

TISCO Bank Public Company Limited  
Report and financial statements  
31 December 2025

## **Independent Auditor's Report**

To the Shareholders of TISCO Bank Public Company Limited

### **Opinion**

I have audited the accompanying financial statements of TISCO Bank Public Company Limited (the Bank), which comprise the statement of financial position as at 31 December 2025, and the related statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including material accounting policy information (collectively “the financial statements”).

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of TISCO Bank Public Company Limited as at 31 December 2025, its financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards and the Bank of Thailand’s regulations.

### **Basis for Opinion**

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

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

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

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

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

## **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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



Saranya Pludsri

Certified Public Accountant (Thailand) No. 6768

EY Office Limited

Bangkok: 26 February 2026

**TISCO Bank Public Company Limited**

**Statement of financial position**

**As at 31 December 2025**

		(Unit: Thousand Baht)	
	Note	2025	2024
<b>Assets</b>			
Cash		818,057	901,308
Interbank and money market items - net	3.2, 3.8	38,669,646	38,091,183
Financial assets measured at fair value through profit or loss	3.3	1,444,544	1,293,898
Derivatives assets	3.4	91,174	55,782
Investments - net	3.5, 3.8	6,929,890	4,075,276
Loans to customers and accrued interest receivables	3.6, 3.8		
Loans to customers		237,747,993	238,103,818
Accrued interest receivables and undue interest income		1,782,935	1,658,586
Total loans to customers and accrued interest receivables		239,530,928	239,762,404
Less: Deferred revenue		(10,296,491)	(10,252,070)
Less: Allowance for expected credit loss	3.7	(8,081,873)	(7,464,893)
Total loans to customers and accrued interest receivables - net		221,152,564	222,045,441
Properties foreclosed - net	3.9	1,273,103	14,126
Investment properties	3.10	50,885	50,885
Premises and equipment - net	3.11	738,057	747,757
Right-of-use assets - net	3.12	312,314	399,750
Intangible assets - net	3.13	12,954	17,157
Deferred tax assets	3.30	256,223	324,032
Other assets	3.14	1,458,415	845,155
<b>Total assets</b>		<b>273,207,826</b>	<b>268,861,750</b>

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

**TISCO Bank Public Company Limited**  
**Statement of financial position (continued)**  
**As at 31 December 2025**

(Unit: Thousand Baht)

	Note	2025	2024
<b>Liabilities and equity</b>			
<b>Liabilities</b>			
Deposits	3.15	213,119,187	208,230,353
Interbank and money market items	3.16	10,156,306	9,856,352
Liabilities payable on demand		222,901	239,179
Debts issued and borrowings	3.17	2,918,768	2,776,122
Lease liabilities	3.18	315,427	401,380
Provisions	3.19	1,343,616	1,237,106
Accrued interest payable		1,333,487	1,726,448
Income tax payable		331,702	403,746
Dividend payable	4	1,566,665	2,156,468
Other liabilities	3.20	5,078,561	5,201,087
<b>Total liabilities</b>		<b>236,386,620</b>	<b>232,228,241</b>

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

**TISCO Bank Public Company Limited**  
**Statement of financial position (continued)**  
**As at 31 December 2025**

		(Unit: Thousand Baht)	
	Note	2025	2024
<b>Equity</b>			
Share capital			
Registered			
104 preference shares of Baht 10 each	3.21	1	1
921,567,588 ordinary shares of Baht 10 each		9,215,676	9,215,676
		<u>9,215,677</u>	<u>9,215,677</u>
Issued and fully paid-up			
104 preference shares of Baht 10 each	3.21	1	1
921,567,588 ordinary shares of Baht 10 each		9,215,676	9,215,676
		<u>9,215,677</u>	<u>9,215,677</u>
Share premium on ordinary shares		2,543,024	2,543,024
Other components of equity	3.23	359,803	357,138
Retained earnings			
Appropriated - statutory reserve		984,000	984,000
Unappropriated		23,718,702	23,533,670
<b>Total equity</b>		<u>36,821,208</u>	<u>36,633,509</u>
<b>Total liabilities and equity</b>		<u>273,207,826</u>	<u>268,861,750</u>

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

  
 Mr. Sakchai Peechapat  
 (Chairman of the Executive Board)



  
 Mr. Metha Pingsuthiwong  
 (President)

**TISCO Bank Public Company Limited**  
**Statement of comprehensive income**  
**For the year ended 31 December 2025**

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

	Note	2025	2024
<b>Profit or loss:</b>			
Interest income	3.24	16,679,518	17,599,482
Interest expenses	3.25	(4,648,633)	(5,258,333)
<b>Net interest income</b>		<b>12,030,885</b>	<b>12,341,149</b>
Fee and service income		1,803,436	1,554,562
Fee and service expenses		(96,566)	(88,779)
<b>Net fee and service income</b>	3.26	<b>1,706,870</b>	<b>1,465,783</b>
Net gain on financial instruments measured at			
fair value through profit or loss	3.27	111,248	198,200
Net gain on investments	3.28	7,003	2,594
Penalty fee income from loans		127,156	115,886
Other operating income		334,421	130,943
<b>Total operating income</b>		<b>14,317,583</b>	<b>14,254,555</b>
<b>Operating expenses</b>			
Employee expenses		2,652,213	2,680,157
Premises and equipment expenses		1,177,788	1,203,853
Taxes and duties		371,210	378,859
Intercompany supporting fee expenses	3.32	3,089,592	3,188,677
Other operating expenses		665,116	707,104
<b>Total operating expenses</b>		<b>7,955,919</b>	<b>8,158,650</b>
Expected credit loss	3.29	1,648,220	812,129
<b>Profit from operations before income tax expenses</b>		<b>4,713,444</b>	<b>5,283,776</b>
Income tax expenses	3.30	939,045	1,054,459
<b>Profit for the year</b>		<b>3,774,399</b>	<b>4,229,317</b>

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

**TISCO Bank Public Company Limited**

**Statement of comprehensive income (continued)**

**For the year ended 31 December 2025**

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

	Note	2025	2024
<b>Other comprehensive income:</b>			
<b><i>Other comprehensive income to be reclassified</i></b>			
<b><i>to profit or loss in subsequent periods</i></b>			
Gain on valuation of investments in debt instruments			
measured at fair value through other comprehensive income	3.23	6,425	10,926
Income tax effects	3.30	(1,285)	(2,185)
Other comprehensive income to be reclassified			
to profit or loss in subsequent periods - net of income tax		5,140	8,741
<b><i>Other comprehensive income not to be reclassified</i></b>			
<b><i>to profit or loss in subsequent periods</i></b>			
Changes in surplus on revaluation of assets	3.23	-	15,343
Actuarial loss		(90,938)	(73,333)
Income tax effects	3.30	18,188	11,598
Other comprehensive income not to be reclassified			
to profit or loss in subsequent periods - net of income tax (loss)		(72,750)	(46,392)
<b>Other comprehensive income for the year (loss)</b>		<b>(67,610)</b>	<b>(37,651)</b>
<b>Total comprehensive income for the year</b>		<b>3,706,789</b>	<b>4,191,666</b>
<b>Earnings per share</b>			
Basic earnings per share (Baht per share)	3.31	4.10	4.59

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

**TISCO Bank Public Company Limited****Statement of cash flows****For the year ended 31 December 2025**

	(Unit: Thousand Baht)	
	2025	2024
<b>Cash flows from operating activities</b>		
Profit from operations before income tax	4,713,444	5,283,776
Adjustments to reconcile profit from operations before income tax to net cash provided by (paid from) operating activities		
Depreciation and amortisation	211,888	218,904
Expected credit loss	3,415,507	2,763,412
Other provisions (reversal)	(42,453)	1,755
Reversal of allowance for impairment of properties foreclosed	-	(36)
Gain on disposal of investments in securities	(6,340)	(304)
Unrealised (gain) loss on foreign exchange transactions and trading derivatives	170,063	(53,049)
Gain on financial instruments measured at fair value through profit or loss	(150,646)	(248,041)
Gain on disposal of properties foreclosed	(8,575)	(10,536)
Gain on changes in fair value of investment properties	-	(1,257)
(Gain) loss on disposal/write-off of equipment, vehicles and intangible assets	(419)	518
Employee benefit expenses	142,967	147,956
Increase in accrued income	(47,254)	(3,870)
Increase (decrease) in accrued expenses	9,756	(162,678)
Net interest income	(12,030,885)	(12,341,149)
Dividend income	(62,914)	(50,896)
Cash received on interest income	16,480,888	17,600,494
Cash paid on interest expenses	(4,047,159)	(3,902,874)
Cash received on dividend income	62,914	50,896
Cash paid on income tax	(925,758)	(1,262,802)
Profit from operating activities before changes in operating assets and liabilities	7,885,024	8,030,219

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

**TISCO Bank Public Company Limited**  
**Statement of cash flows (continued)**  
**For the year ended 31 December 2025**

