

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

Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of TISCO Financial Group Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of TISCO Financial Group Public Company Limited and its subsidiaries as at 30 June 2021, the related consolidated statements of comprehensive income for the three-month and six-month periods ended 30 June 2021, 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 periods (collectively "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 Interim Financial Reporting and the Bank of Thailand's regulations. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

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

Conclusion

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

Emphasis of Matter

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



Somjai Khunapasut
Certified Public Accountant (Thailand) No. 4499

EY Office Limited
Bangkok: 9 August 2021

TISCO Financial Group Public Company Limited and its subsidiaries

Statement of financial position

As at 30 June 2021

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2021	31 December 2020	30 June 2021	31 December 2020
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Cash		1,054,156	1,220,207	70	70
Interbank and money market items - net	3.3, 3.10	32,482,653	38,212,028	20,073	17,394
Financial assets measured at fair value through profit or loss	3.4	1,961,763	2,173,020	925,392	890,053
Derivatives assets	3.5	-	62,095	-	-
Investments - net	3.6, 3.10	7,728,007	9,953,256	202,271	205,965
Investments in subsidiaries and joint venture - net	3.7	828,946	804,925	20,069,143	20,069,143
Loans to customers and accrued interest receivables	3.8, 3.10				
Loans to customers		232,607,011	244,355,748	3,710,000	3,180,000
Accrued interest receivables and undue interest income		1,827,537	1,901,983	-	-
Total loans to customers and accrued interest receivables		234,434,548	246,257,731	3,710,000	3,180,000
Less: Deferred revenue		(18,612,206)	(19,544,201)	-	-
Less: Allowance for expected credit loss	3.9	(12,540,591)	(11,825,544)	(4,823)	(4,134)
Total loans to customers and accrued interest receivables - net		203,281,751	214,887,986	3,705,177	3,175,866
Properties foreclosed - net		70,170	29,671	-	-
Investment properties		27,334	27,334	910,728	910,728
Premises and equipment - net	3.11	2,846,973	2,921,739	810,573	826,965
Right-of-use assets - net	3.12	762,058	885,486	739	879
Intangible assets - net		162,418	214,268	88,169	98,827
Deferred tax assets	3.26	785,492	766,444	206,649	202,800
Securities and derivatives business receivables - net		1,341,843	1,058,180	-	-
Dividend receivables from subsidiaries		-	-	-	3,844,954
Other assets	3.13	2,554,210	2,226,573	192,198	188,819
Total assets		255,887,774	275,443,212	27,131,182	30,432,463

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

TISCO Financial Group Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 30 June 2021

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2021	31 December 2020	30 June 2021	31 December 2020
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and equity					
Liabilities					
Deposits	3.14	181,049,866	203,472,825	-	-
Interbank and money market items		7,928,020	5,807,646	820,000	3,780,000
Liabilities payable on demand		244,726	1,284,765	-	-
Derivatives liabilities	3.5	57,062	-	-	-
Debts issued and borrowings	3.15	14,806,919	12,825,919	5,930,000	1,629,000
Lease liabilities	3.16	708,114	828,590	752	889
Provisions	3.17	1,699,444	1,691,054	302,278	291,741
Deferred tax liabilities	3.26	-	1,097	-	-
Securities and derivatives business payables - net		2,093,498	1,033,041	-	-
Accrued interest payable		507,355	735,903	7,683	1,029
Income tax payable		682,325	495,672	11,500	10,237
Other liabilities	3.18	8,254,826	7,804,621	1,825,948	1,603,518
Total liabilities		218,032,155	235,981,133	8,898,161	7,316,414

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

TISCO Financial Group Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 30 June 2021

(Unit: Thousand Baht)

Note	Consolidated financial statements		Separate financial statements	
	30 June 2021 (Unaudited but reviewed)	31 December 2020 (Audited)	30 June 2021 (Unaudited but reviewed)	31 December 2020 (Audited)
Equity				
Share capital				
Registered				
33,858 preference shares of Baht 10 each	339	339	339	339
800,669,437 ordinary shares of Baht 10 each	8,006,694	8,006,694	8,006,694	8,006,694
	<u>8,007,033</u>	<u>8,007,033</u>	<u>8,007,033</u>	<u>8,007,033</u>
Issued and paid-up				
9,859 preference shares of Baht 10 each	99	99	99	99
800,645,624 ordinary shares of Baht 10 each	8,006,456	8,006,456	8,006,456	8,006,456
	<u>8,006,555</u>	<u>8,006,555</u>	<u>8,006,555</u>	<u>8,006,555</u>
Share premium				
Share premium on preference shares	-	-	87	87
Share premium on ordinary shares	1,018,408	1,018,408	7,031,436	7,031,436
	<u>1,018,408</u>	<u>1,018,408</u>	<u>7,031,523</u>	<u>7,031,523</u>
Other components of equity	1,832,288	1,837,917	307,781	304,430
Retained earnings				
Appropriated - statutory reserve	801,000	801,000	801,000	801,000
Unappropriated	26,194,044	27,795,056	2,086,162	6,972,541
	<u>37,852,295</u>	<u>39,458,936</u>	<u>18,233,021</u>	<u>23,116,049</u>
Equity attributable to equity holders of the Company				
Non-controlling interests of the subsidiaries	3,324	3,143	-	-
	<u>37,855,619</u>	<u>39,462,079</u>	<u>18,233,021</u>	<u>23,116,049</u>
Total equity				
	<u>255,887,774</u>	<u>275,443,212</u>	<u>27,131,182</u>	<u>30,432,463</u>
Total liabilities and equity				

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



Mr. Suthas Ruangmanamongkol
(Chairman of the Executive Board)



บริษัท ทีเอสซีไฟแนนเชียล กรุ๊ป จำกัด (มหาชน)
TISCO Financial Group Public Company Limited



Mr. Sakchai Peechapat
(Group Chief Executive)

(Unaudited but reviewed)

TISCO Financial Group Public Company Limited and its subsidiaries**Statement of comprehensive income****For the three-month period ended 30 June 2021**

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

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Profit or loss:					
Interest income	3.20	3,753,911	4,121,805	14,544	17,858
Interest expenses	3.21	(604,933)	(993,585)	(9,960)	(20,669)
Net interest income		3,148,978	3,128,220	4,584	(2,811)
Fee and service income		1,331,992	1,164,567	-	-
Fee and service expenses		(107,114)	(78,196)	(4,695)	(4,430)
Net fee and service income	3.22	1,224,878	1,086,371	(4,695)	(4,430)
Net gain (loss) on financial instruments measured at fair value through profit or loss	3.23	255,704	59,886	22,689	(5,216)
Net gain on investments	3.24	817	3,789	-	-
Share of profit from investment accounted for under equity method	3.7.2	10,783	17,365	-	-
Dividend income		12,884	2,799	-	976,740
Penalty fee income from loans		43,937	51,739	-	-
Intercompany supporting fee income	3.28	-	-	526,000	535,280
Other operating income		16,660	12,194	19,168	19,793
Total operating income		4,714,641	4,362,363	567,746	1,519,356
Operating expenses					
Employee expenses		1,421,927	1,153,359	257,733	220,808
Directors' remuneration		4,575	4,720	4,575	4,720
Premises and equipment expenses		353,788	321,866	164,665	159,088
Taxes and duties		59,467	68,844	(182)	29
Other operating expenses		240,209	266,112	20,890	17,864
Total operating expenses		2,079,966	1,814,901	447,681	402,509
Expected credit loss	3.25	555,353	881,650	6,832	164,286
Profit from operations before income tax expenses		2,079,322	1,665,812	113,233	952,561
Income tax expenses (benefits)	3.26	413,172	336,310	22,702	(4,374)
Profit for the period		1,666,150	1,329,502	90,531	956,935

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 2021

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

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Other comprehensive income:					
<i>Other comprehensive income to be reclassified</i>					
<i>to profit or loss in subsequent periods</i>					
Gain (loss) on valuation of investments in debt instruments					
measured at fair value through other comprehensive income		2,267	(5,643)	4,607	(1,536)
Share of other comprehensive income of joint venture:					
Cash flow hedges of joint venture (loss)	3.7.2	(1,642)	-	-	-
Income tax effects		(453)	1,129	(921)	307
Other comprehensive income to be reclassified					
to profit or loss in subsequent periods - net of income tax (loss)		172	(4,514)	3,686	(1,229)
<i>Other comprehensive income not to be reclassified</i>					
<i>to profit or loss in subsequent periods</i>					
Actuarial gain (loss)		15,715	(9,853)	(1,504)	(6,758)
Income tax effects		(3,204)	1,952	301	1,352
Other comprehensive income not to be reclassified					
to profit or loss in subsequent periods - net of income tax (loss)		12,511	(7,901)	(1,203)	(5,406)
Other comprehensive income for the period (loss)					
		12,683	(12,415)	2,483	(6,635)
Total comprehensive income for the period					
		1,678,833	1,317,087	93,014	950,300
Profits attributable to					
Equity holders of the Company					
	3.27	1,666,057	1,329,415	90,531	956,935
Non-controlling interests of the subsidiaries					
		93	87		
		1,666,150	1,329,502		
Total comprehensive income attributable to					
Equity holders of the Company					
		1,678,740	1,317,000	93,014	950,300
Non-controlling interests of the subsidiaries					
		93	87		
		1,678,833	1,317,087		
Earnings per share of equity holders of the Company					
Basic earnings per share (Baht per share)					
	3.27	2.08	1.66	0.11	1.20

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 2021**

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

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Profit or loss:					
Interest income	3.20	7,530,197	8,674,720	31,190	32,848
Interest expenses	3.21	(1,270,922)	(2,088,607)	(17,142)	(29,890)
Net interest income		6,259,275	6,586,113	14,048	2,958
Fee and service income		2,959,647	2,640,818	-	-
Fee and service expenses		(191,897)	(156,641)	(9,793)	(7,678)
Net fee and service income	3.22	2,767,750	2,484,177	(9,793)	(7,678)
Net gain (loss) on financial instruments measured at fair value through profit or loss	3.23	568,321	(27,387)	35,339	2,005
Net gain on investments	3.24	4,240	5,439	-	-
Share of profit from investment accounted for under equity method	3.7.2	23,938	32,871	-	-
Dividend income		50,301	34,160	-	976,740
Penalty fee income from loans		93,405	115,251	-	-
Intercompany supporting fee income	3.28	-	-	1,052,428	1,072,698
Other operating income		48,845	43,704	38,309	40,513
Total operating income		9,816,075	9,274,328	1,130,331	2,087,236
Operating expenses					
Employee expenses		2,874,393	2,492,377	547,396	417,691
Directors' remuneration		9,285	8,800	9,285	8,800
Premises and equipment expenses		670,639	643,337	327,301	312,397
Taxes and duties		125,460	147,454	2,109	2,232
Other operating expenses		455,093	517,764	35,967	34,187
Total operating expenses		4,134,870	3,809,732	922,058	775,307
Expected credit loss	3.25	1,398,037	1,954,999	9,113	168,773
Profit from operations before income tax expenses		4,283,168	3,509,597	199,160	1,143,156
Income tax expenses	3.26	853,303	693,929	40,665	29,893
Profit for the period		3,429,865	2,815,668	158,495	1,113,263

