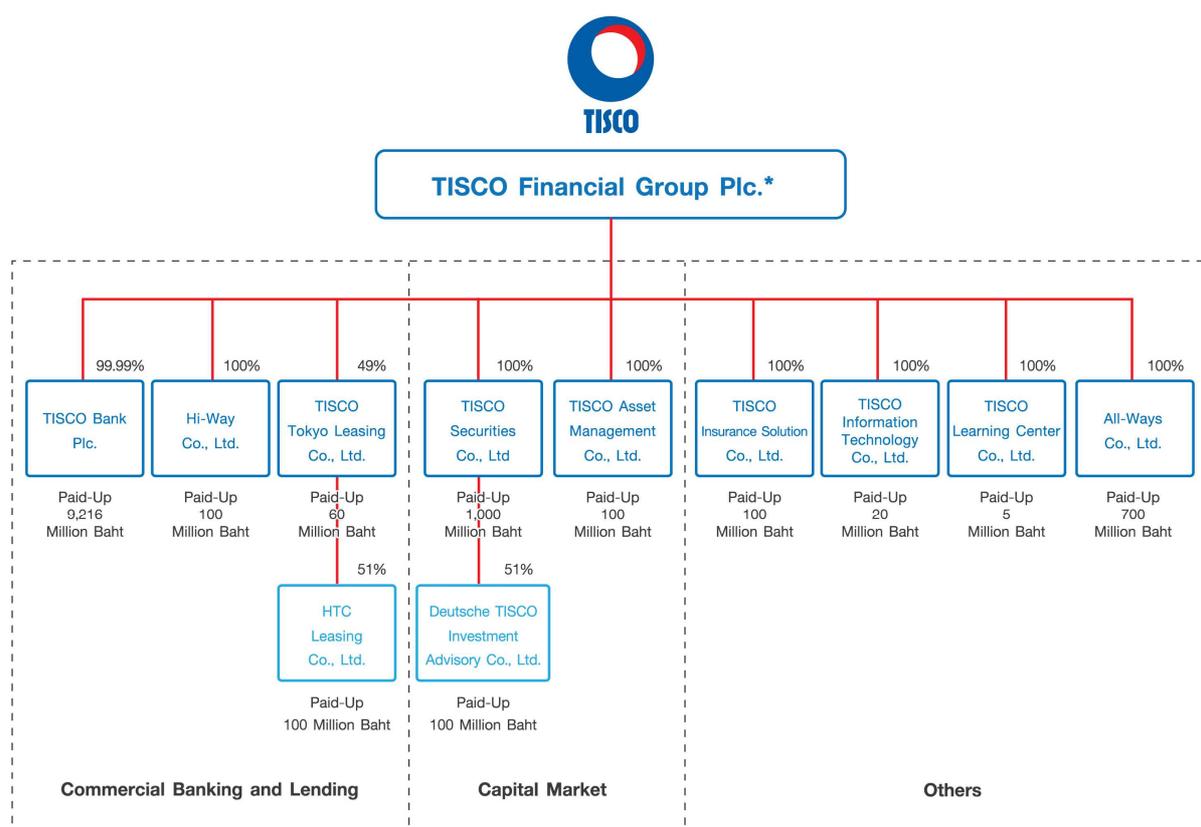


## Information Disclosures under Basel III Capital Requirement As of 30 June 2019

### Scope of Information Disclosure

TISCO Financial Group Public Company Limited (TISCO) discloses information under Basel III capital requirement based on the full consolidated position and in accordance with the Bank of Thailand's notification SorNorSor 5/2556 on the regulatory disclosure requirement for consolidated financial institutions. The full-consolidation structure of TISCO Financial Group can be shown as follow.



\*Listed in The Stock Exchange of Thailand

However, TISCO Tokyo Leasing Co., Ltd. is not included in the consolidated financial statements since its shares are held by TISCO Group in a ratio of less than 50% of issued and paid-up shares. In addition, TISCO Group adopts a materiality concept which is in consistent with accounting concept.

### Capital Structure

According to the Bank of Thailand's regulation, the regulatory capital for commercial banks registered in Thailand and based on Internal Rating Based Approach (IRB) consists of Common Equity Tier 1 (CET1), Additional Tier 1, and Tier 2 Capital. CET1 capital includes paid up capital, premium (discount) on share capital and warrants, statutory reserve, reserves appropriated from net profits, net profit after appropriation, and other components following the Bank of Thailand's regulation, which are the net amount after regulatory adjustments such as goodwill and intangible assets, where Additional Tier 1 capital consists

of money received from the issuance of non-cumulative preferred stocks and money received from the issuance of debts instruments that are subordinated to depositors, general creditors, and other subordinated debts of the Group, which are the net amount after regulatory adjustments such as reciprocal cross holding in the Additional Tier 1 capital of banking, financial and insurance entities.

Tier 2 capital is the sum of instruments issued by the bank which meet the criteria for inclusion in Tier 2 capital, general provision and surplus of provision, less any deduction from Tier 2 capital.