	(Unit: Thousand Baht)	
	2025	2024
Operating assets (increase) decrease		
Interbank and money market items	(584,436)	9,042,238
Loans to customers	(2,700,142)	(4,416,652)
Properties foreclosed	(1,258,977)	10,829
Other assets	(568,223)	148,704
Operating liabilities increase (decrease)		
Deposits	4,888,834	(2,499,651)
Interbank and money market items	299,954	1,460,173
Liabilities payable on demand	(16,278)	1,745
Short-term debts issued and borrowings	(117,354)	100,000
Provision for employee benefits	(58,951)	(44,500)
Other liabilities	(986,068)	(909,817)
<b>Net cash flows from operating activities</b>	<b>6,783,383</b>	<b>10,923,288</b>
<b>Cash flows from investing activities</b>		
Cash paid for purchase of investments in securities	(10,221,374)	(9,385,364)
Cash received from disposal of investments in securities	7,411,859	8,200,046
Cash paid for purchase of building improvements, equipment and vehicles	(34,406)	(22,943)
Cash paid for purchase of intangible assets	(1,066)	(1,065)
Cash received from disposal of building improvements, equipment and vehicles	608	376
<b>Net cash flows used in investing activities</b>	<b>(2,844,379)</b>	<b>(1,208,950)</b>
<b>Cash flows from financing activities</b>		
Cash received from issuance of long-term debentures	2,200,000	-
Cash paid for redemption of long-term debentures	(1,940,000)	(5,200,000)
Cash paid on lease liabilities	(172,742)	(174,728)
Dividend paid	(4,109,513)	(4,349,799)
<b>Net cash flows used in financing activities</b>	<b>(4,022,255)</b>	<b>(9,724,527)</b>
<b>Net decrease in cash</b>	<b>(83,251)</b>	<b>(10,189)</b>
Cash at beginning of the year	901,308	911,497
<b>Cash at end of the year</b>	<b>818,057</b>	<b>901,308</b>
	-	
<b>Supplement cash flows information</b>		
Non-cash transactions		
Right-of-use assets	80,245	106,982
Transfer-in of properties foreclosed in settlement of loans to customers	1,954,646	835,970

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

TISCO Bank Public Company Limited

Statement of changes in equity

For the year ended 31 December 2025

(Unit: Thousand Baht)

	Issued and fully paid-up		Share premium on ordinary shares	Other components of equity			Retained earnings		
	Preference shares	Ordinary shares		Surplus (deficit) on changes in value of investments		Total	Appropriated	Unappropriated	Total
				measured at fair value through other comprehensive income	Surplus on revaluation of assets				
<b>Balance as at 1 January 2024</b>	1	9,215,676	2,543,024	(1,434)	340,070	338,636	984,000	23,341,049	36,422,386
Dividend paid (Note 4)	-	-	-	-	-	-	-	(3,981,172)	(3,981,172)
Profit for the year	-	-	-	-	-	-	-	4,229,317	4,229,317
Other comprehensive income for the year (loss)	-	-	-	8,741	12,274	21,015	-	(58,666)	(37,651)
Total comprehensive income for the year	-	-	-	8,741	12,274	21,015	-	4,170,651	4,191,666
Transfer surplus on revaluation of assets to retained earnings	-	-	-	-	(2,513)	(2,513)	-	3,142	629
<b>Balance as at 31 December 2024</b>	<b>1</b>	<b>9,215,676</b>	<b>2,543,024</b>	<b>7,307</b>	<b>349,831</b>	<b>357,138</b>	<b>984,000</b>	<b>23,533,670</b>	<b>36,633,509</b>
<b>Balance as at 1 January 2025</b>	1	9,215,676	2,543,024	7,307	349,831	357,138	984,000	23,533,670	36,633,509
Dividend paid (Note 4)	-	-	-	-	-	-	-	(3,519,710)	(3,519,710)
Profit for the year	-	-	-	-	-	-	-	3,774,399	3,774,399
Other comprehensive income for the year (loss)	-	-	-	5,140	-	5,140	-	(72,750)	(67,610)
Total comprehensive income for the year	-	-	-	5,140	-	5,140	-	3,701,649	3,706,789
Transfer surplus on revaluation of assets to retained earnings	-	-	-	-	(2,475)	(2,475)	-	3,093	618
<b>Balance as at 31 December 2025</b>	<b>1</b>	<b>9,215,676</b>	<b>2,543,024</b>	<b>12,447</b>	<b>347,356</b>	<b>359,803</b>	<b>984,000</b>	<b>23,718,702</b>	<b>36,821,206</b>

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

**TISCO Bank Public Company Limited**  
**Notes to financial statements**  
**For the year ended 31 December 2025**

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

**1.1 Basis for preparation of financial statements**

The financial statements for the year ended 31 December 2025 have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Profession Act B.E. 2547, and with reference to the regulations stipulated by the Bank of Thailand (“BOT”). The presentation of the financial statements has been made in compliance with the BOT’s Notification No. Sor Nor Sor. 21/2561 regarding “Preparation and Announcement of Financial Statements of Commercial Banks and Parent Companies of Financial Holding Groups”, dated 31 October 2018.

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

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

**1.2 New financial reporting standards**

**1.2.1 Financial reporting standards that became effective in the current year**

During the year of 2025, the Bank has adopted the revised financial reporting standards which are effective for fiscal years beginning on or after 1 January 2025. 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 Bank’s financial statements.

**1.2.2 Financial reporting standard that will become effective for fiscal years beginning on or after 1 January 2026**

The Federation of Accounting Professions issued a revised financial reporting standard, which is effective for fiscal years beginning on or after 1 January 2025. This financial reporting standard was 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 standard.

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

## **1.3 Accounting policies**

### **1.3.1 Revenue and expenses recognition**

#### a) Interest income and discounts on loans

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

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

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

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

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

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

#### c) Interest and dividend on investments in securities

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

#### d) Fee and service income

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

e) Interest expenses

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

f) Fee and service expenses and other operating expenses

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

**1.3.2 Securities purchased under resale agreements according to private repurchase transactions**

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

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

**1.3.3 Financial assets**

Financial assets - Debt instruments

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

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

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

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

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

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

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

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

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

c) Financial assets measured at amortised cost

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

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

Financial assets - Equity instruments

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

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

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

## Recognition

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

## Changes in classification of investments in debt instruments

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

### **1.3.4 Classification and measurement of financial liabilities**

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

### **1.3.5 Investments in receivables purchased or transferred in**

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

### **1.3.6 Loans to customers**

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

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

### **1.3.7 Allowance for expected credit loss on financial assets**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

### **1.3.8 Financial assets with modifications of terms/Debt restructuring**

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

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

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

If the debt restructuring results in a derecognition, the new financial asset is considered a financial asset with no significant increase in credit risk (Performing or Stage 1).

### **1.3.9 Properties foreclosed**

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

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

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

#### **1.3.10 Investment properties**

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

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

#### **1.3.11 Premises and equipment/Depreciation**

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

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

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

- When an asset's carrying amount is increased as a result of the revaluation of the Bank's assets, the increase is credited directly to other comprehensive income and the cumulative increase is recognised in equity under the heading of "Surplus on revaluation of assets". However, the revaluation increase is recognised as income to the extent that it reverses the revaluation decrease in respect of the same asset previously recognised as an expense.
- When an asset's carrying amount is decreased as a result of the revaluation of the Bank's assets, the decrease is recognised in profit or loss. However, the revaluation decrease is charged to other comprehensive income to the extent that it does not exceed the amount already held in "Surplus on revaluation of assets" in respect of the same asset.

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

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

Buildings	-	20 years
Office condominiums	-	25 years
Office improvements	-	5, 15 years
Furniture, fixtures and equipment	-	5 years
Motor vehicles	-	6 years

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

No depreciation is provided on land and assets under installation.

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

### 1.3.12 Leases

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

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

#### ***Right-of-use assets***

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

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

Buildings	-	1 - 20 years
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### ***Lease liabilities***

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

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

### ***Short-term leases and leases of low-value assets***

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

### **1.3.13 Intangible assets**

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

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

Intangible assets with finite lives are computer software that the Bank amortises over the following estimated useful lives:

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

### **1.3.14 Income tax**

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

#### **Current income tax**

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

#### **Deferred tax**

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

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

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

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

### **1.3.15 Impairment of non-financial assets**

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

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

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

#### **1.3.16 Derecognition of financial assets and financial liabilities**

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

#### **1.3.17 Foreign currencies**

The financial statements are presented in Baht, which is also the Bank's functional currency.

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

Gain or loss on exchange is included in determining income.

### 1.3.18 Employee benefits

#### a) Short-term employee benefits

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

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

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

##### *Defined contribution plans*

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

##### *Defined benefit plans and other long-term employee benefits*

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

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

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

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

### **1.3.19 Provisions**

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

### **1.3.20 Derivatives**

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

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

### **1.3.21 Fair value measurement**

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

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

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

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

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

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

### 1.3.22 Financial instruments

a) Financial risk management

The Bank has financial risks associated with financial instruments and has financial risk management policy as described in Note 3.36 to the financial statements.

b) Fair value of financial instruments

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

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

- For financial assets and liabilities which have short-term maturities or carry interest at rates approximating the market rate, including cash, interbank and money market items (assets), fee and service receivables, other receivables, deposits, interbank and money market items (liabilities), liabilities payable on demand, and accrued insurance premium, the carrying amounts in the statement of financial position approximate their fair value.
- For investments in marketable equity securities, their fair value is stated based on the latest bid price at the end of last working day of the year as quoted by the Stock Exchange of Thailand. For investments in non-marketable equity securities, the discounted future cash flows and/or the book value of the investees and/or other generally accepted valuation methods are applied in the calculation.
- Government and state enterprise securities and private debt securities are stated at fair value which is determined using yield rates quoted by the Thai Bond Market Association.
- Unit trusts are stated at fair value based on their net asset value at the end of reporting period.

