,032,671	-	-	2,803,243
New financial assets	2,291,729	823,474	252,429	-	-	3,367,632
Derecognition	(865,541)	(580,111)	(206,014)	-	-	(1,651,666)
Write-off	-	-	(3,548,180)	-	-	(3,548,180)
Reduction in allowance established in excess	-	-	-	(1,056,399)	-	(1,056,399)
Balance - end of year	<u>6,700,439</u>	<u>3,319,395</u>	<u>1,720,340</u>	<u>-</u>	<u>-</u>	<u>11,740,174</u>
Other assets - accrued interest receivables on investments						
Balance - beginning of year	-	-	4,636	-	-	4,636
Changes from revaluation of allowance for credit loss	-	-	1,825	-	-	1,825
Write-off	-	-	(4,636)	-	-	(4,636)
Balance - end of year	<u>-</u>	<u>-</u>	<u>1,825</u>	<u>-</u>	<u>-</u>	<u>1,825</u>
Other assets - other receivables						
Balance - beginning of year	-	-	-	-	-	-
Changes from revaluation of allowance for credit loss	-	-	-	-	21,080	21,080
Derecognition	-	-	-	-	(1,437)	(1,437)
Write-off	-	-	-	-	(6,348)	(6,348)
Balance - end of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,295</u>	<u>13,295</u>

(Unit: Thousand Baht)

Consolidated financial statements					
For the year ended 31 December 2020					
	Financial assets with no significant increase in credit risk	Financial assets with significant increase in credit risk	Financial assets that are credit-impaired	Allowance established in excess	Total
Interbank and money market items (assets)					
Balance - beginning of year	-	-	-	-	-
Changes from revaluation of allowance for credit loss	1,081	-	-	-	1,081
Balance - end of year	<u>1,081</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,081</u>
Investments in debt instruments measured at fair value through other comprehensive income					
Balance - beginning of year	-	-	1,460	-	1,460
Changes from revaluation of allowance for credit loss	-	-	25,000	-	25,000
New financial assets	-	-	164,161	-	164,161
Balance - end of year	<u>-</u>	<u>-</u>	<u>190,621</u>	<u>-</u>	<u>190,621</u>
Investments in debt instruments measured at amortised cost					
Balance - beginning of year	-	-	12,437	-	12,437
Changes from revaluation of allowance for credit loss	-	-	(390)	-	(390)
Balance - end of year	<u>-</u>	<u>-</u>	<u>12,047</u>	<u>-</u>	<u>12,047</u>
Loans to customers and accrued interest receivables					
Balance - beginning of year	3,870,485	3,110,935	1,622,490	2,112,798	10,716,708
Changes from transfers among stages	(53,384)	(155,044)	208,428	-	-
Changes from revaluation of allowance for credit loss	534,165	312,477	3,449,261	-	4,295,903
New financial assets	1,545,829	807,711	278,713	-	2,632,253
Derecognition	(504,875)	(386,980)	(126,826)	-	(1,018,681)
Write-off	-	-	(3,744,240)	-	(3,744,240)
Reduction in allowance established in excess	-	-	-	(1,056,399)	(1,056,399)
Balance - end of year	<u>5,392,220</u>	<u>3,689,099</u>	<u>1,687,826</u>	<u>1,056,399</u>	<u>11,825,544</u>
Other assets - accrued interest receivables on investments					
Balance - beginning of year	-	-	-	-	-
Changes from revaluation of allowance for credit loss	-	-	525	-	525
New financial assets	-	-	4,111	-	4,111
Balance - end of year	<u>-</u>	<u>-</u>	<u>4,636</u>	<u>-</u>	<u>4,636</u>

(Unit: Thousand Baht)

	Separate financial statements			
	For the year ended 31 December 2021			
	Financial assets with no significant increase in credit risk	Financial assets with significant increase in credit risk	Financial assets that are credit-impaired	Total
Interbank and money market items (assets)				
Balance - beginning of year	9	-	-	9
Changes from revaluation of allowance for credit loss	3	-	-	3
Balance - end of year	<u>12</u>	<u>-</u>	<u>-</u>	<u>12</u>
Investments in debt instruments measured at fair value through other comprehensive income				
Balance - beginning of year	-	-	164,161	164,161
Changes from revaluation of allowance for credit loss	-	-	8,300	8,300
Balance - end of year	<u>-</u>	<u>-</u>	<u>172,461</u>	<u>172,461</u>
Loans to customers and accrued interest receivables				
Balance - beginning of year	4,134	-	-	4,134
Changes from revaluation of allowance for credit loss	169	-	-	169
Balance - end of year	<u>4,303</u>	<u>-</u>	<u>-</u>	<u>4,303</u>
Other assets - accrued interest receivables of investments				
Balance - beginning of year	-	-	4,111	4,111
Changes from revaluation of allowance for credit loss	-	-	1,629	1,629
Write-off	-	-	(4,111)	(4,111)
Balance - end of year	<u>-</u>	<u>-</u>	<u>1,629</u>	<u>1,629</u>

(Unit: Thousand Baht)

	Separate financial statements			
	For the year ended 31 December 2020			
	Financial assets with no significant increase in credit risk	Financial assets with significant increases in credit risk	Financial assets that are credit-impaired	Total
Interbank and money market items (assets)				
Balance - beginning of year	-	-	-	-
Changes from revaluation of allowance for credit loss	9	-	-	9
Balance - end of year	9	-	-	9
Investments in debt instruments measured at fair value through other comprehensive income				
Balance - beginning of year	-	-	-	-
New financial assets	-	-	164,161	164,161
Balance - end of year	-	-	164,161	164,161
Loans to customers and accrued interest receivables				
Balance - beginning of year	-	-	-	-
Changes from revaluation of allowance for credit loss	4,134	-	-	4,134
Balance - end of year	4,134	-	-	4,134
Other assets - accrued interest receivables of investments				
Balance - beginning of year	-	-	-	-
New financial assets	-	-	4,111	4,111
Balance - end of year	-	-	4,111	4,111

3.10 Classification of assets

3.10.1 Classification of assets under the BOT's guidelines

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

(Unit: Thousand Baht)

Consolidated financial statements as at 31 December 2021					
Financial assets					
	Debt instruments measured at fair value through other comprehensive income		Debt instruments measured at amortised cost	Loans to customers and accrued interest receivables	Total
	Interbank and money market items				
Financial assets with no significant increase in credit risk (Performing)	30,489,646	7,816,118	-	176,668,823	214,974,587
Financial assets with significant increase in credit risk (Under-performing)	-	-	-	22,708,935	22,708,935
Financial assets that are credit-impaired (Non-performing)	-	226,641	11,958	5,284,416	5,523,015
Total	30,489,646	8,042,759	11,958	204,662,174	243,206,537

(Unit: Thousand Baht)

Consolidated financial statements as at 31 December 2020					
Financial assets					
	Debt instruments measured at fair value through other comprehensive income		Debt instruments measured at amortised cost	Loans to customers and accrued interest receivables	Total
	Interbank and money market items				
Financial assets with no significant increase in credit risk (Performing)	38,213,109	9,722,476	-	190,576,436	238,512,021
Financial assets with significant increase in credit risk (Under-performing)	-	-	-	30,196,284	30,196,284
Financial assets that are credit-impaired (Non-performing)	-	230,780	12,047	5,940,810	6,183,637
Total	38,213,109	9,953,256	12,047	226,713,530	274,891,942

(Unit: Thousand Baht)

Separate financial statements as at 31 December 2021

	Financial assets				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)	22,596	-	-	3,310,000	3,332,596
Financial assets with significant increase in credit risk (Under-performing)	-	-	-	-	-
Financial assets that are credit-impaired (Non-performing)	-	202,271	-	-	202,271
Total	22,596	202,271	-	3,310,000	3,534,867

(Unit: Thousand Baht)

Separate financial statements as at 31 December 2020

	Financial assets				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)	17,403	-	-	3,180,000	3,197,403
Financial assets with significant increase in credit risk (Under-performing)	-	-	-	-	-
Financial assets that are credit-impaired (Non-performing)	-	205,965	-	-	205,965
Total	17,403	205,965	-	3,180,000	3,403,368

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

	Number of debtors as at 31 December		Loans to customers and accrued interest receivables as at 31 December		Collateral value as at 31 December		Allowance for expected credit loss provided in the accounts as at 31 December	
	2021	2020	2021	2020	2021	2020	2021	2020
			(Million Baht)	(Million Baht)	(Million Baht)	(Million Baht)	(Million Baht)	(Million Baht)
1. Non-listed companies with similar operating results and financial positions to listed companies vulnerable to delisting from the SET and under rehabilitation	1	1	476	500	300	315	476	500
2. Non-listed companies with similar operating results and financial positions to listed companies vulnerable to delisting from the SET	10	8	641	890	411	430	86	108
Total	11	9	1,117	1,390	711	745	562	608

3.11 Properties foreclosed

(Unit: Thousand Baht)

Consolidated financial statements	
For the years ended 31 December	
2021	2020
Assets from debt repayment - Movable assets	
Balance - beginning of year	30,543
Additions	3,863,419
Disposals	(3,757,069)
Balance - end of year	136,893
Less: Allowance for impairment	
Balance - beginning of year	872
Increase	50,966
Decrease	(35,467)
Balance - end of year	16,371
Total properties foreclosed - net	120,522
	29,671

3.12 Investment properties

The book value of investment properties as at 31 December 2021 and 2020 is as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	as at 31 December		as at 31 December	
	2021	2020	2021	2020
Book value - beginning of year	27,334	30,304	910,728	955,266
Transfer types of assets	-	-	-	(44,538)
Loss on changes in fair value	(29)	(2,970)	-	-
Book value - end of year	27,305	27,334	910,728	910,728

Investment properties of the Group are office condominiums for rent and are stated at its fair value. The fair value of investment properties is calculated using the asset appraisal method based on the market approach, with reference to market data of the similar and comparable assets. These valuations were made by in-house appraisers of TISCO Bank who have professional experiences and are capable of the asset appraisal, and were based on the asset valuation standards and code of professional ethics in Thailand.

As of the appraisal date, key assumptions that are unobservable inputs used in the valuation are summarised below.

	Consolidated financial statements as of the appraisal date	Result to fair value where as an increase in assumption value
Estimated office condominium price rate (Baht/Sq.m.)	19,000 and 139,951	Increase in fair value
	Separate financial statements as of the appraisal date	Result to fair value where as an increase in assumption value
Estimated office condominium price rate (Baht/Sq.m.)	82,960 - 103,700	Increase in fair value

The Group has rented part of its office condominiums under operating leases with a lease term of 3 years (Separate financial statements: 3 years), and has future minimum rental fee as at 31 December 2021 and 2020 as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	as at 31 December		as at 31 December	
	2021	2020	2021	2020
Not over 1 year	610	356	74,433	74,433
Over 1 but not over 3 years	965	-	74,434	148,867
Total	1,575	356	148,867	223,300

During the years ended 31 December 2021 and 2020, the Group has rental income of Baht 4 million and Baht 4 million, respectively (Separate financial statements: Baht 76 million and Baht 77 million, respectively).