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 2021

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

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Other comprehensive income:					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>					
Gain (loss) on valuation of investments in debt instruments					
measured at fair value through other comprehensive income		(4,878)	7,556	4,606	(1,536)
Share of other comprehensive income of joint venture:					
Cash flow hedges of joint venture (loss)	3.7.2	83	(2,602)	-	-
Income tax effects		976	(1,511)	(921)	307
Other comprehensive income to be reclassified					
to profit or loss in subsequent periods - net of income tax (loss)		(3,819)	3,443	3,685	(1,229)
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial gain (loss)		14,056	(9,853)	(1,505)	(6,758)
Income tax effects		(2,872)	1,952	301	1,352
Other comprehensive income not to be reclassified					
to profit or loss in subsequent periods - net of income tax (loss)		11,184	(7,901)	(1,204)	(5,406)
Other comprehensive income for the period (loss)		7,365	(4,458)	2,481	(6,635)
Total comprehensive income for the period		3,437,230	2,811,210	160,976	1,106,628
Profits attributable to					
Equity holders of the Company	3.27	3,429,684	2,815,481	158,495	1,113,263
Non-controlling interests of the subsidiaries		181	187		
		<u>3,429,865</u>	<u>2,815,668</u>		
Total comprehensive income attributable to					
Equity holders of the Company		3,437,049	2,811,023	160,976	1,106,628
Non-controlling interests of the subsidiaries		181	187		
		<u>3,437,230</u>	<u>2,811,210</u>		
Earnings per share of equity holders of the Company					
Basic earnings per share (Baht per share)	3.27	<u>4.28</u>	<u>3.52</u>	<u>0.20</u>	<u>1.39</u>

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

(Unaudited but reviewed)

TISCO Financial Group Public Company Limited and its subsidiaries**Cash flow statement****For the six-month period ended 30 June 2021**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Cash flows from operating activities				
Profit from operations before income tax	4,283,168	3,509,597	199,160	1,143,156
Adjustments to reconcile profit from operations before income tax to net cash provided by (paid from) operating activities				
Depreciation and amortisation	306,377	328,136	57,907	63,772
Expected credit loss	2,246,017	2,751,923	9,113	168,773
Share of profit from investment accounted for under equity method	(23,938)	(32,871)	-	-
Allowance for impairment of properties foreclosed (reversal)	973	(34)	-	-
(Gain) loss on disposal of investments in securities	(607,706)	562	-	-
Unrealised gain on foreign exchange transactions and trading derivatives	(12,971)	(43,288)	(52,181)	(20,672)
(Gain) loss on financial instruments measured at fair value through profit or loss	98,748	(50,194)	16,842	18,667
(Gain) loss on disposal/write-off of equipment and intangible assets	1,858	1,216	36	(59)
Gain on disposal of properties foreclosed	(16,256)	(12,052)	-	-
Employee benefit expenses	42,556	108,792	9,935	14,645
Decrease (increase) in accrued income	30,431	274,800	5,606	(6,512)
Increase in accrued expenses	980,505	248,661	307,152	179,754
Net interest income	(6,259,275)	(6,586,113)	(14,048)	(2,958)
Dividend income	(50,301)	(34,160)	-	(976,740)
Cash received on interest income	7,465,572	8,002,040	31,067	33,051
Cash paid on interest expenses	(1,239,417)	(1,978,556)	(10,478)	(26,554)
Cash received on dividend income	50,281	33,940	3,844,954	6,854,684
Cash paid on income tax	(688,294)	(800,844)	(43,789)	(35,070)
Profit from operating activities before changes in operating assets and liabilities	6,608,328	5,721,555	4,361,276	7,407,937
Operating assets (increase) decrease				
Interbank and money market items	5,729,139	12,052,215	(2,680)	1,002,432
Loans to customers	9,386,057	12,828,121	(530,000)	(1,300,000)
Securities and derivatives business receivables	(283,663)	408,460	-	-
Receivables from clearing house	(504,575)	(1,298,982)	-	-
Properties foreclosed	(41,472)	(6,741)	-	-
Other assets	137,772	481,317	-8,985	(16,306)

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

(Unaudited but reviewed)

TISCO Financial Group Public Company Limited and its subsidiaries**Cash flow statement (continued)**

For the six-month period ended 30 June 2021

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Operating liabilities increase (decrease)				
Deposits	(22,422,959)	(15,905,518)	-	-
Interbank and money market items	2,120,374	826,038	(2,960,000)	-
Liabilities payable on demand	(1,040,039)	(111,737)	-	-
Securities and derivatives business payables	1,060,457	1,217,972	-	-
Short-term debts issued and borrowings	1,981,000	2,300,000	4,301,000	(20,000)
Payables to clearing house	(273,184)	(329,503)	-	-
Provision for long-term employee benefits	(8,017)	(9,972)	(903)	(1,000)
Other liabilities	(367,004)	(900,739)	(84,722)	(78,489)
Net cash flows from operating activities	2,082,214	17,272,486	5,074,986	6,994,574
Cash flows from investing activities				
Cash paid for purchase of investments in securities	(6,442,935)	(17,270,787)	-	(746,646)
Cash received from disposal of investments in securities	9,427,938	14,615,846	-	-
Cash paid for purchase of equipment	(34,045)	(100,754)	(20,552)	(36,909)
Cash paid for purchase of intangible assets	(16,308)	(11,137)	(10,201)	(8,222)
Cash received from disposal of equipment	49	2,473	-	2,400
Cash paid for acquisition of a subsidiary	-	(8)	-	(8)
Net cash flows from (used in) investing activities	2,934,699	(2,764,367)	(30,753)	(789,385)
Cash flows from financing activities				
Cash received from issuance of long-term debentures	-	2,910,000	-	-
Cash paid for redemption of long-term debentures	-	(11,000,000)	-	-
Cash paid on lease liabilities	(138,877)	(151,462)	(146)	(146)
Dividend paid	(5,044,087)	(6,205,043)	(5,044,087)	(6,205,043)
Net cash flows used in financing activities	(5,182,964)	(14,446,505)	(5,044,233)	(6,205,189)
Net increase (decrease) in cash	(166,051)	61,614	-	-
Cash at beginning of the period	1,220,207	1,102,557	70	70
Cash at end of the period	1,054,156	1,164,171	70	70
	-	-	-	-
Supplemental cash flows information				
Non-cash transactions				
Right-of-use assets	10,801	72,643	-	-
Transfer-in of properties foreclosed in settlement of loans to customers	825,349	938,296	-	-

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 2021

(Unit: Thousand Baht)

Consolidated financial statements													
Equity attributable to equity holders of the Company													
		Other components of equity							Retained earnings		Equity		
Issued and paid-up		Share premium on	Surplus	Share of other	Adjustment from					Total equity	Equity		
Preference shares	Ordinary shares	ordinary shares	on changes in value	comprehensive	business					attributable to	to non-controlling	Total	
			of investments	income of	combination					equity holders of	interests of		
			measured at	joint venture	of entities under					the Company	the subsidiaries		
			fair value through	revaluation	common control								
			other comprehensive	of assets	under holding								
			income		restructuring plan	Total	Appropriated	Unappropriated					
Balance as at 1 January 2020	99	8,006,456	1,018,408	4,229	1,160,712	2,602	679,266	1,846,809	801,000	27,964,453	39,637,225	3,131	39,640,356
Dividend paid (Note 4)	-	-	-	-	-	-	-	-	-	(6,205,043)	(6,205,043)	-	(6,205,043)
Profit for the period	-	-	-	-	-	-	-	-	-	2,815,481	2,815,481	187	2,815,668
Other comprehensive income for the period (loss)	-	-	-	6,045	-	(2,602)	-	3,443	-	(7,901)	(4,458)	-	(4,458)
Total comprehensive income for the period (loss)	-	-	-	6,045	-	(2,602)	-	3,443	-	2,807,580	2,811,023	187	2,811,210
Transfer surplus on revaluation of assets													
to retained earnings	-	-	-	-	(1,815)	-	-	(1,815)	-	2,207	392	-	392
Decrease in non-controlling interests													
of the subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(131)	(131)
Balance as at 30 June 2020	99	8,006,456	1,018,408	10,274	1,158,897	-	679,266	1,848,437	801,000	24,569,197	36,243,597	3,187	36,246,784
Balance as at 1 January 2021	99	8,006,456	1,018,408	5,871	1,157,138	(4,358)	679,266	1,837,917	801,000	27,795,056	39,458,936	3,143	39,462,079
Dividend paid (Note 4)	-	-	-	-	-	-	-	-	-	(5,044,087)	(5,044,087)	-	(5,044,087)
Profit for the period	-	-	-	-	-	-	-	-	-	3,429,684	3,429,684	181	3,429,865
Other comprehensive income for the period (loss)	-	-	-	(3,902)	-	83	-	(3,819)	-	11,184	7,365	-	7,365
Total comprehensive income for the period	-	-	-	(3,902)	-	83	-	(3,819)	-	3,440,868	3,437,049	181	3,437,230
Transfer surplus on revaluation of assets													
to retained earnings	-	-	-	-	(1,810)	-	-	(1,810)	-	2,207	397	-	397
Balance as at 30 June 2021	99	8,006,456	1,018,408	1,969	1,155,328	(4,275)	679,266	1,832,288	801,000	26,194,044	37,852,295	3,324	37,855,619

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 2021

(Unit: Thousand Baht)

	Separate financial statements									
	Issued and paid-up		Share premium		Other components of equity			Retained earnings		
	Preference	Ordinary	Preference	Ordinary	Surplus (deficit) on changes in value of investments		Appropriated	Unappropriated	Total	
	shares	shares	shares	shares	measured at fair value through other comprehensive income	Surplus on revaluation of assets	Total			Total
Balance as at 1 January 2020	99	8,006,456	87	7,031,436	-	306,294	306,294	801,000	8,128,573	24,273,945
Dividend paid (Note 4)	-	-	-	-	-	-	-	-	(6,205,043)	(6,205,043)
Profit for the period	-	-	-	-	-	-	-	-	1,113,263	1,113,263
Other comprehensive income for the period (loss)	-	-	-	-	(1,229)	-	(1,229)	-	(5,406)	(6,635)
Total comprehensive income for the period (loss)	-	-	-	-	(1,229)	-	(1,229)	-	1,107,857	1,106,628
Transfer surplus on revaluation of assets to retained earnings	-	-	-	-	-	(314)	(314)	-	393	79
Balance as at 30 June 2020	99	8,006,456	87	7,031,436	(1,229)	305,980	304,751	801,000	3,031,780	19,175,609
Balance as at 1 January 2021	99	8,006,456	87	7,031,436	(1,229)	305,659	304,430	801,000	6,972,541	23,116,049
Dividend paid (Note 4)	-	-	-	-	-	-	-	-	(5,044,087)	(5,044,087)
Profit for the period	-	-	-	-	-	-	-	-	158,495	158,495
Other comprehensive income for the period (loss)	-	-	-	-	3,685	-	3,685	-	(1,204)	2,481
Total comprehensive income for the period	-	-	-	-	3,685	-	3,685	-	157,291	160,976
Transfer surplus on revaluation of assets to retained earnings	-	-	-	-	-	(334)	(334)	-	417	83
Balance as at 30 June 2021	99	8,006,456	87	7,031,436	2,456	305,325	307,781	801,000	2,086,162	18,233,021

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 2021

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

1.1 Basis for preparation of interim financial information

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

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

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

1.2 Coronavirus disease 2019 pandemic

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

1.3 Basis of interim consolidation

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

1.4 Separate financial statements

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

1.5 New financial reporting standards

1.5.1 Financial reporting standards that became effective in the current period

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

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

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

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

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

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

As the temporary relief measures on accounting alternatives are no longer applicable for the period after 31 December 2020, the Group recognised fair value of investments in non-marketable equity instruments as at 1 January 2021 totalling Baht 31 million as part of operating income in the consolidated statement of comprehensive income for the six-month period ended 30 June 2021 (Separate financial statements: none).

1.7 Significant accounting policies

The interim financial information is prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2020.

2. General information

2.1 The Company's information

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

2.2 Related party transactions

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

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

3. Supplemental information

3.1 Consolidated financial statements

A list of subsidiaries included in the consolidated financial statements as at 30 June 2021 and 31 December 2020 is provided below.