- Loans to customers and accrued interest receivables, except for hire purchase receivables and other retail loans, are presented at fair value which is estimated from balance of loans to customers and accrued interest receivables as stated in the financial statements less allowance for expected credit loss, since most loans to customers carry interest at floating rates. Fair value of hire purchase receivables and other retail loans is calculated from the present value of future cash inflows, discounted by the current interest rate for new loans, less allowance for expected credit loss.
- The fair value of debts issued and borrowings is estimated by discounting expected future cash outflows by the current market interest rates of the borrowings with similar terms and conditions.
- For derivatives, their fair value is determined by using a discounted future cash flow model and a valuation model technique. Most of the inputs used for the valuation are observable in the relevant market, such as spot rates of foreign currencies, yield curves of the respective currencies and interest rate yield curves. The Bank has considered the counterparty's credit risk when determining the fair value of derivatives.

### **1.3.23 Significant accounting judgements and estimates**

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

#### ***Recognition or derecognition of assets and liabilities***

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

#### ***Allowance for expected credit loss on financial assets***

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

### ***Fair value of financial instruments***

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

### ***Investment properties***

The Bank presents investment properties at the fair value estimated by an internal appraiser of the Bank, and recognises changes in the fair value in profit or loss. The appraiser valued the investment properties using the market approach. The key assumptions used in estimating the fair value are described in Note 3.10 to the financial statements.

### ***Premises and equipment/Depreciation***

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

The Bank measures office condominiums at revalued amounts. Such amounts are determined by the independent professional appraiser using the market approach. The valuation involves certain assumptions and estimates as described in Note 3.11 to the financial statements.

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

### ***Leases***

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

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

#### ***Deferred tax assets***

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

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

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

#### ***Litigation***

The Bank has contingent liabilities as a result of litigation. The management has used judgement to assess of the results of the litigation. In case the management believes that no loss will incur, no provisions are recognised at the end of the reporting period.

## **2. General information**

### **2.1 The Bank's information**

TISCO Bank Public Company Limited (“the Bank”) is a public company incorporated and domiciled in Thailand. Its parent company is TISCO Financial Group Public Company Limited, which was incorporated in Thailand. The Bank has been licensed by the Ministry of Finance to operate a commercial banking business. Its registered address is 48/2 TISCO Tower, 1st Floor, North Sathorn Road, Silom, Bangrak, Bangkok. As at 31 December 2025 and 2024, the Bank has 51 and 52 branches, respectively, in Thailand.

## **2.2 Statutory reserve**

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

## **2.3 Directors' remuneration**

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

## **2.4 Related party transactions**

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

The Bank 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 Bank and those related parties, which are in reference to the terms and prices as charged to other customers.

### 3. Supplemental information

#### 3.1 Classification of financial assets and financial liabilities

The Bank has a classification of significant financial assets and financial liabilities as follows:

(Unit: Thousand Baht)

	As at 31 December 2025			
	Financial instruments measured at fair value through profit or loss	Financial instruments measured at fair value through comprehensive income	Financial instruments measured at amortised cost	Total
<b><u>Financial assets</u></b>				
Cash	-	-	818,057	818,057
Interbank and money market items	-	-	38,669,646	38,669,646
Financial assets measured at fair value				
through profit or loss	1,444,544	-	-	1,444,544
Derivatives assets	91,174	-	-	91,174
Investments	-	6,929,890	-	6,929,890
Loans to customers and accrued interest				
receivables	-	-	221,152,564	221,152,564
Other assets - fee and service receivables	-	-	160,610	160,610
Other assets - other receivables	-	-	524,668	524,668
<b><u>Financial liabilities</u></b>				
Deposits	-	-	213,119,187	213,119,187
Interbank and money market items	-	-	10,156,306	10,156,306
Liabilities payable on demand	-	-	222,901	222,901
Debts issued and borrowings	-	-	2,918,768	2,918,768
Lease liabilities	-	-	315,427	315,427
Accrued interest payable	-	-	1,333,487	1,333,487
Other liabilities - accrued insurance premium	-	-	284,191	284,191

(Unit: Thousand Baht)

As at 31 December 2024

	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
<b><u>Financial assets</u></b>				
Cash	-	-	901,308	901,308
Interbank and money market items	-	-	38,091,183	38,091,183
Financial assets measured at fair value				
through profit or loss	1,293,898	-	-	1,293,898
Derivatives assets	55,782	-	-	55,782
Investments	-	4,075,276	-	4,075,276
Loans to customers and accrued interest receivables	-	-	222,045,441	222,045,441
Other assets - fee and service receivables	-	-	113,356	113,356
Other assets - other receivables	-	-	233,738	233,738
<b><u>Financial liabilities</u></b>				
Deposits	-	-	208,230,353	208,230,353
Interbank and money market items	-	-	9,856,352	9,856,352
Liabilities payable on demand	-	-	239,179	239,179
Debts issued and borrowings	-	-	2,776,122	2,776,122
Lease liabilities	-	-	401,380	401,380
Accrued interest payable	-	-	1,726,448	1,726,448
Other liabilities - accrued insurance premium	-	-	166,109	166,109

### 3.2 Interbank and money market items (assets)

(Unit: Thousand Baht)

	As at 31 December					
	2025			2024		
	At call	Term	Total	At call	Term	Total
<b>Domestic</b>						
Bank of Thailand and Financial Institutions						
Development Fund	1,484,023	-	1,484,023	1,623,499	-	1,623,499
Commercial banks	177,026	22,500,000	22,677,026	228,468	19,500,000	19,728,468
Specialised Financial Institutions	889	14,500,000	14,500,889	535	16,700,000	16,700,535
Other financial institutions	-	-	-	25,000	-	25,000
<b>Total</b>	<b>1,661,938</b>	<b>37,000,000</b>	<b>38,661,938</b>	<b>1,877,502</b>	<b>36,200,000</b>	<b>38,077,502</b>
Add: Accrued interest receivables	15	8,057	8,072	9	14,278	14,287
Less: Allowance for expected credit loss	(364)	-	(364)	(606)	-	(606)
<b>Total domestic</b>	<b>1,661,589</b>	<b>37,008,057</b>	<b>38,669,646</b>	<b>1,876,905</b>	<b>36,214,278</b>	<b>38,091,183</b>

As at 31 December 2025 and 2024, all outstanding interbank and money market items are in Baht.

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

(Unit: Thousand Baht)

Securities purchased under resale agreements  
according to private repurchase transactions  
as at 31 December

	2025	2024
Commercial banks	22,500,000	19,500,000
Specialised Financial Institutions	14,500,000	16,700,000

Fair value of securities received as collateral is as follows:

(Unit: Thousand Baht)

Fair value of securities received as collateral  
as at 31 December

	2025	2024
Commercial banks	22,444,500	19,640,800
Specialised Financial Institutions	14,110,400	16,647,500

### 3.3 Financial assets measured at fair value through profit or loss

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

(Unit: Thousand Baht)

Investments	As at 31 December			
	2025		2024	
	Cost	Fair value	Cost	Fair value
<b>Others</b>				
Domestic marketable equity instruments	23,460	29,592	9,320	4,312
Domestic non-marketable equity instruments	220,274	1,414,952	234,414	1,289,586
	243,734	1,444,544	243,734	1,293,898
Add: Allowance for changes in value	1,200,810		1,050,164	
Total	1,444,544		1,293,898	

As at 31 December 2025, the Bank's investments in domestic marketable instruments include investments in equity instruments of a company listed on the Stock Exchange of Thailand that are subject to selling restrictions. These investments, which have a fair value of Baht 27 million, will be tradable after 6 - 12 months from the date the securities are re-listed on the stock exchange (4 August 2025), in accordance with the conditions of the debt-to-equity conversion under the rehabilitation plan.

#### 3.3.2 Investments in non-marketable equity instruments include investments in which the Bank holds not less than 10 percent of the equity of the investees, as follows:

(Unit: Thousand Baht)

Securities' name	As at 31 December					
	2025			2024		
	Fair value of investments	Unpaid amount	Percentage of holding (%)	Fair value of investments	Unpaid amount	Percentage of holding (%)
<b>Services:</b>						
Jiji Press (Thailand) Co., Ltd.	1,638	300	10	1,751	300	10
<b>Trading import and export:</b>						
Juki (Thailand) Co., Ltd.	2,430	-	10	2,384	-	10
PDTL Trading Co., Ltd.	-	-	10	-	-	10
Wattana Inter-Trade Co., Ltd.	15,682	-	10	13,349	-	10
<b>Real estate:</b>						
UMI Property Co., Ltd.	1,337	-	10	1,365	-	10
<b>Industrial:</b>						
Siam Art Ceramic Co., Ltd.	7,734	-	10	7,816	-	10

### 3.3.3 Investments in companies with weak financial positions and poor operating results

As at 31 December 2025 and 2024, investments in securities of the Bank include investments in securities issued by companies with weak financial positions and poor operating results as follows:

(Unit: Thousand Baht)

	As at 31 December			
	2025		2024	
	Cost	Fair value	Cost	Fair value
Companies with weak financial positions and poor operating results	9,270	-	23,410	10,791

### 3.4 Derivatives assets/derivatives liabilities

The Bank entered into foreign exchange contracts to manage the risk associated with financial assets, as follows:

(Unit: Thousand Baht)

Type of risks	As at 31 December					
	2025			2024		
	Fair value		Notional amount	Fair value		Notional amount
Assets	Liabilities	Assets		Liabilities		
Exchange rate	91,174	-	2,844,942	55,782	-	2,771,366
Total	91,174	-	2,844,942	55,782	-	2,771,366

All counterparties of these derivatives transactions are financial institutions.