3.13 Premises and equipment

(Unit: Thousand Baht)

	Consolidated financial statements					
	Revaluation basis	Cost basis				
	Office condominiums and building improvements	Land	Buildings and building improvements	Furniture, fixtures, computers and equipment	Motor vehicles	Total
Cost:						
As at 1 January 2020	2,488,779	17,509	800,464	1,214,995	174,083	4,695,830
Additions/transfers-in	1,894	-	71,033	82,008	13,968	168,903
Disposals/write-offs/transfers-out	(280)	-	(70,771)	(122,057)	(18,658)	(211,766)
As at 31 December 2020	2,490,393	17,509	800,726	1,174,946	169,393	4,652,967
Additions/transfers-in	678	-	24,835	35,518	13,365	74,396
Disposals/write-offs/transfers-out	-	-	(17,286)	(119,687)	(20,339)	(157,312)
As at 31 December 2021	2,491,071	17,509	808,275	1,090,777	162,419	4,570,051
Accumulated depreciation:						
As at 1 January 2020	32,704	-	623,690	956,947	98,337	1,711,678
Depreciation for the year	32,332	-	68,697	98,044	24,637	223,710
Depreciation on disposals/write-offs/transfers-out	(5)	-	(68,993)	(119,225)	(15,937)	(204,160)
As at 31 December 2020	65,031	-	623,394	935,766	107,037	1,731,228
Depreciation for the year	33,126	-	68,154	87,199	23,370	211,849
Depreciation on disposals/write-offs/transfers-out	-	-	(14,175)	(119,491)	(19,922)	(153,588)
As at 31 December 2021	98,157	-	677,373	903,474	110,485	1,789,489
Net book value:						
As at 31 December 2020	2,425,362	17,509	177,332	239,180	62,356	2,921,739
As at 31 December 2021	2,392,914	17,509	130,902	187,303	51,934	2,780,562
Depreciation for the years ended 31 December:						
2020						223,710
2021						211,849

(Unit: Thousand Baht)

	Separate financial statements			
	Revaluation basis	Cost basis		
	Office condominiums and building improvements	Furniture, fixtures, computers and equipment	Motor vehicles	Total
Cost:				
As at 1 January 2020	629,722	461,391	87,723	1,178,836
Additions/transfers-in	46,319	63,251	-	109,570
Disposals/write-offs/transfers-out	(264)	(10,350)	(6,567)	(17,181)
As at 31 December 2020	675,777	514,292	81,156	1,271,225
Additions/transfers-in	678	28,186	-	28,864
Disposals/write-offs/transfers-out	-	(34,275)	(2,409)	(36,684)
As at 31 December 2021	676,455	508,203	78,747	1,263,405
Accumulated depreciation:				
As at 1 January 2020	10,809	325,879	41,769	378,457
Depreciation for the year	11,285	55,485	13,627	80,397
Depreciation on disposals/ write-offs/transfers-out	-	(10,120)	(4,474)	(14,594)
As at 31 December 2020	22,094	371,244	50,922	444,260
Depreciation for the year	11,675	49,992	12,453	74,120
Depreciation on disposals/ write-offs/transfers-out	-	(34,239)	(2,409)	(36,648)
As at 31 December 2021	33,769	386,997	60,966	481,732
Net book value:				
As at 31 December 2020	653,683	143,048	30,234	826,965
As at 31 December 2021	642,686	121,206	17,781	781,673
Depreciation for the years ended 31 December				
2020				80,397
2021				74,120

As at 31 December 2021 and 2020, the Group has equipment which has been fully depreciated but is still in use with the gross carrying amount, before deducting accumulated depreciation and allowance for loss on impairment, of approximately Baht 1,218 million and Baht 1,203 million, respectively (Separate financial statements: Baht 277 million and Baht 274 million, respectively).

The Group arranged for an independent professional appraiser to appraise the value of the office condominium in 2018, using the market approach.

Had the office condominiums been carried in the financial statements based on cost model, their net book value as at 31 December 2021 and 2020 would have been as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	as at 31 December		as at 31 December	
	2021	2020	2021	2020
Office condominiums - net of accumulated depreciation	937,054	965,504	232,412	242,568

As of the appraisal date, key assumptions that are unobservable inputs used in the valuation are summarised below.

	As of the appraisal date		
	Consolidated financial statements	Separate financial statements	Result to fair value where as an increase in assumption value
Estimated office condominium price rate (Baht/Sq.m.)	82,960 - 181,475	88,145 - 103,700	Increase in fair value

3.14 Right-of-use assets

Movements of right-of-use assets for the years ended 31 December 2021 and 2020 are as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2021	2020	2021	2020
Book value - beginning of year	885,486	1,061,585	879	1,158
Additions	108,550	158,039	-	-
Contract amendment	28,395	(2,526)	-	-
Contract termination	(3,118)	(43,325)	-	-
Depreciation for the year	(266,484)	(288,287)	(279)	(279)
Book value - end of year	752,829	885,486	600	879

3.15 Intangible assets

The book value of intangible assets - computer software as at 31 December 2021 and 2020 is presented as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	as at 31 December		as at 31 December	
	2021	2020	2021	2020
Cost	1,683,680	1,630,360	610,143	590,697
Less: Accumulated amortisation	(1,552,761)	(1,416,092)	(535,972)	(491,870)
Net book value	<u>130,919</u>	<u>214,268</u>	<u>74,171</u>	<u>98,827</u>

A reconciliation of the net book value of intangible assets for the years ended 31 December 2021 and 2020 is presented as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2021	2020	2021	2020
Book value - beginning of year	214,268	329,460	98,827	124,209
Acquisitions of computer software	37,506	30,943	19,445	18,120
Write-offs/disposals of computer software	(6,708)	(955)	-	-
Amortisation	(114,147)	(145,180)	(44,101)	(43,502)
Book value - end of year	<u>130,919</u>	<u>214,268</u>	<u>74,171</u>	<u>98,827</u>

As at 31 December 2021 and 2020, the Group has computer software which has been fully amortised but is still in use with the gross carrying amount, before deducting accumulated amortisation, of approximately Baht 1,356 million and Baht 882 million, respectively (Separate financial statements: Baht 448 million and Baht 367 million, respectively).

3.16 Other assets

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	as at 31 December		as at 31 December	
	2021	2020	2021	2020
Receivables from clearing house	396,437	291,896	-	-
Value added tax - net	340,884	367,830	3,017	1,652
Accrued interest receivables	30,641	17,765	-	-
Fee and service receivables	479,617	451,495	120,833	126,439
Refundable income tax and prepaid income tax	310	8,751	-	-
Deposits	79,607	84,200	90	95
Other receivables	715,363	605,456	-	-
Other assets	427,904	399,180	75,527	60,633
Total other assets	2,470,763	2,226,573	199,467	188,819

3.17 Deposits

3.17.1 Classified by type of deposits

(Unit: Thousand Baht)

	Consolidated financial statements as at 31 December	
	2021	2020
Deposits		
Current accounts	2,162,084	3,199,911
Saving accounts	46,931,704	50,319,591
Fixed accounts		
- not over 6 months	9,021,296	12,761,123
- over 6 months but not over 1 year	23,680,305	27,901,720
- over 1 year	2,189,472	3,219,474
Certificates of deposits/negotiable certificates of deposits	82,557,065	106,071,006
Total	166,541,926	203,472,825

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

3.18 Interbank and money market items (liabilities)

(Unit: Thousand Baht)

	Consolidated financial statements as at 31 December					
	2021			2020		
	At call	Term	Total	At call	Term	Total
<u>Domestic</u>						
Bank of Thailand	-	4,364,356	4,364,356	-	1,164,700	1,164,700
Commercial banks	110,418	1,070,000	1,180,418	128,832	920,000	1,048,832
Specialised Financial Institutions	-	1,747,670	1,747,670	-	2,353,466	2,353,466
Other financial institutions	582,625	205,631	788,256	357,808	882,840	1,240,648
Total	693,043	7,387,657	8,080,700	486,640	5,321,006	5,807,646

(Unit: Thousand Baht)

	Separate financial statements as at 31 December					
	2021			2020		
	At call	Term	Total	At call	Term	Total
<u>Domestic</u>						
Commercial banks	565,000	-	565,000	3,780,000	-	3,780,000
Total	565,000	-	565,000	3,780,000	-	3,780,000

As at 31 December 2021 and 2020, interbank and money market items in the separate financial statements represent borrowings from a subsidiary amounting to Baht 565 million and Baht 3,780 million, respectively, which mature at call and bear interest at a fixed rate per annum. Interest payment on which is made on a monthly basis.

3.19 Debts issued and borrowings

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	as at 31 December		as at 31 December	
	2021	2020	2021	2020
<u>Domestic borrowings</u>				
Subordinated unsecured debentures	6,640,000	6,620,000	-	-
Unsubordinated unsecured debentures	8,285,000	6,169,000	6,065,000	1,629,000
Bills of exchange	36,122	36,122	-	-
Promissory notes	797	797	-	-
Total	14,961,919	12,825,919	6,065,000	1,629,000

3.19.1 Subordinated unsecured debentures

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

Issued year	Units		Face value (Baht per unit)	Balance		Maturity in the year	Interest rate
	as at 31 December			as at 31 December			
	2021 (Million units)	2020 (Million units)		2021 (Million units)	2020 (Million units)		
2016	-	0.68	1,000	-	680	2026	3.875 percent per annum
2017	1.00	1.00	1,000	1,000	1,000	2027	4.00 percent per annum
2017	0.60	0.60	1,000	600	600	2027	3.70 percent per annum
2019	1.20	1.20	1,000	1,200	1,200	2029	4.00 percent per annum
2019	1.20	1.20	1,000	1,200	1,200	2029	4.00 percent per annum
2020	1.25	1.25	1,000	1,250	1,250	2030	3.50 percent per annum
2020	0.69	0.69	1,000	690	690	2030	3.15 percent per annum
2021	0.70	-	1,000	700	-	2031	3.25 percent per annum
Total				<u>6,640</u>	<u>6,620</u>		

3.19.2 Unsubordinated unsecured debentures

As at 31 December 2021 and 2020, the Group has short-term and long-term unsubordinated unsecured debentures as follows:

Consolidated financial statements								
Issued year	Type of debentures	Units		Face value (Baht per unit)	Balance		Maturity in the year	Interest rate
		as at 31 December			as at 31 December			
		2021 (Million units)	2020 (Million units)		2021 (Million Baht)	2020 (Million Baht)		
2020	Short-term debenture	-	1.629	1,000	-	1,629	2021	0.55 - 1.05 percent per annum
2020	Short-term debenture	-	2.32	1,000	-	2,320	2021	1.30 percent per annum
2020	Long-term debenture	2.22	2.22	1,000	2,220	2,220	2022	1.40 percent per annum
2021	Short-term debenture	6.065	-	1,000	6,065	-	2022	0.70 - 0.75 percent per annum
Total					<u>8,285</u>	<u>6,169</u>		

Separate financial statements								
Issued year	Type of debentures	Units		Face value (Baht per unit)	Balance		Maturity in the year	Interest rate
		as at 31 December			as at 31 December			
		2021 (Million units)	2020 (Million units)		2021 (Million Baht)	2020 (Million Baht)		
2020	Short-term debenture	-	1.629	1,000	-	1,629	2021	0.55 - 1.05 percent per annum
2021	Short-term debenture	6.065	-	1,000	6,065	-	2022	0.70 - 0.75 percent per annum
Total					<u>6,065</u>	<u>1,629</u>		

3.19.3 Bills of exchange

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

3.20 Lease liabilities

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	as at 31 December		as at 31 December	
	2021	2020	2021	2020
Balance - beginning of year	888,548	1,060,908	922	1,215
Increase during the year	125,725	171,171	-	-
Contract amendment	27,146	(4,353)	-	-
Paid during the year	(275,842)	(291,784)	(292)	(293)
Terminated during the year	(9,996)	(47,394)	-	-
Balance - end of year	755,581	888,548	630	922
Less: Deferred interest expenses	(48,402)	(59,958)	(16)	(33)
Lease liabilities - net	707,179	828,590	614	889
Current portion	(189,382)	(179,965)	(282)	(275)
Lease liabilities - net of current portion	517,797	648,625	332	614

The Group had total cash outflows on leases during the years ended 31 December 2021 and 2020 of Baht 291 million and Baht 303 million, respectively (Separate financial statements: Baht 2 million and Baht 3 million, respectively).

