

TISCO Financial Group Public Company Limited
and its subsidiary companies
Review report and interim financial information
30 June 2023



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Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of TISCO Financial Group Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of TISCO Financial Group Public Company Limited and its subsidiaries as at 30 June 2023, and the related consolidated statements of comprehensive income for the three-month and six-month periods ended 30 June 2023, the related consolidated statements of changes in equity and cash flows for the six-month period then ended, as well as the condensed notes to the interim consolidated financial statements. I have also reviewed the separate financial information of TISCO Financial Group Public Company Limited for the same period (collectively "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 Interim Financial Reporting and the Bank of Thailand's regulations. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

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

Conclusion

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

Saranya Pludsri
Certified Public Accountant (Thailand) No. 6768

EY Office Limited
Bangkok: 11 August 2023

TISCO Financial Group Public Company Limited and its subsidiaries

Statement of financial position

As at 30 June 2023

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2023	31 December 2022	30 June 2023	31 December 2022
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Cash		947,593	1,005,066	70	70
Interbank and money market items - net	3.1, 3.8	37,581,560	40,272,419	30,815	27,253
Financial assets measured at fair value through profit or loss	3.2	2,036,376	2,172,386	600,013	954,994
Derivatives assets	3.3	-	147,489	-	-
Investments - net	3.4, 3.8	3,537,531	3,989,884	220,282	202,271
Investments in subsidiaries and joint venture - net	3.5	883,841	872,808	20,069,304	20,069,244
Loans to customers and accrued interest receivables	3.6, 3.8				
Loans to customers		247,687,603	236,240,839	4,910,000	4,290,000
Accrued interest receivables and undue interest income		1,803,972	1,722,316	-	-
Total loans to customers and accrued interest receivables		249,491,575	237,963,155	4,910,000	4,290,000
Less: Deferred revenue		(17,193,220)	(17,237,040)	-	-
Less: Allowance for expected credit loss	3.7	(11,345,005)	(11,844,732)	(6,383)	(5,577)
Total loans to customers and accrued interest receivables - net		220,953,350	208,881,383	4,903,617	4,284,423
Properties foreclosed - net		15,911	6,550	-	-
Investment properties		27,058	27,058	910,728	910,728
Premises and equipment - net		2,886,669	2,786,274	757,850	758,081
Right-of-use assets - net		842,171	753,866	181	321
Intangible assets - net		85,350	99,603	51,654	62,682
Deferred tax assets	3.19	865,189	830,504	198,454	234,704
Securities and derivatives business receivables - net		1,004,193	611,384	-	-
Dividend receivables from subsidiaries		-	-	1,161,032	5,286,999
Other assets	3.9	2,692,097	2,957,763	269,681	242,210
Total assets		274,358,889	265,414,437	29,173,681	33,033,980

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 30 June 2023

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2023	31 December 2022	30 June 2023	31 December 2022
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and equity					
Liabilities					
Deposits	3.10	199,356,424	188,265,809	-	-
Interbank and money market items		6,513,561	6,195,459	2,430,000	550,000
Liabilities payable on demand		229,063	256,708	-	-
Derivatives liabilities	3.3	84,054	-	-	-
Debts issued and borrowings	3.11	13,986,122	15,756,919	6,110,000	7,880,000
Lease liabilities		777,895	700,258	189	332
Provisions	3.12	1,917,402	1,712,266	301,863	287,935
Securities and derivatives business payables - net		1,064,892	1,246,559	-	-
Accrued interest payable		845,322	559,568	14,787	14,528
Income tax payable		762,280	830,031	-	-
Other liabilities	3.13	8,609,007	7,100,237	1,525,006	1,438,918
Total liabilities		234,146,022	222,623,814	10,381,845	10,171,713

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 30 June 2023

(Unit: Thousand Baht)

Note	Consolidated financial statements		Separate financial statements	
	30 June 2023 (Unaudited but reviewed)	31 December 2022 (Audited)	30 June 2023 (Unaudited but reviewed)	31 December 2022 (Audited)
Equity				
Share capital				
Registered				
33,858 preference shares of Baht 10 each	339	339	339	339
800,669,437 ordinary shares of Baht 10 each	8,006,694	8,006,694	8,006,694	8,006,694
	<u>8,007,033</u>	<u>8,007,033</u>	<u>8,007,033</u>	<u>8,007,033</u>
Issued and paid-up				
9,859 preference shares of Baht 10 each	99	99	99	99
800,645,624 ordinary shares of Baht 10 each	8,006,456	8,006,456	8,006,456	8,006,456
	8,006,555	8,006,555	8,006,555	8,006,555
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
	1,018,408	1,018,408	7,031,523	7,031,523
Other components of equity				
Retained earnings	1,843,107	1,831,007	320,845	306,770
Appropriated - statutory reserve				
Appropriated - statutory reserve	801,000	801,000	801,000	801,000
Unappropriated				
Unappropriated	28,540,607	31,130,416	2,631,913	6,716,419
Equity attributable to equity holders of the Company				
Equity attributable to equity holders of the Company	40,209,677	42,787,386	18,791,836	22,862,267
Non-controlling interests of the subsidiaries				
Non-controlling interests of the subsidiaries	3,190	3,237	-	-
Total equity				
Total equity	<u>40,212,867</u>	<u>42,790,623</u>	<u>18,791,836</u>	<u>22,862,267</u>
Total liabilities and equity				
Total liabilities and equity	<u>274,358,889</u>	<u>265,414,437</u>	<u>29,173,681</u>	<u>33,033,980</u>

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



Mr. Sakchai Peechapat
(Group Chief Executive)



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



Mr. Metha Pingsuthiwong
(Chief Operating Officer)

(Unaudited but reviewed)

TISCO Financial Group Public Company Limited and its subsidiaries**Statement of comprehensive income****For the three-month period ended 30 June 2023**

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

	Note	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
Profit or loss:					
Interest income	3.15	4,397,458	3,616,492	31,121	16,261
Interest expenses	3.16	(977,827)	(509,861)	(33,421)	(12,570)
Net interest income		3,419,631	3,106,631	(2,300)	3,691
Fee and service income		1,260,022	1,270,850	-	-
Fee and service expenses		(108,391)	(108,583)	(7,699)	(5,315)
Net fee and service income	3.17	1,151,631	1,162,267	(7,699)	(5,315)
Net gain (loss) on financial instruments measured at fair value through profit or loss		64,801	173,118	(19,004)	36,356
Net gain on investments		2,177	2,634	-	8
Share of profit from investments accounted for under equity method	3.5.2	10,272	14,651	-	-
Dividend income		19,537	13,883	1,904,965	7,288
Penalty fee income from loans		34,251	41,153	-	-
Intercompany supporting fee income	3.20	-	-	552,816	532,761
Other operating income		40,965	43,969	19,226	19,138
Total operating income		4,743,265	4,558,306	2,448,004	593,927
Operating expenses					
Employee expenses		1,602,551	1,537,315	218,481	181,564
Directors' remuneration		6,800	5,718	6,800	5,718
Premises and equipment expenses		409,277	341,808	202,114	187,365
Taxes and duties		92,427	60,130	4,172	79
Other operating expenses		266,486	173,865	15,344	13,735
Total operating expenses		2,377,541	2,118,836	446,911	388,461
Expected credit loss	3.18	63,079	139,874	1,896	1,011
Profit from operations before income tax expenses		2,302,645	2,299,596	1,999,197	204,455
Income tax expenses	3.19	448,627	451,051	19,586	40,803
Profit for the period		1,854,018	1,848,545	1,979,611	163,652

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

(Unaudited but reviewed)

TISCO Financial Group Public Company Limited and its subsidiaries**Statement of comprehensive income (continued)****For the three-month period ended 30 June 2023**

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

	Note	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
Other comprehensive income:					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>					
Gain (loss) on valuation of investments in debt instruments measured at fair value through other comprehensive income					
		(3,578)	(14,798)	34	(20)
Share of other comprehensive income of joint venture -					
	3.5.2	1,116	5,148	-	-
		716	2,960	(7)	4
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax (loss)					
		(1,746)	(6,690)	27	(16)
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
		(42,022)	167,819	(2,672)	31,180
		8,511	(33,341)	534	(6,236)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax (loss)					
		(33,511)	134,478	(2,138)	24,944
Other comprehensive income for the period (loss)					
		(35,257)	127,788	(2,111)	24,928
Total comprehensive income for the period					
		1,818,761	1,976,333	1,977,500	188,580
Profits attributable to					
Equity holders of the Company					
		1,853,888	1,848,432	1,979,611	163,652
Non-controlling interests of the subsidiaries					
		130	113		
		1,854,018	1,848,545		
Total comprehensive income attributable to					
Equity holders of the Company					
		1,818,631	1,976,220	1,977,500	188,580
Non-controlling interests of the subsidiaries					
		130	113		
		1,818,761	1,976,333		
Earnings per share of equity holders of the Company					
Basic earnings per share (Baht per share)					
		2.32	2.31	2.47	0.20

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

(Unaudited but reviewed)

TISCO Financial Group Public Company Limited and its subsidiaries**Statement of comprehensive income****For the six-month period ended 30 June 2023**

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

	Note	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
Profit or loss:					
Interest income	3.15	8,531,898	7,172,685	56,437	31,386
Interest expenses	3.16	(1,825,306)	(1,004,779)	(53,210)	(19,619)
Net interest income		6,706,592	6,167,906	3,227	11,767
Fee and service income		2,638,474	2,674,486	-	-
Fee and service expenses		(220,349)	(237,945)	(10,866)	(8,018)
Net fee and service income	3.17	2,418,125	2,436,541	(10,866)	(8,018)
Net gain (loss) on financial instruments measured at fair value through profit or loss		82,590	140,936	12,119	(77)
Net gain on investments		4,091	1,026	-	10
Share of profit from investments accounted for under equity method	3.5.2	20,395	28,039	-	-
Dividend income		52,578	47,133	1,914,184	7,288
Penalty fee income from loans		70,857	81,233	-	-
Intercompany supporting fee income	3.20	-	-	1,105,807	1,065,296
Other operating income		58,538	70,995	39,762	38,275
Total operating income		9,413,766	8,973,809	3,064,233	1,114,541
Operating expenses					
Employee expenses		3,172,658	3,047,399	447,037	369,206
Directors' remuneration		11,849	10,948	11,849	10,948
Premises and equipment expenses		784,085	663,736	397,762	358,714
Taxes and duties		168,431	122,218	4,252	2,238
Other operating expenses		522,186	369,913	25,464	25,228
Total operating expenses		4,659,209	4,214,214	886,364	766,334
Expected credit loss	3.18	218,471	225,205	2,290	2,049
Profit from operations before income tax expenses		4,536,086	4,534,390	2,175,579	346,158
Income tax expenses	3.19	889,371	890,246	53,391	69,656
Profit for the period		3,646,715	3,644,144	2,122,188	276,502