For TISCO Group, Tier 1 capital primarily comprises of paid-up share capital and cumulative profit after appropriation, while Tier 2 capital mostly consists of long-term subordinated debentures issued. Additionally, the deductions from shortage of reserve are also incorporated in Tier 1 capital.

**Table 1 TISCO Financial Group's Capital Structure**

Items	Unit : Million Baht	
	30-Jun-19	31-Dec-18
<b>1. Tier 1 Capital</b>	<b>30,531.51</b>	<b>28,825.82</b>
<b>1.1 CET 1</b>	<b>30,531.41</b>	<b>28,825.72</b>
1.1.1 Paid-up share capital	8,006.46	8,006.46
1.1.2 Premium (discount) on share capital	1,018.41	1,018.41
1.1.3 Warrants	-	-
1.1.4 Statutory reserves	801.00	801.00
1.1.5 Reserve appropriated from net profit	-	-
1.1.6 Retained earnings after appropriation	20,512.15	19,122.32
1.1.7 Other components of CET1 and disclosed reserves	1,825.56	1,458.77
1.1.8 Non-controlling interests	-	-
1.1.9 Any adjustments of CET 1	-	-
1.1.10 Deductions from CET 1 *	1,632.16	1,581.23
<b>1.2 Additional Tier 1</b>	<b>0.10</b>	<b>0.10</b>
1.2.1 Non-cumulative perpetual preferred stock and non-cumulative perpetual preferred stock warrants	0.10	0.10
1.2.2 Hybrid Tier 1 to be counted as Tier 1 Capital	-	-
1.2.3 Surplus (shortfall) from the issue of instruments in 1.2.1-1.2.2 where the bank receives funds	-	-
1.2.4 Eligible non-controlling interests	-	-
1.2.5 Deductions from Additional Tier 1 Capital **	-	-
<b>2. Tier 2 Capital</b>	<b>8,102.20</b>	<b>8,091.88</b>
2.1 Cumulative perpetual preferred stock and cumulative perpetual preferred stock warrants	-	-
2.2 Funds received from debt instruments subordinated to depositors and general creditors	6,680.00	6,680.00
2.3 Surplus (shortfall) from the issue of the instruments 2.1-2.2 where the bank receives funds	-	-
2.4 General provision	718.17	729.83
2.5 Surplus of provisions	704.03	682.05
2.6 Deductions from Tier 2 ***	-	-
<b>3. Total Regulatory Capital</b>	<b>38,633.71</b>	<b>36,917.70</b>

\* e.g. Net losses, goodwill, intangible assets, deferred tax assets, and shortfall of provisions

\*\* Investment in financial instruments which can be counted as Tier 1 Capital of commercial bank

\*\*\* Investment in financial instruments which can be counted as Tier 2 Capital of commercial bank

### Capital Adequacy under Basel III Capital Accord

Based on minimum capital requirement under Basel III effective since the beginning of 2014, TISCO Group has adopted the Internal Rating Based Approach (IRB) for regulatory capital calculation of credit risk since December 31, 2012. The IRB approach is considered more sophisticated calculation given that it can truly reflect TISCO Group risk profiles as well as assets quality with more prudent than the calculation from the Standardized Approach (SA) which is less comprehensive risk weights subject to quality of assets. The risk parameters relied on determining the capital requirement consists of Probability of Default (PD), Loss Given Default (LGD), and Exposure at Default (EAD).

Capital adequacy of the TISCO Group is still in strong position and adequate to support business expansion into the future. At the end of June 2019, the regulatory capital adequacy ratio (BIS ratio) based on IRB approach stood at 22.10%, remaining higher than 11.00% required by the Bank of Thailand, while Tier-I capital adequacy ratio stood at 17.47%, which remained higher than the minimum requirement at 8.50%.

**Table 2 Minimum Capital Requirements for Credit Risk by Asset Classes under SA Approach**

Unit : Million Baht

Credit Risk - SA	30-Jun-19	31-Dec-18
<b>Performing</b>	<b>1,739.59</b>	<b>1,886.23</b>
1. Claims on Financial Institutions and Public Sector Entities treated as Claims on Financial Institutions and Securities Company	19.34	28.91
2. Claims on Corporate and Public Sector Entities treated as Claims on Corporate	185.89	208.09
3. Claims on Retail	858.44	926.71
4. Claims on Residential Property	675.91	722.52
5. Other Assets	-	-
<b>Non-performing</b>	<b>137.65</b>	<b>111.07</b>
<b>Total Minimum Capital Requirements for Credit Risk - SA</b>	<b>1,877.24</b>	<b>1,997.29</b>

**Table 3 Minimum Capital Requirements for Credit Risk by Asset Classes under IRB Approach**

Unit : Million Baht

Credit Risk - IRB	30-Jun-19	31-Dec-18
<b>Non-Default</b>	<b>9,992.98</b>	<b>9,675.79</b>
1. Corporate Lending	3,016.12	2,769.11
2. Retail	6,252.94	6,174.91
3. Equity Exposure	284.75	288.41
4. Other Assets	439.17	443.36
<b>Default</b>	<b>265.57</b>	<b>275.01</b>
<b>Total Minimum Capital Requirements for Credit Risk - IRB</b>	<b>10,258.55</b>	<b>9,950.80</b>