Expenses relating to leases that are recognised in profit or loss for the years ended 31 December 2021 and 2020 are as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2021	2020	2021	2020
Depreciation expense of right-of-use assets	266	288	-	-
Interest expense on lease liabilities	20	24	-	-
Expenses relating to variable lease payments	15	18	2	3
Total	301	330	2	3

3.21 Provisions

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	as at 31 December		as at 31 December	
	2021	2020	2021	2020
Allowance for expected credit loss				
on loan commitments	1,527	14,716	-	-
Provision for long-term employee				
benefits	1,727,454	1,676,338	303,612	291,741
Total provisions	<u>1,728,981</u>	<u>1,691,054</u>	<u>303,612</u>	<u>291,741</u>

3.21.1 Allowance for expected credit loss on loan commitments

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

(Unit: Thousand Baht)

	Consolidated financial statements as at 31 December			
	2021		2020	
	Loan commitments	Allowance for expected credit loss	Loan commitments	Allowance for expected credit loss
Financial assets with no significant increase in credit risk (Performing)	1,012,791	1,527	1,338,700	14,716
Financial assets with significant increase in credit risk (Under-performing)	-	-	-	-
Financial assets that are credit-impaired (Non-performing)	-	-	-	-
Total	<u>1,012,791</u>	<u>1,527</u>	<u>1,338,700</u>	<u>14,716</u>

Changes in allowance for expected credit loss on loan commitments are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements for the years ended 31 December			
	2021		2020	
	Financial assets with no significant increase in credit risk	Total	Financial assets with no significant increase in credit risk	Total
Balance - beginning of year	14,716	14,716	-	-
Changes from revaluation of allowance for credit loss/ new financial assets/derecognition	(13,189)	(13,189)	14,716	14,716
Balance - end of year	1,527	1,527	14,716	14,716

3.21.2 Provision for long-term employee benefits

Provision for long-term employee benefits, which is compensations on employees' retirement and other long-term benefits, is as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2021	2020	2021	2020
Defined post-employment benefit obligation at beginning of year	1,355,970	1,234,614	263,323	241,239
Current service cost	101,489	96,685	14,942	14,175
Interest cost	21,489	19,502	3,092	3,200
Benefits paid during the year	(60,691)	(35,104)	(27,775)	(9,139)
Included in other comprehensive income:				
Actuarial (gain) loss arising from Demographic assumptions changes	126,237	22,155	14,075	2,590
Financial assumptions changes	(157,381)	28,635	3,108	7,717
Other assumptions changes	27,165	(10,517)	3,098	3,541
Defined post-employment benefit obligation at end of year	1,414,278	1,355,970	273,863	263,323
Other long-term benefits	313,176	320,368	29,749	28,418
Total provision for long-term employee benefits at end of year	1,727,454	1,676,338	303,612	291,741

Long-term employee benefit expenses included in the profit or loss for the years ended 31 December 2021 and 2020 are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2021	2020	2021	2020
Current service cost	133,279	129,086	17,310	16,632
Interest cost	25,353	23,081	3,425	3,524
Actuarial (gain) loss	(26,056)	52,530	1,051	4,208
Total employee benefit expenses	132,576	204,697	21,786	24,364

As at 31 December 2021 and 2020, the Group expects to pay long-term employee benefits during the next year of Baht 163 million and Baht 131 million, respectively (Separate financial statements: Baht 62 million and Baht 52 million, respectively).

As at 31 December 2021 and 2020, the weighted average duration of the liabilities for long-term employee benefits is 15 years and 16 years, respectively (Separate financial statements: 11 years and 11 years, respectively).

Significant actuarial assumptions as at the assessment date are summarised below.

(Unit: Percent per annum)

	Consolidated financial statements		Separate financial statements	
	As at 31 December		As at 31 December	
	2021	2020	2021	2020
Discount rate	0.51 - 3.32	0.46 - 2.61	0.51 - 3.32	0.46 - 2.41
Average salary increase rate	5.00	5.00	5.00	5.00
Turnover rate	0.88 - 9.26	1.11 - 10.55	0.88 - 9.26	1.11 - 10.55

The results of sensitivity analysis for significant assumptions that affect the increase (decrease) in the present value of the employee benefit obligation as at 31 December 2021 and 2020 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements as at 31 December			
	2021		2020	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
Discount rate	(36,511)	38,062	(37,366)	39,014
Average salary increase rate	37,054	(35,743)	37,673	(36,298)
Turnover rate	(4,325)	4,325	(4,419)	4,419

(Unit: Thousand Baht)

	Separate financial statements as at 31 December			
	2021		2020	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
Discount rate	(4,178)	4,322	(4,327)	4,479
Average salary increase rate	4,193	(4,076)	4,314	(4,192)
Turnover rate	(771)	771	(769)	769

3.22 Other liabilities

	(Unit: Thousand Baht)			
	Consolidated financial statements as at 31 December		Separate financial statements as at 31 December	
	2021	2020	2021	2020
Payables to clearing house	-	309,866	-	-
Withholding income tax and other tax payables	584,678	593,909	118,901	94,560
Accrued insurance premium	525,971	479,958	-	-
Deferred income	1,594,563	1,481,571	-	-
Accrued expenses	3,261,310	3,458,156	1,561,802	1,508,858
Suspense creditors	1,028,283	1,075,205	-	-
Other liabilities	463,560	405,956	96	100
Total other liabilities	7,458,365	7,804,621	1,680,799	1,603,518

The above accrued expenses include accrued bonus expenses which are remunerations paid to employees and management based on annual performance. These accrued bonus expenses include costs of annual bonus that are determined with reference to the Company's share price, paid to employees whose performance impacts the Company's operating results, as an incentive to work effectively and to build loyalty to the Company. This vested bonus is continuously set aside for payment five years later. It is paid in cash and determined based on the average daily price of the Company's shares over the period of five years from grant date to settlement date. As of 31 December 2021, the Group has accrued bonus under this scheme amounting to Baht 387 million (Separate financial statements: Baht 172 million) (2020: Baht 444 million and Baht 217 million, respectively) and recognised expenses in profit or loss during the year ended 31 December 2021 amounting to Baht 141 million (Separate financial statements: Baht 52 million).

As at 31 December 2021, the above other liabilities include advances received from Electronic Funds Transfer transactions of the subsidiary operating a banking business amounting to Baht 3 million (2020: Baht 3 million), and the subsidiary maintained an asset amounting to Baht 14 million to reserve for advances received through such transactions, presented under interbank and money market items (assets) in the statement of financial position as at 31 December 2021 (2020: Baht 13 million).

3.23 Capital funds

The primary objectives of the Group's capital management are to maintain its ability to continue as a going concern and to maintain capital adequacy ratio, in accordance with the regulations of the BOT.

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

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

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

	(Unit: Thousand Baht)	
	As at 31 December	
	2021	2020
<u>Common Equity Tier I capital</u>		
Issued and paid-up share capital	8,006,456	8,006,456
Premium on share capital	1,018,408	1,018,408
Statutory reserve	801,000	801,000
Net profits after appropriation	21,731,535	21,759,372
Other components of equity	1,828,088	1,837,917
Less: Deductions from Common Equity Tier I items	(964,409)	(1,054,338)
Total Common Equity Tier I capital	32,421,078	32,368,815
<u>Financial Instrument Tier I capital</u>		
Issued and paid-up share capital - non-cumulative preference shares	99	99
Total Tier I capital	32,421,177	32,368,914
<u>Tier II capital</u>		
Long-term subordinated debentures	6,640,000	6,620,000
Surplus of provision	705,098	762,036
Reserve for loans classified as normal	714,444	726,676
Total Tier II capital	8,059,542	8,108,712
Total capital funds	40,480,719	40,477,626

(Unit: Percent)

Capital fund ratios	As at 31 December			
	2021		2020	
	Financial	Financial	Financial	Financial
	Business	Business	Business	Business
	Group	Requirement	Group	Requirement
Common Equity Tier I capital to risk assets	18.56	7.00	17.48	7.00
Tier I capital to risk assets	18.56	8.50	17.48	8.50
Total capital to risk assets	23.18	11.00	21.86	11.00

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

(Unit: Thousand Baht)

	As at 31 December	
	2021	2020
<u>Common Equity Tier I capital</u>		
Issued and fully paid-up share capital	9,215,676	9,215,676
Premium on share capital	2,543,024	2,543,024
Statutory reserve	984,000	984,000
Net profits after appropriation	18,463,500	17,713,142
Other components of equity	302,640	309,469
Less: Deductions from Common Equity Tier I items	(137,200)	(366,769)
Total Common Equity Tier I capital	31,371,640	30,398,542
<u>Financial Instrument Tier I capital</u>		
Issued and fully paid-up share capital - non-cumulative preference shares	1	1
Total Tier I capital	31,371,641	30,398,543
<u>Tier II Capital</u>		
Long-term subordinated debentures	6,640,000	6,620,000
Surplus of provision	685,907	741,712
Reserve for loans classified as normal	515,890	557,567
Total Tier II capital	7,841,797	7,919,279
Total capital funds	39,213,438	38,317,822

(Unit: Percent)

Capital fund ratios	As at 31 December			
	2021		2020	
	TISCO Bank	Requirement	TISCO Bank	Requirement
Common Equity Tier I capital to risk assets	20.16	7.00	18.07	7.00
Tier I capital to risk assets	20.16	8.50	18.07	8.50
Total capital to risk assets	25.20	11.00	22.78	11.00

To comply with the Notification of the BOT No. Sor Nor Sor. 15/2562 regarding “Public Disclosure of Capital Maintenance for Financial Business Group (No.2)”, the Company will disclose capital maintenance information of the Financial Business Group as at 31 December 2021 on its website (www.tisco.co.th) by April 2022.

3.24 Other components of equity

3.24.1 Surplus (deficit) on valuation of investments measured at fair value through other comprehensive income

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2021	2020	2021	2020
Balance - beginning of year	7,339	5,286	(1,536)	-
Increase (decrease) from changes in value of investments during the year	(4,583)	2,053	4,607	(1,536)
	2,756	7,339	3,071	(1,536)
Add: Effect of deferred tax assets	-	-	-	307
Less: Effect of deferred tax liabilities	(551)	(1,468)	(614)	-
Balance - end of year	2,205	5,871	2,457	(1,229)

3.24.2 Surplus on revaluation of assets

This represents surplus arising from revaluation of office condominiums. The surplus is amortised to retained earnings on a straight-line basis over the remaining life of the related assets.

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2021	2020	2021	2020
Balance - beginning of year	1,446,646	1,451,010	382,072	382,866
Transfer to retained earnings	(4,451)	(4,364)	(841)	(794)
	1,442,195	1,446,646	381,231	382,072
Less: Effect of deferred tax liabilities	(288,708)	(289,508)	(76,246)	(76,413)
Balance - end of year	1,153,487	1,157,138	304,985	305,659

3.25 Interest income

Interest income in the statements of comprehensive income for the years ended 31 December 2021 and 2020 consisted of the following:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2021	2020	2021	2020
Interbank and money market items	151,943	251,331	293	2,653
Investments in debt securities	83,420	142,275	1,629	6,953
Loans to customers and overdrafts	7,124,386	8,002,719	61,445	55,764
Hire purchase and finance lease	7,431,936	8,360,384	-	-
Total interest income	14,791,685	16,756,709	63,367	65,370

Interest income for the years ended 31 December 2021 and 2020 consisted of interest income on credit-impaired financial assets amounting to Baht 439 million and Baht 548 million, respectively. The subsidiaries fully recognised expected credit loss on such interest income.

3.26 Interest expenses

Interest expenses in the statements of comprehensive income for the years ended 31 December 2021 and 2020 consisted of the following:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2021	2020	2021	2020
Deposits	1,519,853	2,637,766	-	-
Interbank and money market items	16,850	25,468	10,860	19,589
Contribution fee to the Deposit Protection Agency and the Bank of Thailand	451,906	523,948	-	-
Issued debt securities				
- Subordinated debentures	250,734	265,996	-	-
- Unsubordinated debentures	71,110	180,703	32,759	50,827
Borrowings	921	913	-	-
Others	20,484	24,206	17	24
Total interest expenses	2,331,858	3,659,000	43,636	70,440

3.27 Net fee and service income

Net fee and service income in the statements of comprehensive income for the years ended 31 December 2021 and 2020 consisted of the following:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2021	2020	2021	2020
Fee and service income				
- Acceptance, aval and guarantees	5,906	6,670	-	-
- Insurance service	2,104,745	2,222,944	-	-
- Brokerage fee	848,558	784,796	-	-
- Fund management	1,823,081	1,219,100	-	-
- Others	1,348,071	1,278,582	-	-
Total fee and service income	6,130,361	5,512,092	-	-
Fee and service expenses				
- Information service expenses	(18,317)	(17,760)	-	-
- Others	(496,672)	(348,301)	(16,964)	(21,975)
Total fee and service expenses	(514,989)	(366,061)	(16,964)	(21,975)
Net fee and service income	5,615,372	5,146,031	(16,964)	(21,975)

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

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2021	2020	2021	2020
Gain (loss) on trading and foreign exchange				
- Foreign currencies and derivatives on foreign exchange	86,780	(15,288)	86,307	(1,738)
- Debt securities	16,948	20,032	-	-
- Equity securities	300,098	252,741	(220,622)	54,964
Net gain (loss) on financial instruments measured at fair value through profit or loss	403,826	257,485	(134,315)	53,226

3.29 Net gain on investments

Net gain on investments in the statements of comprehensive income for the years ended 31 December 2021 and 2020 consisted of the following:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2021	2020	2021	2020
Gain on derecognition				
- Debt instruments measured at fair value through other comprehensive income	782	4,921	-	-
- Debt instruments measured at amortised cost	5,501	7,451	-	-
Net gain on investments	<u>6,283</u>	<u>12,372</u>	<u>-</u>	<u>-</u>