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

(Unaudited but reviewed)

TISCO Financial Group Public Company Limited and its subsidiaries**Statement of comprehensive income (continued)**

For the six-month period ended 30 June 2023

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

	Note	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
Other comprehensive income:					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>					
Gain (loss) on valuation of investments in debt instruments measured at fair value through other comprehensive income					
		17,566	(16,758)	18,011	(40)
Share of other comprehensive income of joint venture -					
	3.5.2	(142)	9,394	-	-
		(3,513)	3,352	(3,602)	8
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax (loss)					
		13,911	(4,012)	14,409	(32)
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
		(42,022)	167,819	(2,672)	31,180
		8,511	(33,341)	534	(6,236)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax (loss)					
		(33,511)	134,478	(2,138)	24,944
Other comprehensive income for the period (loss)					
		(19,600)	130,466	12,271	24,912
Total comprehensive income for the period					
		3,627,115	3,774,610	2,134,459	301,414
Profits attributable to					
Equity holders of the Company					
		3,646,468	3,643,923	2,122,188	276,502
Non-controlling interests of the subsidiaries					
		247	221		
		3,646,715	3,644,144		
Total comprehensive income attributable to					
Equity holders of the Company					
		3,626,868	3,774,389	2,134,459	301,414
Non-controlling interests of the subsidiaries					
		247	221		
		3,627,115	3,774,610		
Earnings per share of equity holders of the Company					
Basic earnings per share (Baht per share)					
		4.55	4.55	2.65	0.35

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

(Unaudited but reviewed)

TISCO Financial Group Public Company Limited and its subsidiaries**Statement of cash flows****For the six-month period ended 30 June 2023**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Cash flows from operating activities				
Profit from operations before income tax	4,536,086	4,534,390	2,175,579	346,158
Adjustments to reconcile profit from operations before income tax to net cash provided by (paid from) operating activities				
Depreciation and amortisation	273,736	261,268	43,937	52,714
Expected credit loss	949,979	1,065,922	2,290	2,049
Other provisions	39,380	-	-	-
Share of profit from investments accounted for under equity method	(20,395)	(28,039)	-	-
Reversal of allowance for impairment of properties foreclosed	(76)	(311)	-	-
(Gain) loss on disposal of investments in securities	201,990	(559)	12,216	-
Unrealised (gain) loss on foreign exchange transactions and trading derivatives	156,727	(109,565)	(15,576)	(61,006)
(Gain) loss on financial instruments measured at fair value through profit or loss	(285,486)	(100,537)	(8,578)	61,083
Gain on disposal/write-off of equipment, vehicles and intangible assets	(803)	(1,917)	(863)	(3)
Gain on disposal of properties foreclosed	(16,232)	(28,444)	-	-
Employee benefit expenses	118,605	40,709	11,958	3,156
(Increase) decrease in accrued income	53,807	35,903	(5,124)	790
Increase in accrued expenses	1,327,812	1,112,822	172,450	109,276
Net interest income	(6,706,592)	(6,167,906)	(3,227)	(11,767)
Dividend income	(52,578)	(47,133)	(1,914,184)	(7,288)
Cash received on interest income	8,360,904	7,166,270	54,953	29,892
Cash paid on interest expenses	(1,047,703)	(848,713)	(52,947)	(17,069)
Cash received on dividend income	45,639	47,133	6,040,151	4,597,818
Cash paid on income tax	(1,006,447)	(834,017)	(35,044)	(47,888)
Profit from operating activities before changes in operating assets and liabilities	6,928,353	6,097,276	6,477,991	5,057,915
Operating assets (increase) decrease				
Interbank and money market items	2,693,359	(2,066,678)	(3,563)	(871,463)
Loans to customers	(12,854,092)	(1,781,783)	(620,000)	(90,000)
Securities and derivatives business receivables	(392,809)	175,515	-	-
Receivables from clearing house	47,138	396,426	-	-
Properties foreclosed	(9,285)	16,216	-	-
Other assets	181,093	49,380	-7,421	-4,884

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

(Unaudited but reviewed)

TISCO Financial Group Public Company Limited and its subsidiaries**Statement of cash flows (continued)****For the six-month period ended 30 June 2023**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Operating liabilities increase (decrease)				
Deposits	11,090,615	2,336,765	-	-
Interbank and money market items	318,102	(1,196,780)	1,880,000	(565,000)
Liabilities payable on demand	(27,645)	(29,054)	-	-
Securities and derivatives business payables	(181,667)	(1,066,108)	-	-
Short-term debts issued and borrowings	(1,770,797)	2,585,000	(1,770,000)	2,585,000
Payables to clearing house	528,073	496,466	-	-
Provision for long-term employee benefits	(11,135)	(8,009)	(702)	(597)
Other liabilities	(714,427)	(678,677)	(86,368)	(105,524)
Net cash flows from operating activities	5,824,876	5,325,955	5,869,937	6,005,447
Cash flows from investing activities				
Cash paid for purchase of investments in securities	(6,761,329)	(6,158,043)	-	(259,967)
Cash received from disposal of investments in securities	7,468,752	7,120,585	366,919	-
Cash paid for purchase of building improvements, equipment and vehicles	(205,058)	(70,604)	(32,600)	(16,626)
Cash paid for purchase of intangible assets	(4,071)	(5,079)	(395)	(3,935)
Cash received from disposal of equipment and vehicles	1,630	2,130	1,319	-
Cash paid for acquisition of investments in subsidiaries	-	-	(61)	(100)
Net cash flows from (used in) investing activities	499,924	888,989	335,182	(280,628)
Cash flows from financing activities				
Cash received from issuance of long-term debentures	-	2,800,000	-	-
Cash paid for redemption of long-term debentures	-	(3,220,000)	-	-
Cash paid on lease liabilities	(177,300)	(152,536)	(146)	(146)
Dividend paid	(6,204,973)	(5,724,603)	(6,204,973)	(5,724,603)
Net cash flows used in financing activities	(6,382,273)	(6,297,139)	(6,205,119)	(5,724,749)
Net increase (decrease) in cash	(57,473)	(82,195)	-	70
Cash at beginning of the period	1,005,066	1,103,425	70	-
Cash at end of the period	947,593	1,021,230	70	70
	-	-	-	-
Supplemental cash flows information				
Non-cash transactions				
Right-of-use assets	242,043	100,819	-	-
Transfer-in of properties foreclosed in settlement of loans to customers	580,797	921,501	-	-

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

(Unaudited but reviewed)

TISCO Financial Group Public Company Limited and its subsidiaries

Statement of changes in equity

For the six-month period ended 30 June 2023

(Unit: Thousand Baht)

Consolidated financial statements													
Equity attributable to equity holders of the Company													
		Other components of equity										Equity	
		Surplus (deficit) on changes in value of investments measured at fair value through other comprehensive income			Adjustment from business combination of entities under common control under holding restructuring plan			Retained earnings		Total equity attributable to equity holders of the Company		to non-controlling interests of the subsidiaries	
Issued and paid-up		Share premium on	Surplus on	Share of other	Share of other	Share of other	Total	Appropriated	Unappropriated				Total
Preference shares	Ordinary shares	ordinary shares	of assets	joint venture	joint venture	joint venture							
Balance as at 1 January 2022	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
Dividend paid (Note 4)	-	-	-	-	-	-	-	-	-	(5,724,603)	(5,724,603)	-	(5,724,603)
Profit for the period	-	-	-	-	-	-	-	-	-	3,643,923	3,643,923	221	3,644,144
Other comprehensive income for the period (loss)	-	-	-	(13,406)	-	9,394	-	(4,012)	-	134,478	130,466	-	130,466
Total comprehensive income for the period (loss)	-	-	-	(13,406)	-	9,394	-	(4,012)	-	3,778,401	3,774,389	221	3,774,610
Transfer surplus on revaluation of assets													
to retained earnings	-	-	-	-	(1,810)	-	-	(1,810)	-	2,207	397	-	397
Decrease in non-controlling interests													
of the subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(100)	(100)
Balance as at 30 June 2022	99	8,006,456	1,018,408	(11,201)	1,151,677	2,524	679,266	1,822,266	801,000	27,599,044	39,247,273	3,414	39,250,687
Balance as at 1 January 2023	99	8,006,456	1,018,408	1,071	1,149,837	833	679,266	1,831,007	801,000	31,130,416	42,787,386	3,237	42,790,623
Dividend paid (Note 4)	-	-	-	-	-	-	-	-	-	(6,204,973)	(6,204,973)	-	(6,204,973)
Profit for the period	-	-	-	-	-	-	-	-	-	3,646,468	3,646,468	247	3,646,715
Other comprehensive income for the period (loss)	-	-	-	14,053	-	(142)	-	13,911	-	(33,511)	(19,600)	-	(19,600)
Total comprehensive income for the period (loss)	-	-	-	14,053	-	(142)	-	13,911	-	3,612,957	3,626,868	247	3,627,115
Transfer surplus on revaluation of assets													
to retained earnings	-	-	-	-	(1,811)	-	-	(1,811)	-	2,207	396	-	396
Decrease in non-controlling interests													
of the subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(294)	(294)
Balance as at 30 June 2023	99	8,006,456	1,018,408	15,124	1,148,026	691	679,266	1,843,107	801,000	28,540,607	40,209,677	3,190	40,212,867