### 3.5 Investments

#### 3.5.1 Investments classified by type of investments

As at 31 December 2025 and 2024, investments classified by type of investments are as follows:

(Unit: Thousand Baht)

	As at 31 December			
	2025		2024	
	Amortised cost	Fair value	Amortised cost	Fair value
<b>Investments in debt instruments</b>				
<b>measured at fair value through</b>				
<b>other comprehensive income</b>				
Government and state enterprise securities	6,896,211	6,903,933	4,048,022	4,052,603
Private sector debt instruments	39,210	25,957	39,210	22,673
	<u>6,935,421</u>	<u>6,929,890</u>	<u>4,087,232</u>	<u>4,075,276</u>
Less: Allowance for changes in value	<u>(5,531)</u>		<u>(11,956)</u>	
Total	<u>6,929,890</u>		<u>4,075,276</u>	
Allowance for expected credit loss	21,090		21,090	
<b>Investments in debt instruments</b>				
<b>measured at amortised cost</b>				
Investments in receivables	8,698		8,685	
Less: Allowance for expected credit loss	<u>(8,698)</u>		<u>(8,685)</u>	
Total	<u>-</u>		<u>-</u>	
Total investments	<u><u>6,929,890</u></u>		<u><u>4,075,276</u></u>	

#### 3.5.2 Investments subject to restrictions

(Unit: Million Baht)

Type of investments	As at 31 December		Type of restrictions
	2025	2024	
Government debt securities	1	1	Pledge for electricity usage

### 3.5.3 Investments in companies with weak financial positions and poor operating results

As at 31 December 2025 and 2024, investments in securities of the Bank include investments in securities issued by companies with weak financial positions and poor operating results as follows:

(Unit: Thousand Baht)

	As at 31 December					
	2025			2024		
	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	1,460	-	1,460	39,210	22,673	21,090

## 3.6 Loans to customers and accrued interest receivables

### 3.6.1 Classified by type of loans to customers

(Unit: Thousand Baht)

	As at 31 December	
	2025	2024
<b>Loans to customers</b>		
Overdrafts	338	364
Loans	129,732,521	131,873,469
Hire purchase receivables	108,015,134	106,229,985
Less: Deferred revenue	(10,296,491)	(10,252,070)
Total loans to customers	227,451,502	227,851,748
Add: Accrued interest receivables and undue interest income	1,782,935	1,658,586
Total loans to customers and accrued interest receivables	229,234,437	229,510,334
Less: Allowance for expected credit loss	(8,081,873)	(7,464,893)
Loans to customers and accrued interest receivables - net	221,152,564	222,045,441

### 3.6.2 Classified by residency of debtors

(Unit: Thousand Baht)

	As at 31 December	
	2025	2024
<b>Loans to customers net of deferred revenue</b>		
- Domestic	216,365,607	217,214,148
- Foreign	11,085,895	10,637,600
Total	<u>227,451,502</u>	<u>227,851,748</u>

### 3.6.3 Classified by loan classification

(Unit: Thousand Baht)

	As at 31 December			
	2025		2024	
	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)	207,963,416	3,289,894	206,764,698	3,175,927
Financial assets with significant increase in credit risk (Under-performing)	16,650,797	2,718,137	17,915,338	2,557,338
Financial assets that are credit-impaired (Non-performing)	4,620,224	2,073,842	4,830,298	1,731,628
Total	<u>229,234,437</u>	<u>8,081,873</u>	<u>229,510,334</u>	<u>7,464,893</u>

### 3.6.4 Classified by loan classification and type of debtors

As at 31 December 2025 and 2024, loans to customers classified by loan classification and type of debtors are as follows:

(Unit: Million Baht)

	As at 31 December 2025							
	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)	88,753	1,243	29,715	731	89,495	1,316	207,963	3,290
Financial assets with significant increase in credit risk (Under-performing)	7,526	1,093	6,501	1,086	2,624	539	16,651	2,718
Financial assets that are credit-impaired (Non-performing)	2,170	812	1,770	977	680	285	4,620	2,074
<b>Total</b>	<b>98,449</b>	<b>3,148</b>	<b>37,986</b>	<b>2,794</b>	<b>92,799</b>	<b>2,140</b>	<b>229,234</b>	<b>8,082</b>

(Unit: Million Baht)

	As at 31 December 2024							
	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)	85,370	1,409	29,144	678	92,251	1,089	206,765	3,176
Financial assets with significant increase in credit risk (Under-performing)	9,051	1,158	6,821	844	2,043	555	17,915	2,557
Financial assets that are credit-impaired (Non-performing)	2,294	762	1,739	718	797	252	4,830	1,732
<b>Total</b>	<b>96,715</b>	<b>3,329</b>	<b>37,704</b>	<b>2,240</b>	<b>95,091</b>	<b>1,896</b>	<b>229,510</b>	<b>7,465</b>

### 3.6.5 Hire purchase receivables

As at 31 December 2025, receivables of the Bank under hire purchase agreements amount to Baht 98,449 million (2024: Baht 96,715 million) and mostly comprise hire purchase agreements for cars. The terms of the agreements are generally between 1 to 8 years, and under most agreements interest is charged at a fixed rate as specified in agreements.

(Unit: Million Baht)

As at 31 December 2025					
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	35,201	67,492	2,912	2,410	108,015
Less: Deferred revenue <sup>(1)</sup>	(4,208)	(5,490)	(113)	(312)	(10,123)
Present value of minimum lease payment from agreements	30,993	62,002	2,799	2,098	97,892
Accrued interest receivables	485	-	-	72	557
Total	31,478	62,002	2,799	2,170	98,449
Allowance for expected credit loss					(3,148)
Net hire purchase receivables					95,301

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

(Unit: Million Baht)

As at 31 December 2024					
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	34,920	65,816	2,915	2,579	106,230
Less: Deferred revenue <sup>(1)</sup>	(4,140)	(5,469)	(114)	(356)	(10,079)
Present value of minimum lease payment from agreements	30,780	60,347	2,801	2,223	96,151
Accrued interest receivables	493	-	-	71	564
Total	31,273	60,347	2,801	2,294	96,715
Allowance for expected credit loss					(3,329)
Net hire purchase receivables					93,386

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

### 3.6.6 Troubled debt restructuring

As at 31 December 2025 and 2024, the Bank has outstanding balances with troubled debt restructuring debtors as follows:

	As at 31 December			
	2025		2024	
	Number of debtors	Outstanding balances	Number of debtors	Outstanding balances
		(Million Baht)		(Million Baht)
Balances of restructured debts	10,304	2,988	1,014	863

### 3.7 Allowance for expected credit loss

As at 31 December 2025 and 2024, the Bank has allowance for expected credit loss classified by type of financial assets as follows:

(Unit: Thousand Baht)

	For the year ended 31 December 2025				
	Financial assets with no significant increase in credit risk	Financial assets with significant increase in credit risk	Financial assets that are credit-impaired	Financial assets applying a simplified approach	Total
<b>Interbank and money market items (assets)</b>					
Balance - beginning of year	606	-	-	-	606
Changes from revaluation of allowance for credit loss	(242)	-	-	-	(242)
Balance - end of year	364	-	-	-	364
<b>Investments in debt instruments measured at fair value through other comprehensive income</b>					
Balance - beginning of year	-	-	21,090	-	21,090
Changes from transfers among stages	19,630	-	(19,630)	-	-
Changes from revaluation of allowance for credit loss	-	-	-	-	-
Balance - end of year	19,630	-	1,460	-	21,090

(Unit: Thousand Baht)

For the year ended 31 December 2025

	Financial assets				Total
	with no significant increase in credit risk	Financial assets with significant increase in credit risk	Financial assets that are credit-impaired	Financial assets applying a simplified approach	
<b>Investments in debt instruments measured at amortised cost</b>					
Balance - beginning of year	-	-	8,685	-	8,685
Changes from revaluation of allowance for credit loss	-	-	13	-	13
Balance - end of year	-	-	8,698	-	8,698
<b>Loans to customers and accrued interest receivables</b>					
Balance - beginning of year	3,175,927	2,557,338	1,731,628	-	7,464,893
Changes from transfers among stages	172,997	(355,481)	182,484	-	-
Changes from revaluation of allowance for credit loss	(845,879)	393,216	2,885,396	-	2,432,733
New financial assets purchased or acquired	1,228,442	608,169	376,122	-	2,212,733
Derecognition	(441,593)	(485,105)	(254,358)	-	(1,181,056)
Write-off	-	-	(2,847,430)	-	(2,847,430)
Balance - end of year	3,289,894	2,718,137	2,073,842	-	8,081,873
<b>Other assets - other receivables</b>					
Balance - beginning of year	-	-	-	4,362	4,362
Changes from revaluation of allowance for credit loss	-	-	-	861	861
New financial assets purchased or acquired	-	-	-	338	338
Derecognition	-	-	-	(455)	(455)
Write-off	-	-	-	(170)	(170)
Balance - end of year	-	-	-	4,936	4,936

(Unit: Thousand Baht)