3.30 Expected credit loss

Expected credit loss and gain or loss from the modifications of terms of financial assets in the statements of comprehensive income for the years ended 31 December 2021 and 2020 consisted of the following:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2021	2020	2021	2020
Expected credit loss				
- Interbank and money market items (reversal)	(646)	1,081	3	9
- Investments in debt instruments measured at amortised cost (reversal)	(89)	(390)	-	-
- Investments in debt instruments measured at fair value through other comprehensive income and accrued interest receivables	11,125	193,797	9,929	168,272
- Loans to customers	2,037,956	3,067,524	169	4,134
- Other receivables	13,295	-	-	-
Loss from the modification of terms				
- Loans to customers	15,527	53,876	-	-
Loan commitments (reversal)	(13,189)	14,716	-	-
Total	<u>2,063,979</u>	<u>3,330,604</u>	<u>10,101</u>	<u>172,415</u>

3.31 Income tax expenses

Income tax expenses of the Group for the years ended 31 December 2021 and 2020 are as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2021	2020	2021	2020
Current income tax:				
Income tax expenses for the year	1,691,968	1,040,671	92,679	105,243
Adjustments of prior year's income tax	-	37	-	-
Deferred tax:				
Deferred tax on temporary differences and reversion of temporary differences	15,796	456,946	(49,131)	(52,801)
Income tax expenses reported in the statement of comprehensive income	<u>1,707,764</u>	<u>1,497,654</u>	<u>43,548</u>	<u>52,442</u>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2021 and 2020 are as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2021	2020	2021	2020
(Gain) loss on valuation of investments in debt instruments measured at fair value through other comprehensive income	917	(411)	(921)	307
Actuarial (gain) loss	(953)	8,072	4,056	2,770
Income tax expenses recorded directly to other comprehensive income	<u>(36)</u>	<u>7,661</u>	<u>3,135</u>	<u>3,077</u>

A reconciliation between income tax expenses and the product of accounting profit multiplied by the applicable tax rate for the years ended 31 December 2021 and 2020 is as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2021	2020	2021	2020
Accounting profit before tax	8,492,757	7,561,516	4,804,472	5,111,737
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by applicable tax rate	1,698,551	1,512,303	960,895	1,022,347
Income tax effects:				
Tax effect of net tax-exempt income, net disallowed expenses and additional expense deductions allowed	9,442	(13,367)	(917,347)	(969,905)
Adjustments of prior year's income tax	-	37	-	-
Others	(229)	(1,319)	-	-
Income tax expenses reported in the statement of comprehensive income	1,707,764	1,497,654	43,548	52,442
Weighted average tax rate	20.11%	19.81%	0.91%	1.03%

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

(Unit: Thousand Baht)

	Consolidated financial statements			
	As at 31 December		Changes in deferred tax assets/liabilities reported in profit or loss for the years ended 31 December	
	2021	2020	2021	2020
Allowance for expected credit loss	260,831	436,525	(175,694)	(408,559)
Allowance for impairment of investments	24,321	24,321	-	-
Allowance for impairment of properties foreclosed	3,274	174	3,100	113
Non-accrual of interest income	5,728	10,719	(4,991)	(44,936)
Depreciation of assets	(62,684)	(69,190)	6,506	6,699
Finance leases	-	-	-	12
Gain on changes in value of investment properties	(4,122)	(1,441)	(2,681)	3,281
Surplus on revaluation of assets	(294,461)	(295,261)	-	-
Surplus on changes in value of investments	(551)	(961)	-	-
Unrealised gain on derivatives	-	-	-	214
Gain on changes in value of investments in securities	(108,683)	(123,052)	14,369	(10,915)
Deferred commission and direct expenses incurred at the initiation of hire purchase	(192,791)	(370,862)	178,071	244,243
Unearned interest income on hire purchase	42,534	101,877	(59,343)	(95,361)
Loss on disposal of properties foreclosed	68,561	46,727	21,834	(2,446)
Reduction of subsidiaries' share capital	21,435	21,435	-	(3,613)
Accrued expenses	573,030	581,072	(8,042)	(113,139)
Employee benefit expenses	343,824	308,945	28,168	12,622
Others	79,483	95,416	(25,294)	(44,156)
Deferred tax assets	759,729	766,444	(23,997)	(455,941)

(Unit: Thousand Baht)

	Consolidated financial statements			
	As at 31 December		Changes in deferred tax assets/liabilities reported in profit or loss for the years ended 31 December	
	2021	2020	2021	2020
Allowance for expected credit loss	-	(81)	81	(81)
Depreciation of assets	-	(1,757)	1,757	(1,757)
Gain on changes in fair value of investment properties	-	2,687	(2,687)	2,687
Surplus on changes in value of investments	-	507	-	-
Gain on changes in value of investments in securities	-	46,964	(46,964)	39,768
Accrued expenses	-	(21,343)	21,343	(21,343)
Employee benefit expenses	-	(24,862)	17,251	(17,251)
Others	-	(1,018)	1,018	(1,018)
Deferred tax liabilities	-	1,097	(8,201)	1,005
Total changes			(15,796)	(456,946)

As at 31 December 2021 and 2020, a subsidiary has unused tax loss totalling Baht 86 million and Baht 102 million, respectively, on which deferred tax assets have not been recognised as the subsidiary believes that future taxable profits may not be sufficient to allow utilisation of the tax loss. The unused tax loss will expire by 2023 - 2026.

(Unit: Thousand Baht)

	Separate financial statements			
	As at 31 December		Changes in deferred tax assets/liabilities reported in profit or loss for the years ended 31 December	
	2021	2020	2021	2020
Allowance for expected credit loss	35,681	34,483	1,198	34,483
Allowance for impairment of investments	21,732	21,732	-	-
Depreciation of assets	(43,467)	(41,622)	(1,845)	(2,445)
Gain on changes in fair value of investment properties	(92,082)	(92,082)	-	-
Surplus on revaluation of assets	(76,246)	(76,413)	-	-
(Surplus) deficit on changes in value of investments	(614)	307	-	-
(Gain) loss on changes in value of investments				
in securities	22,684	(21,440)	44,124	(10,992)
Reduction of subsidiaries' share capital	21,435	21,435	-	-
Accrued expenses	305,033	297,228	7,805	28,532
Employee benefit expenses	60,723	58,348	(1,682)	2,399
Others	355	824	(469)	824
Deferred tax assets	255,234	202,800	49,131	52,801

3.32 Earnings per share

Basic earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares and preference shares in issue during the year. The rights and benefits of the preference shareholders have been equal to those of the ordinary shareholders.

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>For the years ended 31 December</u>		<u>For the years ended 31 December</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Profit attributable to equity holders of the Company (Thousand Baht)	6,784,593	6,063,483	4,760,924	5,059,295
Weighted average number of shares (Thousand shares)	800,655	800,655	800,655	800,655
Basic earnings per share (Baht/share)	8.47	7.57	5.95	6.32

3.33 Related party transactions

The relationships between the Company and its related parties

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

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

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	as at 31 December	
	2021	2020
<u>Outstanding balances</u>		
Joint venture company		
Deposits	1,771	1,099
Directors and management - departmental managers upward		
Loans ⁽¹⁾	23,242	23,839
Deposits	628,320	513,190
Companies which directors or their related persons have significant influence over		
Deposits	39,580	148,665
Related persons of directors and key management		
Deposits	70,555	35,880

(1) Including employee welfare loans and normal loans.

	(Unit: Thousand Baht)	
	Separate financial statements	
	as at 31 December	
	2021	2020
<u>Outstanding balances</u>		
(Eliminated from the consolidated financial statements)		
Subsidiaries		
Interbank and money market items - net (assets)		
TISCO Bank Public Company Limited	22,583	17,391
Loans to customers		
Hi-way Co., Ltd.	3,310,000	3,180,000
Dividend receivables		
TISCO Bank Public Company Limited	1,999,552	1,888,978
TISCO Securities Co., Ltd.	650,000	340,000
TISCO Asset Management Co., Ltd.	999,994	629,996
Hi-Way Co., Ltd.	471,000	416,500
TISCO Insurance Solution Co., Ltd.	299,990	374,987
TISCO Information Technology Co., Ltd.	147,995	159,995
TISCO Learning Center Co., Ltd.	21,999	34,498
Other assets		
TISCO Bank Public Company Limited	121,375	126,221
TISCO Learning Center Co., Ltd.	-	229
Interbank and money market items (liabilities)		
TISCO Bank Public Company Limited	565,000	3,780,000
Other liabilities		
TISCO Learning Center Co., Ltd.	-	179

The Company has credit line obligations granted to companies in the Group, consisting of TISCO Securities Co., Ltd., TISCO Asset Management Co., Ltd., Hi-Way Co., Ltd., TISCO Information Technology Co., Ltd., TISCO Insurance Solution Co., Ltd. and All-Ways Co., Ltd. As at 31 December 2021, total loan balance for all credit lines granted to all companies in the Group must not exceed Baht 12,000 million (2020: total loan balance for all credit lines granted to all companies in the Group, except All-Ways Co., Ltd., must not exceed Baht 5,000 million).

Loans to related companies

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

		(Unit: Thousand Baht)			
		For the year ended 31 December 2021			
		Balance - beginning of year	Increase	Decrease	Balance - end of year
Subsidiaries					
Loans					
	Hi-Way Co., Ltd.	3,180,000	550,000	(420,000)	3,310,000
		(Unit: Thousand Baht)			
		For the year ended 31 December 2020			
		Balance - beginning of year	Increase	Decrease	Balance - end of year
Subsidiaries					
Loans					
	Hi-Way Co., Ltd.	2,210,000	1,420,000	(450,000)	3,180,000

Borrowings from related companies

As at 31 December 2021 and 2020, the balances of borrowings between the Company and its related companies (Interbank and money market items) and their movements are as follows:

		(Unit: Thousand Baht)			
		For the year ended 31 December 2021			
		Balance - beginning of year	Increase	Decrease	Balance - end of year
Subsidiaries					
Borrowings					
	TISCO Bank Public Company Limited	3,780,000	60,000	(3,275,000)	565,000

(Unit: Thousand Baht)

For the year ended 31 December 2020

	Balance - beginning of year	Increase	Decrease	Balance - end of year
Subsidiaries				
Borrowings				
TISCO Bank Public Company Limited	-	3,788,000	(8,000)	3,780,000

During the years, the Company had significant business transactions with related parties. Such transactions, which are summarised below, were concluded on bases agreed upon between the Company and those related parties.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		Terms and pricing policies
	For the years ended 31 December		For the years ended 31 December		
	2021	2020	2021	2020	
Transactions occurred during the years					
Joint venture company					
Other income	8,403	8,130	-	-	With reference to the terms and prices as offered to other customers
Subsidiaries (Eliminated from the consolidated financial statements)					
Interest income	-	-	61,738	58,417	With reference to the terms and prices as offered to other customers
Risk and financial management fee income, human resources management fee income and office administration fee income	-	-	2,108,928	2,145,465	Determined on market prices and/or actual costs in compliance with the criteria specified by the BOT
Rental income	-	-	74,433	75,987	With reference to the terms and prices as offered to other customers
Computer system advisory service expenses	-	-	335,000	315,000	Determined on actual costs in compliance with the criteria specified by the BOT
Training expenses	-	-	3,538	6,528	With reference to the prices as offered from other service providers
Interest expenses	-	-	10,860	19,589	With reference to the terms and prices as offered to other customers
Other expenses	-	-	1,759	1,527	With reference to the terms and prices as offered to other customers

In May 2020, the Company invested in private sector debt securities totalling Baht 372 million of a company with weak financial position and poor operating results from mutual funds managed by the subsidiary operating an asset management business. As at 31 December 2021 and 2020, the Company has already set up an allowance for expected credit loss based on the recovery amount.

Directors' and key management's benefits

During the years ended 31 December 2021 and 2020, the Group had short-term benefit expenses and post-employment benefit expenses to its directors and key management as follows:

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2021	2020	2021	2020
Short-term benefits	805	769	473	458
Post-employment benefits	63	61	33	32
Total	868	830	506	490

The Group has other employee benefit expenses to its directors and key management recognised in profit or loss during the year ended 31 December 2021 amounting to Baht 106 million (Separate financial statements: Baht 71 million).

3.34 Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance. The chief operating decision maker has been identified as the Group Chief Executive of TISCO Group.