**Table 4 Minimum Capital Requirements for Equity Exposures under IRB Approach**

Unit : Million Baht

<b>Minimum Capital Requirements for Equity Exposures under IRB</b>	<b>30-Jun-19</b>	<b>31-Dec-18</b>
Equity Exposure with an Exemption from IRB Calculation	284.75	288.41
<b>Total Minimum Capital Requirements for Operational Risk</b>	<b>284.75</b>	<b>288.41</b>

**Table 5 Minimum Capital Requirements for Market Risk (Standardized Approach / Internal Model Approach)**

Unit : Million Baht

<b>Minimum Capital Requirements for Market Risk</b>	<b>30-Jun-19</b>	<b>31-Dec-18</b>
Standardized Approach	46.63	44.57
Internal Model Approach	-	-
<b>Total Minimum Capital Requirements for Market Risk</b>	<b>46.63</b>	<b>44.57</b>

\* Since the transaction amount in trading book of TISCO Group was lower than the minimum thresholds required by the Bank of Thailand, the market risk capital was maintained only for the element that cover price risk of commodities related products.

**Table 6 Minimum Capital Requirements for Operational Risk**

Unit : Million Baht

<b>Minimum Capital Requirements for Operational Risk</b>	<b>30-Jun-19</b>	<b>31-Dec-18</b>
Standardized Approach	2,674.92	2,632.56
<b>Total Minimum Capital Requirements for Operational Risk</b>	<b>2,674.92</b>	<b>2,632.56</b>

**Table 7 TISCO Bank's Capital Adequacy Ratio**

Unit : %

Ratio	30-Jun-19		31-Dec-18	
	TISCO's Capital Ratio	Regulatory Minimum Requirement	TISCO's Capital Ratio	Regulatory Minimum Requirement
<b>1. Total Capital Adequacy Ratio</b>	<b>22.10%</b>	<b>11.00%</b>	<b>21.46%</b>	<b>10.375%</b>
2. Total Tier I Capital Adequacy Ratio	17.47%	8.50%	16.75%	7.875%
3. CET 1 Capital Adequacy Ratio	17.47%	7.00%	16.75%	6.375%

## Market Risk

An effective market risk management has been established by adopting the risk management policy approved by the Risk Management Committee, supported by enterprise risk management function in order to ensure appropriate application of the policy in all functions.

In accordance with the market risk capital requirement based on the Bank of Thailand's rules and regulations, since the trading book position of TISCO is still below the minimum thresholds, TISCO is required to maintain its capital to support the market risk only for the element that cover the price risk of

commodities related product. However, internal market risk assessments including all positions related to price and interest rate change has been performed to ensure the effective market risk management still in place.

**Table 27 Minimum Capital Requirement for Market Risk under Standardised Approach**

Unit : Million Baht

<b>Minimum Capital Requirement for Market Risk under SA</b>	<b>30-Jun-19</b>	<b>31-Dec-18</b>
1. Interest Rate Risk	-	-
2. Equity Price Risk	-	-
3. Foreign Exchange Rate Risk	-	-
4. Commodity Price Risk	46.63	44.57
<b>Total</b>	<b>46.63</b>	<b>44.57</b>



Composition of capital disclosure requirements

Attachment 1

Main features of regulatory capital instruments

Subject		Description						
1	Issuer	TISCO Financial Group Public Company Limited						
2	Unique identifier	TISCO256A	TISCO25DA	TISCO268A	TISCO272A	TISCO27NA	TISCO292A	TISCO292B
	<i>BOT's regulatory treatment</i>							
3	Instrument type (CET 1 / Tier 1 / Tier 2)	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2
4	Qualified as capital under Basel III	Qualified	Qualified	Qualified	Qualified	Qualified	Qualified	Qualified
5	If not, specify unqualified feature as per the Basel III regulation	-	-	-	-	-	-	-
6	Recognised as capital partially or in full	Fully recognised	Fully recognised	Fully recognised	Fully recognised	Fully recognised	Fully recognised	Fully recognised
7	Eligible at solo/ group / group & solo	Group & Solo	Group & Solo	Group & Solo	Group & Solo	Group & Solo	Group & Solo	Group & Solo
8	Amount recognised in regulatory capital (Unit: million baht)	1,000 MM baht	1,000 MM baht	680 MM baht	1,000 MM baht	600 MM baht	1,200 MM baht	1,200 MM baht
9	Par value of instrument (Unit: baht)	1,000 baht	1,000 baht	1,000 baht	1,000 baht	1,000 baht	1,000 baht	1,000 baht
10	Accounting classification	Financial liabilities stated at amortised cost	Financial liabilities stated at amortised cost	Financial liabilities stated at amortised cost	Financial liabilities stated at amortised cost	Financial liabilities stated at amortised cost	Financial liabilities stated at amortised cost	Financial liabilities stated at amortised cost
11	Original date of issuance	June 5, 2015	December 17, 2015	August 10, 2016	February 23, 2017	November 15, 2017	February 1, 2019	February 22, 2019
12	Perpetual or dated	Dated	Dated	Dated	Dated	Dated	Dated	Dated
13	Original maturity date	June 5, 2025	December 17, 2025	August 10, 2026	February 23, 2027	November 15, 2027	February 1, 2029	February 22, 2029
14	Issuer call subject to prior supervisory approval	Issuer call option with BOT's prior approval	Issuer call option with BOT's prior approval	Issuer call option with BOT's prior approval	Issuer call option with BOT's prior approval	Issuer call option with BOT's prior approval	Issuer call option with BOT's prior approval	Issuer call option with BOT's prior approval
15	Optional call date, contingent call dates and redemption amount	(1) On the 5th anniversary from the issue date or at any coupon dates after the 5th year of issuance; or (2) Any change in tax law which affect tax benefits of the issuer; or (3) Any change in regulatory capital requirement that occurs on or after the issue date which disqualifies these debentures to be included in the Tier 2 capital of the issuer; or (4) Any other conditions which the Bank of Thailand may prescribe						
16	Subsequent call dates, if applicable							