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

3.2 Classification of financial assets and financial liabilities

(Unit: Thousand Baht)

	As at 30 June 2021				
	Consolidated financial statements				
	Financial instruments measured at fair value through profit or loss	Financial instruments measured at fair value through other comprehensive income		Financial instruments measured at amortised cost	Total
		Financial instruments measured at fair value through profit or loss	Financial instruments measured at fair value through other comprehensive income		
<u>Financial assets</u>					
Cash	-	-	1,054,156	1,054,156	
Interbank and money market items - net	-	-	32,482,653	32,482,653	
Financial assets measured at fair value					
through profit or loss	1,961,763	-	-	1,961,763	
Investments - net	-	7,728,007	-	7,728,007	
Loans to customers and accrued interest					
receivables - net	-	-	203,281,751	203,281,751	
Securities and derivatives business					
receivables - net	-	-	1,341,843	1,341,843	
Other assets - receivables from clearing house	-	-	796,471	796,471	
Other assets - fee and service receivables	-	-	438,525	438,525	
Other assets - other receivables	-	-	583,988	583,988	
<u>Financial liabilities</u>					
Deposits	-	-	181,049,866	181,049,866	
Interbank and money market items	-	-	7,928,020	7,928,020	
Liabilities payable on demand	-	-	244,726	244,726	
Derivatives liabilities	57,062	-	-	57,062	
Debts issued and borrowings	-	-	14,806,919	14,806,919	
Lease liabilities	-	-	708,114	708,114	
Securities and derivatives business payables - net	-	-	2,093,498	2,093,498	
Accrued interest payable	-	-	507,355	507,355	
Other liabilities - payables to clearing house	-	-	36,682	36,682	

(Unaudited but reviewed)

(Unit: Thousand Baht)

	As at 31 December 2020			
	Consolidated financial statements			
	Financial instruments measured at fair value through profit or loss	Financial instruments measured at fair value through other comprehensive income	Financial instruments measured at amortised cost	Total
<u>Financial assets</u>				
Cash	-	-	1,220,207	1,220,207
Interbank and money market items - net	-	-	38,212,028	38,212,028
Financial assets measured at fair value				
through profit or loss	2,173,020	-	-	2,173,020
Derivatives assets	62,095	-	-	62,095
Investments - net	-	9,953,256	-	9,953,256
Loans to customers and accrued interest				
receivables - net	-	-	214,887,986	214,887,986
Securities and derivatives business				
receivables - net	-	-	1,058,180	1,058,180
Other assets - receivables from clearing house	-	-	291,896	291,896
Other assets - fee and service receivables	-	-	468,956	468,956
Other assets - other receivables	-	-	587,995	587,995
<u>Financial liabilities</u>				
Deposits	-	-	203,472,825	203,472,825
Interbank and money market items	-	-	5,807,646	5,807,646
Liabilities payable on demand	-	-	1,284,765	1,284,765
Debts issued and borrowings	-	-	12,825,919	12,825,919
Lease liabilities	-	-	828,590	828,590
Securities and derivatives business payables - net	-	-	1,033,041	1,033,041
Accrued interest payable	-	-	735,903	735,903
Other liabilities - payables to clearing house	-	-	309,866	309,866

(Unaudited but reviewed)

(Unit: Thousand Baht)

As at 30 June 2021				
Separate financial statements				
	Financial instruments measured at fair value through profit or loss	Financial instruments measured at fair value through comprehensive income	Financial instruments measured at amortised cost	Total
<u>Financial assets</u>				
Cash	-	-	70	70
Interbank and money market items - net	-	-	20,073	20,073
Financial assets measured at fair value through profit or loss	925,392	-	-	925,392
Investments - net	-	202,271	-	202,271
Loans to customers and accrued interest receivables - net	-	-	3,705,177	3,705,177
Other assets - fee and service receivables	-	-	120,833	120,833
<u>Financial liabilities</u>				
Interbank and money market items	-	-	820,000	820,000
Debts issued and borrowings	-	-	5,930,000	5,930,000
Lease liabilities	-	-	752	752
Accrued interest payable	-	-	7,683	7,683

(Unit: Thousand Baht)

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

3.3 Interbank and money market items (assets)

As at 30 June 2021 and 31 December 2020, interbank and money market items include securities purchases under resale agreements according to private repurchase transactions made by the subsidiary company operating a banking business, with the securities received under the resale agreements being used as collateral, as detailed below.

(Unit: Thousand Baht)

	Securities purchased under resale agreements according to private repurchase transactions as at	
	30 June 2021	31 December 2020
	Commercial banks	15,000,000
Specialised Financial Institutions	13,700,000	14,700,000

Fair value of securities received as collateral is as follows:

(Unit: Thousand Baht)

	Fair value of securities received as collateral as at	
	30 June 2021	31 December 2020
	Commercial banks	14,230,800
Specialised Financial Institutions	13,820,600	14,747,200

As at 30 June 2021 and 31 December 2020, interbank and money market items include insurance premiums received by the Group from the insured, amounting to Baht 166 million and Baht 225 million, respectively, that the Group has to remit to the insurance company. The Group cannot use, exploit, or deduct any expenses from these premiums, as specified in the broker appointment contract.

3.4 Financial assets measured at fair value through profit or loss

(Unit: Thousand Baht)

Investments	Consolidated financial statements as at			
	30 June 2021		31 December 2020	
	Cost	Fair value	Cost	Fair value
Others				
Domestic marketable equity instruments	93.088	183.900	231.488	454.798
Domestic non-marketable equity instruments	231.289	795.234	257.578	772.569
Other securities - domestic unit trusts	51.014	57.237	51.014	55.600
Other securities - foreign unit trusts	803,120	925,392	803,120	890,053
	1,178,511	1,961,763	1,343,200	2,173,020
Add: Allowance for changes in value	783,252		829,820	
Total	1,961,763		2,173,020	

(Unaudited but reviewed)

(Unit: Thousand Baht)

Investments	Separate financial statements as at			
	30 June 2021		31 December 2020	
	Cost	Fair value	Cost	Fair value
Others				
Other securities - foreign unit trusts	803,120	925,392	803,120	890,053
	803,120	925,392	803,120	890,053
Add: Allowance for changes in value	122,272		86,933	
Total	925,392		890,053	

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

(Unit: Thousand Baht)

Securities' name	Consolidated financial statements as at					
	30 June 2021			31 December 2020		
	Fair value of investments	Unpaid amount	Percentage of holding (%)	Fair value of investments	Unpaid amount	Percentage of holding (%)
Services:						
Jiji Press (Thailand) Co., Ltd.	1,302	300	10	1,825	300	10
Trading import and export:						
Juki (Thailand) Co., Ltd.	4,256	-	10	6,025	-	10
PDTL Trading Co., Ltd.	3,743	-	10	3,637	-	10
Wattana Inter-Trade Co., Ltd.	21,089	-	10	19,158	-	10
Real estate:						
UMI Property Co., Ltd.	3,921	-	10	4,031	-	10
Industrial:						
Siam Art Ceramic Co., Ltd.	9,540	-	10	11,268	-	10

3.5 Derivatives assets/derivatives liabilities

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

(Unit: Thousand Baht)

Type of risks	Consolidated financial statements as at					
	30 June 2021			31 December 2020		
	Fair value		Notional amount	Fair value		Notional amount
Assets	Liabilities	Assets		Liabilities		
Exchange rate	-	57,062	1,269,373	62,095	-	1,189,528
Total	-	57,062	1,269,373	62,095	-	1,189,528

All counterparties of these derivatives transactions are financial institutions.

3.6 Investments

3.6.1 Investments classified by type of investments

As at 30 June 2021 and 31 December 2020, investments classified by type of investments are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements as at			
	30 June 2021		31 December 2020	
	Amortised cost	Fair value	Amortised cost	Fair value
Investments in debt instruments measured at fair value through other comprehensive income				
Government and state enterprise securities				
	7,502,345	7,501,366	9,713,417	9,722,476
Private sector debt securities				
	423,121	226,641	423,121	230,780
	7,925,466	7,728,007	10,136,538	9,953,256
Less: Allowance for changes in value				
	(197,459)		(183,282)	
Total	7,728,007		9,953,256	
Allowance for expected credit loss				
	199,921		190,621	
Investments in debt instruments measured at amortised cost				
Investments in receivables				
	11,717		12,047	
Less: Allowance for expected credit loss				
	(11,717)		(12,047)	
Total	-		-	
Total investments	7,728,007		9,953,256	

(Unaudited but reviewed)

(Unit: Thousand Baht)

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

3.6.2 Investments subject to restrictions

(Unit: Million Baht)

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

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

As at 30 June 2021 and 31 December 2020, investments in securities of the Group include investments in securities issued by companies with weak financial positions and poor operating results as follows:

(Unit: Thousand Baht)

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

(Unit: Thousand Baht)

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

3.7 Investments in subsidiaries and joint venture

(Unit: Thousand Baht)

	Consolidated financial statements as at		Separate financial statements as at	
	30 June 2021	31 December 2020	30 June 2021	31 December 2020
Investments in subsidiaries	-	-	19,995,898	19,995,898
Investment in joint venture	828,946	804,925	73,245	73,245
	<u>828,946</u>	<u>804,925</u>	<u>20,069,143</u>	<u>20,069,143</u>

3.7.1 Investments in subsidiaries

(Unit: Thousand Baht)

Company's name	Type of investments	Separate financial statements					
		Percentage of holding as at		Investment value - cost method as at		Dividend received for the six-month periods ended	
		30 June 2021	31 December 2020	30 June 2021	31 December 2020	30 June 2021	30 June 2020
		(%)	(%)				
<u>Subsidiaries directly held by the Company</u>							
TISCO Bank Public Company Limited	Ordinary shares	99.99	99.99	17,641,209	17,641,209	-	976,740
TISCO Securities Co., Ltd.	Ordinary shares	99.99	99.99	1,075,065	1,075,065	-	-
TISCO Asset Management Co., Ltd.	Ordinary shares	99.99	99.99	110,075	110,075	-	-
Hi-Way Co., Ltd.	Preference shares	99.99	99.99	2,866	2,866	-	-
	Ordinary shares	99.99	99.99	770,053	770,053	-	-
TISCO Information Technology Co., Ltd.	Ordinary shares	99.99	99.99	22,117	22,117	-	-
TISCO Insurance Solution Co., Ltd.	Ordinary shares	99.99	99.99	136,655	136,655	-	-
Primus Leasing Co., Ltd	Ordinary shares	99.99	99.99	141,521	141,521	-	-
TISCO Learning Center Co., Ltd.	Ordinary shares	99.99	99.99	5,000	5,000	-	-
All-Ways Co., Ltd.	Ordinary shares	99.99	99.99	200,000	200,000	-	-
				<u>20,104,561</u>	<u>20,104,561</u>	<u>-</u>	<u>976,740</u>
Less: Allowance for impairment				<u>(108,663)</u>	<u>(108,663)</u>		
Investments in subsidiaries - net				<u>19,995,898</u>	<u>19,995,898</u>		

3.7.2 Investment in joint venture

a) Details of investment in joint venture

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

(Unit: Thousand Baht)

Jointly controlled entity	Consolidated financial statements					
	Shareholding percentage		Cost		Carrying amounts	
	as at		as at		based on equity method	
	30 June 2021	31 December 2020	30 June 2021	31 December 2020	30 June 2021	31 December 2020
	(%)	(%)				
TISCO Tokyo Leasing Co., Ltd.	49.00	49.00	73,245	73,245	828,946	804,925

(Unit: Thousand Baht)

Jointly controlled entity	Separate financial statements			
	Shareholding percentage		Cost	
	as at		as at	
	30 June 2021	31 December 2020	30 June 2021	31 December 2020
	(%)	(%)		
TISCO Tokyo Leasing Co., Ltd.	49.00	49.00	73,245	73,245

b) Share of comprehensive income and dividend received

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

(Unit: Thousand Baht)

Jointly controlled entity	Consolidated financial statements				Separate financial statements	
	Share of profit from investment in joint venture for the three-month periods ended 30 June		Share of other comprehensive income from investment in joint venture for the three-month periods ended 30 June		Dividend received for the three-month periods ended 30 June	
	2021	2020	2021	2020	2021	2020
TISCO Tokyo Leasing Co., Ltd.	10,783	17,365	(1,642)	-	-	-