For management purposes, the Group operates four main businesses as follows:

1. Commercial banking business: Provides financial services under the Commercial Banking Business license. Banking services are provided through TISCO Bank Public Company Limited headquarter and its branches.
2. Securities business: Provides securities business services under the Securities Business license. These businesses are serviced through the headquarter and branches of the subsidiary across the country.
3. Asset management business: Provides asset management services.
4. Support business: Provides all governance and support functions of the Group.

The Group has aggregated operating segments that have similar economic characteristics and are similar in the other respects required by the Thai Financial Reporting Standard.

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and total assets and on a basis consistent with that used to measure operating profit or loss and total assets in the financial statements. However, the Group's income taxes are managed on a group basis; therefore, income tax expenses are not allocated to operating segments.

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

The Group operates in Thailand only. As a result, all the revenues and assets as reflected in the financial statements pertain exclusively to this geographical reportable segment.

During the years ended 31 December 2021 and 2020, the Group did not have income from any customers amounting to or over 10 percent of its income.

Revenue and profit information regarding the Group's operating segments for the years ended 31 December 2021 and 2020 is as follows:

(Unit: Million Baht)

	For the year ended 31 December 2021						
	Commercial banking and lending business	Securities business	Asset management business	Support business	Total segments	Eliminations	Consolidated financial statements
Revenue							
External customers	15,410	1,401	2,185	(160)	18,836	-	18,836
Inter-segment	952	4	(80)	7,831	8,707	(8,707)	-
Total revenue	16,362	1,405	2,105	7,671	27,543	(8,707)	18,836
Operating results:							
Net interest income	12,421	11	3	21	12,456	4	12,460
Net fee and service income	3,540	921	2,091	1,003	7,555	(1,940)	5,615
Other operating income	401	473	11	6,647	7,532	(6,771)	761
Total operating income	16,362	1,405	2,105	7,671	27,543	(8,707)	18,836
Premises and equipment expenses and amortisation	(1,524)	(76)	(28)	(831)	(2,459)	1,006	(1,453)
Other operating expenses	(6,779)	(587)	(758)	(1,813)	(9,937)	3,111	(6,826)
Expected credit loss	(2,039)	-	-	(10)	(2,049)	(15)	(2,064)
Total operating expenses	(10,342)	(663)	(786)	(2,654)	(14,445)	4,102	(10,343)
Segment profit before income tax expenses	6,020	742	1,319	5,017	13,098	(4,605)	8,493
Income tax expenses							(1,708)
Non-controlling interests of the subsidiaries							-
Profit for the year - equity holders of the Company							6,785

(Unit: Million Baht)

For the year ended 31 December 2020

	Commercial banking and lending business	Securities business	Asset managemen t business	Support business	Total segments	Eliminations	Consolidated financial statements
Revenue							
External customers	16,268	1,097	1,550	(11)	18,904	-	18,904
Inter-segment	886	2	(64)	8,105	8,929	(8,929)	-
Total revenue	<u>17,154</u>	<u>1,099</u>	<u>1,486</u>	<u>8,094</u>	<u>27,833</u>	<u>(8,929)</u>	<u>18,904</u>
Operating results:							
Net interest income	13,081	11	4	(4)	13,092	6	13,098
Net fee and service income	3,680	879	1,476	998	7,033	(1,887)	5,146
Other operating income	393	209	6	7,100	7,708	(7,048)	660
Total operating income	<u>17,154</u>	<u>1,099</u>	<u>1,486</u>	<u>8,094</u>	<u>27,833</u>	<u>(8,929)</u>	<u>18,904</u>
Premises and equipment expenses and amortisation	(1,545)	(80)	(27)	(778)	(2,430)	1,012	(1,418)
Other operating expenses	(6,667)	(575)	(639)	(1,791)	(9,672)	3,079	(6,593)
Expected credit loss	(3,181)	(1)	-	(173)	(3,355)	24	(3,331)
Total operating expenses	<u>(11,393)</u>	<u>(656)</u>	<u>(666)</u>	<u>(2,742)</u>	<u>(15,457)</u>	<u>4,115</u>	<u>(11,342)</u>
Segment profit before income tax expenses	<u>5,761</u>	<u>443</u>	<u>820</u>	<u>5,352</u>	<u>12,376</u>	<u>(4,814)</u>	<u>7,562</u>
Income tax expenses							(1,498)
Non-controlling interests of the subsidiaries							-
Profit for the year - equity holders of the Company							<u>6,064</u>

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

(Unit: Million Baht)

As at 31 December 2021							
	Commercial banking and lending business	Securities business	Asset management business	Support business	Total segments	Eliminations	Consolidated financial statements
Segment total assets	236,092	3,843	2,000	32,304	274,239	(30,617)	243,622
Premises and equipment - net	836	13	244	798	1,891	890	2,781

(Unit: Million Baht)

As at 31 December 2020							
	Commercial banking and lending business	Securities business	Asset management business	Support business	Total segments	Eliminations	Consolidated financial statements
Segment total assets	272,049	3,392	1,412	31,305	308,158	(32,715)	275,443
Premises and equipment - net	910	18	249	847	2,024	898	2,922

3.35 Provident fund

The Company, its eight subsidiaries and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The Group and the employees contribute to the fund monthly at the rates of 5 to 15 percent of the employees' salaries, in accordance with the rules prescribed in the fund's articles. The provident funds of the Company and its eight subsidiaries are managed by TISCO Asset Management Company Limited, and the fund of another subsidiary is managed by Bangkok Bank Public Company Limited. The funds will be paid to the employees upon termination in accordance with the fund rules. During the years ended 31 December 2021 and 2020, the Group recognised the contributions as expenses totalling Baht 339 million and Baht 320 million, respectively (Separate financial statements: Baht 51 million and Baht 48 million, respectively).

3.36 Commitments and contingent liabilities

3.36.1 Avals, guarantees and commitments

(Unit: Thousand Baht)

Consolidated financial statements
as at 31 December

	2021	2020
Avals to bills	630	-
Other guarantees	525,695	497,316
Foreign exchange contracts (Note 3.37.4)	1,512,926	1,189,528
Others	1,012,791	1,338,700
Total	3,052,042	3,025,544

3.36.2 Litigation

As at 31 December 2021 and 2020, the subsidiaries have been sued for compensation totalling approximately Baht 176 million and Baht 392 million, respectively. Final judgements have not yet been reached in respect of these cases. The management of the Group believes that no material loss to the consolidated financial statements will be incurred as a result of the mentioned lawsuits.

3.36.3 Other commitments

The subsidiaries have commitments in relation to computer service agreements, whereby they are to pay both fixed fees and service fees which vary according to the quantity and type of services, as stipulated in the agreements.

3.37 Risk management

3.37.1 Credit risk

Credit Risk is defined as the possibility that the obligor or borrower will be unable to comply with the terms and conditions of agreements, causing them to be unable to settle liabilities to the Group when due or to deliberately breach the terms of payment to the Group. If this occurs without collateral coverage, the Group will need to increase its bad debt provisions, adversely impacting the net income and capital of the Group.

Credit Risk Management Framework

The Risk Management Committee has been appointed to oversee credit risk management of the overall portfolio. The committee is responsible for formulating credit risk strategies and establishing guidelines and limits, as well as advising other credit risk authorities on related issues. It also monitors and reviews credit risks at the portfolio level and reports essential credit risk information to the Board. In addition, the Risk Oversight Committee is to advise the Board of Directors on the risk governance framework to ensure that top management and heads of risk management functions comply with the approved risk management policy, strategies, and risk appetites, while reviewing the sufficiency and effectiveness of the overall risk management policy and strategies. The Risk Oversight Committee is also to report to the Board of Directors on risk exposures and to participate in evaluation of the performance of the heads of the risk management functions.

Specific-area credit risk at in-depth transaction level is under the supervision of the Credit Committee and the Problem Loan Committee. The Credit Committee is responsible for reviewing and granting credit approvals, and may delegate its authority to oversee credit risk to designated persons for lower-risk transactions. In addition, the Problem Loan Committee was set up to closely monitor and follow up on overdue payments of problem loan accounts and properties foreclosed.

The credit risk assessment processes are key practices of the Group which include credit rating, delinquency analysis, concentration analysis and risk capital analysis. The Group is aware of the importance of the credit risk assessment process and so all credit activities must operate under a sound credit approval process in which an effective credit rating system is employed. In the retail lending area, quantitative-oriented approaches to credit grading are implemented, considering homogenous high-volume characteristics at the portfolio level. In the corporate lending area, qualitative-oriented credit grading approaches are employed, taking into account the widely varying risk profiles.

Concentration risk is another key factor in credit portfolio risk management. Appropriate guidelines are set to control credit concentration, taking into account appropriateness to and alignment with business practices and the Group's capital. In addition, the Group uses credit risk management guidelines and limits that are comprehensively and strictly applied to all credit-related functions both at the portfolio and transactional levels, as well as monitoring and managing problem loan and properties foreclosed.

The maximum exposure to credit risk

The table below shows the maximum exposure to credit risk for recognised and unrecognised financial instruments. The maximum exposure is shown at gross before both the effect of mitigation through use of master netting and collateral arrangements.

For financial assets recognised on the statement of financial position, the maximum exposure to credit risk equals their gross carrying amount before deductions of allowance for expected credit loss.

For loan commitments that are irrevocable over the life of the respective facilities, the maximum exposure to credit risk is the full amount of the committed facilities.

As at 31 December 2021 and 2020, the exposure to credit risk is as follows:

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	as at 31 December		as at 31 December	
	2021	2020	2021	2020
Interbank and money market items (Assets)	30,490	38,213	23	17
Investments in debt instruments measured at fair value through other comprehensive income	8,043	9,953	202	206
Investments in debt instruments measured at amortised cost	12	12	-	-
Loans to customers and accrued interest receivables	204,662	226,714	3,310	3,180
Securities and derivatives business receivables	1,131	1,058	-	-
Other assets - receivables from clearing house	396	292	-	-
Other assets - accrued interest receivables on investments	2	5	-	-
Other assets - fee and service receivables	480	451	121	126
Other assets - other receivables	728	605	-	-
Total financial assets	245,944	277,303	3,656	3,529
Loan commitments	1,013	1,339	-	-
Total credit risk exposure	246,957	278,642	3,656	3,529

Collateral and any operations to increase creditability

The Group has held collateral and any operations to increase creditability of exposure to risk. The details of the exposure to risk with collateral held by the Group for each type of financial assets are as follows:

(Unit: Million Baht)

	Exposure to risk with collateral		Type of collateral
	as at 31 December		
	2021	2020	
Interbank and money market items	27,202	33,502	Bonds
Loans to customers and accrued interest receivables	203,031	224,979	Motor vehicles, land and buildings, deposits, securities

Credit quality analysis

Credit risk refers to the risk that a customer or a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group has adopted the policy to prevent this risk by performing credit analysis from customers' information and follow-up on customer status consistently.

The table below shows the credit quality of financial assets exposed to credit risk, the amounts presented for financial assets are gross carrying amount (before allowance for expected credit loss). For loan commitments, the amounts in the table represent the amounts committed.