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

(Unaudited but reviewed)

TISCO Financial Group Public Company Limited and its subsidiaries

Statement of changes in equity (continued)

For the six-month period ended 30 June 2023

(Unit: Thousand Baht)

	Separate financial statements									
					Other components of equity					
	Issued and paid-up		Share premium		Surplus on changes in value of investments measured at fair value through other comprehensive income	Surplus on revaluation of assets	Total	Retained earnings		Total
	Preference shares	Ordinary shares	Preference shares	Ordinary shares				Appropriated	Unappropriated	
Balance as at 1 January 2022	99	8,006,456	87	7,031,436	2,457	304,985	307,442	801,000	6,673,994	22,820,514
Dividend paid (Note 4)	-	-	-	-	-	-	-	-	(5,724,603)	(5,724,603)
Profit for the period	-	-	-	-	-	-	-	-	276,502	276,502
Other comprehensive income for the period (loss)	-	-	-	-	(32)	-	(32)	-	24,944	24,912
Total comprehensive income for the period (loss)	-	-	-	-	(32)	-	(32)	-	301,446	301,414
Transfer surplus on revaluation of assets to retained earnings	-	-	-	-	-	(333)	(333)	-	417	84
Balance as at 30 June 2022	99	8,006,456	87	7,031,436	2,425	304,652	307,077	801,000	1,251,254	17,397,409
Balance as at 1 January 2023	99	8,006,456	87	7,031,436	2,457	304,313	306,770	801,000	6,716,419	22,862,267
Dividend paid (Note 4)	-	-	-	-	-	-	-	-	(6,204,973)	(6,204,973)
Profit for the period	-	-	-	-	-	-	-	-	2,122,188	2,122,188
Other comprehensive income for the period (loss)	-	-	-	-	14,409	-	14,409	-	(2,138)	12,271
Total comprehensive income for the period	-	-	-	-	14,409	-	14,409	-	2,120,050	2,134,459
Transfer surplus on revaluation of assets to retained earnings	-	-	-	-	-	(334)	(334)	-	417	83
Balance as at 30 June 2023	99	8,006,456	87	7,031,436	16,866	303,979	320,845	801,000	2,631,913	18,791,836

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

TISCO Financial Group Public Company Limited and its subsidiaries

Notes to interim consolidated financial statements

For the three-month and six-month periods ended 30 June 2023

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

1.1 Basis for preparation of interim financial information

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

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

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

1.2 Coronavirus disease 2019 pandemic

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

1.3 Basis for preparation of interim consolidated financial statements

The basis of interim consolidation is the same as that for the consolidated financial statements for the year ended 31 December 2022 with no change in the composition of the subsidiaries during the current period.

1.4 Separate financial statements

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

1.5 Significant accounting policies

The interim financial information is prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2022.

The revised financial reporting standards which are effective for fiscal year beginning on or after 1 January 2023 do not have any significant impact on the Group's financial statements.

1.6 Accounting guidance on the Guidelines Regarding the Provision of Financial Assistance to Debtors Affected by COVID-19

The Federation of Accounting Professions has announced Accounting Guidance on 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 guidelines of the BOT. The accounting guidance is applicable for provisions of assistance to such debtors made during the period from 1 January 2022 to 31 December 2023 or until the BOT makes changes.

Under this accounting guidance, the Group may elect to adopt accounting treatments consistent with the circular of the BOT No. BOT.RPD2.C. 802/2564 dated 3 September 2021 "Guidelines regarding the provision of financial assistance to debtors affected by COVID-19 (sustainable debt resolution)". The assistance to debtors can be classified into 2 groups by debt restructuring method as follows:

1. Debt restructuring for the purpose of reducing the debt burden of debtors that involves more than just a payment timeline extension (Assistance type 1). For this type of debt restructuring, the Group may elect to apply the temporary relief measures relating to staging assessment and setting aside of provisions, whereby:
 - 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 (Underperforming or Stage 2) only when principal or interest payments are more than 30 days past due or 1 month past due, counting from the due date.
 - 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.
2. Debt restructuring involving only a payment 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 (Assistance type 2). For this type of debt restructuring, the Group is required to perform staging assessment and set aside provisions in accordance with the relevant financial reporting standards. However, the Group may elect to adopt treatments regarding significant increase in credit risk according to the appendix to the circular of the BOT No. BOT.RPD2.C. 802/2564 to assess whether a debtor is to move to under-performing stage or Stage 2.

For both types of assistance, the Group may determine expected credit loss based on the outstanding balance of the drawn down portion only.

The Group provided both types of assistance to debtors. However, it has elected to comply with the staging assessment and the setting aside of provisions in accordance with the relevant financial reporting standards, and has only adopted treatments regarding significant increase in credit risk according to the appendix to the circular of the BOT as mentioned above to assess whether a debtor is to move to under-performing stage or Stage 2 only for some types of loans.

2. General information

2.1 The Company's information

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

2.2 Related party transactions

Related parties comprise individuals or enterprises that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company. They also include associated companies, 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 Interbank and money market items (assets)

As at 30 June 2023 and 31 December 2022, interbank and money market items in the consolidated financial statements include securities purchases under resale agreements according to private repurchase transactions made by the subsidiary company operating a banking business, with the securities received under the resale agreements being used as collateral, as detailed below.

	(Unit: Thousand Baht)	
	Securities purchased under resale agreements according to private repurchase transactions	
	as at	
	30 June 2023	31 December 2022
Commercial banks	16,500,000	18,600,000
Specialised Financial Institutions	17,500,000	17,900,000

Fair value of securities received as collateral is as follows:

	(Unit: Thousand Baht)	
	Fair value of securities received as collateral	
	as at	
	30 June 2023	31 December 2022
Commercial banks	16,500,800	18,733,000
Specialised Financial Institutions	17,611,800	18,167,700

(Unaudited but reviewed)

In addition, as at 30 June 2023 and 31 December 2022, interbank and money market items include insurance premiums received by the Group from the insured, amounting to Baht 250 million and Baht 317 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.

3.2 Financial assets measured at fair value through profit or loss

3.2.1 Financial assets measured at fair value through profit or loss classified by type of investments

(Unit: Thousand Baht)

Investments	Consolidated financial statements as at			
	30 June 2023		31 December 2022	
	Cost	Fair value	Cost	Fair value
Others				
Domestic marketable equity instruments	225,710	311,073	93,088	196,089
Foreign marketable equity instruments	293,082	226,409	293,082	229,016
Domestic non-marketable equity instruments	231,289	1,070,462	231,289	963,500
Other securities - domestic unit trusts	54,856	54,828	54,856	57,803
Other securities - foreign unit trusts	302,826	373,604	803,120	725,978
	1,107,763	2,036,376	1,475,435	2,172,386
Add: Allowance for changes in value	928,613		696,951	
Total	2,036,376		2,172,386	

(Unit: Thousand Baht)

Investments	Separate financial statements as at			
	30 June 2023		31 December 2022	
	Cost	Fair value	Cost	Fair value
Others				
Foreign marketable equity instruments	293,082	226,409	293,082	229,016
Other securities - foreign unit trusts	302,826	373,604	803,120	725,978
	595,908	600,013	1,096,202	954,994
Add (less): Allowance for changes in value	4,105		(141,208)	
Total	600,013		954,994	

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

As at 30 June 2023 and 31 December 2022, investments in securities of the Group include investments in securities issued by companies with weak financial positions and poor operating results of the subsidiary operating a banking business as follows:

(Unit: Thousand Baht)

	As at			
	30 June 2023		31 December 2022	
	Cost	Fair value	Cost	Fair value
Companies with weak financial positions and poor operating results	9,270	-	9,270	3,801

3.3 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					
	30 June 2023			31 December 2022		
	Fair value		Notional amount	Fair value		Notional amount
Assets	Liabilities	Assets		Liabilities		
Exchange rate	-	84,054	2,208,116	147,489	-	1,739,526
Total	-	84,054	2,208,116	147,489	-	1,739,526

All counterparties of these derivatives transactions are financial institutions.

3.4 Investments

3.4.1 Investments classified by type of investments

As at 30 June 2023 and 31 December 2022, investments classified by type of investments are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements as at			
	30 June 2023		31 December 2022	
	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	3,294,302	3,290,709	3,763,317	3,763,243
Private sector debt instruments	423,121	246,822	423,121	226,641
	<u>3,717,423</u>	<u>3,537,531</u>	<u>4,186,438</u>	<u>3,989,884</u>
Less: Allowance for changes in value	(179,892)		(196,554)	
Total	<u>3,537,531</u>		<u>3,989,884</u>	
Allowance for expected credit loss	199,921		199,921	
Investments in debt instruments measured at amortised cost				
Investments in receivables	8,730		8,896	
Less: Allowance for expected credit loss	(8,730)		(8,896)	
Total	<u>-</u>		<u>-</u>	
Total investments	<u><u>3,537,531</u></u>		<u><u>3,989,884</u></u>	

(Unit: Thousand Baht)

	Separate financial statements as at			
	30 June 2023		31 December 2022	
	Amortised cost	Fair value	Amortised cost	Fair value
Investments in debt instruments measured at fair value through other comprehensive income				
Private sector debt instruments	371,662	220,282	371,662	202,271
	<u>371,662</u>	<u>220,282</u>	<u>371,662</u>	<u>202,271</u>
Less: Allowance for changes in value	(151,380)		(169,391)	
Total investments	<u>220,282</u>		<u>202,271</u>	
Allowance for expected credit loss	172,461		172,461	

3.4.2 Investments subject to restrictions

(Unit: Million Baht)

Type of investments	Consolidated financial statements as at		Type of restrictions
	30 June 2023	31 December 2022	
Government debt securities	1	2	Pledge for electricity usage

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

As at 30 June 2023 and 31 December 2022, 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					
	30 June 2023			31 December 2022		
	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	246,822	199,921	423,121	226,641	199,921

(Unit: Thousand Baht)

