

TISCO Financial Group Public Company Limited
and its subsidiary companies
Review report and interim financial information
30 September 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 September 2021, the consolidated statements of comprehensive income for the three-month and nine-month periods ended 30 September 2021, and the related consolidated statements of changes in equity and cash flows for the nine-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

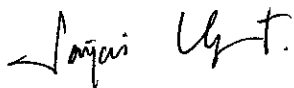
I conducted my review in accordance with Thai Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting 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: 10 November 2021

TISCO Financial Group Public Company Limited and its subsidiaries

Statement of financial position

As at 30 September 2021

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 September 2021	31 December 2020	30 September 2021	31 December 2020
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Cash		1,052,739	1,220,207	70	70
Interbank and money market items - net	3.3, 3.10	27,077,082	38,212,028	11,828	17,394
Financial assets measured at fair value through profit or loss	3.4	2,130,204	2,173,020	1,092,033	890,053
Derivatives assets	3.5	-	62,095	-	-
Investments - net	3.6, 3.10	11,012,962	9,953,256	202,271	205,965
Investments in subsidiaries and joint venture - net	3.7	810,184	804,925	20,069,144	20,069,143
Loans to customers and accrued interest receivables	3.8, 3.10				
Loans to customers		222,288,110	244,355,748	3,720,000	3,180,000
Accrued interest receivables and undue interest income		1,820,079	1,901,983	-	-
Total loans to customers and accrued interest receivables		224,108,189	246,257,731	3,720,000	3,180,000
Less: Deferred revenue		(17,879,974)	(19,544,201)	-	-
Less: Allowance for expected credit loss	3.9	(11,975,485)	(11,825,544)	(4,836)	(4,134)
Total loans to customers and accrued interest receivables - net		194,252,730	214,887,986	3,715,164	3,175,866
Properties foreclosed - net		173,797	29,671	-	-
Investment properties		27,334	27,334	910,728	910,728
Premises and equipment - net	3.11	2,811,112	2,921,739	793,707	826,965
Right-of-use assets - net	3.12	730,613	885,486	670	879
Intangible assets - net		144,849	214,268	82,557	98,827
Deferred tax assets	3.26	826,184	766,444	243,049	202,800
Securities and derivatives business receivables - net		1,813,903	1,058,180	-	-
Dividend receivables from subsidiaries		-	-	-	3,844,954
Other assets	3.13	1,771,013	2,226,573	218,895	188,819
Total assets		244,634,706	275,443,212	27,340,116	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 September 2021

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 September 2021	31 December 2020	30 September 2021	31 December 2020
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and equity					
Liabilities					
Deposits	3.14	168,813,469	203,472,825	-	-
Interbank and money market items		7,597,223	5,807,646	880,000	3,780,000
Liabilities payable on demand		235,360	1,284,765	-	-
Derivatives liabilities	3.5	124,364	-	-	-
Debts issued and borrowings	3.15	14,961,919	12,825,919	6,065,000	1,629,000
Lease liabilities	3.16	682,615	828,590	683	889
Provisions	3.17	1,737,176	1,691,054	307,361	291,741
Deferred tax liabilities	3.26	-	1,097	-	-
Securities and derivatives business payables - net		1,307,755	1,033,041	-	-
Accrued interest payable		511,073	735,903	9,159	1,029
Income tax payable		356,240	495,672	22,239	10,237
Other liabilities	3.18	8,897,425	7,804,621	1,813,700	1,603,518
Total liabilities		205,224,619	235,981,133	9,098,142	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 September 2021

(Unit: Thousand Baht)

Note	Consolidated financial statements		Separate financial statements	
	30 September 2021	31 December 2020	30 September 2021	31 December 2020
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Equity				
Share capital				
Registered				
33,858 preference shares of Baht 10 each	339	339	339	339
800,669,437 ordinary shares of Baht 10 each	8,006,694	8,006,694	8,006,694	8,006,694
	<u>8,007,033</u>	<u>8,007,033</u>	<u>8,007,033</u>	<u>8,007,033</u>
Issued and paid-up				
9,859 preference shares of Baht 10 each	99	99	99	99
800,645,624 ordinary shares of Baht 10 each	8,006,456	8,006,456	8,006,456	8,006,456
	<u>8,006,555</u>	<u>8,006,555</u>	<u>8,006,555</u>	<u>8,006,555</u>
Share premium				
Share premium on preference shares	-	-	87	87
Share premium on ordinary shares	1,018,408	1,018,408	7,031,436	7,031,436
	<u>1,018,408</u>	<u>1,018,408</u>	<u>7,031,523</u>	<u>7,031,523</u>
Other components of equity	1,825,200	1,837,917	307,612	304,430
Retained earnings				
Appropriated - statutory reserve	801,000	801,000	801,000	801,000
Unappropriated	27,755,491	27,795,056	2,095,284	6,972,541
	<u>39,406,654</u>	<u>39,458,936</u>	<u>18,241,974</u>	<u>23,116,049</u>
Equity attributable to equity holders of the Company	39,406,654	39,458,936	18,241,974	23,116,049
Non-controlling interests of the subsidiaries	3,433	3,143	-	-
	<u>39,410,087</u>	<u>39,462,079</u>	<u>18,241,974</u>	<u>23,116,049</u>
Total equity	39,410,087	39,462,079	18,241,974	23,116,049
Total liabilities and equity	244,634,706	275,443,212	27,340,116	30,432,463

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



Mr. Suthas Ruangmanamongkol
(Chairman of the Executive Board)



บริษัท ทีเอสซีไฟแนนเชียลกรุ๊ป 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 September 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	3,644,127	4,082,266	16,717	15,267
Interest expenses	3.21	(551,144)	(829,917)	(14,156)	(22,504)
Net interest income		3,092,983	3,252,349	2,561	(7,237)
Fee and service income		1,212,768	1,367,541	-	-
Fee and service expenses		(85,498)	(87,617)	(4,171)	(5,197)
Net fee and service income	3.22	1,127,270	1,279,924	(4,171)	(5,197)
Net gain (loss) on financial instruments measured at fair value through profit or loss	3.23	(109,676)	58,792	(126,441)	25,951
Net gain on investments	3.24	1,060	3,550	-	-
Share of loss from investment accounted for under equity method	3.7.2	(13,638)	(1,930)	-	-
Dividend income		15,069	20,213	-	-
Penalty fee income from loans		39,580	54,220	-	-
Intercompany supporting fee income	3.28	-	-	525,750	535,851
Other operating income		25,054	28,685	20,263	19,531
Total operating income		4,177,702	4,695,803	417,962	568,899
Operating expenses					
Employee expenses		1,348,853	1,408,564	211,509	302,004
Directors' remuneration		5,257	4,170	5,257	4,170
Premises and equipment expenses		330,513	313,517	171,345	150,195
Taxes and duties		58,816	65,500	26	5
Other operating expenses		224,845	290,231	17,596	20,245
Total operating expenses		1,968,284	2,081,982	405,733	476,619
Expected credit loss (reversal)	3.25	254,344	604,951	756	(611)
Profit from operations before income tax expenses		1,955,074	2,008,870	11,473	92,891
Income tax expenses	3.26	394,638	397,233	2,563	19,083
Profit for the period		1,560,436	1,611,637	8,910	73,808

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 September 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>					
Loss on valuation of investments in debt instruments measured at fair value through other comprehensive income		(1,304)	(9,740)	-	-
Share of other comprehensive income of joint venture:					
Cash flow hedges of joint venture (loss)	3.7.2	(5,125)	(5,650)	-	-
Income tax effects		261	1,948	-	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax (loss)		(6,168)	(13,442)	-	-
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial loss		-	(251)	-	-
Income tax effects		-	50	-	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax (loss)		-	(201)	-	-
Other comprehensive income for the period (loss)		(6,168)	(13,643)	-	-
Total comprehensive income for the period		1,554,268	1,597,994	8,910	73,808
Profits attributable to					
Equity holders of the Company	3.27	1,560,326	1,611,530	8,910	73,808
Non-controlling interests of the subsidiaries		110	107		
		<u>1,560,436</u>	<u>1,611,637</u>		
Total comprehensive income attributable to					
Equity holders of the Company		1,554,158	1,597,887	8,910	73,808
Non-controlling interests of the subsidiaries		110	107		
		<u>1,554,268</u>	<u>1,597,994</u>		
Earnings per share of equity holders of the Company					
Basic earnings per share (Baht per share)	3.27	1.95	2.01	0.01	0.09

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 nine-month period ended 30 September 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	11,174,323	12,756,985	47,907	48,115
Interest expenses	3.21	(1,822,065)	(2,918,524)	(31,298)	(52,394)
Net interest income		9,352,258	9,838,461	16,609	(4,279)
Fee and service income		4,303,147	4,015,076	-	-
Fee and service expenses		(408,126)	(250,975)	(13,964)	(12,876)
Net fee and service income	3.22	3,895,021	3,764,101	(13,964)	(12,876)
Net gain (loss) on financial instruments measured at fair value through profit or loss	3.23	458,645	31,406	(91,103)	27,956
Net gain on investments	3.24	5,300	8,989	-	-
Share of profit from investment accounted for under equity method	3.7.2	10,301	30,942	-	-
Dividend income		65,370	54,373	-	976,740
Penalty fee income from loans		132,985	169,471	-	-
Intercompany supporting fee income	3.28	-	-	1,578,178	1,608,549
Other operating income		73,899	72,389	58,572	60,045
Total operating income		13,993,779	13,970,132	1,548,292	2,656,135
Operating expenses					
Employee expenses		4,223,246	3,900,941	758,905	719,695
Directors' remuneration		14,542	12,970	14,542	12,970
Premises and equipment expenses		1,001,152	956,853	498,645	462,592
Taxes and duties		184,276	212,955	2,135	2,237
Other operating expenses		679,940	807,996	53,562	54,430
Total operating expenses		6,103,156	5,891,715	1,327,789	1,251,924
Expected credit loss	3.25	1,652,381	2,559,950	9,869	168,163
Profit from operations before income tax expenses		6,238,242	5,518,467	210,634	1,236,048
Income tax expenses	3.26	1,247,941	1,091,162	43,229	48,976
Profit for the period		4,990,301	4,427,305	167,405	1,187,072