For the year ended 31 December 2024

	Financial assets				Total
	with no significant increase in credit risk	Financial assets with significant increase in credit risk	Financial assets that are credit-impaired	Financial assets applying a simplified approach	
<b>Interbank and money market items (assets)</b>					
Balance - beginning of year	1,288	-	-	-	1,288
Changes from revaluation of allowance for credit loss	(682)	-	-	-	(682)
Balance - end of year	606	-	-	-	606
<b>Investments in debt instruments measured at fair value through other comprehensive income</b>					
Balance - beginning of year	-	-	27,460	-	27,460
Changes from revaluation of allowance for credit loss	-	-	(6,370)	-	(6,370)
Balance - end of year	-	-	21,090	-	21,090
<b>Investments in debt instruments measured at amortised cost</b>					
Balance - beginning of year	-	-	8,724	-	8,724
Changes from revaluation of allowance for credit loss	-	-	(39)	-	(39)
Balance - end of year	-	-	8,685	-	8,685
<b>Loans to customers and accrued interest receivables</b>					
Balance - beginning of year	4,947,414	2,505,788	1,444,283	-	8,897,485
Changes from transfers among stages	(78,754)	(372,958)	451,712	-	-
Changes from revaluation of allowance for credit loss	(2,159,230)	226,399	3,887,914	-	1,955,083
New financial assets purchased or acquired	1,152,781	521,782	249,812	-	1,924,375
Derecognition	(686,284)	(323,673)	(133,014)	-	(1,142,971)
Write-off	-	-	(4,169,079)	-	(4,169,079)
Balance - end of year	3,175,927	2,557,338	1,731,628	-	7,464,893

(Unit: Thousand Baht)

For the year ended 31 December 2024

	Financial assets				Total
	with no significant increase in credit risk	Financial assets with significant increase in credit risk	Financial assets that are credit-impaired	Financial assets applying a simplified approach	
<b>Other assets - accrued interest receivables on investments</b>					
Balance - beginning of year	-	-	916	-	916
Changes from revaluation of allowance for credit loss	-	-	(916)	-	(916)
Balance - end of year	-	-	-	-	-
<b>Other assets - other receivables</b>					
Balance - beginning of year	-	-	-	4,038	4,038
Changes from revaluation of allowance for credit loss	-	-	-	796	796
New financial assets purchased or acquired	-	-	-	71	71
Derecognition	-	-	-	(532)	(532)
Write-off	-	-	-	(11)	(11)
Balance - end of year	-	-	-	4,362	4,362

### 3.8 Classification of assets

#### 3.8.1 Classification of assets under the BOT's guidelines

As at 31 December 2025 and 2024, classification of financial assets is as follows:

(Unit: Thousand Baht)

As at 31 December 2025

	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)					38,670,010
Financial assets with significant increase in credit risk (Under-performing)	-	-	-	16,650,797	16,650,797
Financial assets that are credit-impaired (Non-performing)	-	-	8,698	4,620,224	4,628,922
<b>Total</b>	<b>38,670,010</b>	<b>6,929,890</b>	<b>8,698</b>	<b>229,234,437</b>	<b>274,843,035</b>

(Unit: Thousand Baht)

As at 31 December 2024					
Financial assets					
	Debt instruments measured at fair value through other comprehensive income		Debt instruments measured at amortised cost	Loans to customers and accrued interest receivables	Total
	Interbank and money market items				
Financial assets with no significant increase in credit risk (Performing)	38,091,789	4,052,603	-	206,764,698	248,909,090
Financial assets with significant increase in credit risk (Under-performing)	-	-	-	17,915,338	17,915,338
Financial assets that are credit-impaired (Non-performing)	-	22,673	8,685	4,830,298	4,861,656
<b>Total</b>	<b>38,091,789</b>	<b>4,075,276</b>	<b>8,685</b>	<b>229,510,334</b>	<b>271,686,084</b>

### 3.8.2 Credit-impaired loans to customers

The Bank has credit-impaired loans in accordance with the BOT's criteria which consist of non-performing loans to customers, excluding interbank and money market items and accrued interest receivables, as follows:

(Unit: Million Baht)		
As at 31 December		
	2025	2024
Non-performing loans to customers	4,429	4,632
Total loans to customers	227,452	227,852
Percentage of non-performing loans to customers	1.95	2.03

### 3.8.3 Loans to customers with weak financial positions and poor operating results

	Number of debtors as at 31 December		Loans to customers and accrued interest receivables as at 31 December		Collateral value as at 31 December		Allowance for expected credit loss provided in the accounts as at 31 December	
	2025	2024	2025	2024	2025	2024	2025	2024
			(Million Baht)	(Million Baht)	(Million Baht)	(Million Baht)	(Million Baht)	(Million Baht)
Listed companies that have been delisted from the SET	1	1	352	352	291	287	352	352

### 3.9 Properties foreclosed

(Unit: Thousand Baht)

For the years ended 31 December

	2025	2024
<b>Assets acquired through debt settlement</b>		
<b>Immovable assets</b>		
<u>Appraised by external appraisers</u>		
Balance - beginning of year	-	-
Additions	1,257,973	-
Balance - end of year	1,257,973	-
<b>Movable assets</b>		
Balance - beginning of year	14,126	24,955
Additions	696,673	835,970
Disposals	(695,669)	(846,799)
Balance - end of year	15,130	14,126
Total properties foreclosed	1,273,103	14,126
Less: Allowance for impairment		
Balance - beginning of year	-	36
Increase	477	377
Decrease	(477)	(413)
Balance - end of year	-	-
Total properties foreclosed - net	1,273,103	14,126

### 3.10 Investment properties

The book value of investment properties as at 31 December 2025 and 2024 is as follows:

	(Unit: Thousand Baht)	
	As at 31 December	
	2025	2024
Book value - beginning of year	50,885	26,786
Transfers from premises and equipment	-	22,842
Gain on changes in fair value	-	1,257
Book value - end of year	<u>50,885</u>	<u>50,885</u>

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

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

	As of the appraisal date	Impact on fair value from an increase in assumption value
Estimated office condominium price rate (Baht/Sq.m.)	95,931 and 143,852	Increase in fair value

The Bank has rented part of its office condominiums under operating leases with a lease term of 3 years, and has future minimum rental fee income as at 31 December 2025 and 2024 as follows:

	(Unit: Thousand Baht)	
	As at 31 December	
	2025	2024
Not over 1 year	4,481	4,481
Over 1 year but not over 3 years	1,335	5,816
Total	<u>5,816</u>	<u>10,297</u>

During the years ended 31 December 2025 and 2024, the Bank has rental income of Baht 4 million.

### 3.11 Premises and equipment

(Unit: Thousand Baht)

	Revaluation	Cost basis				Total
	basis					
	Office condominiums and building improvements	Land	Buildings and building improvements	Furniture, fixtures, computers and equipment	Motor vehicles	
<b>Cost:</b>						
As at 1 January 2024	637,514	17,509	412,566	392,303	46,361	1,506,253
Additions/transfers-in	-	-	16,211	5,513	1,219	22,943
Disposals/write-offs/ transfers-out	(22,910)	-	(3,031)	(53,286)	(576)	(79,803)
Surplus on revaluation	15,343	-	-	-	-	15,343
As at 31 December 2024	629,947	17,509	425,746	344,530	47,004	1,464,736
Additions/transfers-in	-	-	17,376	8,943	8,087	34,406
Disposals/write-offs/ transfers-out	-	-	(14,525)	(18,428)	(2,631)	(35,584)
As at 31 December 2025	629,947	17,509	428,597	335,045	52,460	1,463,558
<b>Accumulated depreciation:</b>						
As at 1 January 2024	-	-	356,602	339,712	28,596	724,910
Depreciation for the year	7,073	-	19,174	16,169	5,719	48,135
Depreciation on disposals/ write-offs/transfers-out	(68)	-	(3,024)	(52,403)	(571)	(56,066)
As at 31 December 2024	7,005	-	372,752	303,478	33,744	716,979
Depreciation for the year	7,005	-	17,590	13,958	5,364	43,917
Depreciation on disposals/ write-offs/transfers-out	-	-	(14,340)	(18,424)	(2,631)	(35,395)
As at 31 December 2025	14,010	-	376,002	299,012	36,477	725,501
<b>Net book value:</b>						
As at 31 December 2024	622,942	17,509	52,994	41,052	13,260	747,757
As at 31 December 2025	615,937	17,509	52,595	36,033	15,983	738,057
<b>Depreciation for the years ended 31 December:</b>						
2024						48,135
2025						43,917

As at 31 December 2025 and 2024, the Bank has buildings and equipment which have been fully depreciated but are still in use with the gross carrying amount, before deducting accumulated depreciation and allowance for loss on impairment, of approximately Baht 637 million and Baht 634 million, respectively.

The Bank arranged for an independent professional appraiser to appraise the value of the office condominiums in 2023, using the market approach.

Had the office condominiums been carried in the financial statements based on cost model, their net book value as at 31 December 2025 and 2024 would have been as follows:

(Unit: Thousand Baht)

	As at 31 December	
	2025	2024
Office condominiums - net of accumulated depreciation	181,811	185,723

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

	As of the appraisal date	Impact on fair value from an increase in assumption value
Estimated office condominium price rate (Baht/Sq.m.)	85,272 - 186,533	Increase in fair value

### 3.12 Right-of-use assets

Movements of right-of-use assets for the years ended 31 December 2025 and 2024 are as follows:

(Unit: Thousand Baht)

	For the years ended 31 December	
	2025	2024
Book value - beginning of year	399,750	458,450
Additions	78,462	108,882
Contract amendment	1,783	(1,900)
Contract termination	(4,979)	-
Depreciation for the year	(162,702)	(165,682)
Book value - end of year	<u>312,314</u>	<u>399,750</u>

### 3.13 Intangible assets

The book value of intangible assets - computer software as at 31 December 2025 and 2024 is presented as follows:

(Unit: Thousand Baht)

	As at 31 December	
	2025	2024
Cost	880,237	879,171
Less: Accumulated amortisation	(867,283)	(862,014)
Net book value	12,954	17,157

A reconciliation of the net book value of intangible assets for the years ended 31 December 2025 and 2024 is presented as follows:

(Unit: Thousand Baht)

	For the years ended 31 December	
	2025	2024
Book value - beginning of year	17,157	21,179
Acquisitions of computer software	1,066	1,065
Amortisation for the year	(5,269)	(5,087)
Book value - end of year	12,954	17,157

As at 31 December 2025 and 2024, the Bank has computer software which has been fully amortised but is still in use with the gross carrying amount, before deducting accumulated amortisation, of approximately Baht 854 million and Baht 853 million, respectively.