Subject		Description						
Unique identifier		TISCO256A	TISCO25DA	TISCO268A	TISCO272A	TISCO27NA	TISCO292A	TISCO292B
<i>Coupons / Other returns</i>								
17	Fixed or floating dividend / coupon	Fixed	Fixed	Fixed	Fixed	Fixed	Fixed	Fixed
18	Coupon rate and any related index	Fixed at 4.5%	Fixed at 4.25%	Fixed at 3.875%	Fixed at 4.0%	Fixed at 3.70%	Fixed at 4.0%	Fixed at 4.0%
19	Existence of a dividend stopper	No dividend stopper	No dividend stopper	No dividend stopper	No dividend stopper	No dividend stopper	No dividend stopper	No dividend stopper
20	Fully discretionary, partially discretionary or mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
21	Existence of step up or other incentive to redeem	No step up interest payment	No step up interest payment	No step up interest payment	No step up interest payment	No step up interest payment	No step up interest payment	No step up interest payment
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	-	-	-	-	-	-	-
25	If convertible, fully or partially	-	-	-	-	-	-	-
26	If convertible, conversion rate	-	-	-	-	-	-	-
27	If convertible, specify instrument type convertible into	-	-	-	-	-	-	-
28	If convertible, specify issuer of instrument it converts into	-	-	-	-	-	-	-
29	Write-down feature	Write-down feature	Write-down feature	Write-down feature	Write-down feature	Write-down feature	Write-down feature	Write-down feature
30	If write-down, write-down trigger(s)	In case of non-viability and/or regulatory authorities deciding to provide financial aids to the issuer, these debentures may be required to be written off (fully or partially).						
31	If write-down, full or partial	Full or partial write-down	Full or partial write-down	Full or partial write-down	Full or partial write-down	Full or partial write-down	Full or partial write-down	Full or partial write-down
32	If write-down, permanent or temporary	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent
33	if temporary write-down, description of write-up mechanism	-	-	-	-	-	-	-
34	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Hybrid debt capital instrument / Preferred stock / Common stock	Hybrid debt capital instrument / Preferred stock / Common stock	Hybrid debt capital instrument / Preferred stock / Common stock	Hybrid debt capital instrument / Preferred stock / Common stock	Hybrid debt capital instrument / Preferred stock / Common stock	Hybrid debt capital instrument / Preferred stock / Common stock	Hybrid debt capital instrument / Preferred stock / Common stock

Reconciliation Requirements

Items related to capital funds as of June 30, 2019	Unit: MM baht		
	Balance sheet as in published financial statements	Under regulatory scope of consolidation	References
	(a)	(b)	(c)
<u>Assets</u>			
1. Cash	1,136.02	1,136.02	
2. Interbank and money market items - net	39,528.53	39,528.53	
3. Claims on security	-	-	
4. Derivatives assets	29.35	29.35	
5. Investments - net	11,954.45	11,954.45	
6. Investment in subsidiaries - net	769.09	801.95	
7. Loans to customers and accrued interest receivables			
7.1 Loans to customers	262,011.89	262,011.89	
7.2 Accrued interest receivables	629.35	629.35	
Total loans to customers and accrued interest receivables	<b>262,641.25</b>	<b>262,641.25</b>	
7.3 <u>Less</u> Deferred revenue	-20,796.77	-20,796.77	
7.4 <u>Less</u> Allowances for doubtful accounts	-11,301.24	-11,301.24	
7.5 <u>Less</u> Revaluation allowance for debt restructuring	-7.74	-7.74	
Total loans to customers and accrued interest receivables - net	<b>230,535.49</b>	<b>230,535.49</b>	
8. Customers' liabilities under acceptances	-	-	
9. Property foreclosed - net	18.81	18.81	
10. Premises and equipment - net	2,966.32	2,966.32	
11. Goodwill and intangible assets - net	377.15	377.15	I
12. Deferred tax assets	1,121.92	1,121.92	
13. Other assets - net	3,941.92	3,941.92	
<b>Total Assets</b>	<b>292,379.05</b>	<b>292,411.91</b>	