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 nine-month period ended 30 September 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		(6,182)	(2,183)	4,607	(1,536)
Share of other comprehensive income of joint venture:					
Cash flow hedges of joint venture (loss)	3.7.2	(5,042)	(8,253)	-	-
Income tax effects		1,236	437	(922)	307
Other comprehensive income to be reclassified					
to profit or loss in subsequent periods - net of income tax (loss)		(9,988)	(9,999)	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	(10,104)	(1,504)	(6,758)
Income tax effects		(2,872)	2,003	301	1,352
Other comprehensive income not to be reclassified					
to profit or loss in subsequent periods - net of income tax (loss)		11,184	(8,101)	(1,203)	(5,406)
Other comprehensive income for the period (loss)					
		1,196	(18,100)	2,482	(6,635)
Total comprehensive income for the period					
		4,991,497	4,409,205	169,887	1,180,437
Profits attributable to					
Equity holders of the Company	3.27	4,990,010	4,427,011	167,405	1,187,072
Non-controlling interests of the subsidiaries		291	294		
		4,990,301	4,427,305		
Total comprehensive income attributable to					
Equity holders of the Company		4,991,206	4,408,911	169,887	1,180,437
Non-controlling interests of the subsidiaries		291	294		
		4,991,497	4,409,205		
Earnings per share of equity holders of the Company					
Basic earnings per share (Baht per share)	3.27	6.23	5.53	0.21	1.48

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 nine-month period ended 30 September 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	6,238,242	5,518,467	210,634	1,236,048
Adjustments to reconcile profit from operations before income tax to net cash provided by (paid from) operating activities				
Depreciation and amortisation	457,295	493,672	89,285	94,703
Expected credit loss	2,849,837	3,880,923	9,869	168,163
Share of profit from investment accounted for under equity method	(10,301)	(30,942)	-	-
Allowance for impairment of properties foreclosed (reversal)	21	(9)	-	-
Gain on disposal of investments in securities	(607,553)	(8,989)	-	-
Unrealised gain on foreign exchange transactions and trading derivatives	(74,612)	(66,544)	(104,362)	(40,702)
Loss on financial instruments measured at fair value through profit or loss	275,571	16,985	195,465	12,746
Gain on disposal of equipment and intangible assets	(3,228)	(2,107)	(1,110)	(316)
Loss on write-off of equipment and intangible assets	-	1,678	36	248
Gain on disposal of properties foreclosed	(28,240)	(24,381)	-	-
Employee benefit expenses	91,655	172,128	16,431	19,389
(Increase) decrease in accrued income	84,318	224,748	5,586	(7,360)
Increase in accrued expenses	1,013,295	344,859	294,084	263,641
Net interest income	(9,352,258)	(9,838,461)	(16,609)	4,279
Dividend income	(65,370)	(54,373)	-	(976,740)
Cash received on interest income	11,040,498	11,858,437	47,013	48,223
Cash paid on interest expenses	(1,672,976)	(2,649,007)	(23,154)	(45,952)
Cash received on dividend income	63,570	54,103	3,844,954	6,854,683
Cash paid on income tax	(1,449,194)	(1,503,892)	(71,972)	(87,368)
Profit from operating activities before changes in operating assets and liabilities	8,850,570	8,387,295	4,496,150	7,543,685
Operating assets (increase) decrease				
Interbank and money market items	11,134,057	8,438,564	5,592	1,052,171
Loans to customers	17,918,425	15,195,458	(540,000)	(850,000)
Securities and derivatives business receivables	(755,723)	416,410	-	-
Receivables from clearing house	153,937	(394,868)	-	-
Properties foreclosed	(170,586)	(38,617)	-	-
Other assets	222,228	490,792	-35,662	(2,494)

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 nine-month period ended 30 September 2021**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Operating liabilities increase (decrease)				
Deposits	(34,659,356)	(11,328,582)	-	-
Interbank and money market items	1,789,577	939,420	(2,900,000)	1,970,000
Liabilities payable on demand	(1,049,405)	50,842	-	-
Securities and derivatives business payables	274,714	12,305	-	-
Short-term debts issued and borrowings	2,116,000	(680,000)	4,436,000	(3,000,000)
Payables to clearing house	326,294	(32,341)	-	-
Provision for long-term employee benefits	(18,657)	(25,071)	(2,315)	(3,230)
Other liabilities	(379,007)	(471,563)	(83,902)	(76,947)
Net cash flows from operating activities	5,753,068	20,960,044	5,375,863	6,633,185
Cash flows from investing activities				
Cash paid for purchase of investments in securities	(11,550,458)	(33,534,017)	(293,082)	(371,661)
Cash received from disposal of investments in securities	10,941,399	29,164,080	-	-
Cash paid for purchase of equipment	(52,961)	(124,927)	(22,377)	(43,457)
Cash paid for purchase of intangible assets	(33,613)	(19,881)	(17,207)	(15,212)
Cash received from disposal of equipment	6,712	4,262	1,110	2,415
Cash paid for acquisition of a subsidiary	(1)	-	(1)	(8)
Net cash flows used in investing activities	(688,922)	(4,510,483)	(331,557)	(427,923)
Cash flows from financing activities				
Cash received from issuance of long-term debentures	700,000	2,910,000	-	-
Cash paid for redemption of long-term debentures	(680,000)	(13,000,000)	-	-
Cash paid on lease liabilities	(207,527)	(216,181)	(219)	(219)
Dividend paid	(5,044,087)	(6,205,043)	(5,044,087)	(6,205,043)
Net cash flows used in financing activities	(5,231,614)	(16,511,224)	(5,044,306)	(6,205,262)
Net decrease in cash	(167,468)	(61,663)	-	-
Cash at beginning of the period	1,220,207	1,102,557	70	70
Cash at end of the period	1,052,739	1,040,894	70	70
	-	-	-	-
Supplemental cash flows information				
Non-cash transactions				
Right-of-use assets	36,215	131,562	-	-
Transfer-in of properties foreclosed in settlement of loans to customers	1,558,134	1,466,454	-	-
Transfer of investment properties to premises and equipment	-	-	-	20,091

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 nine-month period ended 30 September 2021

(Unit: Thousand Baht)

	Consolidated financial statements												
	Equity attributable to equity holders of the Company												
	Issued and paid-up			Other components of equity					Retained earnings		Equity attributable to non-controlling interests of		
	Preference shares	Ordinary shares	Share premium on ordinary shares	Surplus on changes in value of investments measured at fair value through other comprehensive income	Surplus on revaluation of assets	Share of other comprehensive income of joint venture	Adjustment from business combination of entities under common control under holding restructuring plan	Total	Appropriated	Unappropriated	Total equity attributable to equity holders of the Company	the subsidiaries	Total
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	-	-	-	-	-	-	-	-	-	4,427,011	4,427,011	294	4,427,305
Other comprehensive income for the period (loss)	-	-	-	(1,746)	-	(8,253)	-	(9,999)	-	(8,101)	(18,100)	-	(18,100)
Total comprehensive income for the period (loss)	-	-	-	(1,746)	-	(8,253)	-	(9,999)	-	4,418,910	4,408,911	294	4,409,205
Transfer surplus on revaluation of assets to retained earnings	-	-	-	-	(2,731)	-	-	(2,731)	-	3,321	590	-	590
Decrease in non-controlling interests of the subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(131)	(131)
Balance as at 30 September 2020	99	8,006,456	1,018,408	2,483	1,157,981	(5,651)	679,266	1,834,079	801,000	26,181,641	37,841,683	3,294	37,844,977
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	-	-	-	-	-	-	-	-	-	4,990,010	4,990,010	291	4,990,301
Other comprehensive income for the period (loss)	-	-	-	(4,946)	-	(5,042)	-	(9,988)	-	11,184	1,196	-	1,196
Total comprehensive income for the period (loss)	-	-	-	(4,946)	-	(5,042)	-	(9,988)	-	5,001,194	4,991,206	291	4,991,497
Transfer surplus on revaluation of assets to retained earnings	-	-	-	-	(2,729)	-	-	(2,729)	-	3,328	599	-	599
Decrease in non-controlling interests of the subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(1)	(1)
Balance as at 30 September 2021	99	8,006,456	1,018,408	925	1,154,409	(9,400)	679,266	1,825,200	801,000	27,755,491	39,406,654	3,433	39,410,087

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 nine-month period ended 30 September 2021

(Unit: Thousand Baht)