### 3.14 Other assets

(Unit: Thousand Baht)

	As at 31 December	
	2025	2024
Value added tax - net	545,437	283,073
Accrued interest receivables	4,185	7,071
Fee and service receivables	160,610	113,356
Deposits	57,116	59,396
Other receivables	524,668	233,738
Other assets	166,399	148,521
Total other assets	1,458,415	845,155

### 3.15 Deposits

#### 3.15.1 Classified by type of deposits

(Unit: Thousand Baht)

	As at 31 December	
	2025	2024
Deposits		
Current accounts	3,298,915	3,286,507
Saving accounts	28,227,618	26,922,557
Fixed accounts		
- not over 6 months	16,752,622	11,815,210
- over 6 months but not over 1 year	47,076,369	54,004,216
- over 1 year	4,572,280	8,789,082
Certificates of deposits/negotiable certificates of deposits	113,191,383	103,412,781
Total	<u>213,119,187</u>	<u>208,230,353</u>

**3.15.2** As at 31 December 2025 and 2024, all outstanding deposits are deposits from domestic depositors and are in Baht.

#### 3.16 Interbank and money market items (liabilities)

(Unit: Thousand Baht)

	As at 31 December					
	2025			2024		
	At call	Term	Total	At call	Term	Total
<u>Domestic</u>						
Bank of Thailand	-	7,667,034	7,667,034	-	8,246,354	8,246,354
Commercial banks	80,116	-	80,116	57,039	-	57,039
Specialised Financial						
Institutions	-	819,723	819,723	-	392,339	392,339
Other financial institutions	1,551,782	37,651	1,589,433	1,111,581	49,039	1,160,620
Total	<u>1,631,898</u>	<u>8,524,408</u>	<u>10,156,306</u>	<u>1,168,620</u>	<u>8,687,732</u>	<u>9,856,352</u>

#### 3.17 Debts issued and borrowings

(Unit: Thousand Baht)

	As at 31 December	
	2025	2024
<u>Domestic borrowings</u>		
Subordinated unsecured debentures	2,900,000	2,640,000
Unsubordinated unsecured debentures	-	100,000
Bills of exchange	18,768	36,122
Total	<u>2,918,768</u>	<u>2,776,122</u>

### 3.17.1 Subordinated unsecured debentures

As at 31 December 2025 and 2024, the Bank has long-term subordinated unsecured debentures with an early redemption right in accordance with the BOT's regulations as follows:

Issued year	Units		Face value (Baht per unit)	Balance		Maturity in the year	Interest rate
	as at 31 December			as at 31 December			
	2025	2024		2025	2024		
	(Million units)	(Million units)		(Million Baht)	(Million Baht)		
2020	-	1.25	1,000	-	1,250	2030	3.50 percent per annum
2020	-	0.69	1,000	-	690	2030	3.15 percent per annum
2021	0.70	0.70	1,000	700	700	2031	3.25 percent per annum
2025	1.00	-	1,000	1,000	-	2035	3.25 percent per annum
2025	1.20	-	1,000	1,200	-	2035	3.15 percent per annum
Total				2,900	2,640		

### 3.17.2 Unsubordinated unsecured debentures

As at 31 December 2025 and 2024, the Bank has short-term unsubordinated unsecured debentures as follows:

Issued year	Type of debentures	Units		Face value (Baht per unit)	Balance		Maturity in the year	Interest rate
		as at 31 December			as at 31 December			
		2025	2024		2025	2024		
		(Million units)	(Million units)		(Million Baht)	(Million Baht)		
2024	Short-term debenture	-	0.10	1,000	-	100	2025	2.50 percent per annum
Total					-	100		

### 3.17.3 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.

### 3.18 Lease liabilities

(Unit: Thousand Baht)

	As at 31 December	
	2025	2024
Balance - beginning of year	433,240	495,404
Increase during the year	81,596	115,060
Contract amendment	2,416	(2,496)
Paid during the year	(172,742)	(174,728)
Terminated during the year	(5,553)	-
Balance - end of year	338,957	433,240
Less: Deferred interest expenses	(23,530)	(31,860)
Lease liabilities - net	315,427	401,380
Current portion	(119,644)	(140,300)
Lease liabilities - net of current portion	195,783	261,080

The Bank had total cash outflows on leases during the years ended 31 December 2025 and 2024 of Baht 180 million and Baht 182 million, respectively.

Expenses relating to leases that are recognised in profit or loss for the years ended 31 December 2025 and 2024 are as follows:

(Unit: Million Baht)

	For the years ended 31 December	
	2025	2024
Depreciation expenses of right-of-use assets	163	166
Interest expenses on lease liabilities	10	13
Expenses relating to variable lease payments	7	7
Total	180	186

### 3.19 Provisions

(Unit: Thousand Baht)

	As at 31 December	
	2025	2024
Allowance for expected credit loss on loan commitments and financial guarantees	36,224	62,215
Provision for employee benefits	1,307,392	1,132,438
Other provisions	-	42,453
Total provisions	1,343,616	1,237,106

### 3.19.1 Allowance for expected credit loss on loan commitments and financial guarantees

As at 31 December 2025 and 2024, allowance for expected credit loss on loan commitments and financial guarantees by classification is as follows:

(Unit: Thousand Baht)

	As at 31 December			
	2025		2024	
	Loan commitments and financial guarantees	Allowance for expected credit loss	Loan commitments and financial guarantees	Allowance for expected credit loss
Financial assets with no significant increase in credit risk (Performing)	7,269,324	36,149	8,562,419	62,054
Financial assets with significant increase in credit risk (Under-performing)	1,715	57	2,442	61
Financial assets that are credit-impaired (Non-performing)	34	18	268	100
<b>Total</b>	<b>7,271,073</b>	<b>36,224</b>	<b>8,565,129</b>	<b>62,215</b>

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

(Unit: Thousand Baht)

	For the year ended 31 December 2025			
	Financial assets with no significant increase in credit risk	Financial assets with significant increase in credit risk	Financial assets that are credit-impaired	Total
Balance - beginning of year	62,054	61	100	62,215
Changes from revaluation of allowance for credit loss/new financial assets/derecognition	(25,905)	(4)	(82)	(25,991)
<b>Balance - end of year</b>	<b>36,149</b>	<b>57</b>	<b>18</b>	<b>36,224</b>

(Unit: Thousand Baht)

	For the year ended 31 December 2024			
	Financial assets with no significant increase in credit risk	Financial assets with significant increase in credit risk	Financial assets that are credit-impaired	Total
Balance - beginning of year	25,278	93	-	25,371
Changes from revaluation of allowance for credit loss/new financial assets/derecognition	36,776	(32)	100	36,844
<b>Balance - end of year</b>	<b>62,054</b>	<b>61</b>	<b>100</b>	<b>62,215</b>

### 3.19.2 Provision for employee benefits

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

(Unit: Thousand Baht)

	For the years ended 31 December	
	2025	2024
Defined post-employment benefit obligation at beginning of year	875,898	743,975
Current service cost	60,922	51,530
Interest cost	18,772	21,326
Past service cost	-	15,253
Benefits paid during the year	(40,638)	(29,519)
Included in other comprehensive income:		
Actuarial (gain) loss arising from		
Demographic assumptions changes	62,222	59,815
Financial assumptions changes	(32,717)	(42,105)
Other assumptions changes	61,433	55,623
Defined post-employment benefit obligation at end of year	1,005,892	875,898
Other long-term benefits	301,500	256,540
Total provision for employee benefits at end of year	1,307,392	1,132,438

Long-term employee benefit expenses included in profit or loss for the years ended 31 December 2025 and 2024 are as follows:

(Unit: Thousand Baht)

	For the years ended 31 December	
	2025	2024
Current service cost	82,154	69,959
Interest cost	23,517	27,031
Past service cost	-	15,253
Actuarial loss	37,296	35,713
Total employee benefit expenses	142,967	147,956

As at 31 December 2025 and 2024, the Bank expects to pay long-term employee benefits during the next year of Baht 102 million and Baht 83 million, respectively.

As at 31 December 2025 and 2024, the weighted average duration of the liabilities for long-term employee benefits are 13 and 14 years, respectively.

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

(Unit: Percent per annum)

	As at 31 December	
	2025	2024
	Discount rate	1.00 - 2.67
Average salary increase rate	5.00	5.00
Turnover rate	0.56 - 6.95	0.72 - 7.08

The results of sensitivity analysis for significant assumptions that affect the increase (decrease) in the present value of the employee benefit obligation as at 31 December 2025 and 2024 are summarised below.