	Separate financial statements as at					
	30 June 2023			31 December 2022		
	Cost	Fair value	Allowance for expected credit loss	Cost	Fair value	Allowance for expected credit loss
Companies having problems with debt repayment or in default	371,662	220,282	172,461	371,662	202,271	172,461

3.5 Investments in subsidiaries and joint venture

(Unit: Thousand Baht)

	Consolidated financial statements as at		Separate financial statements as at	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
Investments in subsidiaries	-	-	19,996,059	19,995,999
Investments in joint venture	883,841	872,808	73,245	73,245
	<u>883,841</u>	<u>872,808</u>	<u>20,069,304</u>	<u>20,069,244</u>

3.5.1 Investments in subsidiaries

(Unit: Thousand Baht)

Company's name	Type of investments	Separate financial statements					
		Percentage of holding as at		Investment value - cost method as at		Dividend received for the six-month periods ended	
		30 June 2023	31 December 2022	30 June 2023	31 December 2022	30 June 2023	30 June 2022
		(%)	(%)				
<u>Subsidiaries directly held by the Company</u>							
TISCO Bank Public Company Limited	Ordinary shares	99.99	99.99	17,641,371	17,641,310	1,898,196	-
TISCO Securities Co., Ltd.	Ordinary shares	99.99	99.99	1,075,065	1,075,065	-	-
TISCO Asset Management Co., Ltd.	Ordinary shares	99.99	99.99	110,075	110,075	-	-
Hi-Way Co., Ltd.	Preference shares	99.99	99.99	2,866	2,866	-	-
	Ordinary shares	99.99	99.99	770,053	770,053	-	-
TISCO Information Technology Co., Ltd.	Ordinary shares	99.99	99.99	22,117	22,117	-	-
TISCO Insurance Solution Co., Ltd.	Ordinary shares	99.99	99.99	136,655	136,655	-	-
Primus Leasing Co., Ltd (In the process of liquidation)	Ordinary shares	99.99	99.99	141,521	141,521	-	-
TISCO Learning Center Co., Ltd.	Ordinary shares	99.99	99.99	5,000	5,000	-	-
All-Ways Co., Ltd.	Ordinary shares	99.99	99.99	200,000	200,000	-	-
				20,104,723	20,104,662	1,898,196	-
Less: Allowance for impairment				(108,664)	(108,663)		
Investments in subsidiaries - net				19,996,059	19,995,999		

3.5.2 Investments in joint venture

a) Details of investments in joint venture

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

(Unit: Thousand Baht)

Jointly controlled entity	Consolidated financial statements					
	Shareholding percentage		Cost		Carrying amounts based on equity method	
	as at		as at		as at	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022	30 June 2023	31 December 2022
	(%)	(%)				
TISCO Tokyo Leasing Co., Ltd.	49.00	49.00	73,245	73,245	883,841	872,808

(Unit: Thousand Baht)

Jointly controlled entity	Separate financial statements			
	Shareholding percentage		Cost	
	as at		as at	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
	(%)	(%)		
TISCO Tokyo Leasing Co., Ltd.	49.00	49.00	73,245	73,245

b) Share of comprehensive income and dividend received

During the periods, the Company recognised its share of comprehensive income from investments 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 from investments in joint venture for the three-month periods ended 30 June		Share of other comprehensive income from investments in joint venture for the three-month periods ended 30 June		Dividend received for the three-month periods ended 30 June	
	2023	2022	2023	2022	2023	2022
	TISCO Tokyo Leasing Co., Ltd.	10,272	14,651	1,116	5,148	-

(Unaudited but reviewed)

Jointly controlled entity	Consolidated financial statements				(Unit: Thousand Baht) Separate financial statements	
	Share of other comprehensive income				Dividend received	
	Share of profit from investments in joint venture for the six-month periods ended 30 June		from investments in joint venture for the six-month periods ended 30 June		for the six-month periods ended 30 June	
	2023	2022	2023	2022	2023	2022
TISCO Tokyo Leasing Co., Ltd.	20,395	28,039	(142)	9,394	9,219	-

3.6 Loans to customers and accrued interest receivables

3.6.1 Classified by type of loans to customers

	(Unit: Thousand Baht)	
	Consolidated financial statements as at	
	30 June 2023	31 December 2022
Loans to customers		
Overdrafts	6,880	6,880
Loans	119,966,418	107,059,124
Hire purchase receivables	127,714,305	129,174,835
Less: Deferred revenue	(17,193,220)	(17,237,040)
Total loans to customers	230,494,383	219,003,799
Add: Accrued interest receivables and undue interest income	1,803,972	1,722,316
Total loans to customers and accrued interest receivables	232,298,355	220,726,115
Less: Allowance for expected credit loss	(11,345,005)	(11,844,732)
Loans to customers and accrued interest receivables - net	220,953,350	208,881,383

	(Unit: Thousand Baht)	
	Separate financial statements as at	
	30 June 2023	31 December 2022
Loans to customers		
Loans	4,910,000	4,290,000
Less: Allowance for expected credit loss	(6,383)	(5,577)
Loans to customers and accrued interest receivables - net	4,903,617	4,284,423

(Unaudited but reviewed)

3.6.2 Classified by loan classification

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	as at		as at	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
Loans to customers and accrued interest receivables				
Loans of the subsidiary operating a banking business	227,856,550	214,664,634	-	-
Loans of other subsidiaries	6,871,805	6,611,481	-	-
Loans of the Company	4,910,000	4,290,000	4,910,000	4,290,000
Less: Elimination	(7,340,000)	(4,840,000)	-	-
Total	232,298,355	220,726,115	4,910,000	4,290,000

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

(Unit: Thousand Baht)

	As at			
	30 June 2023		31 December 2022	
	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)	201,842,021	6,158,487	189,142,376	6,631,970
Financial assets with significant increase in credit risk (Under-performing)	21,514,027	2,679,128	21,495,534	2,758,059
Financial assets that are credit-impaired (Non-performing)	4,500,502	1,466,482	4,026,724	1,292,530
Total	227,856,550	10,304,097	214,664,634	10,682,559

The subsidiary operating a banking business has continuously provided additional assistance to affected debtors in accordance with circulars of the BOT regarding the provision of financial assistance to debtors affected by COVID-19 since 2020 until present. As at 30 June 2023, the subsidiary's outstanding loan balance under the relief measures totalled Baht 5,388 million, for which the subsidiary complies with the staging assessment and the setting aside of provision in accordance with the relevant financial reporting standards.

(Unaudited but reviewed)

3.6.2.2 Classified by loan classification of other subsidiaries

(Unit: Thousand Baht)

	As at			
	30 June 2023		31 December 2022	
	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)	4,890,434	275,923	4,621,895	359,686
Financial assets with significant increase in credit risk (Under-performing)	1,091,616	276,004	1,133,543	311,612
Financial assets that are credit-impaired (Non-performing)	889,755	500,356	856,043	493,471
Total	6,871,805	1,052,283	6,611,481	1,164,769

3.6.2.3 Classified by loan classification of the Company

(Unit: Thousand Baht)

	As at			
	30 June 2023		31 December 2022	
	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)	4,910,000	6,383	4,290,000	5,577
Financial assets with significant increase in credit risk (Under-performing)	-	-	-	-
Financial assets that are credit-impaired (Non-performing)	-	-	-	-
Total	4,910,000	6,383	4,290,000	5,577

3.6.3 Classified by loan classification and type of debtors

As at 30 June 2023 and 31 December 2022, 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 30 June 2023							
	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)	92,114	2,579	27,126	1,070	82,602	2,509	201,842	6,158
Financial assets with significant increase in credit risk (Under-performing)	12,189	1,342	6,143	644	3,182	693	21,514	2,679
Financial assets that are credit-impaired (Non-performing)	2,241	694	1,147	436	1,113	337	4,501	1,467
Total	106,544	4,615	34,416	2,150	86,897	3,539	227,857	10,304

(Unit: Million Baht)

	As at 31 December 2022							
	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)	93,434	3,018	25,506	1,124	70,202	2,490	189,142	6,632
Financial assets with significant increase in credit risk (Under-performing)	12,536	1,342	5,221	570	3,739	846	21,496	2,758
Financial assets that are credit-impaired (Non-performing)	2,098	652	772	297	1,157	344	4,027	1,293
Total	108,068	5,012	31,499	1,991	75,098	3,680	214,665	10,683

3.6.4 Hire purchase receivables

As at 30 June 2023, receivables of the subsidiaries under hire purchase agreements amount to Baht 111,795 million (31 December 2022: Baht 113,213 million) and mostly comprise hire purchase agreements for cars. 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 30 June 2023					
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	39,890	76,328	3,679	7,817	127,714
Less: Deferred revenue ⁽¹⁾	(4,959)	(6,567)	(144)	(5,028)	(16,698)
Present value of minimum lease payment from agreements	34,931	69,761	3,535	2,789	111,016
Accrued interest receivables	615	-	-	165	780
Total	35,546	69,761	3,535	2,954	111,796
Allowance for expected credit loss					(5,417)
Net hire purchase receivables					106,379

(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 2022					
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	40,353	77,399	3,911	7,512	129,175
Less: Deferred revenue ⁽¹⁾	(5,067)	(6,686)	(152)	(4,873)	(16,778)
Present value of minimum lease payment from agreements	35,286	70,713	3,759	2,639	112,397
Accrued interest receivables	653	-	-	163	816
Total	35,939	70,713	3,759	2,802	113,213
Allowance for expected credit loss					(5,956)
Net hire purchase receivables					107,257

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

3.6.5 Troubled debt restructuring of the subsidiary operating a banking business

As at 30 June 2023 and 31 December 2022, the subsidiary operating a banking business has outstanding balances with troubled debt restructuring debtors as follows:

	As at			
	30 June 2023		31 December 2022	
	Number of debtors	Outstanding balances (Million Baht)	Number of debtors	Outstanding balances (Million Baht)
Balances of restructured debts	1,611	1,115	1,531	1,021

3.7 Allowance for expected credit loss

As at 30 June 2023, the Group has allowance for expected credit loss classified by type of financial assets as follows:

(Unit: Thousand Baht)

	Consolidated financial statements				
	For the six-month period ended 30 June 2023				
	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	Total
Interbank and money market items (assets)					
Balance - beginning of period	735	-	-	-	735
Changes from revaluation of allowance for credit loss	347	-	-	-	347
Balance - end of period	1,082	-	-	-	1,082
Investments in debt instruments measured at fair value through other comprehensive income					
Balance - beginning of period	-	-	199,921	-	199,921
Changes from revaluation of allowance for credit loss	-	-	-	-	-
Balance - end of period	-	-	199,921	-	199,921

(Unit: Thousand Baht)

Consolidated financial statements					
For the six-month period ended 30 June 2023					
	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	Total
Investments in debt instruments					
measured at amortised cost					
Balance - beginning of period	-	-	8,896	-	8,896
Changes from revaluation of allowance for credit loss	-	-	(166)	-	(166)
Balance - end of period	-	-	8,730	-	8,730
Loans to customers and accrued					
interest receivables					
Balance - beginning of period	6,989,062	3,069,670	1,786,000	-	11,844,732
Changes from transfers among stages	(51,543)	(237,614)	289,157	-	-
Changes from revaluation of allowance for credit loss	(1,602,572)	75,297	1,445,905	-	(81,370)
New financial assets purchased or acquired	1,494,464	234,152	40,509	-	1,769,125
Derecognition	(406,376)	(186,373)	(128,949)	-	(721,698)
Write-off	-	-	(1,465,784)	-	(1,465,784)
Balance - end of period	6,423,035	2,955,132	1,966,838	-	11,345,005
Other assets - accrued interest					
receivables on investments					
Balance - beginning of period	-	-	5,173	-	5,173
Changes from revaluation of allowance for credit loss	-	-	1,661	-	1,661
Balance - end of period	-	-	6,834	-	6,834
Other assets - other receivables					
Balance - beginning of period	-	-	-	21,345	21,345
Changes from revaluation of allowance for credit loss	-	-	-	8,342	8,342
New financial assets purchased or acquired	-	-	-	654	654
Derecognition	-	-	-	(2,056)	(2,056)
Write-off	-	-	-	(3,154)	(3,154)
Balance - end of period	-	-	-	25,131	25,131

(Unaudited but reviewed)

(Unit: Thousand Baht)

Separate financial statements				
For the six-month period ended 30 June 2023				
	Financial assets with no significant increase in credit risk	Financial assets with significant increase in credit risk	Financial assets that are credit-impaired	Total
Interbank and money market items (assets)				
Balance - beginning of period	14	-	-	14
Changes from revaluation of allowance for credit loss	2	-	-	2
Balance - end of period	<u>16</u>	<u>-</u>	<u>-</u>	<u>16</u>
Investments in debt instruments measured at fair value through other comprehensive income				
Balance - beginning of period	-	-	172,461	172,461
Changes from revaluation of allowance for credit loss	-	-	-	-
Balance - end of period	<u>-</u>	<u>-</u>	<u>172,461</u>	<u>172,461</u>
Loans to customers and accrued interest receivables				
Balance - beginning of period	5,577	-	-	5,577
Changes from revaluation of allowance for credit loss	806	-	-	806
Balance - end of period	<u>6,383</u>	<u>-</u>	<u>-</u>	<u>6,383</u>
Other assets - accrued interest receivables on investments				
Balance - beginning of period	-	-	4,617	4,617
Changes from revaluation of allowance for credit loss	-	-	1,482	1,482
Balance - end of period	<u>-</u>	<u>-</u>	<u>6,099</u>	<u>6,099</u>

3.8 Classification of assets

3.8.1 Classification of assets under the BOT's guidelines

As at 30 June 2023 and 31 December 2022, classification of financial assets is as follows:

(Unit: Thousand Baht)

Consolidated financial statements as at 30 June 2023						
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)	37,582,642	3,290,709	-	204,302,455		245,175,806
Financial assets with significant increase in credit risk (Under-performing)	-	-	-	22,605,643		22,605,643
Financial assets that are credit-impaired (Non-performing)	-	246,822	8,730	5,390,257		5,645,809
Total	37,582,642	3,537,531	8,730	232,298,355		273,427,258

(Unit: Thousand Baht)

Consolidated financial statements as at 31 December 2022						
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)	40,273,154	3,763,243	-	193,214,271		237,250,668
Financial assets with significant increase in credit risk (Under-performing)	-	-	-	22,629,077		22,629,077
Financial assets that are credit-impaired (Non-performing)	-	226,641	8,896	4,882,767		5,118,304
Total	40,273,154	3,989,884	8,896	220,726,115		264,998,049

(Unaudited but reviewed)

(Unit: Thousand Baht)

Separate financial statements as at 30 June 2023

	Financial assets			Total
	Debt instruments measured at fair value			
	Interbank and money market items	through other comprehensive income	Loans to customers and accrued interest receivables	
Financial assets with no significant increase in credit risk (Performing)	30,831	-	4,910,000	4,940,831
Financial assets with significant increase in credit risk (Under-performing)	-	-	-	-
Financial assets that are credit-impaired (Non-performing)	-	220,282	-	220,282
Total	30,831	220,282	4,910,000	5,161,113

(Unit: Thousand Baht)

Separate financial statements as at 31 December 2022

	Financial assets			Total
	Debt instruments measured at fair value			
	Interbank and money market items	through other comprehensive income	Loans to customers and accrued interest receivables	
Financial assets with no significant increase in credit risk (Performing)	27,267	-	4,290,000	4,317,267
Financial assets with significant increase in credit risk (Under-performing)	-	-	-	-
Financial assets that are credit-impaired (Non-performing)	-	202,271	-	202,271
Total	27,267	202,271	4,290,000	4,519,538

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

	Number of debtors		Loans to customers and accrued interest receivables				Allowance for expected credit loss provided in the accounts				
	as at		as at		as at		as at				
	30	31	30	31	30	31	30	31			
	June	December	June	December	June	December	June	December			
2023		2022		2023		2022		2023		2022	
				(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	362	387	290	292	362	387			
2. Non-listed companies with similar operating results and financial positions to listed companies vulnerable to delisting from the SET	9	11	1,312	1,784	743	908	65	185			
Total	10	12	1,674	2,171	1,033	1,200	427	572			

3.9 Other assets

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	as at		as at	
	30 June	31 December	30 June	31 December
	2023	2022	2023	2022
Receivables from clearing house	593,855	640,993	-	-
Value added tax - net	428,242	517,112	7,028	5,978
Accrued interest receivables	3,486	2,456	-	-
Fee and service receivables	451,501	505,308	125,172	120,048
Refundable income tax and prepaid income tax	42,494	24,931	37,069	22,150
Deposits	91,968	85,212	90	90
Other receivables	654,936	727,205	6,939	-
Other assets	425,615	454,546	93,383	93,944
Total other assets	2,692,097	2,957,763	269,681	242,210

3.10 Deposits

(Unit: Thousand Baht)

	Consolidated financial statements as at	
	30 June 2023	31 December 2022
Deposits		
Current accounts	1,468,649	1,820,826
Saving accounts	33,655,998	42,929,520
Fixed accounts		
- not over 6 months	13,286,500	12,296,262
- over 6 months but not over 1 year	17,502,200	15,578,457
- over 1 year	25,653,697	15,050,668
Certificates of deposits/negotiable certificates of deposits	107,789,380	100,590,076
Total	<u>199,356,424</u>	<u>188,265,809</u>

3.11 Debts issued and borrowings

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	as at		as at	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
<u>Domestic borrowings</u>				
Subordinated unsecured debentures	5,040,000	5,040,000	-	-
Unsubordinated unsecured debentures	8,910,000	10,680,000	6,110,000	7,880,000
Bills of exchange	36,122	36,122	-	-
Promissory notes	-	797	-	-
Total	<u>13,986,122</u>	<u>15,756,919</u>	<u>6,110,000</u>	<u>7,880,000</u>

3.11.1 Subordinated unsecured debentures

As at 30 June 2023 and 31 December 2022, the subsidiary operating a banking business has long-term subordinated unsecured debentures with an early redemption right in accordance with the BOT's regulations as follows:

Issued year	Units as at		Face value (Baht per unit)	Balance as at		Maturity in the year	Interest rate
	30 June 2023	31 December 2022		30 June 2023	31 December 2022		
	(Million units)	(Million units)		(Million Baht)	(Million Baht)		
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	0.70	1,000	700	700	2031	3.25 percent per annum
Total				5,040	5,040		

3.11.2 Unsubordinated unsecured debentures

As at 30 June 2023 and 31 December 2022, the Group has short-term and long-term unsubordinated unsecured debentures as follows:

Issued year	Type of debentures	Units ⁽¹⁾ as at		Balance as at				Maturity in the year	Interest rate
				Consolidated financial statements		Separate financial statements			
		30 June 2023	31 December 2022	30 June 2023	31 December 2022	30 June 2023	31 December 2022		
		(Million units)	(Million units)	(Million Baht)	(Million Baht)	(Million Baht)	(Million Baht)		
2022	Short-term debenture	-	7.88	-	7,880	-	7,880	2023	1.35 - 1.65 percent per annum
2023	Short-term debenture	6.11	-	6,110	-	6,110	-	2023	2.17 - 2.425 percent per annum
2022	Long-term debenture	2.80	2.80	2,800	2,800	-	-	2024	1.25 percent per annum
Total				8,910	10,680	6,110	7,880		

(1) Face value per unit of debentures is Baht 1,000.

3.11.3 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.