	Separate financial statements									
					Other components of equity					
	Issued and paid-up		Share premium		Surplus (deficit) on changes in value of investments measured at fair value through other comprehensive income	Surplus on revaluation of assets	Total	Retained earnings		
	Preference shares	Ordinary shares	Preference shares	Ordinary shares				Appropriated	Unappropriated	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	-	-	-	-	-	-	-	-	1,187,072	1,187,072
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)	-	1,181,666	1,180,437
Transfer surplus on revaluation of assets to retained earnings	-	-	-	-	-	(473)	(473)	-	591	118
Balance as at 30 September 2020	99	8,006,456	87	7,031,436	(1,229)	305,821	304,592	801,000	3,105,787	19,249,457
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	-	-	-	-	-	-	-	-	167,405	167,405
Other comprehensive income for the period (loss)	-	-	-	-	3,685	-	3,685	-	(1,203)	2,482
Total comprehensive income for the period	-	-	-	-	3,685	-	3,685	-	166,202	169,887
Transfer surplus on revaluation of assets to retained earnings	-	-	-	-	-	(503)	(503)	-	628	125
Balance as at 30 September 2021	99	8,006,456	87	7,031,436	2,456	305,156	307,612	801,000	2,095,284	18,241,974

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 nine-month periods ended 30 September 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 years beginning on or after 1 January 2022

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

The management of the Group believes that 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 nine-month period ended 30 September 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 September 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 September 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 September 2021			
	Consolidated financial statements			
	Financial instruments			
	Financial instruments measured at fair value through profit or loss	measured at fair value through other comprehensive income	Financial instruments measured at amortised cost	Total
<u>Financial assets</u>				
Cash	-	-	1,052,739	1,052,739
Interbank and money market items - net	-	-	27,077,082	27,077,082
Financial assets measured at fair value				
through profit or loss	2,130,204	-	-	2,130,204
Investments - net	-	11,012,962	-	11,012,962
Loans to customers and accrued interest				
receivables - net	-	-	194,252,730	194,252,730
Securities and derivatives business				
receivables - net	-	-	1,813,903	1,813,903
Other assets - receivables from clearing house	-	-	137,959	137,959
Other assets - fee and service receivables	-	-	367,177	367,177
Other assets - other receivables	-	-	562,484	562,484
<u>Financial liabilities</u>				
Deposits	-	-	168,813,469	168,813,469
Interbank and money market items	-	-	7,597,223	7,597,223
Liabilities payable on demand	-	-	235,360	235,360
Derivatives liabilities	124,364	-	-	124,364
Debts issued and borrowings	-	-	14,961,919	14,961,919
Lease liabilities	-	-	682,615	682,615
Securities and derivatives business payables - net	-	-	1,307,755	1,307,755
Accrued interest payable	-	-	511,073	511,073
Other liabilities - payables to clearing house	-	-	636,160	636,160

(Unaudited but reviewed)

(Unit: Thousand Baht)

As at 31 December 2020

Consolidated financial statements				
	Financial instruments measured at fair value through			Total
	Financial instruments measured at fair value through profit or loss	other comprehensive income	Financial instruments measured at amortised cost	
<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	-	-	451,495	451,495
Other assets - other receivables	-	-	605,456	605,456
<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 September 2021			
	Separate 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	-	-	70	70
Interbank and money market items - net	-	-	11,828	11,828
Financial assets measured at fair value through profit or loss	1,092,033	-	-	1,092,033
Investments - net	-	202,271	-	202,271
Loans to customers and accrued interest receivables - net	-	-	3,715,164	3,715,164
Other assets - fee and service receivables	-	-	120,853	120,853
<u>Financial liabilities</u>				
Interbank and money market items	-	-	880,000	880,000
Debts issued and borrowings	-	-	6,065,000	6,065,000
Lease liabilities	-	-	683	683
Accrued interest payable	-	-	9,159	9,159

(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 other comprehensive income	Financial instruments measured at amortised cost	Total
<u>Financial assets</u>				
Cash	-	-	70	70
Interbank and money market items - net	-	-	17,394	17,394
Financial assets measured at fair value through profit or loss	890,053	-	-	890,053
Investments - net	-	205,965	-	205,965
Loans to customers and accrued interest receivables - net	-	-	3,175,866	3,175,866
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 September 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 September 2021	31 December 2020
Commercial banks	15,000,000	18,800,000
Specialised Financial Institutions	9,100,000	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 September 2021	31 December 2020
Commercial banks	14,646,200	18,471,500
Specialised Financial Institutions	9,169,400	14,747,200

As at 30 September 2021 and 31 December 2020, interbank and money market items include insurance premiums received by the Group from the insured, amounting to Baht 182 million and Baht 225 million, respectively, that the Group has to remit to insurance companies. The Group cannot use, exploit, or deduct any expenses from these premiums, as specified in the broker appointment contract.

3.4 Financial assets measured at fair value through profit or loss

	(Unit: Thousand Baht)			
	Consolidated financial statements as at			
	30 September 2021		31 December 2020	
Investments	Cost	Fair value	Cost	Fair value
Others				
Domestic marketable equity instruments	93,088	184,442	231,488	454,798
Foreign marketable equity instruments	293,082	232,015	-	-
Domestic non-marketable equity instruments	231,289	795,234	257,578	772,569
Other securities - domestic unit trusts	51,014	58,495	51,014	55,600
Other securities - foreign unit trusts	803,120	860,018	803,120	890,053
	<u>1,471,593</u>	<u>2,130,204</u>	<u>1,343,200</u>	<u>2,173,020</u>
Add: Allowance for changes in value	658,611		829,820	
Total	<u>2,130,204</u>		<u>2,173,020</u>	

(Unaudited but reviewed)

(Unit: Thousand Baht)

Investments	Separate financial statements as at			
	30 September 2021		31 December 2020	
	Cost	Fair value	Cost	Fair value
Others				
Foreign marketable equity instruments	293,082	232,015	-	-
Other securities - foreign unit trusts	803,120	860,018	803,120	890,053
	1,096,202	1,092,033	803,120	890,053
Add: Allowance for changes in value	(4,169)		86,933	
Total	1,092,033		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 September 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 September 2021			31 December 2020		
	Fair value		Notional amount	Fair value		Notional amount
Assets	Liabilities	Assets		Liabilities		
Exchange rate	-	124,364	1,440,818	62,095	-	1,189,528
Total	-	124,364	1,440,818	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 September 2021 and 31 December 2020, investments classified by type of investments are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements as at			
	30 September 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				
	10,788,605	10,786,321	9,713,417	9,722,476
Private sector debt securities				
	423,121	226,641	423,121	230,780
	11,211,726	11,012,962	10,136,538	9,953,256
Less: Allowance for changes in value				
	(198,764)		(183,282)	
Total	11,012,962		9,953,256	
Allowance for expected credit loss				
	199,921		190,621	
Investments in debt instruments measured at amortised cost				
Investments in receivables				
	11,745		12,047	
Less: Allowance for expected credit loss				
	(11,745)		(12,047)	
Total	-		-	
Total investments	11,012,962		9,953,256	

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements as at			
	30 September 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 September 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 September 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 September 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 September 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 September	31 December	30 September	31 December
	2021	2020	2021	2020
Investments in subsidiaries	-	-	19,995,899	19,995,898
Investment in joint venture	810,184	804,925	73,245	73,245
	810,184	804,925	20,069,144	20,069,143

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 nine-month periods ended	
		30 September	31 December	30 September	31 December	30 September	31 December
		2021	2020	2021	2020	2021	2020
		(%)	(%)				
<u>Subsidiaries directly held by the Company</u>							
TISCO Bank Public Company Limited	Ordinary shares	99.99	99.99	17,641,210	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	-	-
				20,104,562	20,104,561	-	976,740
				(108,663)	(108,663)		
				19,995,899	19,995,898		

3.7.2 Investment in joint venture

a) Details of investment in joint venture

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

(Unit: Thousand Baht)

Jointly controlled entity	Consolidated financial statements					
	Shareholding percentage		Cost		Carrying amounts	
	as at		as at		based on equity method	
	30 September 2021	31 December 2020	30 September 2021	31 December 2020	30 September 2021	31 December 2020
	(%)	(%)				
TISCO Tokyo Leasing Co., Ltd.	49.00	49.00	73,245	73,245	810,184	804,925

(Unit: Thousand Baht)

Jointly controlled entity	Separate financial statements			
	Shareholding percentage		Cost	
	as at		as at	
	30 September 2021	31 December 2020	30 September 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 loss from investment in joint venture for the three-month periods ended 30 September		Share of other comprehensive income from investment in joint venture for the three-month periods ended 30 September		Dividend received for the three-month periods ended 30 September	
	2021	2020	2021	2020	2021	2020
	TISCO Tokyo Leasing Co., Ltd.	(13,638)	(1,930)	(5,125)	(5,650)	-

(Unaudited but reviewed)

	Consolidated financial statements				(Unit: Thousand Baht) Separate financial statements	
	Share of profit from investment in joint venture for the nine-month periods ended 30 September		Share of other comprehensive income from investment in joint venture for the nine-month periods ended 30 September		Dividend received for the nine-month periods ended 30 September	
Jointly controlled entity	2021	2020	2021	2020	2021	2020
TISCO Tokyo Leasing Co., Ltd.	10,301	30,942	(5,042)	(8,253)	-	-