(Unit: Thousand Baht)

	As at 31 December			
	2025		2024	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
Discount rate	(26,375)	27,429	(23,321)	24,267
Average salary increase rate	26,078	(25,218)	23,284	(22,501)
Turnover rate	(2,874)	2,874	(2,593)	2,593

### 3.20 Other liabilities

(Unit: Thousand Baht)

	As at 31 December	
	2025	2024
Withholding income tax and other tax payables	257,573	340,481
Accrued insurance premium	284,191	166,109
Deferred income	1,333,442	1,458,457
Accrued expenses	2,149,807	2,140,051
Suspense creditors	571,514	587,113
Other liabilities	482,034	508,876
<b>Total other liabilities</b>	<b>5,078,561</b>	<b>5,201,087</b>

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 parent company's share price, paid to employees whose performance impacts the Bank's operating results, as an incentive to work effectively and to build loyalty to the Bank. This vested bonus is continuously set aside for payment five years later. It is paid in cash and partly determined based on the average daily price of the parent company's shares over the period of five years from grant date to settlement date. As of 31 December 2025 and 2024, the Bank has accrued bonus under this scheme amounting to Baht 75 million and Baht 100 million, respectively, and recognised expenses in profit or loss during the years ended 31 December 2025 and 2024 amounting to Baht 42 million and Baht 43 million, respectively.

As at 31 December 2025, the above other liabilities include advances received from Electronic Funds Transfer transactions amounting to Baht 10,000 (31 December 2024: no outstanding balance). In addition, the Bank maintained assets amounting to Baht 11 million and Baht 10 million to reserve for advances received through such transactions, presented under interbank and money market items (assets) in the statement of financial position as at 31 December 2025 and 2024, respectively.

### **3.21 Preference shares converted to ordinary shares**

Up to 31 December 2025 and 2024, preference shares have been converted into ordinary shares totalling 627,952,146 shares.

As at 31 December 2025 and 2024, there are preference shares which are convertible to ordinary shares totalling 104 shares.

### **3.22 Capital funds**

The primary objectives of the Bank'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 Bank maintains capital adequacy ratio in compliance with Basel III principles by implementing capital to risk assets requirement based on Internal Ratings-Based Approach (IRB) for hire purchase receivables, loan against auto license receivables, corporate lending and SME business loans that are qualified to the specified requirements, and for equity exposure and other assets. For such loans that are not qualified to the requirements and other loans, the Standardized Approach (SA) is implemented to maintain capital adequacy ratio.

Regarding Capital funds as at 31 December 2025 and 2024, the Bank has allocated the additional reserve from loan classification as part of regulatory capital funds. Such reserve has been allocated to Tier 1 capital and Tier 2 capital based on method under the BOT's regulations.

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

	(Unit: Thousand Baht)	
	As at 31 December	
	2025	2024
<b><u>Common Equity Tier I capital</u></b>		
Issued and fully paid-up share capital	9,215,676	9,215,676
Premium on share capital	2,543,024	2,543,024
Statutory reserve	984,000	984,000
Net profits after appropriation	22,594,350	22,649,873
Other components of equity	307,534	304,257
Less: Deductions from Common Equity Tier I items	(270,549)	(360,082)
<b>Total Common Equity Tier I capital</b>	<b>35,374,035</b>	<b>35,336,748</b>
<b><u>Financial Instrument Tier I capital</u></b>		
Issued and fully paid-up share capital - non-cumulative preference shares	1	1
<b>Total Tier I capital</b>	<b>35,374,036</b>	<b>35,336,749</b>
<b><u>Tier II capital</u></b>		
Long-term subordinated debentures	2,900,000	2,640,000
Surplus of provision	857,130	439,756
Reserve for loans classified as normal	270,982	291,898
<b>Total Tier II capital</b>	<b>4,028,112</b>	<b>3,371,654</b>
<b>Total capital funds</b>	<b>39,402,148</b>	<b>38,708,403</b>

	(Unit: Percent)			
	As at 31 December			
	2025		2024	
Capital fund ratios	The Bank	Requirement	The Bank	Requirement
Common Equity Tier I capital to risk assets	18.43	7.00	18.70	7.00
Tier I capital to risk assets	18.43	8.50	18.70	8.50
Total capital to risk assets	20.53	11.00	20.48	11.00

In accordance with the Notification of the BOT No. Sor Nor Sor. 14/2562 regarding “Public Disclosure of Capital maintenance for Commercial Banks (No. 2)”, the Bank is required to disclose the capital maintenance information as follows:

Location of disclosure	The Bank’s website at <a href="http://www.tisco.co.th">www.tisco.co.th</a>
Date of disclosure	Within 4 months from the period end date of the financial statements

Information as at 31 December 2025

### 3.23 Other components of equity

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

	(Unit: Thousand Baht)	
	For the years ended 31 December	
	2025	2024
Balance - beginning of year	9,134	(1,792)
Increase from changes in value of investments during the year	6,425	10,926
	15,559	9,134
Less: Effect of deferred tax liabilities	(3,112)	(1,827)
Balance - end of year	<u>12,447</u>	<u>7,307</u>

#### 3.23.2 Surplus on revaluation of assets

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

	(Unit: Thousand Baht)	
	For the years ended 31 December	
	2025	2024
Balance - beginning of year	437,288	425,087
Revaluation	-	15,343
Transfer to retained earnings	(3,093)	(3,142)
	434,195	437,288
Less: Effect of deferred tax liabilities	(86,839)	(87,457)
Balance - end of year	<u>347,356</u>	<u>349,831</u>

### 3.24 Interest income

Interest income in the statements of comprehensive income for the years ended 31 December 2025 and 2024 consisted of the following:

(Unit: Thousand Baht)

	For the years ended 31 December	
	2025	2024
Interbank and money market items	574,036	889,739
Investments in debt instruments	132,184	82,781
Loans to customers	10,849,573	11,244,336
Hire purchase receivables	5,123,725	5,382,626
Total interest income	<u>16,679,518</u>	<u>17,599,482</u>

Interest income for the years ended 31 December 2025 and 2024 included interest income on credit-impaired financial assets amounting to Baht 328 million and Baht 404 million, respectively. The Bank fully recognised expected credit loss on such interest income.

### 3.25 Interest expenses

Interest expenses in the statements of comprehensive income for the years ended 31 December 2025 and 2024 consisted of the following:

(Unit: Thousand Baht)

	For the years ended 31 December	
	2025	2024
Deposits	3,555,321	4,153,106
Interbank and money market items	4,365	3,572
Contribution fee to the Deposit Protection Agency and the Bank of Thailand	984,003	981,012
Issued debt securities		
- Subordinated debentures	93,464	99,392
- Unsubordinated debentures	199	7,137
Borrowings	850	905
Others	10,431	13,209
Total interest expenses	<u>4,648,633</u>	<u>5,258,333</u>

### 3.26 Net fee and service income

Net fee and service income in the statements of comprehensive income for the years ended 31 December 2025 and 2024 consisted of the following:

(Unit: Thousand Baht)

	For the years ended 31 December	
	2025	2024
Fee and service income		
- Acceptance, aval and guarantees	23,535	24,789
- Insurance service	1,211,418	1,062,932
- Others	568,483	466,841
Total fee and service income	1,803,436	1,554,562
Fee and service expenses	(96,566)	(88,779)
Net fee and service income	1,706,870	1,465,783

### 3.27 Net gain on financial instruments measured at fair value through profit or loss

Net gain on financial instruments measured at fair value through profit or loss in the statements of comprehensive income for the years ended 31 December 2025 and 2024 consisted of the following:

(Unit: Thousand Baht)

	For the years ended 31 December	
	2025	2024
Gain (loss) on trading and foreign exchange transactions		
- Foreign currencies and derivatives on foreign exchange	(71,598)	(78,330)
- Debt instruments	32,200	28,489
- Equity instruments	150,646	248,041
Net gain on financial instruments measured at fair value through profit or loss	111,248	198,200

### 3.28 Net gain on investments

Net gain on investments in the statements of comprehensive income for the years ended 31 December 2025 and 2024 consisted of the following:

	(Unit: Thousand Baht)	
	For the years ended 31 December	
	2025	2024
Gain on derecognition		
- Debt instruments measured at fair value through other comprehensive income	6,340	304
- Debt instruments measured at amortised cost	663	2,290
Net gain on investments	<u>7,003</u>	<u>2,594</u>

### 3.29 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 years ended 31 December 2025 and 2024 consisted of the following:

	(Unit: Thousand Baht)	
	For the years ended 31 December	
	2025	2024
Expected credit loss		
- Interbank and money market items (reversal)	(242)	(682)
- Investments in debt instruments measured at amortised cost (reversal)	13	(39)
- Investments in debt instruments measured at fair value through other comprehensive income and accrued interest receivables (reversal)	-	(7,286)
- Loans to customers <sup>(1)</sup>	1,697,550	786,561
- Other receivables	574	332
Gain from the modification of terms		
- Loans to customers	(23,684)	(3,601)
Loan commitments and financial guarantees (reversal)	(25,991)	36,844
Total	<u>1,648,220</u>	<u>812,129</u>

(1) Net of bad debt recovery

### 3.30 Income tax expenses

Income tax expenses for the years ended 31 December 2025 and 2024 are as follows:

	(Unit: Thousand Baht)	
	For the years ended 31 December	
	2025	2024
Current income tax:		
Income tax expenses for the year	853,715	1,041,876
Deferred tax:		
Deferred tax on temporary differences and reversion of temporary differences	85,330	12,583
Income tax expenses reported in the statement of comprehensive income	<u>939,045</u>	<u>1,054,459</u>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2025 and 2024 are as follows:

	(Unit: Thousand Baht)	
	For the years ended 31 December	
	2025	2024
Gain on valuation of investments in debt instruments measured at fair value through other comprehensive income	(1,285)	(2,185)
Changes in surplus on revaluation of assets	-	(3,069)
Actuarial loss	18,188	14,667
Income tax expenses recorded directly to other comprehensive income	<u>16,903</u>	<u>9,413</u>