(Unaudited but reviewed)

3.12 Provisions

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	as at		as at	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
Allowance for expected credit loss on loan commitments and financial guarantees	25,820	9,556	-	-
Provision for long-term employee benefits	1,852,202	1,702,710	301,863	287,935
Other provisions	39,380	-	-	-
Total provisions	1,917,402	1,712,266	301,863	287,935

3.13 Other liabilities

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	as at		as at	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
Payables to clearing house	528,259	186	-	-
Withholding income tax and other tax payables	167,889	501,797	13,756	100,273
Accrued insurance premium	385,925	541,440	-	-
Deferred income	1,428,009	1,393,492	-	-
Accrued expenses	4,727,739	3,399,927	1,510,994	1,338,544
Suspense creditors	807,042	803,371	-	-
Other liabilities	564,144	460,024	256	101
Total other liabilities	8,609,007	7,100,237	1,525,006	1,438,918

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 partly 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 30 June 2023 and 31 December 2022, the Group has accrued bonus under this scheme amounting to Baht 441 million and Baht 376 million, respectively (Separate financial statements: Baht 208 million and Baht 176 million, respectively) and recognised expenses in profit or loss during the six-month periods ended 30 June 2023 and 2022 amounting to Baht 65 million and Baht 59 million, respectively (Separate financial statements: Baht 32 million and Baht 30 million, respectively).

3.14 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 and SME business loans that are qualified to the specified requirements, and for equity exposure and other assets. For such loans that are not qualified to the requirements and other loans, the Standardized Approach (SA) is implemented to maintain capital adequacy ratio.

Regarding Capital funds as at 30 June 2023 and 31 December 2022, the Financial Business Group has allocated the additional reserve from loan classification as part of regulatory capital funds. Such reserve has been allocated to Tier 1 capital and Tier 2 capital based on methods under the BOT's regulations.

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

	(Unit: Thousand Baht)	
	As at	
	30 June 2023	31 December 2022
<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	22,846,309	21,739,012
Other components of equity	1,843,107	1,831,007
Less: Deductions from Common Equity Tier I items	(1,038,819)	(1,023,648)
Total Common Equity Tier I capital	33,476,461	32,372,235
<u>Financial Instrument Tier I capital</u>		
Issued and paid-up share capital - non-cumulative preference shares	99	99
Total Tier I capital	33,476,560	32,372,334
<u>Tier II capital</u>		
Long-term subordinated debentures	5,040,000	5,040,000
Surplus of provision	840,152	786,626
Reserve for loans classified as normal	731,887	720,745
Total Tier II capital	6,612,039	6,547,371
Total capital funds	40,088,599	38,919,705

(Unaudited but reviewed)

(Unit: Percent)

Capital fund ratios	As at			
	30 June 2023		31 December 2022	
	Financial Business Group	Requirement	Financial Business Group	Requirement
Common Equity Tier I capital to risk assets	16.86	7.00	17.15	7.00
Tier I capital to risk assets	16.86	8.50	17.15	8.50
Total capital to risk assets	20.19	11.00	20.62	11.00

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

(Unit: Thousand Baht)

	As at	
	30 June 2023	31 December 2022
<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	22,153,406	20,417,489
Other components of equity	298,921	300,977
Less: Deductions from Common Equity Tier I items	(299,729)	(229,831)
Total Common Equity Tier I capital	34,895,298	33,231,335
<u>Financial Instrument Tier I capital</u>		
Issued and fully paid-up share capital - non-cumulative preference shares	1	1
Total Tier I capital	34,895,299	33,231,336
<u>Tier II Capital</u>		
Long-term subordinated debentures	5,040,000	5,040,000
Surplus of provision	818,114	765,917
Reserve for loans classified as normal	539,151	520,205
Total Tier II capital	6,397,265	6,326,122
Total capital funds	41,292,564	39,557,458

(Unaudited but reviewed)

(Unit: Percent)

Capital fund ratios	As at			
	30 June 2023		31 December 2022	
	TISCO Bank	Requirement	TISCO Bank	Requirement
Common Equity Tier I capital to risk assets	19.44	7.00	19.63	7.00
Tier I capital to risk assets	19.44	8.50	19.63	8.50
Total capital to risk assets	23.01	11.00	23.37	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 30 June 2023 on its website (www.tisco.co.th) by October 2023.

3.15 Interest income

Interest income in the statements of comprehensive income for the three-month and six-month periods ended 30 June 2023 and 2022 consisted of the following:

(Unit: Thousand Baht)

	Consolidated financial statements			
	For the three-month periods		For the six-month periods	
	ended 30 June		ended 30 June	
	2023	2022	2023	2022
Interbank and money market items	171,499	35,634	311,773	70,664
Investments in debt securities	40,431	22,905	63,535	45,200
Loans to customers	2,476,673	1,778,738	4,730,725	3,474,281
Hire purchase receivables	1,708,855	1,779,215	3,425,865	3,582,540
Total interest income	<u>4,397,458</u>	<u>3,616,492</u>	<u>8,531,898</u>	<u>7,172,685</u>

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month periods		For the six-month periods	
	ended 30 June		ended 30 June	
	2023	2022	2023	2022
Interbank and money market items	100	230	291	307
Investments in debt securities	2,366	2,227	4,777	3,270
Loans to customers	28,655	13,804	51,369	27,809
Total interest income	<u>31,121</u>	<u>16,261</u>	<u>56,437</u>	<u>31,386</u>

Interest income for the three-month and six-month periods ended 30 June 2023 included interest income on credit-impaired financial assets amounting to Baht 100 million and Baht 222 million, respectively (2022: Baht 83 million and Baht 172 million, respectively). The subsidiaries fully recognised expected credit loss on such interest income.

3.16 Interest expenses

Interest expenses in the statements of comprehensive income for the three-month and six-month periods ended 30 June 2023 and 2022 consisted of the following:

(Unit: Thousand Baht)

	Consolidated financial statements			
	For the three-month periods		For the six-month periods	
	ended 30 June		ended 30 June	
	2023	2022	2023	2022
Deposits	644,418	321,107	1,177,553	628,878
Interbank and money market items	5,877	5,657	11,935	10,968
Contribution fee to the Deposit Protection Agency and the Bank of Thailand	237,660	105,024	465,676	208,773
Issued debt securities				
- Subordinated debentures	45,933	51,468	91,361	108,177
- Unsubordinated debentures	35,929	21,283	63,627	37,430
Borrowings	225	227	449	452
Others	7,785	5,095	14,705	10,101
Total interest expenses	977,827	509,861	1,825,306	1,004,779

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month periods		For the six-month periods	
	ended 30 June		ended 30 June	
	2023	2022	2023	2022
Interbank and money market items	6,216	10	6,936	417
Issued debt securities				
- Unsubordinated debentures	27,204	12,557	46,271	19,196
Others	1	3	3	6
Total interest expenses	33,421	12,570	53,210	19,619

3.17 Net fee and service income

Net fee and service income in the statements of comprehensive income for the three-month and six-month periods ended 30 June 2023 and 2022 consisted of the following:

(Unit: Thousand Baht)

	Consolidated financial statements			
	For the three-month periods		For the six-month periods	
	ended 30 June		ended 30 June	
	2023	2022	2023	2022
Fee and service income				
- Acceptance, aval and guarantees	1,944	2,496	8,174	6,927
- Insurance service	593,672	595,595	1,208,960	1,199,754
- Brokerage fee	137,162	158,546	331,396	389,916
- Fund management	352,437	340,969	698,247	691,757
- Others	174,807	173,244	391,697	386,132
Total fee and service income	<u>1,260,022</u>	<u>1,270,850</u>	<u>2,638,474</u>	<u>2,674,486</u>
Fee and service expenses				
- Information service expenses	(4,488)	(4,867)	(8,881)	(9,537)
- Others	(103,903)	(103,716)	(211,468)	(228,408)
Total fee and service expenses	<u>(108,391)</u>	<u>(108,583)</u>	<u>(220,349)</u>	<u>(237,945)</u>
Net fee and service income	<u>1,151,631</u>	<u>1,162,267</u>	<u>2,418,125</u>	<u>2,436,541</u>

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month periods		For the six-month periods	
	ended 30 June		ended 30 June	
	2023	2022	2023	2022
Fee and service income	-	-	-	-
Fee and service expenses	(7,699)	(5,315)	(10,866)	(8,018)
Net fee and service income	<u>(7,699)</u>	<u>(5,315)</u>	<u>(10,866)</u>	<u>(8,018)</u>

3.18 Expected credit loss

Expected credit loss and gain or loss from the modification of terms of financial assets in the statements of comprehensive income for the three-month and six-month periods ended 30 June 2023 and 2022 consisted of the following:

	(Unit: Thousand Baht)			
	Consolidated financial statements			
	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	2023	2022	2023	2022
Expected credit loss				
- Interbank and money market items	167	27	347	269
- Investments in debt instruments measured at amortised cost (reversal)	(161)	(4)	(166)	(3,055)
- Investments in debt instruments measured at fair value through other comprehensive income and accrued interest receivables	749	752	1,661	1,676
- Loans to customers	61,441	131,887	235,139	223,564
- Other receivables	2,474	1,082	3,842	1,422
(Gain) loss from the modification of terms				
- Loans to customers	(559)	6,429	(38,616)	442
Loan commitments and financial guarantees (reversal)	(1,032)	(299)	16,264	887
Total	63,079	139,874	218,471	225,205
				(Unit: Thousand Baht)
	Separate financial statements			
	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	2023	2022	2023	2022
Expected credit loss				
- Interbank and money market items (reversal)	(7)	448	2	450
- Investments in debt instruments measured at fair value through other comprehensive income and accrued interest receivables	668	745	1,482	1,482
- Loans to customers (reversal)	1,235	(182)	806	117
Total	1,896	1,011	2,290	2,049

3.19 Income tax expenses

Income tax expenses of the Group for the three-month and six-month periods ended 30 June 2023 and 2022 are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			
	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	2023	2022	2023	2022
Current income tax:				
Income tax expenses for the period	440,412	432,756	918,661	876,594
Deferred tax:				
Deferred tax on temporary differences and reversion of temporary differences	8,215	18,981	(29,290)	14,338
Adjustments of prior year's income tax	-	(686)	-	(686)
Income tax expenses reported in the statement of comprehensive income	<u>448,627</u>	<u>451,051</u>	<u>889,371</u>	<u>890,246</u>