(Unit: Million Baht)

	Consolidated financial statements as at 31 December 2021				
	Financial assets with no significant increase in credit risk	Financial assets with significant increase in credit risk	Financial assets that are credit-impaired	Financial assets applying a simplified approach to determine expected credit loss	Total
Interbank and money market items (Assets)					
Investment grade	30,490	-	-	-	30,490
Non-investment grade	-	-	-	-	-
Total	30,490	-	-	-	30,490
Allowance for expected credit loss	1	-	-	-	1
Investments in debt securities measured at fair value through other comprehensive income					
Investment grade	7,816	-	-	-	7,816
Non-investment grade	-	-	227	-	227
Total	7,816	-	227	-	8,043
Allowance for expected credit loss	-	-	200	-	200

(Unit: Million Baht)

Consolidated financial statement as at 31 December 2021

	Financial assets with no significant increase in credit risk	Financial assets with significant increase in credit risk	Financial assets that are credit-impaired	Financial assets applying a simplified approach to determine expected credit loss	Total
Investments in debt securities measured at amortised cost					
Investment grade	-	-	-	-	-
Non-investment grade	-	-	12	-	12
Total	-	-	12	-	12
Allowance for expected credit loss	-	-	12	-	12
Loans to customers and accrued interest receivables					
0 day overdue	166,183	3,659	198	-	170,040
1 - 30 days overdue	10,486	5,831	210	-	16,527
31 - 60 days overdue	-	9,996	232	-	10,228
61 - 90 days overdue	-	3,223	152	-	3,375
Over 90 days overdue	-	-	4,492	-	4,492
Total	176,669	22,709	5,284	-	204,662
Allowance for expected credit loss	6,701	3,319	1,720	-	11,740
Securities and derivatives business receivables					
0 day overdue	1,131	-	-	-	1,131
1 - 30 days overdue	-	-	-	-	-
Total	1,131	-	-	-	1,131
Allowance for expected credit loss	-	-	-	-	-
Other assets - receivables from clearing house					
0 day overdue	396	-	-	-	396
1 - 30 days overdue	-	-	-	-	-
Total	396	-	-	-	396
Allowance for expected credit loss	-	-	-	-	-
Other assets - fee and service receivables					
0 day overdue	-	-	-	480	480
1-30 days overdue	-	-	-	-	-
Total	-	-	-	480	480
Allowance for expected credit loss	-	-	-	-	-
Other assets - other receivables					
0 day overdue	-	-	-	498	498
1 - 30 days overdue	-	-	-	203	203
31 - 90 days overdue	-	-	-	9	9
91 - 180 days overdue	-	-	-	5	5
Over 180 days overdue	-	-	-	13	13
Total	-	-	-	728	728
Allowance for expected credit loss	-	-	-	13	13
Loan commitments					
0 day overdue	1,013	-	-	-	1,013
1 - 30 days overdue	-	-	-	-	-
Total	1,013	-	-	-	1,013
Allowance for expected credit loss	2	-	-	-	2

(Unit: Million Baht)

Consolidated financial statement as at 31 December 2020

	Financial assets with no significant increase in credit risk	Financial assets with significant increase in credit risk	Financial assets that are credit-impaired	Financial assets applying a simplified approach to determine expected credit loss	Total
Interbank and money market items (Assets)					
Investment grade	38,213	-	-	-	38,213
Non-investment grade	-	-	-	-	-
Total	38,213	-	-	-	38,213
Allowance for expected credit loss	1	-	-	-	1
Investments in debt securities measured at fair value through other comprehensive income					
Investment grade	9,722	-	-	-	9,722
Non-investment grade	-	-	231	-	231
Total	9,722	-	231	-	9,953
Allowance for expected credit loss	-	-	191	-	191
Investments in debt securities measured at amortised cost					
Investment grade	-	-	-	-	-
Non-investment grade	-	-	12	-	12
Total	-	-	12	-	12
Allowance for expected credit loss	-	-	12	-	12
Loans to customers and accrued interest receivables					
0 day overdue	179,250	8,228	364	-	187,842
1 - 30 days overdue	11,327	8,900	365	-	20,592
31 - 60 days overdue	-	9,805	275	-	10,080
61 - 90 days overdue	-	3,263	178	-	3,441
Over 90 days overdue	-	-	4,759	-	4,759
Total	190,577	30,196	5,941	-	226,714
Allowance for expected credit loss	5,393	3,689	1,688	-	10,770
Allowance established in excess					1,056
Total allowance for expected credit loss					11,826
Securities and derivatives business receivables					
0 day overdue	1,058	-	-	-	1,058
1 - 30 days overdue	-	-	-	-	-
Total	1,058	-	-	-	1,058
Allowance for expected credit loss	-	-	-	-	-

(Unit: Million Baht)

Consolidated financial statement as at 31 December 2020

	Financial assets with no significant increase in credit risk	Financial assets with significant increase in credit risk	Financial assets that are credit-impaired	Financial assets applying a simplified approach to determine expected credit loss	Total
Other assets - receivables from clearing house					
0 day overdue	292	-	-	-	292
1 - 30 days overdue	-	-	-	-	-
Total	292	-	-	-	292
Allowance for expected credit loss	-	-	-	-	-
Other assets - fee and service receivables					
0 day overdue	-	-	-	451	451
1-30 days overdue	-	-	-	-	-
Total	-	-	-	451	451
Allowance for expected credit loss	-	-	-	-	-
Other assets - other receivables					
0 day overdue	-	-	-	370	370
1 - 30 days overdue	-	-	-	96	96
31 - 90 days overdue	-	-	-	105	105
91 - 180 days overdue	-	-	-	20	20
Over 180 days overdue	-	-	-	14	14
Total	-	-	-	605	605
Allowance for expected credit loss	-	-	-	-	-
Loan commitments					
0 day overdue	1,339	-	-	-	1,339
1 - 30 days overdue	-	-	-	-	-
Total	1,339	-	-	-	1,339
Allowance for expected credit loss	15	-	-	-	15

(Unit: Million Baht)

Separate financial statement as at 31 December 2021

	Financial assets with no significant increase in credit risk	Financial assets with significant increase in credit risk	Financial assets that are credit-impaired	Financial assets applying a simplified approach to determine expected credit loss	Total
Interbank and money market items (Assets)					
Investment grade	23	-	-	-	23
Non-investment grade	-	-	-	-	-
Total	23	-	-	-	23
Allowance for expected credit loss	-	-	-	-	-
Investments in debt securities measured at fair value through other comprehensive income					
Investment grade	-	-	-	-	-
Non-investment grade	-	-	202	-	202
Total	-	-	202	-	202
Allowance for expected credit loss	-	-	172	-	172
Loans to customers and accrued interest receivables					
0 day overdue	3,310	-	-	-	3,310
1 - 30 days overdue	-	-	-	-	-
Total	3,310	-	-	-	3,310
Allowance for expected credit loss	4	-	-	-	4
Other assets - fee and service receivables					
0 day overdue	-	-	-	121	121
1 - 30 days overdue	-	-	-	-	-
Total	-	-	-	121	121
Allowance for expected credit loss	-	-	-	-	-

(Unit: Million Baht)

Separate financial statement as at 31 December 2020

	Financial assets with no significant increase in credit risk	Financial assets with significant increase in credit risk	Financial assets that are credit-impaired	Financial assets applying a simplified approach to determine expected credit loss	Total
Interbank and money market items (Assets)					
Investment grade	17	-	-	-	17
Non-investment grade	-	-	-	-	-
Total	17	-	-	-	17
Allowance for expected credit loss	-	-	-	-	-
Investments in debt securities measured at fair value through other comprehensive income					
Investment grade	-	-	-	-	-
Non-investment grade	-	-	206	-	206
Total	-	-	206	-	206
Allowance for expected credit loss	-	-	164	-	164
Loans to customers and accrued interest receivables					
0 day overdue	3,180	-	-	-	3,180
1 - 30 days overdue	-	-	-	-	-
Total	3,180	-	-	-	3,180
Allowance for expected credit loss	4	-	-	-	4
Other assets - fee and service receivables					
0 day overdue	-	-	-	126	126
1-30 days overdue	-	-	-	-	-
Total	-	-	-	126	126
Allowance for expected credit loss	-	-	-	-	-

TISCO Group has centralised its risk management function under the regulatory guidelines for consolidated supervision issued by the BOT. The Group manages credit risk by adopting appropriate credit control policies and procedures in the credit approval process, and by analysis of risk factors and the ability of customers to service debt. For hire purchase receivables, the Group has implemented a credit scoring system, in order to enhance efficiency in the credit approval process and better reflect the credit risk. The Group also adopted a credit review process that examines and reviews the quality of loans so as to prevent and provide a remedy for problem loans in the future. Therefore, the Group does not expect to incur material financial loss from loans and guarantees of loans. In addition, the Group is not exposed to concentrations of credit risk because it has a varied customer base and a large number of customers. The maximum exposure to credit risk is limited to the carrying amount of loans to customers as stated in the financial statements.

Quality of risk from credit granted by the Group is mainly from the provision of hire purchase receivables of the subsidiary operating a banking business. The subsidiary considers risk of hire purchase receivables as follows.

The risk of hire purchase that is not overdue of the subsidiary can be classified into three groups, based on quality of risk in respect of expected loss that will be incurred within one year. These are “Very high grade”, “High grade” and “Medium grade”, with “Very high grade” credit defined as credit from which expected loss over the next year is less than or equal to 0.2% of the balance; “High grade” as credit from which loss within one year is expected to be between 0.2% and 2.0% and “Medium grade” as credit from which loss within one year is expected to exceed 2.0% of the balance.

Credit risk of hire purchase receivables of the subsidiary classified by quality of credit is as follows:

	(Unit: Million Baht)	
	As at 31 December	
	2021	2020
Not yet past due		
Very high grade	48,522	53,570
High grade	42,064	45,175
Medium grade	2,795	3,616
Subtotal	93,381	102,361
Hire purchase receivables - overdue for 31 to 90 days	14,085	19,418
Hire purchase receivables - overdue for more than 90 days	2,217	2,741
Total	<u>109,683</u>	<u>124,520</u>

3.37.2 Market risk

Market risk is defined as the degree of vulnerability to movements in securities market prices and interest rates, which may affect income or the capital funds of the Group. In order to effectively manage market risk, a suitable risk treatment framework is to be implemented. Market risk of both financial assets and liabilities of the Group is assessed by employing the Value at Risk (VaR) model and methodologies appropriate to the nature of risks involved. On-going Back-testing is also performed to validate the internal Value at Risk model, and stress testing is performed under various extreme scenarios as a supplement to VaR. The risk assessment and corresponding risk treatment takes into account the transaction intent as well as the market liquidity of the securities.

3.37.2.1 Market risk - Marketable portfolio

The following table shows the VaR calculation for marketable portfolio position as at the financial statements date. The VaR that the Group measures is an estimate, using a confidence level of 99%, of the potential loss that is not expected to be exceeded if the current marketable portfolio position were to be held unchanged for one year.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	Market risk as at 31 December		Market risk as at 31 December	
	2021	2020	2021	2020
Marketable financial assets				
Equity securities	246	348	182	151
Debt securities	3	4	-	-
Foreign currencies	81	60	81	60

3.37.2.2 Market risk sensitivity - Interest bearing assets and liabilities

The market risk sensitivity of interest bearing assets and liabilities is measured by assessing the effect of changes in interest rates on the net interest income over one year, based on the interest bearing asset and liability positions held by the Group at the financial statements date. In making such assessment, changes in interest rates are applied prospectively and normal increases in assets and liabilities are not taken into account as presented below.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	Increase (decrease) in sensitivity of net interest income as at 31 December		Increase (decrease) in sensitivity of net interest income as at 31 December	
	2021	2020	2021	2020
Change in interest rate				
Increase by 1 percent	231.98	102.44	(29.30)	(21.34)
Decrease by 1 percent	(231.98)	(102.44)	29.30	21.34

However, to better reflect a realistic business environment, the sensitivity to interest rate risk is adjusted taking into account that business growth and interest rate shift are actually gradual. The net interest rate sensitivity incurred would be less than the effect on net interest income as illustrated in the analysis. This market risk sensitivity of interest bearing assets and liabilities does not include the status of marketable debt securities, which is presented in the market risk - marketable portfolio.

3.37.2.3 Interest rate risk

The Group has the following significant exposures to interest rate risk related to financial instruments.