TISCO FINANCIAL GROUP PUBLIC COMPANY LIMITED

Items related to capital funds as of June 30, 2019	Balance sheet as in published financial statements (a)	Under regulatory scope of consolidation (b)	References (c)
<b>Liabilities</b>			
14. Deposits	199,228.37	199,261.27	
15. Interbank and money market items - net	10,692.90	10,692.90	
16. Liabilities payable on demand	275.85	275.85	
17. Liabilities to deliver security	-	-	
18. Financial liabilities designated at fair value through profit and loss	-	-	
19. Derivatives liabilities	1.60	1.60	
20. Debts issued and borrowings			
20.1 Subordinated unsecured debentures	6,680.00	6,680.00	K
20.2 Unsubordinated unsecured debentures	26,135.00	26,135.00	
20.3 Unsubordinated guaranteed debentures	-	-	
20.4 Bills of exchange and Promissory notes	36.92	36.92	
21. Liabilities under acceptances	-	-	
22. Provisions	1,295.38	1,295.38	
23. Accrued interest payables	2.40	2.40	
24. Other liabilities	12,381.83	12,381.79	
<b>Total Liabilities</b>	<b>256,730.25</b>	<b>256,763.11</b>	
<b>25. Shareholders' Equity</b>			
25.1 Share capital			
25.1.1 Registered			
25.1.1.1 Preferred shares	0.34	0.34	
25.1.1.2 Common shares	8,006.69	8,006.69	
25.1.2 Issued and paid-up			
25.1.2.1 Preferred shares	0.10	0.10	J
25.1.2.2 Common shares	8,006.46	8,006.46	A
25.2 Warrants			
25.3 Share premium (discount)			
25.3.1 Share premium (discount) on preferred shares	-	-	
25.3.2 Share premium (discount) on common shares	1,018.41	1,018.41	B.1



TISCO FINANCIAL GROUP PUBLIC COMPANY LIMITED

Items related to capital funds as of June 30, 2019	Balance sheet as in published financial statements (a)	Under regulatory scope of consolidation (b)	References (c)
25.4 Capital surplus on treasury stock - preferred shares			
25.5 Capital surplus on treasury stock - common shares			
25.6 Other components of shareholders' equity			
25.6.1 Surplus on revaluation of assets	1,162.55	1,162.55	E
25.6.2 Revaluation surplus (deficit) of equity investment	-21.94	-21.94	F
25.6.3 Revaluation surplus (deficit) of debt securities investment	3.58	3.58	G
25.6.4 Translation differences	-	-	
25.6.5 Gains (losses) on cash flow hedges	2.10	2.10	H
25.6.6 Gains (losses) on hedges of a net investment in foreign operations	-	-	
25.6.7 Share of other comprehensive income of associates	-	-	
25.6.8 Other components from owner changes	679.27	679.27	B.2
25.7 Retained earnings (deficit)			
25.7.1 Appropriated			
25.7.1.1 Statutory reserves	801.00	801.00	C
25.7.1.2 Others		20,512.15	D
25.7.2 Unappropriated	23,899.31	3,387.15	
25.8 <u>Less</u> Treasury stocks - preferred shares	-	-	
25.9 <u>Less</u> Treasury stocks - common shares	-	-	
Equity attributable to owners of the company	35,550.83	35,550.83	
25.10 Non-controlling interests of the subsidiaries	97.97	97.97	
<b>Total Shareholders' Equity</b>	<b>35,648.80</b>	<b>35,648.80</b>	
<b>Total Liabilities and Shareholders' Equity</b>	<b>292,379.05</b>	<b>292,411.91</b>	