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	2023	2022	2023	2022
Current income tax:				
Income tax expenses for the period	(7,662)	48,231	20,125	85,749
Deferred tax:				
Deferred tax on temporary differences and reversion of temporary differences	27,248	(7,428)	33,266	(16,093)
Income tax expenses reported in the statement of comprehensive income	<u>19,586</u>	<u>40,803</u>	<u>53,391</u>	<u>69,656</u>

(Unaudited but reviewed)

A reconciliation between income tax expenses and the product of accounting profit multiplied by the applicable tax rate for the three-month and six-month periods ended 30 June 2023 and 2022 is as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			
	For the three-month periods		For the six-month periods	
	ended 30 June		ended 30 June	
	2023	2022	2023	2022
Accounting profit before tax	2,302,645	2,299,596	4,536,086	4,534,390
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by applicable tax rate	460,529	459,920	907,217	906,878
Income tax effects:				
Tax effect of net tax-exempt income, net disallowed expenses and additional expense deductions allowed	(5,106)	(3,983)	(11,140)	(7,710)
Adjustments of prior year's income tax	-	(686)	-	(686)
Others	(6,796)	(4,200)	(6,706)	(8,236)
Income tax expenses reported in the statement of comprehensive income	448,627	451,051	889,371	890,246
Weighted average tax rate	19.48 %	19.61 %	19.61 %	19.63 %

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month periods		For the six-month periods	
	ended 30 June		ended 30 June	
	2023	2022	2023	2022
Accounting profit before tax	1,999,197	204,455	2,175,579	346,158
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by applicable tax rate	399,839	40,891	435,116	69,232
Tax effect of net tax-exempt income, net disallowed expenses and additional expense deductions allowed	(380,253)	(88)	(381,725)	424
Income tax expenses reported in the statement of comprehensive income	19,586	40,803	53,391	69,656
Weighted average tax rate	0.98 %	19.96 %	2.45 %	20.12 %

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

(Unit: Thousand Baht)

	Consolidated financial statements			
	As at		30 June	
	30 June	31 December	Changes in deferred tax assets/liabilities reported in profit or loss for the six-month periods ended	
	2023	2022	2023	2022
Allowance for expected credit loss	265,183	283,298	(18,115)	(12,278)
Allowance for impairment of investments	24,321	24,321	-	-
Allowance for impairment of properties foreclosed	15	30	(15)	(717)
Non-accrual of interest income	3,757	4,082	(325)	(1,072)
Depreciation of assets	(49,552)	(60,978)	11,426	4,325
Gain on changes in fair value of investment properties	(4,073)	(4,073)	-	-
Surplus on revaluation of assets	(293,265)	(293,662)	-	-
Surplus on changes in value of investments	(3,781)	(268)	-	-
Gain on changes in value of investments	(174,420)	(119,038)	(55,382)	(20,107)
Deferred commissions and direct expenses incurred at the initiation of hire purchase	(80,121)	(107,603)	27,482	49,803
Unearned interest income on hire purchase	6,646	13,226	(6,580)	(22,353)
Loss on disposal of properties foreclosed	51,077	48,520	2,557	(17,684)
Reduction of subsidiaries' share capital	21,435	21,435	-	-
Accrued expenses	594,477	594,477	-	-
Employee benefit expenses	368,665	338,750	21,404	6,552
Others	134,825	87,987	46,838	(807)
Deferred tax assets	865,189	830,504	29,290	(14,338)

As at 30 June 2023 and 31 December 2022, a subsidiary has unused tax loss totalling Baht 45 million and Baht 53 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 - 2025.

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements			
	As at		30 June	
	30 June	31 December	2023	2022
	2023	2022	2023	2022
		Changes in deferred tax assets/liabilities reported in profit or loss for the six-month periods ended		
Allowance for expected credit loss	36,992	36,534	458	410
Allowance for impairment of investments	21,732	21,732	-	-
Depreciation of assets	(42,931)	(44,747)	1,816	2,634
Gain on changes in fair value of investment properties	(92,082)	(92,082)	-	-
Surplus on revaluation of assets	(75,995)	(76,078)	-	-
Surplus on changes in value of investments	(4,216)	(614)	-	-
Loss on changes in value of investments	11,250	49,361	(38,111)	12,217
Reduction of subsidiaries' share capital	21,435	21,435	-	-
Accrued expenses	260,574	260,574	-	-
Employee benefit expenses	60,372	57,587	2,250	511
Others	1,323	1,002	321	321
Deferred tax assets	198,454	234,704	(33,266)	16,093

3.20 Related party transactions

During the periods, the Company had significant business transactions with related parties. Such transactions were concluded on bases agreed upon between the Company and those related parties, and there were no significant changes in the relationship with the related parties or in the pricing policies.

(Unaudited but reviewed)

As at 30 June 2023 and 31 December 2022, the balances of accounts between the Company and its related companies are as follows:

	(Unit: Thousand Baht)	
	Consolidated financial statements as at	
	30 June 2023	31 December 2022
<u>Outstanding balances</u>		
Joint venture company		
Deposits	382	2,808
Commitments - financial guarantees	8,000	8,000
Management - departmental managers upward		
Loans ⁽¹⁾	22,450	18,836
Directors and management - departmental managers upward		
Deposits	499,799	500,148
Companies which directors or their related persons have significant influence over		
Deposits	1,313,670	796,166
Related persons of directors and key management		
Deposits	59,603	62,162

(1) Including employee welfare loans and normal loans

	(Unit: Thousand Baht)	
	Separate financial statements as at	
	30 June 2023	31 December 2022
<u>Outstanding balances</u>		
Subsidiaries		
(Eliminated from the consolidated financial statements)		
Interbank and money market items - net (assets)		
TISCO Bank Public Company Limited	30,669	27,255
Loans to customers		
Hi-way Co., Ltd.	4,910,000	4,290,000
Dividend receivables		
TISCO Bank Public Company Limited	1,161,032	3,372,521
TISCO Securities Co., Ltd.	-	140,000
TISCO Asset Management Co., Ltd.	-	619,996
Hi-Way Co., Ltd.	-	672,000
TISCO Insurance Solution Co., Ltd.	-	309,989
TISCO Information Technology Co., Ltd.	-	129,996
TISCO Learning Center Co., Ltd.	-	42,497
Other assets		
TISCO Bank Public Company Limited	125,375	119,625
TISCO Asset Management Co., Ltd.	11	-
TISCO Learning Center Co., Ltd.	577	465
Interbank and money market items (liabilities)		
TISCO Bank Public Company Limited	2,430,000	550,000
Other liabilities		
TISCO Bank Public Company Limited	110	-
TISCO Learning Center Co., Ltd.	715	205

(Unaudited but reviewed)

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 30 June 2023 and 31 December 2022, total credit lines granted to all companies in the Group must not exceed Baht 12,000 million.

Loans to related companies

As at 30 June 2023, the balance of loans between the Company and its related companies and its movements are as follows:

(Unit: Thousand Baht)

	For the six-month period ended 30 June 2023			Balance - end of period
	Balance - beginning of period	Increase	Decrease	
Subsidiaries				
Loans				
Hi-Way Co., Ltd.	4,290,000	950,000	(330,000)	4,910,000

Borrowings from related companies

As at 30 June 2023, the balance of borrowings between the Company and its related companies (Interbank and money market items) and its movements are as follows:

(Unit: Thousand Baht)

	For the six-month period ended 30 June 2023			Balance - end of period
	Balance - beginning of period	Increase	Decrease	
Subsidiaries				
Borrowings				
TISCO Bank Public Company Limited	550,000	2,430,000	(550,000)	2,430,000

(Unaudited but reviewed)

During the periods, the Company had significant business transactions with related parties. Significant related party transactions are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements			
	For the three-month periods		For the six-month periods	
	ended 30 June		ended 30 June	
	2023	2022	2023	2022
<u>Transactions occurred during the periods</u>				
Joint venture company				
Other income	2,587	2,192	5,011	4,310

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month periods		For the six-month periods	
	ended 30 June		ended 30 June	
	2023	2022	2023	2022
<u>Transactions occurred during the periods</u>				
Subsidiaries				
Interest income	28,755	14,034	51,660	28,115
Risk and financial management fee income, human resources management fee income and office administration fee income	552,816	532,761	1,105,807	1,065,296
Rental income	18,609	18,609	37,217	37,217
Computer system advisory service expenses	96,500	92,500	193,000	185,000
Training expenses	2,647	1,917	5,424	4,419
Interest expenses	6,216	10	6,936	417
Other expenses	449	452	977	979

Directors' and key management's benefits

During the three-month and six-month periods ended 30 June 2023 and 2022, 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			
	For the three-month periods		For the six-month periods	
	ended 30 June		ended 30 June	
	2023	2022	2023	2022
Short-term benefits	95	90	186	176
Post-employment benefits	17	16	34	32
Total	112	106	220	208

(Unit: Million Baht)

	Separate financial statements			
	For the three-month periods		For the six-month periods	
	ended 30 June		ended 30 June	
	2023	2022	2023	2022
Short-term benefits	49	47	95	91
Post-employment benefits	9	8	17	16
Total	58	55	112	107

3.21 Segment information

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

Revenue and profit information regarding the Group's operating segments for the three-month and six-month periods ended 30 June 2023 and 2022 is as follows:

(Unit: Million Baht)

	For the three-month period ended 30 June 2023						Consolidated financial statements
	Commercial banking and lending business	Securities business	Asset management business	Support business	Total segments	Eliminations	
Revenue:							
External customers	4,224	140	401	(22)	4,743	-	4,743
Inter-segment	256	1	(11)	2,789	3,035	(3,035)	-
Total revenue	4,480	141	390	2,767	7,778	(3,035)	4,743
Operating results:							
Net interest income	3,398	19	2	-	3,419	1	3,420
Net fee and service income	908	129	379	310	1,726	(574)	1,152
Other operating income	174	(7)	9	2,457	2,633	(2,462)	171
Total operating income	4,480	141	390	2,767	7,778	(3,035)	4,743
Premises and equipment expenses and amortisation	(411)	(21)	(14)	(247)	(693)	276	(417)
Other operating expenses	(2,073)	(122)	(162)	(470)	(2,827)	867	(1,960)
Expected credit loss	(74)	-	-	(2)	(76)	13	(63)
Total operating expenses	(2,558)	(143)	(176)	(719)	(3,596)	1,156	(2,440)
Segment profit before income tax expenses	1,922	(2)	214	2,048	4,182	(1,879)	2,303
Income tax expenses							(449)
Non-controlling interests of the subsidiaries							-
Profit for the period - equity holders of the Company							1,854