(Unit: Million Baht)

Consolidated financial statements as at 31 December 2021				
Outstanding balances of financial instruments				
Transactions	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
<u>Financial assets</u>				
Cash	-	-	1,103	1,103
Interbank and money market items	141	28,449	1,900	30,490
Financial assets measured at fair value				
through profit or loss	-	-	2,081	2,081
Investments	-	6,779	1,264	8,043
Loans to customers	35,940	156,332	12,390	204,662
Securities and derivatives business				
receivables - net	-	-	1,131	1,131
Other assets - receivables from clearing house	-	-	396	396
Other assets - fee and service receivables	-	-	480	480
Other assets - other receivables	-	-	728	728
	<u>36,081</u>	<u>191,560</u>	<u>21,473</u>	<u>249,114</u>
<u>Financial liabilities</u>				
Deposits	48,221	117,448	873	166,542
Interbank and money market items	607	7,388	86	8,081
Liabilities payable on demand	-	-	274	274
Derivatives liabilities	-	-	3	3
Debts issued and borrowings	-	14,962	-	14,962
Lease liabilities	-	707	-	707
Securities and derivatives business - net	-	-	1,521	1,521
Accrued interest payable	-	-	482	482
	<u>48,828</u>	<u>140,505</u>	<u>3,239</u>	<u>192,572</u>

(Unit: Million Baht)

Consolidated financial statements as at 31 December 2020

Transactions	Outstanding balances of financial instruments			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
<u>Financial assets</u>				
Cash	-	-	1,220	1,220
Interbank and money market items	132	34,591	3,490	38,213
Financial assets measured at fair value				
through profit or loss	-	-	2,173	2,173
Derivatives assets	-	-	62	62
Investments	-	4,691	5,262	9,953
Loans to customers	36,336	179,168	11,210	226,714
Securities and derivatives business				
receivables - net	-	-	1,058	1,058
Other assets - receivables from clearing house	-	-	292	292
Other assets - fee and service receivables	-	-	451	451
Other assets - other receivables	-	-	605	605
	<u>36,468</u>	<u>218,450</u>	<u>25,823</u>	<u>280,741</u>
<u>Financial liabilities</u>				
Deposits	52,805	149,953	715	203,473
Interbank and money market items	343	5,326	138	5,807
Liabilities payable on demand	-	-	1,285	1,285
Debts issued and borrowings	-	12,826	-	12,826
Lease liabilities	-	829	-	829
Securities and derivatives business				
payables - net	-	-	1,033	1,033
Accrued interest payable	-	-	736	736
Other liabilities - payables to clearing house	-	-	310	310
	<u>53,148</u>	<u>168,934</u>	<u>4,217</u>	<u>226,299</u>

(Unit: Million Baht)

Separate financial statements as at 31 December 2021

Transactions	Outstanding balances of financial instruments			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
Financial assets				
Interbank and money market items	23	-	-	23
Financial assets measured at fair value				
through profit or loss	-	-	1,049	1,049
Investments	-	202	-	202
Loans to customers	-	3,310	-	3,310
Other assets - fee and service receivables	-	-	121	121
	<u>23</u>	<u>3,512</u>	<u>1,170</u>	<u>4,705</u>
Financial liabilities				
Interbank and money market items	-	565	-	565
Debts issued and borrowings	-	6,065	-	6,065
Lease liabilities	-	1	-	1
Accrued interest payable	-	-	11	11
	<u>-</u>	<u>6,631</u>	<u>11</u>	<u>6,642</u>

(Unit: Million Baht)

Separate financial statements as at 31 December 2020

Transactions	Outstanding balances of financial instruments			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
Financial assets				
Interbank and money market items	17	-	-	17
Financial assets measured at fair value				
through profit or loss	-	-	890	890
Investments	-	206	-	206
Loans to customers	-	3,180	-	3,180
Other assets - fee and service receivables	-	-	126	126
	<u>17</u>	<u>3,386</u>	<u>1,016</u>	<u>4,419</u>
Financial liabilities				
Interbank and money market items	-	3,780	-	3,780
Debts issued and borrowings	-	1,629	-	1,629
Lease liabilities	-	1	-	1
Accrued interest payable	-	-	1	1
	<u>-</u>	<u>5,410</u>	<u>1</u>	<u>5,411</u>

Financial instruments which bear interest rate at fixed rates are classified below by the year from the financial statements date to the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

Consolidated financial statements as at 31 December 2021							
Transactions	Repricing or maturity date					Total	Interest rates (%)
	At call	0 - 3 months	3 - 12 months	1 - 5 years	Over 5 years		
Financial assets							
Interbank and money market items	1	28,448	-	-	-	28,449	0.4936
Investments	-	4,187	2,363	38	191	6,779	1.8136
Loans to customers	4,366	12,147	35,989	91,854	11,976	156,332	7.9515
	<u>4,367</u>	<u>44,782</u>	<u>38,352</u>	<u>91,892</u>	<u>12,167</u>	<u>191,560</u>	
Financial liabilities							
Deposits	551	53,739	61,993	1,165	-	117,448	0.8453
Interbank and money market items	-	1,136	2,838	3,414	-	7,388	0.5240
Debts issued and borrowings	37	8,285	-	-	6,640	14,962	2.8751
Lease liabilities	-	20	169	458	60	707	2.5640
	<u>588</u>	<u>63,180</u>	<u>65,000</u>	<u>5,037</u>	<u>6,700</u>	<u>140,505</u>	

(Unit: Million Baht)

Consolidated financial statements as at 31 December 2020							
Transactions	Repricing or maturity date					Total	Interest rates (%)
	At call	0 - 3 months	3 - 12 months	1 - 5 years	Over 5 years		
Financial assets							
Interbank and money market items	1	34,590	-	-	-	34,591	0.5490
Investments	36	2,210	2,272	173	-	4,691	1.8251
Loans to customers	4,647	14,053	38,217	103,585	18,666	179,168	8.2204
	<u>4,684</u>	<u>50,853</u>	<u>40,489</u>	<u>103,758</u>	<u>18,666</u>	<u>218,450</u>	
Financial liabilities							
Deposits	466	84,431	64,812	244	-	149,953	1.1282
Interbank and money market items	400	1,221	392	3,313	-	5,326	1.4777
Debts issued and borrowings	37	3,949	-	2,220	6,620	12,826	3.4090
Lease liabilities	-	-	180	574	75	829	2.5040
	<u>903</u>	<u>89,601</u>	<u>65,384</u>	<u>6,351</u>	<u>6,695</u>	<u>168,934</u>	

(Unit: Million Baht)

Separate financial statements as at 31 December 2021							
Transactions	Repricing or maturity date					Total	Interest rates (%)
	At call	0 - 3 months	3 - 12 months	1 - 5 years	Over 5 years		
Financial assets							
Investments	-	-	-	11	191	202	3.3391
Loans to customers	3,310	-	-	-	-	3,310	1.6500
	<u>3,310</u>	<u>-</u>	<u>-</u>	<u>11</u>	<u>191</u>	<u>3,512</u>	
Financial liabilities							
Interbank and money market items	565	-	-	-	-	565	1.1943
Debts issued and borrowings	-	6,065	-	-	-	6,065	0.7008
Lease liabilities	-	-	-	1	-	1	2.3340
	<u>565</u>	<u>6,065</u>	<u>-</u>	<u>1</u>	<u>-</u>	<u>6,631</u>	

(Unit: Million Baht)

Separate financial statements as at 31 December 2020							
Transactions	Repricing or maturity date					Total	Interest rates (%)
	At call	0 - 3 months	3 - 12 months	1 - 5 years	Over 5 years		
Financial assets							
Investments	11	-	25	170	-	206	3.3391
Loans to customers	3,180	-	-	-	-	3,180	1.7500
	<u>3,191</u>	<u>-</u>	<u>25</u>	<u>170</u>	<u>-</u>	<u>3,386</u>	
Financial liabilities							
Interbank and money market items	3,780	-	-	-	-	3,780	1.3970
Debts issued and borrowings	-	1,629	-	-	-	1,629	0.8439
Lease liabilities	-	-	-	1	-	1	2.3326
	<u>3,780</u>	<u>1,629</u>	<u>-</u>	<u>1</u>	<u>-</u>	<u>5,410</u>	

3.37.3 Liquidity risk

Liquidity risk is uncertainty that the Group is unable to meet repayment obligations when they fall due. This could arise from a failure in asset conversion or to raise adequate fund for timely fulfillment of obligations, which could result in damages to the Group. Liquidity risk may result from both internal and external factors. Internal factors hinge on liquidity reserve and a structure of assets and liabilities. Meanwhile, external factors are mainly driven by market liquidity and confidence of depositors.

Liquidity risk management framework

The overall liquidity risk management is overseen by the Risk Management Committee. Treasury function will be responsible for ensuring that daily liquidity position complies with the risk management policy of the subsidiary operating a banking business and regulatory requirement. On the other hand, the Risk Management function will monitor and control liquidity risk based on the prescribed risk limits.

The key liquidity risk management policies involve the management of cash flow maturity profiles, deposit concentrations, liquidity reserve assets and emergency contingency plan. Liquidity risk strategies will take into account market liquidity and how unexpected changes would affect the subsidiary's risks. A manageable level of maturity mismatches of cash flows from assets and liabilities will then be consistently maintained and regularly monitored, together with the level of liquidity reserve assets. The procurement and concentration of funding sources will be well-planned to optimise risk and return. Contingency procedures for liquidity management in the times of unexpected financial crisis must be established and made ready for timely activation. In addition to the liquidity risk measurement, the subsidiary sets the limit of loan to total borrowing ratio and liquidity reserve asset level. The position of liquidity risk is monitored daily and reported to the management and other relevant functions.

The subsidiary has set stress testing scenarios for liquidity risk where the scenarios cover the subsidiary's specific scenarios and industry-based scenarios, which cause unusual cash outflow from the subsidiary.

The main sources of fund came from deposits. In the past, there was high rollover rate for matured deposits. Besides, the subsidiary also issues subordinated and unsubordinated debentures as another source of fund. On the uses of fund, the majority of fund is used in lending business while a proportion of fund is maintained as liquidity reserve assets to cushion against liquidity risk. Moreover, the subsidiary provides credit line to other companies under TISCO Group to support liquidity position if required.

The matured liabilities are generally rolled-over with 90 percent average rollover rate. By taking into account high rollover rate, the cash outflow at maturity will be lower than those presented by contractual maturity. On the other hand, the liabilities with remaining maturity of less than three months comprise current deposits and saving deposits. Both current deposits and saving deposits are considered to be more stable than term deposits in terms of cash outflow.

3.37.3.1 Volume and composition of highly liquid assets and internal ratio

(Unit: Million Baht)

	As at 31 December	
	2021	2020
Composition of highly liquid assets		
Cash	1,099	1,216
Interbank and money market	29,062	36,961
Current investments	6,858	9,410
Total highly liquid assets	<u>37,019</u>	<u>47,587</u>
Liquid asset requirement based on the subsidiary's internal policy	22,052	34,142

The subsidiary operating a banking business has a policy to maintain the internal highly liquid assets higher than the liquid asset requirement. As at 31 December 2021 and 2020, the subsidiary has highly liquid assets higher than the internal liquid asset requirement. In addition, the subsidiary has operating cash inflows from business, and available credit lines from other financial institutions which are available to support uncertain liquidity requirement.

3.37.3.2 Counting from the financial statements date, as at 31 December 2021 and 2020, the periods to the maturity dates of financial instruments are as follows:

(Unit: Million Baht)

Transactions	Consolidated financial statements as at 31 December 2021						Financial assets that are credit-impaired	Total
	At call	0 - 3 months	3 - 12 months	1 - 5 years	Over 5 years	Unspecified		
Financial assets								
Cash	1,103	-	-	-	-	-	-	1,103
Interbank and money market items	2,042	28,448	-	-	-	-	-	30,490
Financial asset measured at fair value through profit or loss	-	-	-	-	-	2,081	-	2,081
Investments	-	5,151	2,662	3	-	-	227	8,043
Loans to customers	3,820	13,812	41,087	106,786	33,873	-	5,284	204,662
Securities and derivatives business								
receivables - net	-	1,131	-	-	-	-	-	1,131
Other assets - receivables from clearing house	-	396	-	-	-	-	-	396
Other assets - fee and service receivables	-	480	-	-	-	-	-	480
Other assets - other receivables	-	728	-	-	-	-	-	728
	<u>6,965</u>	<u>50,146</u>	<u>43,749</u>	<u>106,789</u>	<u>33,873</u>	<u>2,081</u>	<u>5,511</u>	<u>249,114</u>

(Unit: Million Baht)

Consolidated financial statements as at 31 December 2021

Transactions	At call	0 - 3 months	3 - 12 months	1 - 5 years	Over 5 years	Unspecified	Financial	Total
							assets that are credit- impaired	
Financial liabilities								
Deposits	49,645	53,739	61,993	1,165	-	-	-	166,542
Interbank and money market items	693	1,136	2,838	3,414	-	-	-	8,081
Liabilities payable on demand	274	-	-	-	-	-	-	274
Derivatives liabilities	-	-	3	-	-	-	-	3
Debts issued and borrowings	37	8,285	-	-	6,640	-	-	14,962
Lease liabilities	-	20	169	458	60	-	-	707
Securities and derivatives business payables - net	-	1,521	-	-	-	-	-	1,521
Accrued interest payable	18	285	174	5	-	-	-	482
	<u>50,667</u>	<u>64,986</u>	<u>65,177</u>	<u>5,042</u>	<u>6,700</u>	<u>-</u>	<u>-</u>	<u>192,572</u>
Commitments and contingent liabilities								
Avals to bills and other guarantees	1	-	34	-	-	491	-	526
Other commitments	-	-	1,563	963	-	-	-	2,526