Reconciliation requirements related to capital funds

Unit: MM baht

Capital Funds as of June 30, 2019		Components of capital funds (d)	References under regulatory scope of consolidation (e)
<b>Common Equity Tier 1 (CET1): Eligible items for Common Equity Tier 1</b>			
1	Paid-up shares capital net of treasury stocks	8,006.46	A
2	Warrants	-	
3	Premium (discount) on common share capital - net	1,018.41	B.1
4	Statutory reserves	801.00	C
5	Reserve appropriated from net profit	-	
6	Retained earnings after appropriation	20,512.15	D
7	Accumulated other comprehensive income		
7.1	Change in incremental from revaluation appraisal of land, buildings, or units of condominium	1,162.55	E
7.2	Gain (loss) on revaluation of available for sale equity investment	-21.94	F
7.3	Gain (loss) on revaluation of available for sale debt securities	3.58	G (ทยอยนับปีละ 20% เริ่ม ม.ค. 57)
7.4	Gain (loss) from translation of financial statements of foreign operations	-	
7.5	Gain (loss) on fair value estimation of derivatives for cash flow hedge reserve	2.10	H
7.6	Gain (loss) on hedges of a net investment in a foreign operation	-	
8	Other items from owner changes	679.27	B.2
9	Non-controlling interest of subsidiaries operating in commercial bank business which can be counted as CET1 of consolidated financial institutions	-	
10	<b>Total Common Equity Tier 1 (CET1) before regulatory adjustments and deduction items</b>	<b>32,163.58</b>	
<b>Common Equity Tier 1 (CET1): Regulatory adjustments</b>			
11	Change in fair value of derivatives for cash flow hedge reserve	-	
12	ค่าโร (ขาดทุน) สะสมที่เกิดจากการเลือกใช้ออป Fair value option	-	
13	Other items specified by the Bank of Thailand	-	
14	<b>Total regulatory adjustments to Common Equity Tier 1</b>	<b>-</b>	
<b>Common Equity Tier 1 (CET1): Deduction items</b>			
15	Net loss	-	
16	Goodwill	-	
17	Intangible assets	377.15	I (ทยอยนับปีละ 20% เริ่ม ม.ค. 57)
18	Deferred tax assets	1,255.01	
19	Shortfall of provision	-	
20	Securitisation gain on sale	-	
21	Reciprocal cross-holdings in common equity between banks and other financial business companies and other supporting business	-	
22	Investment in equity including warrants of finance companies and credit foncier companies, which are held directly and indirectly	-	
23	Investment in equity including warrants counted as CET 1 of other financial institutions or other consolidated financial institutions other than specified in no. 21 and 22	-	
24	Value of underlying financial instruments countable as Tier 1 capital under shareholders' equity of other financial institutions or financial groups, in case of buying equity derivatives	-	
25	Investment in equity including warrants of joint venture companies	-	



# TISCO FINANCIAL GROUP PUBLIC COMPANY LIMITED

Capital Funds as of June 30, 2019		Components of capital funds (d)	References under regulatory scope of consolidation (e)
26	Investment in equity including warrants of companies engaged in financial business and supporting business which are held not exceeding 10% of paid-up share in each company	-	
27	Investment in equity including warrants of companies engaged in financial business and supporting business which are held exceeding 10% of paid-up share in each company	-	
28	Other items specified by the Bank of Thailand	-	
29	Deductions from Additional Tier 1 capital, for the remaining amounts in case Additional Tier 1 capital is insufficient to be fully deducted	-	
30	<b>Total regulatory deductions from Common Equity Tier 1</b>	1,632.16	
31	<b>Total Common Equity Tier 1 (CET1)</b>	<b>30,531.41</b>	
<b>Additional Tier 1 Capital: Eligible items for Additional Tier 1</b>			
32	Proceeds from issuance of non-cumulative preferred shares, after deducting the repurchase of non-cumulative preferred shares	0.10	J
33	Warrants of non-cumulative preferred shares	-	
34	Proceeds from issuance of subordinated debts, in which the holders' right to receive payment is after depositors, creditors and holders of Tier 2 financial instruments	-	
35	Premium (discount) on the instruments under no. 32 to 34	-	
36	Non-controlling interest of subsidiaries which can be counted as Additional Tier 1 capital	-	
37	<b>Total Additional Tier 1 capital before deduction items</b>	<b>0.10</b>	
<b>Additional Tier 1 Capital: Deduction items</b>			
38	Treasury financial instruments countable as Tier 1 capital	-	
39	Reciprocal cross-holding in financial instruments qualified as Additional Tier 1 capital between banks and other financial companies or other supporting business	-	
40	Investment in financial instruments qualified as Additional Tier 1 capital of other banks or other financial companies, which are held directly and indirectly	-	
41	Investment in financial instruments qualified as Additional Tier 1 capital of other financial institutions or consolidated financial companies, other than specified in no. 39 and 40	-	
42	Value of underlying financial instruments qualified as Additional Tier 1 capital of other financial institutions or other consolidated financial companies, in case of buying bond / equity derivatives and in case of selling protection of credit derivatives	-	
43	Investment in financial instruments qualified as Additional Tier 1 capital of companies engaged in financial business and supporting business which are held not exceeding 10% of all paid-up shares	-	
44	Investment in financial instruments qualified as Additional Tier 1 capital of companies engaged in financial business and supporting business which are held exceeding 10% of all paid-up shares	-	
45	Other items specified by the Bank of Thailand	-	
46	Deductions from Tier 2 capital, for the remaining amounts in case Tier 2 capital is insufficient to be fully deducted	-	
47	<b>Total regulatory deductions from Additional Tier 1 capital</b>	<b>-</b>	
48	<b>Total Additional Tier 1 capital (AT1)</b>	<b>0.10</b>	
49	<b>Total Tier 1 capital (T1 = CET1+AT1)</b>	<b>30,531.51</b>	
<b>Tier 2 Capital: Eligible Items for Tier 2</b>			
50	Proceeds from issuance of cumulative preferred shares, after deducting the repurchase of cumulative preferred shares	-	
51	Warrants of cumulative preferred shares	-	
52	Proceeds from issuance of subordinated debts, in which the holders' right to receive payment is after depositors and creditors	6,680.00	K
53	Premium (discount) on the instruments under no. 50 to 52	-	
54	General provision	718.17	
55	Surplus of provision	704.03	
56	Non-controlling interest of subsidiaries which can be counted as Tier 2 capital	-	
57	<b>Total Tier 2 capital before deduction items</b>	<b>8,102.20</b>	