(Unaudited but reviewed)

	Consolidated financial statements				(Unit: Thousand Baht) Separate financial statements	
	Share of profit from investment in joint venture for the six-month periods ended 30 June		Share of other comprehensive income from investment in joint venture for the six-month periods ended 30 June		Dividend received for the six-month periods ended 30 June	
Jointly controlled entity	2021	2020	2021	2020	2021	2020
TISCO Tokyo Leasing Co., Ltd.	23,938	32,871	83	(2,602)	-	-

3.8 Loans to customers and accrued interest receivables

3.8.1 Classified by type of loans to customers

	(Unit: Thousand Baht) Consolidated financial statements as at	
	30 June 2021	31 December 2020
Loans to customers		
Overdrafts	26,115	31,721
Loans	92,496,903	96,713,852
Hire purchase receivables	140,075,449	147,601,631
Finance lease receivables	8,544	8,544
Less: Deferred revenue	(18,612,206)	(19,544,201)
Total loans to customers	213,994,805	224,811,547
Add: Accrued interest receivables and undue interest receivables	1,827,537	1,901,983
Total loans to customers and accrued interest receivables	215,822,342	226,713,530
Less: Allowance for expected credit loss	(12,540,591)	(11,825,544)
Loans to customers and accrued interest receivables - net	203,281,751	214,887,986

	(Unit: Thousand Baht) Separate financial statements as at	
	30 June 2021	31 December 2020
Loans to customers		
Loans	3,710,000	3,180,000
Less: Allowance for expected credit loss	(4,823)	(4,134)
Loans to customers and accrued interest receivables - net	3,705,177	3,175,866

3.8.2 Classified by loan classification

(Unit: Thousand Baht)

	Consolidated financial statements as at		Separate financial statements as at	
	30 June 2021	31 December 2020	30 June 2021	31 December 2020
Loans to customers and accrued interest receivables				
Loans of the subsidiary				
operating a banking business	210,482,893	224,740,153	-	-
Loans of other subsidiaries	6,159,449	5,753,377	-	-
Loans of the Company	3,710,000	3,180,000	3,710,000	3,180,000
Less: Elimination	(4,530,000)	(6,960,000)	-	-
Total	215,822,342	226,713,530	3,710,000	3,180,000

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

(Unit: Thousand Baht)

	As at			
	30 June 2021		31 December 2020	
	Loans to customers and accrued interest receivables	Allowance for expected credit loss	Loans to customers and accrued interest receivables	Allowance for expected credit loss
Financial assets with no significant increase in credit risk (Performing)	180,585,729	6,484,582	190,435,185	5,172,224
Financial assets with significant increase in credit risk (Under-performing)	24,385,779	3,186,741	29,139,124	3,422,247
Financial assets that are credit-impaired (Non-performing)	5,511,385	1,382,489	5,165,844	1,287,313
Allowance established in excess	-	528,199	-	1,056,399
Total	210,482,893	11,582,011	224,740,153	10,938,183

The subsidiary operating a banking business has allowance established in excess resulting from the calculation of the allowance for expected credit loss as at 1 January 2020, in accordance with TFRS 9: Financial Instruments, which was lower than the amount of allowance for doubtful accounts as at 31 December 2019 as determined in accordance with the former accounting policy by Baht 2,113 million. Such amount is being released in quarterly amounts over 2 years under the straight-line method, in line with the BOT's guideline. As a result, as at 30 June 2021 the balance of allowance established in excess remained at Baht 528 million.

(Unaudited but reviewed)

3.8.2.2 Classified by loan classification of other subsidiaries

(Unit: Thousand Baht)

	As at			
	30 June 2021		31 December 2020	
	Loans to customers and accrued interest receivables	Allowance for expected credit loss	Loans to customers and accrued interest receivables	Allowance for expected credit loss
Financial assets with no significant increase in credit risk (Performing)	4,390,309	308,799	3,921,251	238,400
Financial assets with significant increase in credit risk (Under-performing)	1,051,044	281,575	1,057,160	266,852
Financial assets that are credit-impaired (Non-performing)	718,096	372,226	774,966	400,513
Total	6,159,449	962,600	5,753,377	905,765

3.8.2.3 Classified by loan classification of the Company

(Unit: Thousand Baht)

	As at			
	30 June 2021		31 December 2020	
	Loans to customers and accrued interest receivables	Allowance for expected credit loss	Loans to customers and accrued interest receivables	Allowance for expected credit loss
Financial assets with no significant increase in credit risk (Performing)	3,710,000	4,823	3,180,000	4,134
Financial assets with significant increase in credit risk (Under-performing)	-	-	-	-
Financial assets that are credit-impaired (Non-performing)	-	-	-	-
Total	3,710,000	4,823	3,180,000	4,134

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

As at 30 June 2021, the Group's outstanding loan balance under the relief measures totalled Baht 13,647 million. The balance consists of the debtors under principal holiday scheme or installment reduction (subject to partial payments of principal and interest) of Baht 9,756 million, the debtors under debt moratorium scheme of Baht 67 million and the debtors receiving other forms of debt relief of Baht 3,824 million.

3.8.3 Classified by loan classification and type of debtors

As at 30 June 2021 and 31 December 2020, loans to customers of the subsidiary operating a banking business classified by loan classification and type of debtors are as follows:

(Unit: Million Baht)

	As at 30 June 2021							
	Hire purchase receivables		Loan against auto license receivables		Other loans		Total	
	Loans to customers and accrued interest receivables	Allowance for expected credit loss	Loans to customers and accrued interest receivables	Allowance for expected credit loss	Loans to customers and accrued interest receivables	Allowance for expected credit loss	Loans to customers and accrued interest receivables	Allowance for expected credit loss
Financial assets with no significant increase in credit risk (Performing)	98,748	3,137	20,975	920	60,863	2,428	180,586	6,485
Financial assets with significant increase in credit risk (Under-performing)	16,034	1,558	5,057	693	3,295	936	24,386	3,187
Financial assets that are credit-impaired (Non-performing)	2,942	651	1,149	391	1,420	340	5,511	1,382
Total	117,724	5,346	27,181	2,004	65,578	3,704	210,483	11,054
Allowance established in excess								528
Total								11,582

(Unit: Million Baht)

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

3.8.4 Hire purchase and finance lease receivables

As at 30 June 2021, receivables of the subsidiaries under hire purchase and finance lease agreements amount to Baht 122,784 million (31 December 2020: Baht 129,399 million) and mostly comprise hire purchase agreements for cars and finance lease agreements for machines and equipment for business operation. The terms of the agreements are generally between 1 to 8 years, and interest under most agreements is charged at a fixed rate as specified in agreements.

(Unit: Million Baht)

Consolidated financial statements as at 30 June 2021					
Amounts of installments due under the long-term lease agreements					
	Not over 1 year	Over 1 year but not over 5 years	Over 5 years	Financial assets that are credit-impaired	Total
Gross investment in the agreements	42,854	83,668	5,638	7,924	140,084
Less: Deferred revenue ⁽¹⁾	(5,758)	(7,657)	(256)	(4,546)	(18,217)
Present value of minimum lease payment from agreements	37,096	76,011	5,382	3,378	121,867
Accrued interest receivables	722	-	-	195	917
Total	37,818	76,011	5,382	3,573	122,784
Allowance for expected credit loss					(6,164)
Net hire purchase and finance lease receivables					116,620

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

(Unit: Million Baht)

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

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

3.8.5 Troubled debt restructuring of the subsidiary operating a banking business

As at 30 June 2021 and 31 December 2020, the subsidiary operating a banking business has outstanding balances with troubled debt restructuring debtors as follows:

	As at			
	30 June 2021		31 December 2020	
	Number of debtors	Outstanding balances (Million Baht)	Number of debtors	Outstanding balances (Million Baht)
Balances of restructured debts	6,928	2,377	8,856	2,762

3.9 Allowance for expected credit loss

As at 30 June 2021, the Group has allowance for expected credit loss classified by type of financial assets as follows:

(Unit: Thousand Baht)

	Consolidated financial statements					Total
	For the six-month period ended 30 June 2021					
	Financial assets with no significant increase in credit risk	Financial assets with significant increase in credit risk	Financial assets that are credit-impaired	Allowance established in excess	Financial assets applying a simplified approach to determine expected credit loss	
Interbank and money market items (assets)						
Balance - beginning of period	1,081	-	-	-	-	1,081
Changes from revaluation of allowance for credit loss	23	-	-	-	-	23
Balance - end of period	1,104	-	-	-	-	1,104
Investments in debt instruments measured at fair value through other comprehensive income						
Balance - beginning of period	-	-	190,621	-	-	190,621
Changes from revaluation of allowance for credit loss	-	-	9,300	-	-	9,300
Balance - end of period	-	-	199,921	-	-	199,921

(Unaudited but reviewed)

(Unit: Thousand Baht)

Consolidated financial statements						
For the six-month period ended 30 June 2021						
	Financial assets with no significant increase in credit risk	Financial assets with significant increase in credit risk	Financial assets that are credit-impaired	Allowance established in excess	Financial assets applying a simplified approach to determine expected credit loss	Total
Investments in debt instruments measured at amortised cost						
Balance - beginning of period	-	-	12,047	-	-	12,047
Changes from revaluation of allowance for credit loss	-	-	(330)	-	-	(330)
Balance - end of period	-	-	11,717	-	-	11,717
Loans to customers and accrued interest receivables						
Balance - beginning of period	5,392,220	3,689,099	1,687,826	1,056,399	-	11,825,544
Changes from transfers among stages	243,289	(529,969)	286,680	-	-	-
Changes from revaluation of allowance for credit loss	397,033	268,766	1,370,259	-	-	2,036,058
New financial assets	1,101,947	302,578	43,161	-	-	1,447,686
Derecognition	(345,127)	(262,159)	(114,389)	-	-	(721,675)
Write-off	-	-	(1,518,822)	-	-	(1,518,822)
Reduction in allowance established in excess	-	-	-	(528,200)	-	(528,200)
Balance - end of period	6,789,362	3,468,315	1,754,715	528,199	-	12,540,591
Other assets - accrued interest receivables on investments						
Balance - beginning of period	-	-	4,636	-	-	4,636
Changes from revaluation of allowance for credit loss	-	-	138	-	-	138
Write-off	-	-	(4,636)	-	-	(4,636)
Balance - end of period	-	-	138	-	-	138
Other assets - fee and service receivables						
Balance - beginning of period	-	-	-	-	-	-
Changes from revaluation of allowance for credit loss	-	-	-	-	11,514	11,514
Derecognition	-	-	-	-	(2,418)	(2,418)
Balance - end of period	-	-	-	-	9,096	9,096

(Unit: Thousand Baht)

	Separate financial statements			
	For the six-month period ended 30 June 2021			
	Financial assets with no significant increase in credit risk	Financial assets with significant increase in credit risk	Financial assets that are credit-impaired	Total
Interbank and money market items (assets)				
Balance - beginning of period	9	-	-	9
Changes from revaluation of allowance for credit loss	1	-	-	1
Balance - end of period	10	-	-	10
Investments in debt instruments measured at fair value through other comprehensive income				
Balance - beginning of period	-	-	164,161	164,161
Changes from revaluation of allowance for credit loss	-	-	8,300	8,300
Balance - end of period	-	-	172,461	172,461
Loans to customers and accrued interest receivables				
Balance - beginning of period	4,134	-	-	4,134
Changes from revaluation of allowance for credit loss	689	-	-	689
Balance - end of period	4,823	-	-	4,823
Other assets - accrued interest receivables on investments				
Balance - beginning of period	-	-	4,111	4,111
Changes from revaluation of allowance for credit loss	-	-	123	123
Write-off	-	-	(4,111)	(4,111)
Balance - end of period	-	-	123	123