(Unit: Million Baht)

Consolidated financial statements as at 31 December 2020

Transactions	At call	0 - 3 months	3 - 12 months	1 - 5 years	Over 5 years	Unspecified	Financial	Total
							assets that are credit- impaired	
Financial assets								
Cash	1,220	-	-	-	-	-	-	1,220
Interbank and money market items	3,623	34,590	-	-	-	-	-	38,213
Financial assets measured at fair value through profit or loss	-	-	-	-	-	2,173	-	2,173
Derivatives assets	-	62	-	-	-	-	-	62
Investments	-	4,861	4,858	3	-	-	231	9,953
Loans to customers	4,177	15,491	42,640	124,292	34,173	-	5,941	226,714
Securities and derivatives business receivables - net	-	1,058	-	-	-	-	-	1,058
Other assets - receivables from clearing house	-	292	-	-	-	-	-	292
Other assets - fee and service receivables	-	451	-	-	-	-	-	451
Other assets - other receivables	-	605	-	-	-	-	-	605
	<u>9,020</u>	<u>57,410</u>	<u>47,498</u>	<u>124,295</u>	<u>34,173</u>	<u>2,173</u>	<u>6,172</u>	<u>280,741</u>

(Unit: Million Baht)

Consolidated financial statements as at 31 December 2020

Transactions	At call	0 - 3 months	3 - 12 months	1 - 5 years	Over 5 years	Unspecified	Financial	Total
							assets that are credit- impaired	
Financial liabilities								
Deposits	53,986	84,431	64,812	244	-	-	-	203,473
Interbank and money market items	881	1,221	392	3,313	-	-	-	5,807
Liabilities payable on demand	1,285	-	-	-	-	-	-	1,285
Debts issued and borrowings	37	3,949	-	2,220	6,620	-	-	12,826
Lease liabilities	-	-	180	574	75	-	-	829
Securities and derivatives business								
payables - net	-	1,033	-	-	-	-	-	1,033
Accrued interest payable	18	459	257	2	-	-	-	736
Other liabilities - payables to clearing house	-	310	-	-	-	-	-	310
	<u>56,207</u>	<u>91,403</u>	<u>65,641</u>	<u>6,353</u>	<u>6,695</u>	<u>-</u>	<u>-</u>	<u>226,299</u>
Commitments and contingent liabilities								
Avals to bills and other guarantees	2	-	32	24	-	439	-	497
Other commitments	-	1,190	179	1,159	-	-	-	2,528

(Unit: Million Baht)

Separate financial statements as at 31 December 2021

Transactions	At call	0 - 3 months	3 - 12 months	1 - 5 years	Over 5 years	Unspecified	Financial	Total
							assets that are credit- impaired	
Financial assets								
Interbank and money market items	23	-	-	-	-	-	-	23
Financial assets measured at fair value through profit or loss	-	-	-	-	-	1,049	-	1,049
Investments	-	-	-	-	-	-	202	202
Loans to customers	3,310	-	-	-	-	-	-	3,310
Other assets - fee and service receivables	-	121	-	-	-	-	-	121
	<u>3,333</u>	<u>121</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,049</u>	<u>202</u>	<u>4,705</u>
Financial liabilities								
Interbank and money market items	565	-	-	-	-	-	-	565
Debts issued and borrowings	-	6,065	-	-	-	-	-	6,065
Lease liabilities	-	-	-	1	-	-	-	1
Accrued interest payable	-	11	-	-	-	-	-	11
	<u>565</u>	<u>6,076</u>	<u>-</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,642</u>

(Unit: Million Baht)

Separate financial statements as at 31 December 2020

Transactions	At call	0 - 3 months	3 - 12 months	1 - 5 years	Over 5 years	Unspecified	Financial assets that are credit-impaired	Total
Financial assets								
Interbank and money market items	17	-	-	-	-	-	-	17
Financial assets measured at fair value through profit or loss	-	-	-	-	-	890	-	890
Investments	-	-	-	-	-	-	206	206
Loans to customers	3,180	-	-	-	-	-	-	3,180
Other assets - fee and service receivables	-	126	-	-	-	-	-	126
	<u>3,197</u>	<u>126</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>890</u>	<u>206</u>	<u>4,419</u>
Financial liabilities								
Interbank and money market items	3,780	-	-	-	-	-	-	3,780
Debts issued and borrowings	-	1,629	-	-	-	-	-	1,629
Lease liabilities	-	-	-	1	-	-	-	1
Accrued interest payable	-	1	-	-	-	-	-	1
	<u>3,780</u>	<u>1,630</u>	<u>-</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,411</u>

Regarding the disclosure of the Financial Business Group's Liquidity Coverage Ratio as at 31 December 2021, it will be disclosed via the Company's website by April 2022.

3.37.4 Derivatives

As at 31 December 2021 and 2020, the subsidiary operating a banking business has a policy to enter into foreign exchange contracts to manage the risk associated with its financial assets. The subsidiary classified them as trading derivatives and measured them at fair value through profit or loss, as follows:

(Unit: Million Baht)

As at 31 December 2021

Maturity	Notional amount	Loss on measurement of fair value
2022	1,513	(3)

(Unit: Million Baht)

As at 31 December 2020

Maturity	Notional amount	Gain on measurement of fair value
2021	1,190	62

3.38 Fair value hierarchy

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

(Unit: Million Baht)

	Consolidated financial statements				Total
	As at 31 December 2021				
	Book value	Fair value			
	Level 1	Level 2	Level 3		
<u>Financial assets measured at fair value</u>					
Financial assets measured at fair value through profit for loss					
Equity securities	1,215	425	-	790	1,215
Unit trusts	866	807	59	-	866
Investments - debt securities	8,043	-	7,816	227	8,043
<u>Financial liabilities measured at fair value</u>					
Derivatives					
Foreign exchange contracts	3	-	3	-	3
<u>Assets measured at fair value</u>					
Investment properties	27	-	-	27	27
Office condominiums	2,393	-	-	2,393	2,393
<u>Financial assets for which fair value is disclosed</u>					
Cash	1,103	1,103	-	-	1,103
Interbank and money market items	30,489	1,950	28,539	-	30,489
Loans to customers and accrued interest receivables	192,922	-	39,472	158,473	197,945
Securities and derivatives business receivables - net	1,131	-	1,131	-	1,131
Other assets - receivables from clearing house	396	-	396	-	396
Other assets - fee and service receivables	480	-	480	-	480
Other assets - other receivables	715	-	715	-	715
<u>Financial liabilities for which fair value is disclosed</u>					
Deposits	166,542	49,094	117,448	-	166,542
Interbank and money market items	8,081	1,627	6,454	-	8,081
Liabilities payable on demand	274	274	-	-	274
Debts issued and borrowings	14,962	-	14,459	-	14,459
Securities and derivatives business payables - net	1,521	-	1,521	-	1,521
Accrued interest payable	482	6	476	-	482

(Unit: Million Baht)

Consolidated financial statements					
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	-	9,722	231	9,953
<u>Assets measured at fair value</u>					
Investment properties	27	-	-	27	27
Office condominiums	2,425	-	-	2,425	2,425
<u>Financial assets for which fair value is disclosed</u>					
Cash	1,220	1,220	-	-	1,220
Interbank and money market items	38,212	3,539	34,673	-	38,212
Loans to customers and accrued interest receivables	215,944 ⁽¹⁾	-	52,859	168,667	221,526
Securities and derivatives business receivables - net	1,058	-	1,058	-	1,058
Other assets - receivables from clearing house	292	-	292	-	292
Other assets - fee and service receivables	451	-	451	-	451
Other assets - other receivables	605	-	605	-	605
<u>Financial liabilities for which fair value is disclosed</u>					
Deposits	203,473	53,520	149,953	-	203,473
Interbank and money market items	5,808	1,125	4,683	-	5,808
Liabilities payable on demand	1,285	1,285	-	-	1,285
Debts issued and borrowings	12,826	-	12,228	-	12,228
Securities and derivatives business payables - net	1,033	-	1,033	-	1,033
Accrued interest payable	736	7	729	-	736
Other liabilities - payables to clearing house	310	-	310	-	310

(1) Book value of loans to customers and accrued interest receivables before deduction of excess provision amounting to Baht 1,056 million.

(Unit: Million Baht)

Separate financial statements					
As at 31 December 2021					
Book value	Fair value			Total	
	Level 1	Level 2	Level 3		
<u>Financial assets measured at fair value</u>					
Financial assets measured at fair value through profit or loss					
Equity securities	241	241	-	-	241
Unit trusts	807	807	-	-	807
Investments - debt securities	202	-	-	202	202
<u>Assets measured at fair value</u>					
Investment properties	911	-	-	911	911
Office condominiums	643	-	-	643	643
<u>Financial assets for which fair value is disclosed</u>					
Interbank and money market items	23	23	-	-	23
Loans to customers and accrued interest receivables	3,306	-	-	3,306	3,306
Other assets - fee and service receivables	121	-	121	-	121
<u>Financial liabilities for which fair value is disclosed</u>					
Interbank and money market items	565	-	-	565	565
Debts issued and borrowings	6,065	-	6,065	-	6,065
Accrued interest payable	11	-	11	-	11

(Unit: Million Baht)

Separate financial statements					
As at 31 December 2020					
Book value	Fair value			Total	
	Level 1	Level 2	Level 3		
<u>Financial assets measured at fair value</u>					
Financial assets measured at fair value through profit or loss - unit trusts					
Investments - debt securities	206	-	-	206	206
<u>Assets measured at fair value</u>					
Investment properties	911	-	-	911	911
Office condominiums	654	-	-	654	654
<u>Financial assets for which fair value is disclosed</u>					
Interbank and money market items	17	17	-	-	17
Loans to customers and accrued interest receivables	3,176	-	-	3,176	3,176
Other assets - fee and service receivables	126	-	126	-	126
<u>Financial liabilities for which fair value is disclosed</u>					
Interbank and money market items	3,780	-	-	3,780	3,780
Debts issued and borrowings	1,629	-	1,629	-	1,629
Accrued interest payable	1	-	1	-	1

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

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

(Unit: Million Baht)

	Consolidated financial statements			Separate financial statements
	Non-marketable equity instruments	Investments - private sector debt securities	Total	Investments - private sector debt securities
Balance as at 1 January 2021	772	231	1,003	206
Disposal during the year	(25)	-	(25)	-
Reduction of share capital during the year	(1)	-	(1)	-
Net gain (loss) recognised in profit or loss	44	(9)	35	(8)
Net gain recognised in other comprehensive income	-	5	5	4
Balance as at 31 December 2021	790	227	1,017	202

Key assumptions used in the valuation are summarised below.

Financial instruments	Valuation technique	Significant unobservable inputs	Rates	Sensitivity of the input to fair value
Investments in non-marketable equity instruments	Discounted future cash flows	Terminal growth rate	0%, 0.5%	1% increase in the terminal growth rate would result in an increase in fair value by Baht 52 million.
		Equity risk premium	10.80%	1% increase in the equity risk premium would result in a decrease in fair value by Baht 52 million.

Fair value of investments in private debt securities is wholly determined using yield rates quoted by the Thai Bond Market Association. However, as they are investments in companies with weak financial positions and poor operating results, they are categorised within level 3, and sensitivity of the input to fair value has not been calculated.

4. Dividend payment

	Approved by	Dividend per share		Amounts of	Dividend
		Preference	Ordinary	dividend paid	payment period
		share	share	(Million Baht)	
		(Baht per share)	(Baht per share)		
Interim dividends for 2019	The Meeting of the Board of Directors on 10 April 2020	7.75	7.75	6,205	May 2020
Total dividend payment in year 2020				<u>6,205</u>	
Annual dividends for 2020	The 2021 Annual General Meeting of the Shareholders on 22 April 2021	6.30	6.30	5,044	May 2021
Total dividend payment in year 2021				<u>5,044</u>	

5. Reclassification

The Group has reclassified some items in the statements of comprehensive income for the year ended 31 December 2020 in order to correspond to the classification in the current year. The reclassification does not impact profit or equity as previously reported, as follows:

(Unit: Thousand Baht)

	Consolidated financial statements	
	For the year ended 31 December 2020	
	As reclassified	As previously reported
Statement of comprehensive income		
Net fee and service income		
Fee and service income	5,512,092	5,459,691
Fee and service expenses	366,061	313,660

6. Approval of financial statements

These financial statements were approved by the Company's Audit Committee on 10 February 2022.