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 September 2021	31 December 2020
Loans to customers		
Overdrafts	25,622	31,721
Loans	88,775,645	96,713,852
Hire purchase receivables	133,478,299	147,601,631
Finance lease receivables	8,544	8,544
Less: Deferred revenue	(17,879,974)	(19,544,201)
Total loans to customers	204,408,136	224,811,547
Add: Accrued interest receivables and undue interest receivables	1,820,079	1,901,983
Total loans to customers and accrued interest receivables	206,228,215	226,713,530
Less: Allowance for expected credit loss	(11,975,485)	(11,825,544)
Loans to customers and accrued interest receivables - net	194,252,730	214,887,986

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

3.8.2 Classified by loan classification

(Unit: Thousand Baht)

	Consolidated financial statements as at		Separate financial statements as at	
	30 September	31 December	30 September	31 December
	2021	2020	2021	2020
Loans to customers and accrued interest receivables				
Loans of the subsidiary				
operating a banking business	200,936,178	224,740,153	-	-
Loans of other subsidiaries	6,172,037	5,753,377	-	-
Loans of the Company	3,720,000	3,180,000	3,720,000	3,180,000
Less: Elimination	(4,600,000)	(6,960,000)	-	-
Total	206,228,215	226,713,530	3,720,000	3,180,000

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

(Unit: Thousand Baht)

	As at			
	30 September 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)	171,551,340	6,323,783	190,435,185	5,172,224
Financial assets with significant increase in credit risk (Under-performing)	23,664,204	2,968,491	29,139,124	3,422,247
Financial assets that are credit-impaired (Non-performing)	5,720,634	1,416,635	5,165,844	1,287,313
Allowance established in excess	-	264,100	-	1,056,399
Total	200,936,178	10,973,009	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 September 2021 the balance of allowance established in excess remained at Baht 264 million.

(Unaudited but reviewed)

3.8.2.2 Classified by loan classification of other subsidiaries

(Unit: Thousand Baht)

	As at			
	30 September 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)	4,261,419	299,108	3,921,251	238,400
Financial assets with significant increase in credit risk (Under-performing)	1,154,551	308,206	1,057,160	266,852
Financial assets that are credit-impaired (Non-performing)	756,067	399,623	774,966	400,513
Total	6,172,037	1,006,937	5,753,377	905,765

3.8.2.3 Classified by loan classification of the Company

(Unit: Thousand Baht)

	As at			
	30 September 2021		31 December 2020	
	Loans to customers and accrued interest receivables	Allowance for expected credit loss	Loans to customers and accrued interest receivables	Allowance for expected credit loss
Financial assets with no significant increase in credit risk (Performing)	3,720,000	4,836	3,180,000	4,134
Financial assets with significant increase in credit risk (Under-performing)	-	-	-	-
Financial assets that are credit-impaired (Non-performing)	-	-	-	-
Total	3,720,000	4,836	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 September 2021, the Group's outstanding loan balance under the relief measures totalled Baht 17,308 million. The balance consists of the debtors under principal holiday scheme or installment reduction (subject to partial payments of principal and interest) of Baht 9,815 million, the debtors under debt moratorium scheme of Baht 78 million and the debtors receiving other forms of debt relief of Baht 7,415 million.

3.8.3 Classified by loan classification and type of debtors

As at 30 September 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 September 2021							
	Hire purchase receivables		Loan against auto license receivables		Other loans		Total	
	Loans to customers and accrued interest receivables	Allowance for expected credit loss	Loans to customers and accrued interest receivables	Allowance for expected credit loss	Loans to customers and accrued interest receivables	Allowance for expected credit loss	Loans to customers and accrued interest receivables	Allowance for expected credit loss
Financial assets with no significant increase in credit risk (Performing)	93,404	3,116	20,534	862	57,613	2,346	171,551	6,324
Financial assets with significant increase in credit risk (Under-performing)	15,502	1,495	4,858	573	3,304	900	23,664	2,968
Financial assets that are credit-impaired (Non-performing)	3,008	661	1,214	391	1,499	365	5,721	1,417
Total	111,914	5,272	26,606	1,826	62,416	3,611	200,936	10,709
Allowance established in excess								264
Total								10,973

(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 September 2021, receivables of the subsidiaries under hire purchase and finance lease agreements amount to Baht 116,907 million (31 December 2020: Baht 129,399 million) and mostly comprise hire purchase agreements for cars and finance lease agreements for machines and equipment for business operation. The terms of the agreements are generally between 1 to 8 years, and under most agreements interest is charged at a fixed rate as specified in agreements.

(Unit: Million Baht)

Consolidated financial statements as at 30 September 2021					
Amounts of installments due under the long-term lease agreements					
	Not over 1 year	Over 1 year but not over 5 years	Over 5 years	Financial assets that are credit-impaired	Total
Gross investment in the agreements	40,991	78,586	5,803	8,107	133,487
Less: Deferred revenue ⁽¹⁾	(5,468)	(7,137)	(228)	(4,638)	(17,471)
Present value of minimum lease payment from agreements	35,523	71,449	5,575	3,469	116,016
Accrued interest receivables	693	-	-	198	891
Total	36,216	71,449	5,575	3,667	116,907
Allowance for expected credit loss					(6,123)
Net hire purchase and finance lease receivables					110,784

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

	As at			
	30 September 2021		31 December 2020	
	Number of debtors	Outstanding balances (Million Baht)	Number of debtors	Outstanding balances (Million Baht)
Balances of restructured debts	5,474	1,960	8,856	2,762

3.9 Allowance for expected credit loss

As at 30 September 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 nine-month period ended 30 September 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	(383)	-	-	-	-	(383)
Balance - end of period	698	-	-	-	-	698
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 nine-month period ended 30 September 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	-	-	(302)	-	-	(302)
Balance - end of period	-	-	11,745	-	-	11,745
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	140,297	(604,775)	464,478	-	-	-
Changes from revaluation of allowance for credit loss	61,599	49,452	2,258,706	-	-	2,369,757
New financial assets	1,647,913	578,909	134,374	-	-	2,361,196
Derecognition	(623,599)	(435,988)	(158,225)	-	-	(1,217,812)
Write-off	-	-	(2,570,901)	-	-	(2,570,901)
Reduction in allowance established in excess	-	-	-	(792,299)	-	(792,299)
Balance - end of period	6,618,430	3,276,697	1,816,258	264,100	-	11,975,485
Other assets - accrued interest receivables on investments						
Balance - beginning of period	-	-	4,636	-	-	4,636
Changes from revaluation of allowance for credit loss	-	-	981	-	-	981
Write-off	-	-	(4,636)	-	-	(4,636)
Balance - end of period	-	-	981	-	-	981
Other assets - fee and service receivables						
Balance - beginning of period	-	-	-	-	-	-
Changes from revaluation of allowance for credit loss	-	-	-	-	14,614	14,614
Write-off	-	-	-	-	(4,353)	(4,353)
Derecognition	-	-	-	-	(927)	(927)
Balance - end of period	-	-	-	-	9,334	9,334

(Unaudited but reviewed)

(Unit: Thousand Baht)

Separate financial statements				
For the nine-month period ended 30 September 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	(9)	-	-	(9)
Balance - end of period	-	-	-	-
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	702	-	-	702
Balance - end of period	4,836	-	-	4,836
Other assets - accrued interest receivables on investments				
Balance - beginning of period	-	-	4,111	4,111
Changes from revaluation of allowance for credit loss	-	-	876	876
Write-off	-	-	(4,111)	(4,111)
Balance - end of period	-	-	876	876

3.10 Classification of assets

3.10.1 Classification of assets under the BOT's guidelines

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

(Unit: Thousand Baht)

Consolidated financial statements as at 30 September 2021					
Financial assets					
	Debt instruments measured at fair value		Debt instruments measured at amortised cost	Loans to customers and accrued interest receivables	Total
	Interbank and money market items	through other comprehensive income			
Financial assets with no significant increase in credit risk (Performing)	27,077,780	10,786,321	-	174,932,759	212,796,860
Financial assets with significant increase in credit risk (Under-performing)	-	-	-	24,818,755	24,818,755
Financial assets that are credit-impaired (Non-performing)	-	226,641	11,745	6,476,701	6,715,087
Total	27,077,780	11,012,962	11,745	206,228,215	244,330,702

(Unit: Thousand Baht)

Consolidated financial statements as at 31 December 2020					
Financial assets					
	Debt instruments measured at fair value		Debt instruments measured at amortised cost	Loans to customers and accrued interest receivables	Total
	Interbank and money market items	through other comprehensive income			
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 September 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)	11,828	-	-	3,720,000	3,731,828
Financial assets with significant increase in credit risk (Under-performing)	-	-	-	-	-
Financial assets that are credit-impaired (Non-performing)	-	202,271	-	-	202,271
Total	11,828	202,271	-	3,720,000	3,934,099

(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	31	30	31	30	31	30	31
	September	December	September	December	September	December	September	December
2021	2020	2021	2020	2021	2020	2021	2020	
		(Million Baht)	(Million Baht)	(Million Baht)	(Million Baht)	(Million Baht)	(Million Baht)	
1. Non-listed companies with similar operating results and financial positions to listed companies vulnerable to delisting from the SET and under rehabilitation	1	1	498	500	300	315	498	500
2. Non-listed companies with similar operating results and financial positions to listed companies vulnerable to delisting from the SET	10	8	705	890	439	430	87	108
Total	11	9	1,203	1,390	739	745	585	608

3.11 Premises and equipment

Movements of premises and equipment for the nine-month period ended 30 September 2021 are as follows:

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Cost		
1 January 2021	4,652,967	1,271,225
Additions	52,961	22,377
Disposals/write-offs/transfers-out	(34,953)	(2,665)
30 September 2021	4,670,975	1,290,937
Accumulated depreciation		
1 January 2021	1,731,228	444,260
Depreciation for the period	160,101	55,599
Accumulated depreciation on disposals/write-offs/transfers-out	(31,466)	(2,629)
30 September 2021	1,859,863	497,230
Net book value		
31 December 2020	2,921,739	826,965
30 September 2021	2,811,112	793,707

3.12 Right-of-use assets

Movements of right-of-use assets for the nine-month period ended 30 September 2021 are as follows:

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Cost		
1 January 2021	1,147,064	1,158
Additions	36,215	-
Contract amendment	12,595	-
Contract termination	(42,425)	-
30 September 2021	<u>1,153,449</u>	<u>1,158</u>
Accumulated depreciation		
1 January 2021	261,578	279
Depreciation for the period	200,869	209
Accumulated depreciation on terminated contracts	(39,611)	-
30 September 2021	<u>422,836</u>	<u>488</u>
Net book value		
31 December 2020	<u>885,486</u>	<u>879</u>
30 September 2021	<u>730,613</u>	<u>670</u>

3.13 Other assets

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	as at		as at	
	30 September 2021	31 December 2020	30 September 2021	31 December 2020
Receivables from clearing house	137,959	291,896	-	-
Value added tax - net	166,427	367,830	2,745	1,652
Accrued interest receivables	29,006	17,765	-	-
Fee and service receivables	367,177	451,495	120,853	126,439
Refundable income tax and prepaid income tax	52	8,751	-	-
Deposits	82,379	84,200	89	95
Other receivables	562,484	605,456	-	-
Other assets	425,529	399,180	95,208	60,633
Total other assets	<u>1,771,013</u>	<u>2,226,573</u>	<u>218,895</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 September 2021	31 December 2020
Deposits		
Current accounts	2,221,310	3,199,911
Saving accounts	47,655,539	50,319,591
Fixed accounts		
- not over 6 months	9,066,142	12,761,123
- over 6 months but not over 1 year	23,743,445	27,901,720
- over 1 year	2,423,565	3,219,474
Certificates of deposits/negotiable certificates of deposits	83,703,468	106,071,006
Total	<u>168,813,469</u>	<u>203,472,825</u>

3.14.2 As at 30 September 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 September 2021	31 December 2020	30 September 2021	31 December 2020
<u>Domestic borrowings</u>				
Subordinated unsecured debentures	6,640,000	6,620,000	-	-
Unsubordinated unsecured debentures	8,285,000	6,169,000	6,065,000	1,629,000
Bills of exchange	36,122	36,122	-	-
Promissory notes	797	797	-	-
Total	<u>14,961,919</u>	<u>12,825,919</u>	<u>6,065,000</u>	<u>1,629,000</u>

3.15.1 Subordinated unsecured debentures

As at 30 September 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 September 2021	31 December 2020		30 September 2021	31 December 2020		
	(Million units)	(Million units)		(Million Baht)	(Million Baht)		
2016	-	0.68	1,000	-	680	2026	3.875 percent per annum
2017	1.00	1.00	1,000	1,000	1,000	2027	4.00 percent per annum
2017	0.60	0.60	1,000	600	600	2027	3.70 percent per annum
2019	1.20	1.20	1,000	1,200	1,200	2029	4.00 percent per annum
2019	1.20	1.20	1,000	1,200	1,200	2029	4.00 percent per annum
2020	1.25	1.25	1,000	1,250	1,250	2030	3.50 percent per annum
2020	0.69	0.69	1,000	690	690	2030	3.15 percent per annum
2021	0.70	-	1,000	700	-	2031	3.25 percent per annum
Total				6,640	6,620		

3.15.2 Unsubordinated unsecured debentures

As at 30 September 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 September 2021	31 December 2020		30 September 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	2.795	-	1,000	2,795	-	2021	0.70 - 0.80 percent per annum
2021	Short-term debenture	3.270	-	1,000	3,270	-	2022	0.70 - 0.75 percent per annum
Total					8,285	6,169		

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 September 2021 (Million units)	31 December 2020 (Million units)		30 September 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	2,795	-	1,000	2,795	-	2021	0.70 - 0.80 percent per annum
2021	Short-term debenture	3,270	-	1,000	3,270	-	2022	0.70 - 0.75 percent per annum
Total					6,065	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 September 2021	31 December 2020	30 September 2021	31 December 2020
Beginning balance	888,548	1,060,908	922	1,215
Increase during the period	50,156	171,171	-	-
Contract amendment	8,228	(4,353)	-	-
Paid during the period	(207,527)	(291,784)	(219)	(293)
Terminated during the period	(9,677)	(47,394)	-	-
Ending balance	729,728	888,548	703	922
Less: Deferred interest expenses	(47,113)	(59,958)	(20)	(33)
Lease liabilities - net	682,615	828,590	683	889
Current portion	(169,214)	(179,965)	(280)	(275)
Lease liabilities - net of current portion	513,401	648,625	403	614

(Unaudited but reviewed)

3.17 Provisions

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	as at		as at	
	30 September 2021	31 December 2020	30 September 2021	31 December 2020
Allowance for expected credit loss on loan commitments	1,895	14,716	-	-
Provision for long-term employee benefits	1,735,281	1,676,338	307,361	291,741
Total provisions	1,737,176	1,691,054	307,361	291,741

As at 30 September 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 September 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)	2,172,036	1,895	1,338,700	14,716
Financial assets with significant increase in credit risk (Under-performing)	-	-	-	-
Financial assets that are credit- impaired (Non-performing)	-	-	-	-
Total	2,172,036	1,895	1,338,700	14,716

3.18 Other liabilities

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	as at		as at	
	30 September 2021	31 December 2020	30 September 2021	31 December 2020
Payables to clearing house	636,160	309,866	-	-
Withholding income tax and other tax payables	263,800	593,909	10,660	94,560
Accrued insurance premium	350,636	479,958	-	-
Deferred income	1,584,069	1,481,571	-	-
Accrued expenses	4,471,451	3,458,156	1,802,942	1,508,858
Suspense creditors	944,092	1,075,205	-	-
Other liabilities	647,217	405,956	98	100
Total other liabilities	8,897,425	7,804,621	1,813,700	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 September 2021 and 31 December 2020, the Group has accrued bonus under this scheme amounting to Baht 389 million and Baht 444 million, respectively (Separate financial statements: Baht 194 million and Baht 217 million, respectively) and recognised expenses in profit or loss during the nine-month period ended 30 September 2021 amounting to Baht 143 million (Separate financial statements: Baht 73 million).

As at 30 September 2021, the above other liabilities included advances received from Electronic Funds Transfer transactions of the subsidiary operating a banking business amounting to Baht 0.1 million (31 December 2020: Baht 3 million), and the subsidiary maintained an asset amounting to Baht 11 million to reserve for advances received through such transactions, presented under interbank and money market items (assets) in the statement of financial position as at 30 September 2021 (31 December 2020: Baht 13 million).

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 September 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 September	31 December
	2021	2020
<u>Common Equity Tier I capital</u>		
Issued and paid-up share capital	8,006,456	8,006,456
Premium on share capital	1,018,408	1,018,408
Statutory reserve	801,000	801,000
Net profits after appropriation	21,731,535	21,759,372
Other components of equity	1,825,200	1,837,917
Less: Deductions from Common Equity Tier I items	(1,046,716)	(1,054,338)
Total Common Equity Tier I capital	32,335,883	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	32,335,982	32,368,914
<u>Tier II capital</u>		
Long-term subordinated debentures	6,640,000	6,620,000
Surplus of provision	715,445	762,036
Reserve for loans classified as normal	718,190	726,676
Total Tier II capital	8,073,635	8,108,712
Total capital funds	40,409,617	40,477,626

(Unit: Percent)

Capital fund ratios	As at			
	30 September 2021		31 December 2020	
	Financial Business Group		Financial Business Group	
	Group	Requirement	Group	Requirement
Common Equity Tier I capital to risk assets	18.30	7.00	17.48	7.00
Tier I capital to risk assets	18.30	8.50	17.48	8.50
Total capital to risk assets	22.87	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 September 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	302,355	309,469
Less: Deductions from Common Equity Tier I items	(274,789)	(366,769)
Total Common Equity Tier I capital	31,233,766	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	31,233,767	30,398,543
<u>Tier II Capital</u>		
Long-term subordinated debentures	6,640,000	6,620,000
Surplus of provision	696,494	741,712
Reserve for loans classified as normal	528,444	557,567
Total Tier II capital	7,864,938	7,919,279
Total capital funds	39,098,705	38,317,822

(Unit: Percent)

Capital fund ratios	As at			
	30 September 2021		31 December 2020	
	TISCO Bank	Requirement	TISCO Bank	Requirement
Common Equity Tier I capital to risk assets	19.72	7.00	18.07	7.00
Tier I capital to risk assets	19.72	8.50	18.07	8.50
Total capital to risk assets	24.69	11.00	22.78	11.00

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

3.20 Interest income

Interest income in the statements of comprehensive income for the three-month and nine-month periods ended 30 September 2021 and 2020 consisted of the following:

(Unit: Thousand Baht)