3.10 Classification of assets**3.10.1 Classification of assets under the BOT's guidelines**

As at 30 June 2021 and 31 December 2020, classification of financial assets is as follows:

(Unit: Thousand Baht)

Consolidated financial statements as at 30 June 2021					
Financial assets					
	Debt instruments measured at fair value through other comprehensive income		Debt instruments measured at amortised cost	Loans to customers and accrued interest receivables	Total
	Interbank and money market items	through other comprehensive income	amortised cost	receivables	
Financial assets with no significant increase in credit risk (Performing)	32,483,757	7,501,366	-	184,156,038	224,141,161
Financial assets with significant increase in credit risk (Under-performing)	-	-	-	25,436,823	25,436,823
Financial assets that are credit-impaired (Non-performing)	-	226,641	11,717	6,229,481	6,467,839
Total	32,483,757	7,728,007	11,717	215,822,342	256,045,823

(Unit: Thousand Baht)

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

(Unaudited but reviewed)

(Unit: Thousand Baht)

Separate financial statements as at 30 June 2021

	Financial assets				Total
	Interbank and money market items	Debt instruments measured at fair value through other comprehensive income	Debt instruments measured at amortised cost	Loans to customers and accrued interest receivables	
Financial assets with no significant increase in credit risk (Performing)	20,083	-	-	3,710,000	3,730,083
Financial assets with significant increase in credit risk (Under-performing)	-	-	-	-	-
Financial assets that are credit-impaired (Non-performing)	-	202,271	-	-	202,271
Total	20,083	202,271	-	3,710,000	3,932,354

(Unit: Thousand Baht)

Separate financial statements as at 31 December 2020

	Financial assets				Total
	Interbank and money market items	Debt instruments measured at fair value through other comprehensive income	Debt instruments measured at amortised cost	Loans to customers and accrued interest receivables	
Financial assets with no significant increase in credit risk (Performing)	17,403	-	-	3,180,000	3,197,403
Financial assets with significant increase in credit risk (Under-performing)	-	-	-	-	-
Financial assets that are credit-impaired (Non-performing)	-	205,965	-	-	205,965
Total	17,403	205,965	-	3,180,000	3,403,368

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

	Number of debtors		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 June	31 December	30 June	31 December	30 June	31 December	30 June	31 December
	2021	2020	2021	2020	2021	2020	2021	2020
		(Million Baht)	(Million Baht)	(Million Baht)	(Million Baht)	(Million Baht)	(Million Baht)	(Million Baht)
1. Non-listed companies with similar operating results and financial positions to listed companies vulnerable to delisting from the SET and under rehabilitation	1	1	500	500	300	315	500	500
2. Non-listed companies with similar operating results and financial positions to listed companies vulnerable to delisting from the SET	10	8	842	890	477	430	124	108
Total	11	9	1,342	1,390	777	745	624	608

3.11 Premises and equipment

Movement of premises and equipment for the six-month period ended 30 June 2021 is as follows:

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Cost		
1 January 2021	4,652,967	1,271,225
Additions	34,045	20,552
Disposals/write-offs/transfers-out	(11,668)	(257)
30 June 2021	4,675,344	1,291,520
Accumulated depreciation		
1 January 2021	1,731,228	444,260
Depreciation for the period	106,904	36,908
Accumulated depreciation on disposals/write-offs/transfers-out	(9,761)	(221)
30 June 2021	1,828,371	480,947
Net book value		
31 December 2020	2,921,739	826,965
30 June 2021	2,846,973	810,573

3.12 Right-of-use assets

Movement of right-of-use assets for the six-month period ended 30 June 2021 is as follows:

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Cost		
1 January 2021	1,147,064	1,158
Additions	10,801	-
Contract amendment	374	-
Contract termination	(36,019)	-
30 June 2021	<u>1,122,220</u>	<u>1,158</u>
Accumulated depreciation		
1 January 2021	261,578	279
Depreciation for the period	131,315	140
Accumulated depreciation on terminated contracts	(32,731)	-
30 June 2021	<u>360,162</u>	<u>419</u>
Net book value		
31 December 2020	<u>885,486</u>	<u>879</u>
30 June 2021	<u>762,058</u>	<u>739</u>

3.13 Other assets

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	as at		as at	
	30 June 2021	31 December 2020	30 June 2021	31 December 2020
Receivables from clearing house	796,471	291,896	-	-
Value added tax - net	216,389	367,830	1,884	1,652
Accrued interest receivables	20,254	17,765	-	-
Fee and service receivables	438,525	468,956	120,833	126,439
Refundable income tax and prepaid income tax	8,696	8,751	-	-
Deposits	81,973	84,200	95	95
Other receivables	583,988	587,995	-	-
Other assets	407,914	399,180	69,386	60,633
Total other assets	<u>2,554,210</u>	<u>2,226,573</u>	<u>192,198</u>	<u>188,819</u>

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

(Unit: Thousand Baht)

	Consolidated financial statements as at	
	30 June 2021	31 December 2020
Deposits		
Current accounts	2,730,607	3,199,911
Saving accounts	47,936,169	50,319,591
Fixed accounts		
- not over 6 months	11,547,098	12,761,123
- over 6 months but not over 1 year	25,630,265	27,901,720
- over 1 year	2,645,050	3,219,474
Certificates of deposits/negotiable certificates of deposits	90,560,677	106,071,006
Total	<u>181,049,866</u>	<u>203,472,825</u>

3.14.2 As at 30 June 2021 and 31 December 2020, all outstanding deposits are deposits from domestic depositors and are in Baht.

3.15 Debts issued and borrowings

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	as at		as at	
	30 June 2021	31 December 2020	30 June 2021	31 December 2020
<u>Domestic borrowings</u>				
Subordinated unsecured debentures	6,620,000	6,620,000	-	-
Unsubordinated unsecured debentures	8,150,000	6,169,000	5,930,000	1,629,000
Bills of exchange	36,122	36,122	-	-
Promissory notes	797	797	-	-
Total	<u>14,806,919</u>	<u>12,825,919</u>	<u>5,930,000</u>	<u>1,629,000</u>

3.15.1 Subordinated unsecured debentures

As at 30 June 2021 and 31 December 2020, the subsidiary operating a banking business has long-term subordinated unsecured debentures with an early redemption right in accordance with the BOT's regulations as follows:

Issued year	Units as at		Face value (Baht per unit)	Balance as at		Maturity in the year	Interest rate
	30 June 2021	31 December 2020		30 June 2021	31 December 2020		
	(Million units)	(Million units)		(Million Baht)	(Million Baht)		
2016	0.68	0.68	1,000	680	680	2026	3.875 percent per annum
2017	1.00	1.00	1,000	1,000	1,000	2027	4.00 percent per annum
2017	0.60	0.60	1,000	600	600	2027	3.70 percent per annum
2019	1.20	1.20	1,000	1,200	1,200	2029	4.00 percent per annum
2019	1.20	1.20	1,000	1,200	1,200	2029	4.00 percent per annum
2020	1.25	1.25	1,000	1,250	1,250	2030	3.50 percent per annum
2020	0.69	0.69	1,000	690	690	2030	3.15 percent per annum
Total				<u>6,620</u>	<u>6,620</u>		

3.15.2 Unsubordinated unsecured debentures

As at 30 June 2021 and 31 December 2020, the Group has short-term and long-term unsubordinated unsecured debentures as follows:

Consolidated financial statements								
Issued year	Type of debentures	Units as at		Face value (Baht per unit)	Balance as at		Maturity in the year	Interest rate
		30 June 2021	31 December 2020		30 June 2021	31 December 2020		
		(Million units)	(Million units)		(Million Baht)	(Million Baht)		
2020	Short-term debenture	-	1.629	1,000	-	1,629	2021	0.55 - 1.05 percent per annum
2020	Short-term debenture	-	2.32	1,000	-	2,320	2021	1.30 percent per annum
2020	Long-term debenture	2.22	2.22	1,000	2,220	2,220	2022	1.40 percent per annum
2021	Short-term debenture	5.93	-	1,000	5,930	-	2021	0.70 - 0.80 percent per annum
Total					<u>8,150</u>	<u>6,169</u>		

Separate financial statements								
Issued year	Type of debentures	Units as at		Face value (Baht per unit)	Balance as at		Maturity in the year	Interest rate
		30 June 2021 (Million units)	31 December 2020 (Million units)		30 June 2021 (Million Baht)	31 December 2020 (Million Baht)		
2020	Short-term debenture	-	1,629	1,000	-	1,629	2021	0.55 - 1.05 percent per annum
2021	Short-term debenture	5.93	-	1,000	5,930	-	2021	0.70 - 0.80 percent per annum
Total					5,930	1,629		

3.15.3 Bills of exchange

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

3.16 Lease liabilities

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	as at		as at	
	30 June 2021	31 December 2020	30 June 2021	31 December 2020
Beginning balance	888,548	1,060,908	922	1,215
Increase during the period	12,171	171,171	-	-
Contract amendment	(561)	(4,353)	-	-
Paid during the period	(138,877)	(291,784)	(146)	(293)
Terminated during the period	(3,469)	(47,394)	-	-
Ending balance	757,812	888,548	776	922
Less: Deferred interest expenses	(49,698)	(59,958)	(24)	(33)
Lease liabilities - net	708,114	828,590	752	889
Current portion	(164,789)	(179,965)	(278)	(275)
Lease liabilities - net of current portion	543,325	648,625	474	614

(Unaudited but reviewed)

3.17 Provisions

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	as at		as at	
	30 June 2021	31 December 2020	30 June 2021	31 December 2020
Allowance for expected credit loss on loan commitments	2,624	14,716	-	-
Provision for long-term employee benefits	1,696,820	1,676,338	302,278	291,741
Total provisions	1,699,444	1,691,054	302,278	291,741

As at 30 June 2021 and 31 December 2020, allowance for expected credit loss on loan commitments by classification is as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements as at			
	30 June 2021		31 December 2020	
	Loan commitments	Allowance for expected credit loss	Loan commitments	Allowance for expected credit loss
Financial assets with no significant increase in credit risk (Performing)	1,329,314	2,624	1,338,700	14,716
Financial assets with significant increase in credit risk (Under-performing)	-	-	-	-
Financial assets that are credit- impaired (Non-performing)	-	-	-	-
Total	1,329,314	2,624	1,338,700	14,716

3.18 Other liabilities

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	as at		as at	
	30 June 2021	31 December 2020	30 June 2021	31 December 2020
Payables to clearing house	36,682	309,866	-	-
Withholding income tax and other tax payables	228,243	593,909	9,842	94,560
Accrued insurance premium	348,671	479,958	-	-
Deferred income	1,611,797	1,481,571	-	-
Accrued expenses	4,438,661	3,458,156	1,816,010	1,508,858
Suspense creditors	876,762	1,075,205	-	-
Other liabilities	714,010	405,956	96	100
Total other liabilities	8,254,826	7,804,621	1,825,948	1,603,518

The above accrued expenses include accrued bonus expenses which are remunerations paid to employees and management based on annual performance. These accrued bonus expenses include costs of annual bonus that are determined with reference to the Company's share price, paid to employees whose performance impacts the Company's operating results, as an incentive to work effectively and to build loyalty to the Company. This vested bonus is continuously set aside for payment five years later. It is paid in cash and determined based on the average daily price of the Company's shares over the period of five years from grant date to settlement date. As of 30 June 2021 and 31 December 2020, the Group has accrued bonus under this scheme amounting to Baht 543 million and Baht 444 million, respectively (Separate financial statements: Baht 267 million and Baht 217 million, respectively) and recognised expenses in profit or loss during the six-month period ended 30 June 2021 amounting to Baht 99 million (Separate financial statements: Baht 50 million).