Capital Funds as of June 30, 2019		Components of capital funds (d)	References under regulatory scope of consolidation (e)
<b>Tier 2 Capital: Deduction Items</b>			
58	Repurchase of financial instruments qualified as Tier 2 capital	-	
59	Reciprocal cross-holding in financial instruments qualified as Tier 2 capital between banks and other financial companies or other supporting business	-	
60	Investment in financial instruments qualified as Tier 2 capital of other banks or other financial companies, which are held directly and indirectly	-	
61	Investment in financial instruments qualified as Tier 2 capital of other financial institutions or consolidated financial companies, other than specified in no. 59 and 60	-	
62	Value of underlying financial instruments qualified as Tier 2 capital of other financial institutions or other consolidated financial companies, in case of buying bond / equity derivatives and in case of selling protection of credit derivatives	-	
63	Investment in financial instruments qualified as Tier 2 capital of companies engaged in financial business and supporting business which are held not exceeding 10% of all paid-up shares	-	
64	Investment in financial instruments qualified as Tier 2 capital of companies engaged in financial business and supporting business which are held exceeding 10% of all paid-up shares	-	
65	Other items specified by the Bank of Thailand	-	
66	<b>Total regulatory deductions from Tier 2 capital</b>	-	
67	<b>Total Tier 2 capital (T2)</b>	8,102.20	
68	<b>Total Capital (TC = T1+T2)</b>	38,633.71	

Capital composition during the transitional period under Basel III

Unit: MM baht

Capital Funds as of June 30, 2019		Remaining amount subject to transitional adjustment under Basel III	
<u>Common Equity Tier 1 (CET1): Eligible items for Common Equity Tier 1</u>			
1	Paid-up shares capital net of treasury stocks	8,006.46	
2	Warrants	-	
3	Premium (discount) on common share capital (net)	1,018.41	
4	Statutory reserves	801.00	
5	Reserve appropriated from net profit	-	
6	Retained earnings after appropriation	20,512.15	
7	Accumulated other comprehensive income		
	7.1 Change in incremental from revaluation appraisal of land, buildings, or units of condominium	1,162.55	
	7.2 Gain (loss) on revaluation of available for sale equity investment	-21.94	
	7.3 Gain (loss) on revaluation of available for sale debt securities	3.58	-
	7.4 Gain (loss) from translation of financial statements of foreign operations	-	-
	7.5 Gain (loss) on fair value estimation of derivatives for cash flow hedge reserve	2.10	-
	7.6 Gain (loss) on hedges of a net investment in a foreign operation	-	-
8	Other items from owner changes	679.27	
9	Non-controlling interest of subsidiaries operating in commercial bank business which can be counted as CET1 of consolidated financial institutions	-	-
10	<b>Total Common Equity Tier 1 (CET1) before regulatory adjustments and deduction items</b>	<b>32,163.58</b>	
<u>Common Equity Tier 1 (CET1): Regulatory adjustments</u>			
11	Change in fair value of derivatives for cash flow hedge reserve	-	
12	Accumulated gain (loss) on fair value option	-	
13	Other items specified by the Bank of Thailand	-	
14	<b>Total regulatory adjustments to Common Equity Tier 1</b>	<b>-</b>	



Capital Funds as of June 30, 2019			Remaining amount subject to transitional adjustment under Basel III
<b>Common Equity Tier 1 (CET1): Deduction items</b>			
15	Net loss	-	
16	Goodwill	-	
17	Intangible assets	377.15	-
18	Deferred tax assets	1,255.01	
19	Shortfall of provision	-	
20	Securitisation gain on sale	-	-
21	Reciprocal cross-holdings in common equity between banks and other financial business companies and other supporting business	-	
22	Investment in equity including warrants of finance companies and credit foncier companies, which are held directly and indirectly	-	
23	Investment in equity including warrants counted as CET 1 of other financial institutions or other consolidated financial institutions other than specified in no. 21 and 22	-	
24	Value of underlying financial instruments countable as Tier 1 capital under shareholders' equity of other financial institutions or financial groups, in case of buying equity derivatives	-	
25	Investment in equity including warrants of joint venture companies	-	
26	Investment in equity including warrants of companies engaged in financial business and supporting business which are held not exceeding 10% of paid-up share in each company	-	-
27	Investment in equity including warrants of companies engaged in financial business and supporting business which are held exceeding 10% of paid-up share in each company	-	-
28	Other items specified by the Bank of Thailand	-	
29	Deductions from Additional Tier 1 capital, for the remaining amounts in case Additional Tier 1 capital is insufficient to be fully deducted	-	
30	<b>Total regulatory deductions from Common Equity Tier 1</b>	<b>1,632.16</b>	
31	<b>Total Common Equity Tier 1 (CET1)</b>	<b>30,531.41</b>	