	Consolidated financial statements			
	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2021	2020	2021	2020
Interbank and money market items	37,229	40,143	122,673	212,889
Investments in debt securities	20,889	31,756	60,630	109,127
Loans to customers and overdrafts	1,771,868	1,934,629	5,376,662	6,101,185
Hire purchase and finance lease	1,814,141	2,075,738	5,614,358	6,333,784
Total interest income	<u>3,644,127</u>	<u>4,082,266</u>	<u>11,174,323</u>	<u>12,756,985</u>

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2021	2020	2021	2020
Interbank and money market items	18	95	267	2,643
Investments in debt securities	753	113	876	2,842
Loans to customers and overdrafts	15,946	15,059	46,764	42,630
Total interest income	<u>16,717</u>	<u>15,267</u>	<u>47,907</u>	<u>48,115</u>

Interest income for the three-month and nine-month periods ended 30 September 2021 consisted of interest income on credit-impaired financial assets amounting to Baht 120 million and Baht 400 million, respectively (2020: Baht 76 million and Baht 382 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 nine-month periods ended 30 September 2021 and 2020 consisted of the following:

(Unit: Thousand Baht)

	Consolidated financial statements			
	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	2021	2020	2021	2020
Deposits	350,111	591,422	1,201,622	2,122,663
Interbank and money market items	3,620	5,262	12,840	19,272
Contribution fee to the Deposit Protection Agency and the Bank of Thailand	108,257	126,878	350,265	399,321
Issued debt securities				
- Subordinated debentures	64,629	62,707	188,619	196,405
- Unsubordinated debentures	19,335	37,418	52,516	161,779
Borrowings	239	230	691	684
Others	4,953	6,000	15,512	18,400
Total interest expenses	<u>551,144</u>	<u>829,917</u>	<u>1,822,065</u>	<u>2,918,524</u>

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	2021	2020	2021	2020
Interbank and money market items	2,651	5,009	9,285	5,036
Issued debt securities				
- Unsubordinated debentures	11,501	17,489	21,999	47,340
Others	4	6	14	18
Total interest expenses	<u>14,156</u>	<u>22,504</u>	<u>31,298</u>	<u>52,394</u>

3.22 Net fee and service income

Net fee and service income in the statements of comprehensive income for the three-month and nine-month periods ended 30 September 2021 and 2020 consisted of the following:

(Unit: Thousand Baht)

	Consolidated financial statements			
	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2021	2020	2021	2020
Fee and service income				
- Acceptance, aval and guarantees	500	1,652	3,690	5,156
- Insurance service	460,054	543,631	1,489,387	1,634,963
- Brokerage fee	195,177	154,606	656,811	582,947
- Fund management	320,738	295,888	1,026,064	868,743
- Others	236,299	371,764	1,127,195	923,267
Total fee and service income	<u>1,212,768</u>	<u>1,367,541</u>	<u>4,303,147</u>	<u>4,015,076</u>
Fee and service expenses				
- Information service expenses	(4,647)	(3,919)	(13,666)	(12,285)
- Others	(80,851)	(83,698)	(394,460)	(238,690)
Total fee and service expenses	<u>(85,498)</u>	<u>(87,617)</u>	<u>(408,126)</u>	<u>(250,975)</u>
Net fee and service income	<u>1,127,270</u>	<u>1,279,924</u>	<u>3,895,021</u>	<u>3,764,101</u>

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2021	2020	2021	2020
Fee and service income	-	-	-	-
Fee and service expenses	(4,171)	(5,197)	(13,964)	(12,876)
Net fee and service income	<u>(4,171)</u>	<u>(5,197)</u>	<u>(13,964)</u>	<u>(12,876)</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 nine-month periods ended 30 September 2021 and 2020 consisted of the following:

(Unit: Thousand Baht)

	Consolidated financial statements			
	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2021	2020	2021	2020
Gain (loss) on trading and foreign exchange transactions				
- Foreign currencies and derivatives on foreign exchange	61,640	23,255	115,758	29,458
- Debt securities	5,396	3,502	11,624	19,547
- Equity securities	(176,712)	32,035	331,263	(17,599)
Net gain (loss) on financial instruments measured at fair value through profit or loss	(109,676)	58,792	458,645	31,406

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2021	2020	2021	2020
Gain (loss) on trading and foreign exchange transactions				
- Foreign currencies and derivatives on foreign exchange	52,181	20,030	104,362	40,702
- Equity securities	(178,622)	5,921	(195,465)	(12,746)
Net gain (loss) on financial instruments measured at fair value through profit or loss	(126,441)	25,951	(91,103)	27,956

3.24 Net gain on investments

Net gain on investments in the statements of comprehensive income for the three-month and nine-month periods ended 30 September 2021 and 2020 consisted of the following:

(Unit: Thousand Baht)

	Consolidated financial statements			
	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2021	2020	2021	2020
Gain (loss) on derecognition				
- Debt instruments measured at fair value through other comprehensive income	(154)	1,267	734	3,380
- Debt instruments measured at amortised cost	1,214	2,283	4,566	5,609
Net gain on investments	1,060	3,550	5,300	8,989

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 nine-month periods ended 30 September 2021 and 2020 consisted of the following:

(Unit: Thousand Baht)

	Consolidated financial statements			
	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2021	2020	2021	2020
Expected credit loss				
- Interbank and money market items (reversal)	(407)	49	(383)	372
- Investments in debt instruments measured at amortised cost (reversal)	28	85	(302)	(141)
- Investments in debt instruments measured at fair value through other comprehensive income and accrued interest receivables	844	-	10,281	189,161
- Loans to customers	249,215	597,050	1,635,104	2,302,400
- Fee and service receivables	238	-	9,334	-
Loss from the modification of terms				
- Loans to customers	5,154	6,095	11,168	64,037
Loan commitments (reversal)	(728)	1,672	(12,821)	4,121
Total	254,344	604,951	1,652,381	2,559,950

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2021	2020	2021	2020
Expected credit loss				
- Interbank and money market items (reversal)	(10)	(26)	(9)	24
- Investments in debt instruments measured at fair value through other comprehensive income and accrued interest receivables (reversal)	753	(585)	9,176	164,161
- Loans to customers	13	-	702	3,978
Total	<u>756</u>	<u>(611)</u>	<u>9,869</u>	<u>168,163</u>

3.26 Income tax expenses

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

(Unit: Thousand Baht)

	Consolidated financial statements			
	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2021	2020	2021	2020
Current income tax:				
Income tax expenses for the period	434,868	379,598	1,300,402	799,791
Adjustments of prior year's income tax	-	-	-	37
Deferred tax:				
Deferred tax on temporary differences and reversion of temporary differences	(40,230)	17,635	(52,461)	291,334
Income tax expenses reported in the statement of comprehensive income	<u>394,638</u>	<u>397,233</u>	<u>1,247,941</u>	<u>1,091,162</u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2021	2020	2021	2020
Current income tax:				
Income tax expenses for the period	38,920	17,395	83,973	86,596
Deferred tax:				
Deferred tax on temporary differences and reversion of temporary differences	(36,357)	1,688	(40,744)	(37,620)
Income tax expenses reported in the statement of comprehensive income	<u>2,563</u>	<u>19,083</u>	<u>43,229</u>	<u>48,976</u>

A reconciliation between income tax expenses and the product of accounting profit multiplied by the applicable tax rate for the three-month and nine-month periods ended 30 September 2021 and 2020 is as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			
	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2021	2020	2021	2020
Accounting profit before tax	<u>1,955,074</u>	<u>2,008,870</u>	<u>6,238,242</u>	<u>5,518,467</u>
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by applicable tax rate	391,015	401,774	1,247,649	1,103,693
Income tax effect:				
Tax effect of net tax-exempt income, net disallowed expenses and additional expense deductions allowed	1,818	(3,402)	23	(6,338)
Adjustments of prior year's income tax	-	-	-	37
Others	<u>1,805</u>	<u>(1,139)</u>	<u>269</u>	<u>(6,230)</u>
Income tax expenses reported in the statement of comprehensive income	<u>394,638</u>	<u>397,233</u>	<u>1,247,941</u>	<u>1,091,162</u>
Weighted average tax rate	20.19%	19.77%	20.00%	19.77%

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2021	2020	2021	2020
Accounting profit before tax	11,473	92,891	210,634	1,236,048
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by applicable tax rate	2,295	18,578	42,127	247,210
Income tax effect:				
Tax effect of net tax-exempt income, net disallowed expenses and additional expense deductions allowed	268	505	1,102	(198,234)
Income tax expenses reported in the statement of comprehensive income	2,563	19,083	43,229	48,976
Weighted average tax rate	22.34%	20.54%	20.52%	3.96%

(Unaudited but reviewed)

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 nine-month periods ended 30 September	
	30 September	31 December	2021	2020
	2021	2020	2021	2020
Allowance for expected credit loss	298,884	436,525	(137,641)	(366,925)
Allowance for impairment of investments	24,321	24,321	-	-
Allowance for impairment of properties foreclosed	5,455	168	5,287	(3)
Non-accrual of interest income	8,072	10,719	(2,647)	(34,410)
Depreciation of assets	(62,674)	(69,190)	6,516	6,381
Finance leases	-	-	-	12
Gain on changes in fair value of investment properties	(4,128)	(1,441)	(2,687)	-
Surplus on revaluation of assets	(294,662)	(295,261)	-	-
Surplus on changes in value of investments	(231)	(961)	-	-
Unrealised gain on derivatives	-	-	-	214
Gain on changes in value of investments in securities	(114,902)	(123,052)	8,150	3,397
Deferred commission and direct expenses incurred at the initiation of hire purchase	(226,820)	(370,862)	144,042	93,832
Loss on disposal of properties foreclosed	74,464	46,727	27,737	537
Unearned interest income on hire purchase	54,358	101,877	(47,519)	(11,794)
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	345,468	308,945	31,786	29,307
Others	94,729	95,422	(10,107)	(16,011)
Deferred tax assets	826,184	766,444	44,260	(291,334)
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)	-
Total changes			52,461	(291,334)

(Unaudited but reviewed)

As at 30 September 2021 and 31 December 2020, a subsidiary has unused tax loss totalling Baht 96 million and Baht 102 million, respectively, on which deferred tax assets have not been recognised as the subsidiary believes that future taxable profits may not be sufficient to allow utilisation of the tax loss. The unused tax loss will expire by 2023 - 2026.