As at 30 June 2021, the above other liabilities included advances received from Electronic Funds Transfer transactions of the subsidiary operating a banking business amounting to Baht 32,030 (31 December 2020: Baht 3 million), and as at 30 June 2021 the subsidiary maintained an asset amounting to Baht 11 million (31 December 2020: Baht 13 million) to reserve for advances received through such transactions, presented under interbank and money market items (assets) in the statement of financial position.

3.19 Capital funds

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

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

Regarding Capital funds as at 30 June 2021 and 31 December 2020, the Financial Business Group has allocated the additional reserve from classification as part of regulatory capital funds. The reserve has been classified to Tier 1 capital and Tier 2 capital based on method under the BOT's regulation.

(Unaudited but reviewed)

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

(Unit: Thousand Baht)

	As at	
	30 June 2021	31 December 2020
<u>Common Equity Tier I capital</u>		
Issued and paid-up share capital	8,006,456	8,006,456
Premium on share capital	1,018,408	1,018,408
Statutory reserve	801,000	801,000
Net profits after appropriation	21,731,535	21,759,372
Other components of equity	1,832,288	1,837,917
Less: Deductions from Common Equity Tier I items	(1,024,055)	(1,054,338)
Total Common Equity Tier I capital	32,365,632	32,368,815
<u>Financial Instrument Tier I capital</u>		
Issued and paid-up share capital - non-cumulative preference shares	99	99
Total Tier I capital	32,365,731	32,368,914
<u>Tier II capital</u>		
Long-term subordinated debentures	6,620,000	6,620,000
Surplus of provision	735,634	762,036
Reserve for loans classified as normal	716,025	726,676
Total Tier II capital	8,071,659	8,108,712
Total capital funds	40,437,390	40,477,626

(Unit: Percent)

Capital fund ratios	As at			
	30 June 2021		31 December 2020	
	Financial Business Group	Requirement	Financial Business Group	Requirement
Common Equity Tier I capital to risk assets	17.99	7.00	17.48	7.00
Tier I capital to risk assets	17.99	8.50	17.48	8.50
Total capital to risk assets	22.48	11.00	21.86	11.00

(Unaudited but reviewed)

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

(Unit: Thousand Baht)

	As at	
	30 June 2021	31 December 2020
<u>Common Equity Tier I capital</u>		
Issued and fully paid-up share capital	9,215,676	9,215,676
Premium on share capital	2,543,024	2,543,024
Statutory reserve	984,000	984,000
Net profits after appropriation	18,463,500	17,713,142
Other components of equity	303,613	309,469
Less: Deductions from Common Equity Tier I items	(294,820)	(366,769)
Total Common Equity Tier I capital	31,214,993	30,398,542
<u>Financial Instrument Tier I capital</u>		
Issued and fully paid-up share capital - non-cumulative preference shares	1	1
Total Tier I capital	31,214,994	30,398,543
<u>Tier II Capital</u>		
Long-term subordinated debentures	6,620,000	6,620,000
Surplus of provision	716,010	741,712
Reserve for loans classified as normal	528,885	557,567
Total Tier II capital	7,864,895	7,919,279
Total capital funds	39,079,889	38,317,822

(Unit: Percent)

Capital fund ratios	As at			
	30 June 2021		31 December 2020	
	TISCO Bank	Requirement	TISCO Bank	Requirement
Common Equity Tier I capital to risk assets	19.31	7.00	18.07	7.00
Tier I capital to risk assets	19.31	8.50	18.07	8.50
Total capital to risk assets	24.18	11.00	22.78	11.00

To comply with the Notification of the BOT No. Sor Nor Sor. 15/2562 regarding “Public Disclosure of Capital Maintenance for Financial Business Group (No.2)”, the Company will disclose capital maintenance information of the Financial Business Group as at 30 June 2021 on its website (www.tisco.co.th) within October 2021.

3.20 Interest income

Interest income in the statements of comprehensive income for the three-month and six-month periods ended 30 June 2021 and 2020 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	
	2021	2020	2021	2020
Interbank and money market items	42,206	78,424	85,444	172,745
Investments in debt securities	15,203	35,394	39,742	77,372
Loans to customers and overdrafts	1,798,654	2,018,064	3,604,794	4,166,556
Hire purchase and finance lease	1,897,848	1,989,923	3,800,217	4,258,047
Total interest income	<u>3,753,911</u>	<u>4,121,805</u>	<u>7,530,197</u>	<u>8,674,720</u>

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	2021	2020	2021	2020
Interbank and money market items	238	1,647	250	2,549
Investments in debt securities	(1,455)	863	123	2,728
Loans to customers and overdrafts	15,761	15,348	30,817	27,571
Total interest income	<u>14,544</u>	<u>17,858</u>	<u>31,190</u>	<u>32,848</u>

Interest income for the three-month and six-month periods ended 30 June 2021 consisted of interest income on credit-impaired financial assets amounting to Baht 112 million and Baht 233 million, respectively (2020: Baht 141 million and Baht 306 million, respectively). The subsidiaries fully recognised expected credit loss on such interest income.

3.21 Interest expenses

Interest expenses in the statements of comprehensive income for the three-month and six-month periods ended 30 June 2021 and 2020 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	
	2021	2020	2021	2020
Deposits	398,757	717,501	851,512	1,531,241
Interbank and money market items	4,239	5,900	9,220	14,010
Contribution fee to the Deposit Protection Agency and the Bank of Thailand	118,190	137,715	242,008	272,443
Issued debt securities				
- Subordinated debentures	62,338	65,871	123,990	133,697
- Unsubordinated debentures	16,079	61,983	33,182	124,362
Borrowings	227	226	452	454
Others	5,103	4,389	10,558	12,400
Total interest expenses	<u>604,933</u>	<u>993,585</u>	<u>1,270,922</u>	<u>2,088,607</u>

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	2021	2020	2021	2020
Interbank and money market items	1,625	-	6,634	26
Issued debt securities				
- Unsubordinated debentures	8,331	20,663	10,498	29,851
Others	4	6	10	13
Total interest expenses	<u>9,960</u>	<u>20,669</u>	<u>17,142</u>	<u>29,890</u>

3.22 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 2021 and 2020 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	
	2021	2020	2021	2020
Fee and service income				
- Acceptance, aval and guarantees	1,537	2,070	3,190	3,504
- Insurance service	490,330	412,085	1,023,491	1,091,332
- Brokerage fee	223,055	212,509	461,634	428,341
- Fund management	363,126	283,218	705,326	572,855
- Others	253,944	254,685	766,006	544,786
Total fee and service income	<u>1,331,992</u>	<u>1,164,567</u>	<u>2,959,647</u>	<u>2,640,818</u>
Fee and service expenses				
- Information service expenses	(4,493)	(4,416)	(9,020)	(8,366)
- Others	(102,621)	(73,780)	(182,877)	(148,275)
Total fee and service expenses	<u>(107,114)</u>	<u>(78,196)</u>	<u>(191,897)</u>	<u>(156,641)</u>
Net fee and service income	<u>1,224,878</u>	<u>1,086,371</u>	<u>2,767,750</u>	<u>2,484,177</u>

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month periods		For the six-month periods	
	ended 30 June		ended 30 June	
	2021	2020	2021	2020
Fee and service income	-	-	-	-
Fee and service expenses	(4,695)	(4,430)	(9,793)	(7,678)
Net fee and service income	<u>(4,695)</u>	<u>(4,430)</u>	<u>(9,793)</u>	<u>(7,678)</u>

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

Net gain (loss) on financial instruments measured at fair value through profit or loss in the statements of comprehensive income for the three-month and six-month periods ended 30 June 2021 and 2020 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	
	2021	2020	2021	2020
Gain (loss) on trading and foreign exchange				
- Foreign currencies and derivatives on foreign exchange	17,153	(45,567)	54,118	6,201
- Debt securities	3,663	4,111	6,227	16,045
- Equity securities	234,888	101,342	507,976	(49,633)
Net gain (loss) on financial instruments measured at fair value through profit or loss	<u>255,704</u>	<u>59,886</u>	<u>568,321</u>	<u>(27,387)</u>

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month periods		For the six-month periods	
	ended 30 June		ended 30 June	
	2021	2020	2021	2020
Gain (loss) on trading and foreign exchange				
- Foreign currencies and derivatives on foreign exchange	19,078	(46,339)	52,181	20,672
- Equity securities	3,611	41,123	(16,842)	(18,667)
Net gain (loss) on financial instruments measured at fair value through profit or loss	<u>22,689</u>	<u>(5,216)</u>	<u>35,339</u>	<u>2,005</u>

3.24 Net gain on investments

Net gain on investments in the statements of comprehensive income for the three-month and six-month periods ended 30 June 2021 and 2020 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	
	2021	2020	2021	2020
Gain on derecognition				
- Debt instruments measured at fair value through other comprehensive income	156	1,807	888	2,113
- Debt instruments measured at amortised cost	661	1,982	3,352	3,326
Net gain on investments	817	3,789	4,240	5,439

3.25 Expected credit loss

Expected credit loss and gain or loss from the modification of terms of financial assets in the statements of comprehensive income for the three-month and six-month periods ended 30 June 2021 and 2020 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	
	2021	2020	2021	2020
Expected credit loss				
- Interbank and money market items (reversal)	530	(384)	23	323
- Investments in debt instruments measured at amortised cost (reversal)	(248)	-	(330)	(226)
- Investments in debt instruments measured at fair value through other comprehensive income and accrued interest receivables	7,860	185,841	9,438	189,161
- Loans to customers	546,237	664,644	1,385,889	1,705,350
- Fee and service receivables (reversal)	(535)	-	9,096	-
Loss from the modification of terms				
- Loans to customers	4,307	29,944	6,013	57,941
Loan commitments (reversal)	(2,798)	1,605	(12,092)	2,450
Total	555,353	881,650	1,398,037	1,954,999

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month periods		For the six-month periods	
	ended 30 June		ended 30 June	
	2021	2020	2021	2020
Expected credit loss				
- Interbank and money market items (reversal)	(1)	47	1	49
- Investments in debt instruments measured at fair value through other comprehensive income and accrued interest receivables	6,845	164,161	8,423	164,161
- Loans to customers	(12)	78	689	4,563
Total	<u>6,832</u>	<u>164,286</u>	<u>9,113</u>	<u>168,773</u>

3.26 Income tax expenses

Income tax expenses of the Group for the three-month and six-month periods ended 30 June 2021 and 2020 are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			
	For the three-month periods		For the six-month periods	
	ended 30 June		ended 30 June	
	2021	2020	2021	2020
Current income tax:				
Income tax expenses for the period	492,833	237,325	865,534	420,193
Adjustments of prior year's income tax	-	37	-	37
Deferred tax:				
Deferred tax on temporary differences and reversion of temporary differences	(79,661)	98,948	(12,231)	273,699
Income tax expenses reported in the statement of comprehensive income	<u>413,172</u>	<u>336,310</u>	<u>853,303</u>	<u>693,929</u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month periods		For the six-month periods	
	ended 30 June		ended 30 June	
	2021	2020	2021	2020
Current income tax:				
Income tax expenses for the period	21,777	20,684	45,052	69,200
Deferred tax:				
Deferred tax on temporary differences and reversion of temporary differences	925	(25,058)	(4,387)	(39,307)
Income tax expenses reported in the statement of comprehensive income (benefits)	<u>22,702</u>	<u>(4,374)</u>	<u>40,665</u>	<u>29,893</u>

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 2021 and 2020 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	
	2021	2020	2021	2020
Accounting profit before tax	<u>2,079,322</u>	<u>1,665,812</u>	<u>4,283,168</u>	<u>3,509,597</u>
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by applicable tax rate	415,864	333,162	856,634	701,919
Income tax effect:				
Tax effect of net tax-exempt income, net disallowed expenses and additional expense deductions allowed	(850)	6,065	(1,794)	(2,936)
Adjustments of prior year's income tax	-	37	-	37
Others	<u>(1,842)</u>	<u>(2,954)</u>	<u>(1,537)</u>	<u>(5,091)</u>
Income tax expenses reported in the statement of comprehensive income	<u>413,172</u>	<u>336,310</u>	<u>853,303</u>	<u>693,929</u>
Weighted average tax rate	19.87%	20.19%	19.92%	19.77%