(Unaudited but reviewed)

(Unit: Million Baht)

For the three-month period ended 30 June 2022

	Commercial banking and lending business	Securities business	Asset management business	Support business	Total segments	Eliminations	Consolidated financial statements
Revenue:							
External customers	3,963	164	381	50	4,558	-	4,558
Inter-segment	250	-	(10)	835	1,075	(1,075)	-
Total revenue	4,213	164	371	885	5,633	(1,075)	4,558
Operating results:							
Net interest income	3,098	4	1	4	3,107	-	3,107
Net fee and service income	897	156	360	286	1,699	(537)	1,162
Other operating income	218	4	10	595	827	(538)	289
Total operating income	4,213	164	371	885	5,633	(1,075)	4,558
Premises and equipment expenses and amortisation	(366)	(19)	(7)	(226)	(618)	261	(357)
Other operating expenses	(1,918)	(125)	(150)	(395)	(2,588)	826	(1,762)
Expected credit loss	(138)	-	-	(1)	(139)	(1)	(140)
Total operating expenses	(2,422)	(144)	(157)	(622)	(3,345)	1,086	(2,259)
Segment profit before income tax expenses	1,791	20	214	263	2,288	11	2,299
Income tax expenses							(451)
Non-controlling interests of the subsidiaries							-
Profit for the period - equity holders of the Company							1,848

(Unaudited but reviewed)

(Unit: Million Baht)

For the six-month period ended 30 June 2023

	Commercial banking and lending business	Securities business	Asset management business	Support business	Total segments	Eliminations	Consolidated financial statements
Revenue:							
External customers	8,261	342	797	14	9,414	-	9,414
Inter-segment	494	2	(26)	3,688	4,158	(4,158)	-
Total revenue	8,755	344	771	3,702	13,572	(4,158)	9,414
Operating results:							
Net interest income	6,669	28	3	6	6,706	1	6,707
Net fee and service income	1,835	327	758	624	3,544	(1,126)	2,418
Other operating income	251	(11)	10	3,072	3,322	(3,033)	289
Total operating income	8,755	344	771	3,702	13,572	(4,158)	9,414
Premises and equipment expenses and amortisation	(803)	(43)	(22)	(488)	(1,356)	553	(803)
Other operating expenses	(4,066)	(243)	(329)	(933)	(5,571)	1,713	(3,858)
Expected credit loss	(225)	-	-	(2)	(227)	9	(218)
Total operating expenses	(5,094)	(286)	(351)	(1,423)	(7,154)	2,275	(4,879)
Segment profit before income tax expenses	3,661	58	420	2,279	6,418	(1,883)	4,535
Income tax expenses							(889)
Non-controlling interests of the subsidiaries							-
Profit for the period - equity holders of the Company							3,646

(Unaudited but reviewed)

(Unit: Million Baht)

For the six-month period ended 30 June 2022

	Commercial banking and lending business	Securities business	Asset management business	Support business	Total segments	Eliminations	Consolidated financial statements
Revenue:							
External customers	7,785	389	772	28	8,974	-	8,974
Inter-segment	490	-	(24)	1,667	2,133	(2,133)	-
Total revenue	8,275	389	748	1,695	11,107	(2,133)	8,974
Operating results:							
Net interest income	6,147	6	1	12	6,166	2	6,168
Net fee and service income	1,808	377	738	572	3,495	(1,058)	2,437
Other operating income	320	6	9	1,111	1,446	(1,077)	369
Total operating income	8,275	389	748	1,695	11,107	(2,133)	8,974
Premises and equipment expenses and amortisation	(729)	(40)	(13)	(434)	(1,216)	523	(693)
Other operating expenses	(3,798)	(253)	(308)	(797)	(5,156)	1,634	(3,522)
Expected credit loss	(221)	-	-	(1)	(222)	(3)	(225)
Total operating expenses	(4,748)	(293)	(321)	(1,232)	(6,594)	2,154	(4,440)
Segment profit before income tax expenses	3,527	96	427	463	4,513	21	4,534
Income tax expenses							(890)
Non-controlling interests of the subsidiaries							-
Profit for the period - equity holders of the Company							3,644

(Unaudited but reviewed)

Total assets information regarding the Group's operating segments as at 30 June 2023 and 31 December 2022 is as follows:

(Unit: Million Baht)

		As at 30 June 2023						
		Commercial	Asset			Total	Consolidated	
		banking	Securities	management	Support	segments	financial	
		and lending	business	business	business	segments	statements	
		business	business	business	business	segments	statements	
Segment total assets		269,544	3,263	1,299	30,106	304,212	(29,853)	274,359
Premises and								
equipment - net		971	22	242	774	2,009	878	2,887

(Unit: Million Baht)

		As at 31 December 2022						
		Commercial	Asset			Total	Consolidated	
		banking	Securities	management	Support	segments	financial	
		and lending	business	business	business	segments	statements	
		business	business	business	business	segments	statements	
Segment total assets		258,872	3,111	1,534	33,943	297,460	(32,046)	265,414
Premises and								
equipment - net		865	23	242	774	1,904	882	2,786

3.22 Commitments and contingent liabilities

3.22.1 Avals, guarantees and commitments

(Unit: Thousand Baht)

		Consolidated financial statements as at	
		30 June 2023	31 December 2022
Avals to bills		230,502	182,479
Other guarantees		1,323,194	1,840,962
Foreign exchange contracts		2,208,116	1,739,526
Others		2,824,272	3,008,291
Total		6,586,084	6,771,258

3.22.2 Litigation

As at 30 June 2023 and 31 December 2022, the subsidiaries have been sued for compensation totalling approximately Baht 204 million and Baht 228 million, respectively. Final judgements have not yet been reached in respect of these cases. The management of the Group believes that no material loss will be incurred as a result of the mentioned lawsuits. The management has exercised judgements in assessing the possible loss to the Group and recorded the amount under "Provisions" as presented in Note 3.12 to the interim financial statements.

3.22.3 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.

3.23 Fair value of financial instruments

3.23.1 As at 30 June 2023 and 31 December 2022, the Group has financial assets and liabilities that are measured at fair value using different levels of inputs as follows:

(Unit: Million Baht)

	Consolidated financial statements				
	As at 30 June 2023				
	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 instruments	1,607	537	-	1,070	1,607
Unit trusts	429	374	55	-	429
Investments - debt instruments	3,538	-	3,291	247	3,538
<u>Financial liabilities measured at fair value</u>					
Derivatives liabilities					
Foreign exchange contracts	84	-	84	-	84

(Unit: Million Baht)

	Consolidated financial statements				
	As at 31 December 2022				
	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 instruments	1,389	425	-	964	1,389
Unit trusts	784	726	58	-	784
Derivatives assets					
Foreign exchange contracts	147	-	147	-	147
Investments - debt instruments	3,990	-	3,763	227	3,990

(Unaudited but reviewed)

(Unit: Million Baht)

Separate financial statements				
As at 30 June 2023				
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 instruments	226	226	-	226
Unit trusts	374	374	-	374
Investments - debt instruments	220	-	220	220

(Unit: Million Baht)

Separate financial statements				
As at 31 December 2022				
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 instruments	229	229	-	229
Unit trusts	726	726	-	726
Investments - debt instruments	202	-	202	202

Apart from the above financial assets and liabilities presented at fair value, the Group has other financial assets and liabilities presented at cost but are subject to disclosure at fair value. However, since the majority of the Group's financial assets and liabilities are short-term in nature or carrying interest at rates close to the market interest rates, fair value of financial instruments carried at cost is not expected to be materially different from the amounts presented in the statement of financial position, except for the following financial assets and liabilities for which book value is materially different from fair value.

(Unit: Million Baht)

Consolidated financial statements as at			
30 June 2023		31 December 2022	
Book value	Fair value	Book value	Fair value
<u>Financial assets</u>			
Loans to customers and accrued interest receivables			
220,953	225,968	208,881	214,992
<u>Financial liabilities</u>			
Debts issued and borrowings	13,986	13,569	15,368

(Unaudited but reviewed)

For separate financial statements, since the majority of the Company's financial assets and liabilities are short-term in nature or carrying interest at rates close to the market interest rates, their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

During the current period, there were no changes in approaches or assumptions used in determining fair value of financial instruments and there were no transfers within the fair value hierarchy.

4. Dividend payment

	Approved by	Dividend per share		Amounts of dividend paid (Million Baht)	Dividend payment period
		Preference share (Baht per share)	Ordinary share (Baht per share)		
Annual dividend for the year 2021	The 2022 Annual General Meeting of the Shareholders on 25 April 2022	7.15	7.15	5,725	May 2022
Total dividend payment during the period of 2022				<u>5,725</u>	
Annual dividend for the year 2022	The 2023 Annual General Meeting of the Shareholders on 17 April 2023	7.75	7.75	6,205	May 2023
Total dividend payment during the period of 2023				<u>6,205</u>	

5. Reclassification

The Group has reclassified some items in the statements of comprehensive income for the three-month and six-month periods ended 30 June 2022 in order to correspond to the classification in the current period. The reclassification does not impact profit or equity as previously reported, as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			
	For the three-month period ended 30 June 2022		For the six-month period ended 30 June 2022	
	As reclassified	As previously reported	As reclassified	As previously reported
Statement of comprehensive income				
Net fee and service income				
Fee and service income	1,270,850	1,276,559	2,674,486	2,683,955
Operating expenses				
Other operating expenses	173,865	179,574	369,913	379,382

6. Approval of interim financial information

This interim financial information was authorised for issue by the Company's Audit Committee on 11 August 2023.