(Unit: Thousand Baht)

	Separate financial statements			
	As at		Changes in deferred tax assets/liabilities reported in profit or loss for the nine-month periods ended 30 September	
	30 September	31 December	2021	2020
	2021	2020	2021	2020
Allowance for expected credit loss	35,635	34,483	1,152	33,633
Allowance for impairment of investments	21,732	21,732	-	-
Depreciation of assets	(43,314)	(41,622)	(1,692)	(1,795)
Gain on changes in fair value of investment properties	(92,082)	(92,082)	-	-
Surplus on revaluation of assets	(76,289)	(76,413)	-	-
(Surplus) deficit on changes in value of investments	(614)	307	-	-
(Gain) loss on changes in value of investments in securities	17,653	(21,440)	39,093	2,549
Reduction of subsidiaries' share capital	21,435	21,435	-	-
Accrued expenses	297,228	297,228	-	-
Employee benefit expenses	61,472	58,348	2,822	3,233
Others	193	824	(631)	-
Deferred tax assets	243,049	202,800	40,744	37,620

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		For the nine-month periods	
	ended 30 September		ended 30 September	
	2021	2020	2021	2020
Profit attributable to equity holders of the Company (Thousand Baht)	1,560,326	1,611,530	4,990,010	4,427,011
Weighted average number of shares (Thousand shares)	800,655	800,655	800,655	800,655
Basic earnings per share (Baht/share)	1.95	2.01	6.23	5.53
	Separate financial statements			
	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2021	2020	2021	2020
Profit attributable to equity holders of the Company (Thousand Baht)	8,910	73,808	167,405	1,187,072
Weighted average number of shares (Thousand shares)	800,655	800,655	800,655	800,655
Basic earnings per share (Baht/share)	0.01	0.09	0.21	1.48

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 September 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 September 2021	31 December 2020
<u>Outstanding balances</u>		
Joint venture company		
Deposits	1,384	1,099
Management - departmental manager upward		
Loans ⁽¹⁾	25,487	23,839
Directors and management - departmental manager upward		
Deposits	466,229	513,190
Companies which directors or their related persons have significant influence over		
Deposits	33,386	148,665
Related persons of directors and key management		
Deposits	71,628	35,880

(1) Including employee welfare loans and normal loans

	(Unit: Thousand Baht)	
	Separate financial statements as at	
	30 September 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	11,817	17,391
Loans to customers		
Hi-way Co., Ltd.	3,720,000	3,180,000
Dividend receivables		
TISCO Bank Public Company Limited	-	1,888,978
TISCO Securities Co., Ltd.	-	340,000
TISCO Asset Management Co., Ltd.	-	629,996
Hi-Way Co., Ltd.	-	416,500
TISCO Insurance Solution Co., Ltd.	-	374,987
TISCO Information Technology Co., Ltd.	-	159,995
TISCO Learning Center Co., Ltd.	-	34,498
Other assets		
TISCO Bank Public Company Limited	121,500	126,221
TISCO Learning Center Co., Ltd.	-	229
Interbank and money market items (liabilities)		
TISCO Bank Public Company Limited	880,000	3,780,000
Other liabilities		
TISCO Learning Center Co., Ltd.	-	179
TISCO Bank Public Company Limited	165	-

(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 September 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 September 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 nine-month period ended 30 September 2021			
	Balance - beginning of period	Increase	Decrease	Balance - end of period
Subsidiary companies				
Loans				
Hi-Way Co., Ltd.	3,180,000	550,000	(10,000)	3,720,000

Borrowings from related companies

As at 30 September 2021 and 31 December 2020, the balances of borrowings between the Company and its related companies (Interbank and money market items) and their movements are as follows:

(Unit: Thousand Baht)

	For the nine-month period ended 30 September 2021			
	Balance - beginning of period	Increase	Decrease	Balance - end of period
Subsidiary companies				
Borrowings				
TISCO Bank Public Company Limited	3,780,000	60,000	(2,960,000)	880,000

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 September		For the nine-month periods ended 30 September		
	2021	2020	2021	2020	
<u>Transactions occurred during the periods</u>					
Joint venture company					
Other income	2,250	2,049	6,549	6,081	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 September		For the nine-month periods ended 30 September		
	2021	2020	2021	2020	
<u>Transactions occurred during the periods</u>					
(Eliminated from the consolidated financial statements)					
Subsidiary companies					
Interest income	15,963	15,154	47,031	45,274	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	525,750	535,851	1,578,178	1,608,549	Determined on market prices and/or actual costs in compliance with the criteria specified by the BOT
Rental income	18,608	18,608	55,825	57,379	With reference to the terms and prices as offered to other customers
Computer system advisory service expenses	83,750	78,750	251,250	236,250	Determined on actual costs in compliance with the criteria specified by the BOT
Training expenses	805	2,727	2,737	3,672	With reference to the prices as offered from other service providers
Interest expenses	2,651	-	9,285	-	With reference to the terms and prices as offered to other customers
Other expenses	554	5,391	1,389	6,251	With reference to the terms and prices as offered to other customers

In May 2020, the Company invested in private sector debt securities totalling Baht 372 million of a company with weak financial position and poor operating results from mutual funds managed by the subsidiary company operating an asset management business.

Directors' and key management's benefits

During the three-month and nine-month periods ended 30 September 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 nine-month periods	
	ended 30 September		ended 30 September	
	2021	2020	2021	2020
Short-term benefits	221	200	396	374
Post-employment benefits	16	15	47	46
Total	237	215	443	420

(Unit: Million Baht)

	Separate financial statements			
	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2021	2020	2021	2020
Short-term benefits	141	130	233	222
Post-employment benefits	8	8	24	24
Total	149	138	257	246

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 nine-month periods ended 30 September 2021 and 2020 is as follows:

(Unit: Million Baht)

	For the three-month period ended 30 September 2021						
	Commercial banking and lending business	Securities business	Asset management business	Support business	Total segments	Eliminations	Consolidated financial statements
Revenue							
External customers	3,755	201	374	(152)	4,178	-	4,178
Inter-segment	232	1	(15)	832	1,050	(1,050)	-
Total revenue	3,987	202	359	680	5,228	(1,050)	4,178
Operating results:							
Net interest income	3,085	3	1	3	3,092	1	3,093
Net fee and service income	812	192	357	257	1,618	(491)	1,127
Other operating income	90	7	1	420	518	(560)	(42)
Total operating income	3,987	202	359	680	5,228	(1,050)	4,178
Premises and equipment expenses and amortisation	(381)	(19)	(7)	(209)	(616)	257	(359)
Other operating expenses	(1,714)	(136)	(154)	(383)	(2,387)	777	(1,610)
Expected credit loss	(254)	-	-	(1)	(255)	1	(254)
Total operating expenses	(2,349)	(155)	(161)	(593)	(3,258)	1,035	(2,223)
Segment profit before income tax expenses	1,638	47	198	87	1,970	(15)	1,955
Income tax expenses							(395)
Non-controlling interests of the subsidiaries							-
Profit for the period - equity holders of the Company							1,560

(Unaudited but reviewed)

(Unit: Million Baht)

For the three-month period ended 30 September 2020

	Commercial banking and lending business	Securities business	Asset management business	Support business	Total segments	Eliminations	Consolidated financial statements
Revenue							
External customers	4,078	229	388	1	4,696	-	4,696
Inter-segment	231	-	(18)	851	1,064	(1,064)	-
Total revenue	<u>4,309</u>	<u>229</u>	<u>370</u>	<u>852</u>	<u>5,760</u>	<u>(1,064)</u>	<u>4,696</u>
Operating results:							
Net interest income	3,255	2	1	(7)	3,251	1	3,252
Net fee and service income	950	197	364	277	1,788	(508)	1,280
Other operating income	104	30	5	582	721	(557)	164
Total operating income	<u>4,309</u>	<u>229</u>	<u>370</u>	<u>852</u>	<u>5,760</u>	<u>(1,064)</u>	<u>4,696</u>
Premises and equipment expenses and amortisation	(407)	(20)	(6)	(189)	(622)	272	(350)
Other operating expenses	(1,693)	(142)	(183)	(503)	(2,521)	789	(1,732)
Expected credit loss	(615)	-	-	1	(614)	9	(605)
Total operating expenses	<u>(2,715)</u>	<u>(162)</u>	<u>(189)</u>	<u>(691)</u>	<u>(3,757)</u>	<u>1,070</u>	<u>(2,687)</u>
Segment profit before income tax expenses	<u>1,594</u>	<u>67</u>	<u>181</u>	<u>161</u>	<u>2,003</u>	<u>6</u>	2,009
Income tax expenses							(397)
Non-controlling interests of the subsidiaries							-
Profit for the period - equity holders of the Company							<u>1,612</u>