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month periods		For the six-month periods	
	ended 30 June		ended 30 June	
	2021	2020	2021	2020
Accounting profit before tax	113,233	952,561	199,160	1,143,156
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by applicable tax rate	22,647	190,512	39,832	228,631
Income tax effect:				
Tax effect of net tax-exempt income, net disallowed expenses and additional expense deductions allowed	55	(194,886)	833	(198,738)
Income tax expenses reported in the statement of comprehensive income	22,702	(4,374)	40,665	29,893
Weighted average tax rate	20.05%	(0.46%)	20.42%	2.61%

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

(Unit: Thousand Baht)

	Consolidated financial statements			
	As at		Changes in deferred tax assets/liabilities reported in profit or loss for the six-month periods ended 30 June	
	30 June	31 December	2021	2020
	2021	2020	2021	2020
Allowance for expected credit loss	342,429	436,525	(94,096)	(315,130)
Allowance for impairment of investments	24,321	24,321	-	-
Allowance for impairment of properties foreclosed	363	168	195	(6)
Non-accrual of interest income	8,072	10,719	(2,647)	(34,405)
Depreciation of assets	(63,221)	(69,190)	5,969	4,820
Finance leases	-	-	-	12
Gain on changes in value of investment properties	(4,128)	(1,441)	(2,687)	-
Surplus on revaluation of assets	(294,865)	(295,261)	-	-
Surplus on changes in value of investments	(492)	(961)	-	-
Unrealised gain on derivatives	-	-	-	214
Gain on changes in fair value of investments in securities	(150,267)	(123,052)	(27,215)	5,690
Deferred commission and direct expenses incurred at the initiation of hire purchase	(272,463)	(370,862)	98,399	62,938
Loss on disposal of properties foreclosed	69,552	46,727	22,825	2,013
Unearned interest income on hire purchase	68,969	101,877	(32,908)	(16,796)
Loss on investments in subsidiaries	-	-	-	4,200
Reduction of subsidiaries' share capital	21,435	21,435	-	(71)
Accrued expenses	602,415	581,072	21,343	-
Employee benefit expenses	337,804	308,945	24,120	19,639
Tax loss carried forward	-	-	-	-
Others	95,568	95,422	(9,268)	(6,817)
Deferred tax assets	785,492	766,444	4,030	(273,699)
Allowance for expected credit loss	-	(81)	81	-
Depreciation of assets	-	(1,757)	1,757	-
Gain on changes in fair value of investment properties	-	2,687	(2,687)	-
Surplus on changes in value of investments	-	507	-	-
Gain on changes in value of investments in securities	-	46,964	(46,964)	-
Accrued expenses	-	(21,343)	21,343	-
Employee benefit expenses	-	(24,862)	17,251	-
Others	-	(1,018)	1,018	-
Deferred tax liabilities	-	1,097	(8,201)	-

(Unaudited but reviewed)

As at 30 June 2021 and 31 December 2020, the subsidiary has unused tax loss totalling Baht 102 million, on which deferred tax assets have not been recognised as the subsidiary believes future taxable profits may not be sufficient to allow utilisation of the tax loss. The unused tax loss will expire by 2023 - 2026.

(Unit: Thousand Baht)

	Separate financial statements			
	As at		Changes in deferred tax assets/liabilities reported in profit or loss for the six-month periods ended 30 June	
	30 June	31 December		
	2021	2020	2021	2020
Allowance for expected credit loss	35,483	34,483	1,000	33,755
Allowance for impairment of investments	21,732	21,732	-	-
Depreciation of assets	(42,615)	(41,622)	(993)	-
Gain on changes in fair value of investment properties	(92,082)	(92,082)	-	-
Surplus on revaluation of assets	(76,331)	(76,413)	-	-
(Surplus) deficit on changes in value of investments	(614)	307	-	-
Gain on changes in value of investments in securities	(18,071)	(21,440)	3,369	2,823
Reduction of subsidiaries' share capital	21,435	21,435	-	-
Accrued expenses	297,228	297,228	-	-
Employee benefit expenses	60,455	58,348	1,806	2,729
Others	29	824	(795)	-
Deferred tax assets	206,649	202,800	4,387	39,307

3.27 Earnings per share

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

	Consolidated financial statements			
	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	2021	2020	2021	2020
Profit attributable to equity holders of the Company (Thousand Baht)	1,666,057	1,329,415	3,429,684	2,815,481
Weighted average number of shares (Thousand shares)	800,655	800,655	800,655	800,655
Basic earnings per share (Baht/share)	2.08	1.66	4.28	3.52
	Separate financial statements			
	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	2021	2020	2021	2020
Profit attributable to equity holders of the Company (Thousand Baht)	90,531	956,935	158,495	1,113,263
Weighted average number of shares (Thousand shares)	800,655	800,655	800,655	800,655
Basic earnings per share (Baht/share)	0.11	1.20	0.20	1.39

3.28 Related party transactions

The relationships between the Company and its related parties

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

(Unaudited but reviewed)

As at 30 June 2021 and 31 December 2020, the balances of accounts between the Company and its related companies are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements as at	
	30 June 2021	31 December 2020
<u>Outstanding balances</u>		
Joint venture company		
Deposits	1,877	1,099
Management - departmental manager upward		
Loans ⁽¹⁾	25,487	23,839
Directors and management - departmental manager upward		
Deposits	438,908	513,190
Companies which directors or their related persons have significant influence over		
Deposits	27,683	148,665
Related persons of directors and key management		
Deposits	71,323	35,880

(1) Including employee welfare loans and normal loans

(Unit: Thousand Baht)

	Separate financial statements as at	
	30 June 2021	31 December 2020
<u>Outstanding balances</u>		
(Eliminated from the consolidated financial statements)		
Subsidiary companies		
Interbank and money market items - net (assets)		
TISCO Bank Public Company Limited	20,071	17,391
Loans to customers		
Hi-way Co., Ltd.	3,710,000	3,180,000
Dividend receivables		
TISCO Bank Public Company Limited	-	1,888,978
TISCO Securities Co., Ltd.	-	340,000
TISCO Asset Management Co., Ltd.	-	629,996
Hi-Way Co., Ltd.	-	416,500
TISCO Insurance Solution Co., Ltd.	-	374,987
TISCO Information Technology Co., Ltd.	-	159,995
TISCO Learning Center Co., Ltd.	-	34,498
Other assets		
TISCO Bank Public Company Limited	121,625	126,221
TISCO Learning Center Co., Ltd.	-	229
Interbank and money market items (liabilities)		
TISCO Bank Public Company Limited	820,000	3,780,000
Other liabilities		
TISCO Learning Center Co., Ltd.	-	179

(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 2021, total loan balance for all credit lines granted to all companies in the Group must not exceed Baht 12,000 million (as at 31 December 2020, total loan balance for all credit lines granted to all companies in the Group except for All-Ways Co., Ltd. must not exceed Baht 5,000 million).

Loans to related companies

As at 30 June 2021 and 31 December 2020, the balances of loans between the Company and its related companies and their movements are as follows:

(Unit: Thousand Baht)

	For the six-month period ended 30 June 2021			Balance - end of period
	Balance - beginning period	Increase	Decrease	
Subsidiary companies				
Loans				
Hi-Way Co., Ltd.	3,180,000	540,000	(10,000)	3,710,000

Borrowings from related companies

As at 30 June 2021 and 31 December 2020, the balances of borrowings between the Company and its related companies and their movements are as follows:

(Unit: Thousand Baht)

	For the six-month period ended 30 June 2021			Balance - end of period
	Balance - beginning period	Increase	Decrease	
Subsidiary companies				
Borrowings				
TISCO Bank Public Company Limited	3,780,000	-	(2,960,000)	820,000

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

(Unit: Thousand Baht)

	Consolidated financial statements				Terms and pricing policies
	For the three-month periods ended 30 June		For the six-month periods ended 30 June		
	2021	2020	2021	2020	
Transactions occurred during the periods					
Joint venture company					
Other income	2,250	2,027	4,299	4,010	With reference to the terms and prices as offered to other customers

(Unit: Thousand Baht)

	Separate financial statements				Terms and pricing policies
	For the three-month periods ended 30 June		For the six-month periods ended 30 June		
	2021	2020	2021	2020	
Transactions occurred during the periods					
(Eliminated from the consolidated financial statements)					
Subsidiary companies					
Interest income	15,999	16,995	31,068	30,120	With reference to the terms and prices as offered to other customers
Risk and financial management fee income, human resources management fee income and office administration fee income	526,000	535,280	1,052,428	1,072,698	Determined on market prices and/or actual costs in compliance with the criteria specified by the BOT
Rental income	18,609	18,921	37,217	38,771	With reference to the terms and prices as offered to other customers
Computer system advisory service expenses	83,750	78,750	167,500	157,500	Determined on actual costs in compliance with the criteria specified by the BOT
Training expenses	886	274	1,932	945	With reference to the prices as offered from other service providers
Interest expenses	1,624	-	6,634	-	With reference to the terms and prices as offered to other customers
Other expenses	397	382	835	860	With reference to the terms and prices as offered to other customers

Directors' and key management's benefits

During the three-month and six-month periods ended 30 June 2021 and 2020, the Group had short-term benefit expenses and other employee benefit expenses to its directors and key management as follows:

(Unit: Million Baht)

	Consolidated financial statements			
	For the three-month periods		For the six-month periods	
	ended 30 June		ended 30 June	
	2021	2020	2021	2020
Short-term benefits	89	84	175	167
Post-employment benefits	16	15	31	30
Total	105	99	206	197

(Unit: Million Baht)

	Separate financial statements			
	For the three-month periods		For the six-month periods	
	ended 30 June		ended 30 June	
	2021	2020	2021	2020
Short-term benefits	47	46	92	92
Post-employment benefits	8	8	16	16
Total	55	54	108	108

3.29 Segment information

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

Revenue and profit information regarding the Group's operating segments for the three-month and six-month periods ended 30 June 2021 and 2020 is as follows:

(Unit: Million Baht)

	For the three-month period ended 30 June 2021						
	Commercial banking business and lending business	Securities business	Asset management business	Support business	Total segments	Eliminations	Consolidated financial statements
Revenue							
External customers	3,832	434	428	21	4,715	-	4,715
Inter-segment	232	1	(16)	801	1,018	(1,018)	-
Total revenue	<u>4,064</u>	<u>435</u>	<u>412</u>	<u>822</u>	<u>5,733</u>	<u>(1,018)</u>	<u>4,715</u>
Operating results:							
Net interest income	3,140	2	1	5	3,148	1	3,149
Net fee and service income	827	220	413	249	1,709	(484)	1,225
Other operating income	97	213	(2)	568	876	(535)	341
Total operating income	<u>4,064</u>	<u>435</u>	<u>412</u>	<u>822</u>	<u>5,733</u>	<u>(1,018)</u>	<u>4,715</u>
Premises and equipment expenses and amortisation	(420)	(19)	(6)	(201)	(646)	258	(388)
Other operating expenses	(1,698)	(138)	(162)	(464)	(2,462)	769	(1,693)
Expected credit loss	(548)	-	-	(7)	(555)	-	(555)
Total operating expenses	<u>(2,666)</u>	<u>(157)</u>	<u>(168)</u>	<u>(672)</u>	<u>(3,663)</u>	<u>1,027</u>	<u>(2,636)</u>
Segment profit before income tax expenses	<u>1,398</u>	<u>278</u>	<u>244</u>	<u>150</u>	<u>2,070</u>	<u>9</u>	<u>2,079</u>
Income tax expenses							(413)
Non-controlling interests of the subsidiaries							-
Profit for the period - equity holders of the Company							<u>1,666</u>

(Unaudited but reviewed)

(Unit: Million Baht)