Capital Funds as of June 30, 2019			Remaining amount subject to transitional adjustment under Basel III
<b>Additional Tier 1 Capital: Eligible items for Additional Tier 1</b>			
32	Proceeds from issuance of non-cumulative preferred shares, after deducting the repurchase of non-cumulative preferred shares	0.10	
33	Warrants of non-cumulative preferred shares	-	
34	Proceeds from issuance of subordinated debts, in which the holders' right to receive payment is after depositors, creditors and holders of Tier 2 financial instruments	-	
35	Premium (discount) on the instruments under no. 32 to 34	-	
36	Non-controlling interest of subsidiaries which can be counted as Additional Tier 1 capital	-	-
37	<b>Total Additional Tier 1 capital before deduction items</b>	<b>0.10</b>	
<b>Additional Tier 1 Capital: Deduction items</b>			
38	Treasury financial instruments countable as Tier 1 capital	-	
39	Reciprocal cross-holding in financial instruments qualified as Additional Tier 1 capital between banks and other financial companies or other supporting business	-	
40	Investment in financial instruments qualified as Additional Tier 1 capital of other banks or other financial companies, which are held directly and indirectly	-	
41	Investment in financial instruments qualified as Additional Tier 1 capital of other financial institutions or consolidated financial companies, other than specified in no. 39 and 40	-	
42	Value of underlying financial instruments qualified as Additional Tier 1 capital of other financial institutions or other consolidated financial companies, in case of buying bond / equity derivatives and in case of selling protection of credit derivatives	-	
43	Investment in financial instruments qualified as Additional Tier 1 capital of companies engaged in financial business and supporting business which are held not exceeding 10% of all paid-up shares	-	-
44	Investment in financial instruments qualified as Additional Tier 1 capital of companies engaged in financial business and supporting business which are held exceeding 10% of all paid-up shares	-	-
45	Other items specified by the Bank of Thailand	-	
46	Deductions from Tier 2 capital, for the remaining amounts in case Tier 2 capital is insufficient to be fully deducted	-	
47	<b>Total regulatory deductions from Additional Tier 1 capital</b>	<b>-</b>	
48	<b>Total Additional Tier 1 capital (AT1)</b>	<b>0.10</b>	
49	<b>Total Tier 1 capital (T1 = CET1+AT1)</b>	<b>30,531.51</b>	



Capital Funds as of June 30, 2019			Remaining amount subject to transitional adjustment under Basel III
<b>Tier 2 Capital: Eligible items for Tier 2</b>			
50	Proceeds from issuance of cumulative preferred shares, after deducting the repurchase of cumulative preferred shares	-	
51	Warrants of cumulative preferred shares	-	
52	Proceeds from issuance of subordinated debts, in which the holders' right to receive payment is after depositors and creditors	6,680.00	-
53	Premium (discount) on the instruments under no. 50 to 52	-	
54	General provision	718.17	
55	Surplus of provision	704.03	
56	Non-controlling interest of subsidiaries which can be counted as Tier 2 capital	-	-
57	<b>Total Tier 2 capital before deduction items</b>	<b>8,102.20</b>	
<b>Tier 2 Capital: Deduction items</b>			
58	Repurchase of financial instruments qualified as Tier 2 capital	-	
59	Reciprocal cross-holding in financial instruments qualified as Tier 2 capital between banks and other financial companies or other supporting business	-	
60	Investment in financial instruments qualified as Tier 2 capital of other banks or other financial companies, which are held directly and indirectly	-	
61	Investment in financial instruments qualified as Tier 2 capital of other financial institutions or consolidated financial companies, other than specified in no. 59 and 60	-	
62	Value of underlying financial instruments qualified as Tier 2 capital of other financial institutions or other consolidated financial companies, in case of buying bond / equity derivatives and in case of selling protection of credit derivatives	-	
63	Investment in financial instruments qualified as Tier 2 capital of companies engaged in financial business and supporting business which are held not exceeding 10% of all paid-up shares	-	-
64	Investment in financial instruments qualified as Tier 2 capital of companies engaged in financial business and supporting business which are held exceeding 10% of all paid-up shares	-	-
65	Other items specified by the Bank of Thailand	-	
66	<b>Total regulatory deductions from Tier 2 capital</b>	<b>-</b>	
67	<b>Total Tier 2 capital (T2)</b>	<b>8,102.20</b>	
68	<b>Total Capital (TC = T1+T2)</b>	<b>38,633.71</b>	



## TISCO FINANCIAL GROUP PUBLIC COMPANY LIMITED

Capital instruments which are not qualified under Basel III requirement will be phased out at the rate of 10% each year since 2013, and will no longer be included as capital from 2022 onward. For TISCO Group, there was no capital instrument unqualified under Basel III at the end of June 2019.