(Unaudited but reviewed)

(Unit: Million Baht)

For the nine-month period ended 30 September 2021

	Commercial banking and lending business	Securities business	Asset management business	Support business	Total segments	Eliminations	Consolidated financial statements
Revenue							
External customers	11,539	1,204	1,360	(109)	13,994	-	13,994
Inter-segment	719	3	(67)	2,431	3,086	(3,086)	-
Total revenue	<u>12,258</u>	<u>1,207</u>	<u>1,293</u>	<u>2,322</u>	<u>17,080</u>	<u>(3,086)</u>	<u>13,994</u>
Operating results:							
Net interest income	9,322	8	2	17	9,349	3	9,352
Net fee and service income	2,594	724	1,280	759	5,357	(1,462)	3,895
Other operating income	342	475	11	1,546	2,374	(1,627)	747
Total operating income	<u>12,258</u>	<u>1,207</u>	<u>1,293</u>	<u>2,322</u>	<u>17,080</u>	<u>(3,086)</u>	<u>13,994</u>
Premises and equipment expenses and amortisation	(1,184)	(57)	(21)	(609)	(1,871)	773	(1,098)
Other operating expenses	(5,007)	(457)	(526)	(1,334)	(7,324)	2,318	(5,006)
Expected credit loss	(1,630)	-	-	(10)	(1,640)	(12)	(1,652)
Total operating expenses	<u>(7,821)</u>	<u>(514)</u>	<u>(547)</u>	<u>(1,953)</u>	<u>(10,835)</u>	<u>3,079</u>	<u>(7,756)</u>
Segment profit before income tax expenses	<u>4,437</u>	<u>693</u>	<u>746</u>	<u>369</u>	<u>6,245</u>	<u>(7)</u>	<u>6,238</u>
Income tax expenses							(1,248)
Non-controlling interests of the subsidiaries							-
Profit for the period - equity holders of the Company							<u>4,990</u>

(Unaudited but reviewed)

(Unit: Million Baht)

For the nine-month period ended 30 September 2020

	Commercial banking and lending business	Securities business	Asset management business	Support business	Total segments	Eliminations	Consolidated financial statements
Revenue							
External customers	12,230	641	1,095	4	13,970	-	13,970
Inter-segment	636	1	(44)	3,467	4,060	(4,060)	-
Total revenue	12,866	642	1,051	3,471	18,030	(4,060)	13,970
Operating results:							
Net interest income	9,825	8	4	(3)	9,834	4	9,838
Net fee and service income	2,744	628	1,042	801	5,215	(1,451)	3,764
Other operating income	297	6	5	2,673	2,981	(2,613)	368
Total operating income	12,866	642	1,051	3,471	18,030	(4,060)	13,970
Premises and equipment expenses and amortisation	(1,224)	(59)	(20)	(578)	(1,881)	815	(1,066)
Other operating expenses	(4,880)	(452)	(492)	(1,288)	(7,112)	2,286	(4,826)
Expected credit loss	(2,406)	-	-	(169)	(2,575)	15	(2,560)
Total operating expenses	(8,510)	(511)	(512)	(2,035)	(11,568)	3,116	(8,452)
Segment profit before income tax expenses	4,356	131	539	1,436	6,462	(944)	5,518
Income tax expenses							(1,091)
Non-controlling interests of the subsidiaries							-
Profit for the period - equity holders of the Company							4,427

(Unaudited but reviewed)

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

(Unit: Million Baht)

As at 30 September 2021							
	Commercial banking and lending business	Securities business	Asset management business	Support business	Total segments	Eliminations	Consolidated financial statements
Segment total assets	236,495	4,264	1,644	28,269	270,672	(26,037)	244,635
Premises and equipment - net	849	14	245	811	1,919	892	2,811

(Unit: Million Baht)

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

3.30 Commitments and contingent liabilities

3.30.1 Avals, guarantees and commitments

(Unit: Thousand Baht)

	Consolidated financial statements as at	
	30 September 2021	31 December 2020
Other guarantees	443,722	497,316
Foreign exchange contracts	1,440,818	1,189,528
Others	2,172,036	1,338,700
Total	4,056,576	3,025,544

3.30.2 Litigation

As at 30 September 2021 and 31 December 2020, the subsidiaries have been sued for compensation totalling approximately Baht 169 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 September 2021 and 31 December 2020, the Group has financial assets and liabilities that are measured or disclosed at fair value using different levels of inputs as follows:

(Unit: Million Baht)

	Consolidated financial statements				
	As at 30 September 2021				
	Book value	Fair value			Total
Level 1		Level 2	Level 3		
<u>Financial assets measured at fair value</u>					
Financial assets measured at fair value through profit for loss					
Equity securities	1,212	417	-	795	1,212
Unit trusts	918	860	58	-	918
Investments - debt securities	11,013	-	10,786	227	11,013
<u>Financial liabilities measured at fair value</u>					
Derivatives					
Foreign exchange contracts	124	-	124	-	124
<u>Financial assets for which fair value is disclosed</u>					
Cash	1,053	1,053	-	-	1,053
Interbank and money market items - net	27,077	1,749	25,328	-	27,077
Loans to customers and accrued interest receivables	194,517 ⁽¹⁾	-	38,903	157,997	196,900
Securities and derivatives business					
receivables - net	1,814	-	1,814	-	1,814
Other assets - receivables from					
clearing house	138	138	-	-	138
Other assets - fee and service receivables	367	-	367	-	367
Other assets - other receivables	562	-	562	-	562

(1) Book value of loans to customers and accrued interest receivables before deduction of excess provision amounting to Baht 264 million.

(Unaudited but reviewed)

(Unit: Million Baht)

Consolidated financial statements					
As at 30 September 2021					
Book value	Fair value			Total	
	Level 1	Level 2	Level 3		
<u>Financial liabilities for which fair value is disclosed</u>					
Deposits	168,813	49,877	118,936	-	168,813
Interbank and money market items	7,597	619	6,978	-	7,597
Liabilities payable on demand	235	235	-	-	235
Debts issued and borrowings	14,962	-	14,310	-	14,310
Securities and derivatives business					
payables - net	1,308	-	1,308	-	1,308
Accrued interest payable	511	72	439	-	511
Other liabilities - payables to clearing house	636	636	-	-	636

(Unit: Million Baht)

Consolidated financial statements					
As at 31 December 2020					
Book value	Fair value			Total	
	Level 1	Level 2	Level 3		
<u>Financial assets measured at fair value</u>					
Financial assets measured at fair value through profit for loss					
Equity securities	1,227	455	-	772	1,227
Unit trusts	946	890	56	-	946
Derivatives					
Foreign exchange contracts	62	-	62	-	62
Investments - debt securities	9,953	-	9,722	231	9,953
<u>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	451	-	451	-	451
Other assets - other receivables	605	-	605	-	605

(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 September 2021					
Book value	Fair value			Total	
	Level 1	Level 2	Level 3		
<u>Financial assets measured at fair value</u>					
Financial assets measured at fair value through profit or loss					
Equity securities	232	232	-	-	232
Unit trusts	860	860	-	-	860
Investments - debt securities	202	-	-	202	202
<u>Financial assets for which fair value is disclosed</u>					
Interbank and money market items - net	12	12	-	-	12
Loans to customers and accrued interest receivables	3,715	-	-	3,715	3,715
Other assets - fee and service receivables	121	-	121	-	121
<u>Financial liabilities for which fair value is disclosed</u>					
Interbank and money market items	880	-	-	880	880
Debts issued and borrowings	6,065	-	6,065	-	6,065
Accrued interest payable	9	-	9	-	9

(Unaudited but reviewed)

(Unit: Million Baht)

	Separate financial statements				
	As at 31 December 2020				
	Book value	Fair value			Total
Level 1		Level 2	Level 3		
<u>Financial assets measured at fair value</u>					
Financial assets measured at fair value					
through profit or loss - unit trusts	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			Separate financial statements
	Non-marketable equity instruments	Investments - private sector debt securities	Total	Investments - private sector debt securities
Balance as at 1 January 2021	772	231	1,003	206
Disposal during the period	(25)	-	(25)	-
Reduction of share capital during the period	(1)	-	(1)	-
Net gain (loss) recognised in profit or loss	49	(9)	40	(8)
Net gain recognised in other comprehensive income	-	5	5	4
Balance as at 30 September 2021	795	227	1,022	202

4. Dividend payment

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

5. Reclassification

The Group has reclassified some items in the statements of comprehensive income for the three-month and nine-month periods ended 30 September 2020 in order to correspond to the classification in the current period. The reclassification does not impact profit or equity as previously reported, as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			
	For the three-month period ended 30 September 2020		For the nine-month period ended 30 September 2020	
	As		As	
	As reclassified	previously reported	As reclassified	previously reported
Statement of comprehensive income				
Net fee and service income				
Fee and service income	1,367,541	1,343,777	4,015,076	3,984,595
Fee and service expenses	87,617	63,853	250,975	220,494

6. Approval of interim financial information

This interim financial information was approved by the Company's Audit Committee on 10 November 2021.