For the three-month period ended 30 June 2020

	Commercial banking and lending business	Securities business	Asset management business	Support business	Total segments	Eliminations	Consolidated financial statements
Revenue							
External customers	3,757	279	337	(11)	4,362	-	4,362
Inter-segment	205	-	(11)	1,790	1,984	(1,984)	-
Total revenue	<u>3,962</u>	<u>279</u>	<u>326</u>	<u>1,779</u>	<u>6,346</u>	<u>(1,984)</u>	<u>4,362</u>
Operating results:							
Net interest income	3,125	4	1	(3)	3,127	1	3,128
Net fee and service income	763	213	325	255	1,556	(470)	1,086
Other operating income	74	62	-	1,527	1,663	(1,515)	148
Total operating income	<u>3,962</u>	<u>279</u>	<u>326</u>	<u>1,779</u>	<u>6,346</u>	<u>(1,984)</u>	<u>4,362</u>
Premises and equipment expenses and amortisation	(409)	(19)	(6)	(196)	(630)	272	(358)
Other operating expenses	(1,491)	(173)	(152)	(391)	(2,207)	751	(1,456)
Expected credit loss	(718)	-	-	(164)	(882)	-	(882)
Total operating expenses	<u>(2,618)</u>	<u>(192)</u>	<u>(158)</u>	<u>(751)</u>	<u>(3,719)</u>	<u>1,023</u>	<u>(2,696)</u>
Segment profit before income tax expenses	<u>1,344</u>	<u>87</u>	<u>168</u>	<u>1,028</u>	<u>2,627</u>	<u>(961)</u>	<u>1,666</u>
Income tax expenses							(336)
Non-controlling interests of the subsidiaries							-
Profit for the period - equity holders of the Company							<u>1,330</u>

(Unaudited but reviewed)

(Unit: Million Baht)

For the six-month period ended 30 June 2021

	Commercial banking business and lending business	Securities business	Asset management business	Support business	Total segments	Eliminations	Consolidated financial statements
Revenue							
External customers	7,784	1,003	987	42	9,816	-	9,816
Inter-segment	488	2	(52)	1,598	2,036	(2,036)	-
Total revenue	8,272	1,005	935	1,640	11,852	(2,036)	9,816
Operating results:							
Net interest income	6,238	4	1	14	6,257	2	6,259
Net fee and service income	1,782	533	924	500	3,739	(971)	2,768
Other operating income	252	468	10	1,126	1,856	(1,067)	789
Total operating income	8,272	1,005	935	1,640	11,852	(2,036)	9,816
Premises and equipment expenses and amortisation	(803)	(38)	(14)	(399)	(1,254)	516	(738)
Other operating expenses	(3,295)	(321)	(372)	(950)	(4,938)	1,541	(3,397)
Expected credit loss	(1,376)	-	-	(9)	(1,385)	(13)	(1,398)
Total operating expenses	(5,474)	(359)	(386)	(1,358)	(7,577)	2,044	(5,533)
Segment profit before income tax expenses	2,798	646	549	282	4,275	8	4,283
Income tax expenses							(853)
Non-controlling interests of the subsidiaries							-
Profit for the period - equity holders of the Company							3,430

(Unaudited but reviewed)

(Unit: Million Baht)

For the six-month period ended 30 June 2020

	Commercial banking and lending business	Securities business	Asset management business	Support business	Total segments	Eliminations	Consolidated financial statements
Revenue							
External customers	8,153	412	707	2	9,274	-	9,274
Inter-segment	405	1	(26)	2,616	2,996	(2,996)	-
Total revenue	<u>8,558</u>	<u>413</u>	<u>681</u>	<u>2,618</u>	<u>12,270</u>	<u>(2,996)</u>	<u>9,274</u>
Operating results:							
Net interest income	6,571	7	2	3	6,583	3	6,586
Net fee and service income	1,794	431	678	523	3,426	(942)	2,484
Other operating income	193	(25)	1	2,092	2,261	(2,057)	204
Total operating income	<u>8,558</u>	<u>413</u>	<u>681</u>	<u>2,618</u>	<u>12,270</u>	<u>(2,996)</u>	<u>9,274</u>
Premises and equipment expenses and amortisation	(818)	(39)	(13)	(390)	(1,260)	544	(716)
Other operating expenses	(3,189)	(309)	(309)	(783)	(4,590)	1,497	(3,093)
Expected credit loss	(1,791)	-	-	(169)	(1,960)	5	(1,955)
Total operating expenses	<u>(5,798)</u>	<u>(348)</u>	<u>(322)</u>	<u>(1,342)</u>	<u>(7,810)</u>	<u>2,046</u>	<u>(5,764)</u>
Segment profit before income tax expenses	<u>2,760</u>	<u>65</u>	<u>359</u>	<u>1,276</u>	<u>4,460</u>	<u>(950)</u>	<u>3,510</u>
Income tax expenses							(694)
Non-controlling interests of the subsidiaries							-
Profit for the period - equity holders of the Company							<u>2,816</u>

(Unaudited but reviewed)

Total assets information regarding the Group's operating segments as at 30 June 2021 and 31 December 2020 is as follows:

(Unit: Million Baht)

As at 30 June 2021							
	Commercial banking and lending business	Securities business	Asset management business	Support business	Total segments	Eliminations	Consolidated financial statements
Segment total assets	247,612	4,539	1,578	27,746	281,475	(25,587)	255,888
Premises and equipment - net	863	15	247	828	1,953	894	2,847

(Unit: Million Baht)

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

3.30 Commitments and contingent liabilities

3.30.1 Avals, guarantees and commitments

(Unit: Thousand Baht)

	Consolidated financial statements as at	
	30 June 2021	31 December 2020
Other guarantees	566,896	497,316
Foreign exchange contracts	1,269,373	1,189,528
Others	1,329,314	1,338,700
Total	3,165,583	3,025,544

3.30.2 Litigation

As at 30 June 2021 and 31 December 2020, the subsidiaries have been sued for compensation totalling approximately Baht 165 million and Baht 392 million, respectively. Final judgements have not yet been reached in respect of these cases. The management of the Group believes that no material loss to the consolidated financial statements will be incurred as a result of the mentioned lawsuits.

3.30.3 Other commitments

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

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

As at 30 June 2021 and 31 December 2020, the Group has financial assets and financial liabilities that are measured at fair value using different levels of inputs as follows:

(Unit: Million Baht)

	Consolidated financial statements				
	As at 30 June 2021				
	Book value	Fair value			Total
Level 1		Level 2	Level 3		
<u>Financial assets measured at fair value</u>					
Financial assets measured at fair value through profit for loss					
Equity securities	979	184	-	795	979
Unit trusts	982	925	57	-	982
Investments - debt securities	7,728	-	7,728	-	7,728
<u>Financial liabilities measured at fair value</u>					
Derivatives					
Foreign exchange contracts	57	-	57	-	57
<u>Financial assets for which fair value is disclosed</u>					
Cash	1,054	1,054	-	-	1,054
Interbank and money market items - net	32,483	2,546	29,937	-	32,483
Loans to customers and accrued interest receivables	203,810 ⁽¹⁾	-	33,419	173,679	207,098
Securities and derivatives business receivables - net	1,342	-	1,342	-	1,342
Other assets - receivables from clearing house	796	796	-	-	796
Other assets - fee and service receivables	439	-	439	-	439
Other assets - other receivables	584	-	584	-	584

(1) Book value of loans to customers and accrued interest receivables before deduction of excess provision amounting to Baht 528 million.

(Unaudited but reviewed)

(Unit: Million Baht)

Consolidated financial statements					
As at 30 June 2021					
Book value	Fair value			Total	
	Level 1	Level 2	Level 3		
<u>Financial liabilities for which fair value is disclosed</u>					
Deposits	181,050	50,667	130,383	-	181,050
Interbank and money market items	7,928	884	7,044	-	7,928
Liabilities payable on demand	245	245	-	-	245
Debts issued and borrowings	14,807	-	14,313	-	14,313
Securities and derivatives business					
payables - net	2,093	-	2,093	-	2,093
Accrued interest payable	507	5	502	-	507
Other liabilities - payables to clearing house	37	37	-	-	37

(Unit: Million Baht)

Consolidated financial statements					
As at 31 December 2020					
Book value	Fair value			Total	
	Level 1	Level 2	Level 3		
<u>Financial assets measured at fair value</u>					
Financial assets measured at fair value through profit for loss					
Equity securities	1,227	455	-	772	1,227
Unit trusts	946	890	56	-	946
Derivatives					
Foreign exchange contracts	62	-	62	-	62
Investments - debt securities	9,953	-	9,953	-	9,953
<u>Financial assets for which fair value is disclosed</u>					
Cash	1,220	1,220	-	-	1,220
Interbank and money market items - net	38,212	3,539	34,673	-	38,212
Loans to customers and accrued interest receivables	215,944 ⁽¹⁾	-	52,859	168,667	221,526
Securities and derivatives business					
receivables - net	1,058	-	1,058	-	1,058
Other assets - receivables from clearing house	292	292	-	-	292
Other assets - fee and service receivables	469	-	469	-	469
Other assets - other receivables	588	-	588	-	588

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

(Unaudited but reviewed)

(Unit: Million Baht)

Consolidated financial statements					
As at 31 December 2020					
Book value	Fair value			Total	
	Level 1	Level 2	Level 3		
<u>Financial liabilities for which fair value is disclosed</u>					
Deposits	203,473	53,520	149,953	-	203,473
Interbank and money market items	5,808	1,125	4,683	-	5,808
Liabilities payable on demand	1,285	1,285	-	-	1,285
Debts issued and borrowings	12,826	-	12,228	-	12,228
Securities and derivatives business					
payables - net	1,033	-	1,033	-	1,033
Accrued interest payable	736	7	729	-	736
Other liabilities - payables to clearing house	310	310	-	-	310

(Unit: Million Baht)

Separate financial statements					
As at 30 June 2021					
Book value	Fair value			Total	
	Level 1	Level 2	Level 3		
<u>Financial assets measured at fair value</u>					
Financial assets measured at fair value					
through profit or loss - unit trusts	925	925	-	-	925
Investments - debt securities	202	-	202	-	202
<u>Financial assets for which fair value is disclosed</u>					
Interbank and money market items - net	20	20	-	-	20
Loans to customers and accrued interest receivables	3,705	-	-	3,705	3,705
Other assets - fee and service receivables	121	-	121	-	121
<u>Financial liabilities for which fair value is disclosed</u>					
Interbank and money market items	820	-	-	820	820
Debts issued and borrowings	5,930	-	5,930	-	5,930
Accrued interest payable	8	-	8	-	8

(Unaudited but reviewed)

(Unit: Million Baht)

	Separate financial statements				Total
	As at 31 December 2020				
	Book value	Fair value			
Level 1		Level 2	Level 3		
<u>Financial assets measured at fair value</u>					
Financial assets measured at fair value					
through profit or loss - unit trusts	890	890	-	-	890
Investments - debt securities	206	-	206	-	206
<u>Financial assets for which fair value</u>					
<u>is disclosed</u>					
Interbank and money market items - net	17	17	-	-	17
Loans to customers and accrued interest					
receivables	3,176	-	-	3,176	3,176
Other assets - fee and service receivables	126	-	126	-	126
<u>Financial liabilities for which fair value</u>					
<u>is disclosed</u>					
Interbank and money market items	3,780	-	-	3,780	3,780
Debts issued and borrowings	1,629	-	1,629	-	1,629
Accrued interest payable	1	-	1	-	1

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

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

	(Unit: Million Baht)
	Consolidated financial statements
	Non-marketable equity instruments
Balance as at 1 January 2021	772
Disposal during the period	(25)
Reduction of share capital during the period	(1)
Net gain recognised in profit or loss	49
Balance as at 30 June 2021	795

4. Dividend payment

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

5. Approval of interim financial information

This interim financial information was approved by the Company's Audit Committee on 9 August 2021.