A reconciliation between income tax expenses and the product of accounting profit multiplied by the applicable tax rate for the years ended 31 December 2025 and 2024 is as follows:

	(Unit: Thousand Baht)	
	For the years ended 31 December	
	2025	2024
Accounting profit before tax	4,713,444	5,283,776
Applicable tax rate	20%	20%
Accounting profit before tax multiplied by applicable tax rate	942,689	1,056,755
Tax effect of net tax-exempt income, net disallowed expenses and additional expense deductions allowed	(3,644)	(2,296)
Income tax expenses reported in the statement of comprehensive income	939,045	1,054,459
Weighted average tax rate	19.92%	19.96%

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

	(Unit: Thousand Baht)			
	As at 31 December		Changes in deferred tax assets/liabilities reported in profit or loss for the years ended 31 December	
	2025	2024	2025	2024
Allowance for expected credit loss	13,969	19,099	(5,130)	5,833
Allowance for impairment of investments	1,469	1,469	-	(1,120)
Allowance for impairment of properties foreclosed	-	-	-	(7)
Non-accrual of interest income	2,833	2,834	(1)	(52)
Depreciation of assets	(11,628)	(11,021)	(607)	(172)
Gain on changes in fair value of investment properties	(78)	(78)	-	(251)
Surplus on revaluation of assets	(86,839)	(87,457)	-	-
Surplus on changes in value of investments	(3,112)	(1,827)	-	-
Gain on changes in value of investments	(240,162)	(210,033)	(30,129)	(49,609)
Deferred commission and direct expenses incurred at the initiation of hire purchase	(1,124)	(8,287)	7,163	20,806
Loss on disposal of properties foreclosed	15,536	28,987	(13,451)	1,068
Accrued expenses	178,552	214,487	(35,935)	(42,772)
Employee benefit expenses	261,478	226,487	16,803	20,691
Others	125,329	149,372	(24,043)	33,002
<b>Deferred tax assets</b>	<b>256,223</b>	<b>324,032</b>	<b>(85,330)</b>	<b>(12,583)</b>

### 3.31 Earnings per share

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

	For the years ended 31 December	
	2025	2024
Profit attributable to equity holders of the Bank (Thousand Baht)	3,774,399	4,229,317
Weighted average number of shares (Thousand shares)	921,568	921,568
Basic earnings per share (Baht/share)	4.10	4.59

### 3.32 Related party transactions

The relationships between the Bank and its related parties

Name of related parties	Relationship
TISCO Financial Group Plc.	Parent company
TISCO Securities Co., Ltd.	Common shareholders
TISCO Asset Management Co., Ltd.	Common shareholders
Hi-Way Co., Ltd.	Common shareholders
TISCO Insurance Solution Co., Ltd.	Common shareholders
TISCO Information Technology Co., Ltd.	Common shareholders
TISCO Learning Center Co., Ltd.	Common shareholders
All-Ways Co., Ltd.	Common shareholders
Primus Leasing Co., Ltd. (In the process of liquidation)	Common shareholders
TISCO Tokyo Leasing Co., Ltd.	Common shareholders

As at 31 December 2025 and 2024, the balances of accounts between the Bank and its related companies are as follows:

(Unit: Thousand Baht)

	As at 31 December	
	2025	2024
<b><u>Outstanding balances</u></b>		
<b>Parent company</b>		
TISCO Financial Group Plc.		
Loans to customers	1,590,000	4,240,000
Deposits	70,565	36,536
Lease liabilities	45,013	55,089
Accrued interest payable	6	1
Dividend payable	1,566,474	2,156,205
Other liabilities	141,375	141,708
<b>Related companies</b>		
Interbank and money market item (assets)		
TISCO Asset Management Co., Ltd.	-	25,000
Other assets		
TISCO Securities Co., Ltd.	117	130
TISCO Asset Management Co., Ltd.	7,887	3,494
Hi-Way Co., Ltd.	1,796	1,056
TISCO Insurance Solution Co., Ltd.	11,174	11,199
Deposits		
Hi-Way Co., Ltd.	169,710	162,055
TISCO Insurance Solution Co., Ltd.	544,861	531,753
TISCO Information Technology Co., Ltd.	583,808	556,453
TISCO Learning Center Co., Ltd.	67,344	73,380
All-Ways Co., Ltd.	326,695	300,413
Primus Leasing Co., Ltd.	32,896	32,897
TISCO Tokyo Leasing Co., Ltd.	730	2,516
Interbank and money market items (liabilities)		
TISCO Securities Co., Ltd.	175,181	306,646
TISCO Asset Management Co., Ltd.	106,018	90,091
Lease liabilities		
TISCO Securities Co., Ltd.	1,279	66
Hi-Way Co., Ltd.	-	610

(Unit: Thousand Baht)

	As at 31 December	
	2025	2024
<b>Related companies (continued)</b>		
Accrued interest payable		
TISCO Securities Co., Ltd.	5	17
TISCO Asset Management Co., Ltd.	3	4
Hi-Way Co., Ltd.	7	5
TISCO Insurance Solution Co., Ltd.	13	11
TISCO Information Technology Co., Ltd.	38	27
TISCO Learning Center Co., Ltd.	3	4
All-Ways Co., Ltd.	26	91
Other liabilities		
Hi-Way Co., Ltd.	329,719	386,400
TISCO Insurance Solution Co., Ltd.	9,752	24,737
TISCO Learning Center Co., Ltd.	130	1,052
All-Ways Co., Ltd.	746	8,066
<b>Management - departmental managers upward</b>		
Loans <sup>(1)</sup>	13,327	13,607
<b>Directors and management - departmental managers upward</b>		
Deposits	284,400	302,421
<b>Companies which directors or their related persons have significant influence over</b>		
Loans	3,217	-
Deposits	1,739,589	63,086
<b>Related persons of directors and key management</b>		
Loans	824	1,045
Deposits	73,586	65,886
<b>Commitments - guarantees</b>		
<b>Parent company</b>		
TISCO Financial Group Plc.	1,040	1,040
<b>Related companies</b>		
TISCO Securities Co., Ltd.	540	540
TISCO Asset Management Co., Ltd.	440	440
TISCO Insurance Solution Co., Ltd.	200	200
TISCO Information Technology Co., Ltd.	1,014	1,014
<b>Commitments - undrawn overdraft facilities</b>		
<b>Related companies</b>		
TISCO Securities Co., Ltd.	30,000	30,000
TISCO Asset Management Co., Ltd.	200,000	200,000

(1) Including employee welfare loans and normal loans.

(Unit: Thousand Baht)

As at 31 December

	2025	2024
<b>Commitments - loan credit lines <sup>(2)</sup></b>		
<b>Parent company</b>		
TISCO Financial Group Plc.	9,500,000	9,500,000
<b>Related companies</b>		
TISCO Securities Co., Ltd. <sup>(3)</sup>	5,000,000	5,000,000
TISCO Asset Management Co., Ltd. <sup>(3)</sup>	500,000	500,000
Hi-Way Co., Ltd.	3,500,000	3,500,000
TISCO Insurance Solution Co., Ltd.	500,000	500,000
TISCO Information Technology Co., Ltd.	50,000	50,000
All-Ways Co., Ltd.	1,000,000	1,000,000
TISCO Tokyo Leasing Co., Ltd.	500,000	500,000
<b>Commitments - financial guarantees</b>		
TISCO Tokyo Leasing Co., Ltd.	-	8,000

(2) Total loan balances for all credit lines granted to all companies in TISCO Group must not exceed Baht 9,500 million.

(3) Credit line for subordinated loan

### Loans to related companies

As at 31 December 2025 and 2024, the balances of loans between the Bank and its related companies and their movements are as follows:

(Unit: Thousand Baht)

	For the year ended 31 December 2025			Balance - end of year
	Balance - beginning of year	Increase	Decrease	
<b>Parent company</b>				
Loans				
TISCO Financial Group Plc.	4,240,000	106,490,000	(109,140,000)	1,590,000
<b>Related companies</b>				
Interbank and money market items (Assets)				
TISCO Asset Management Co., Ltd.	25,000	-	(25,000)	-

(Unit: Thousand Baht)

For the year ended 31 December 2024

	For the year ended 31 December 2024			Balance - end of year
	Balance - beginning of year	Increase	Decrease	
<b>Parent company</b>				
Loans				
TISCO Financial Group Plc.	-	66,160,000	(61,920,000)	4,240,000
<b>Related companies</b>				
Interbank and money market items (Assets)				
TISCO Asset Management Co., Ltd.	135,000	25,000	(135,000)	25,000

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

(Unit: Thousand Baht)

	For the years ended 31 December		Terms and pricing policies
	2025	2024	
<b><u>Transactions occurred during the years</u></b>			
<b>Parent company</b>			
Interest income	69,454	81,685	With reference to the terms and prices as offered to other customers
Other income	3,086	2,297	With reference to the terms and prices as offered to other customers
Risk and financial management fee expenses, human resources management fee expenses and office administration fee expenses	1,690,000	1,700,000	Determined on actual costs in compliance with the criteria specified by the BOT
Interest expenses	2,032	2,292	With reference to the terms and prices as offered to other customers
Other expenses	11,967	11,323	With reference to the terms and prices as offered to other customers

(Unit: Thousand Baht)

	For the years ended 31 December		Terms and pricing policies
	2025	2024	
<b><u>Transactions occurred during the years (continued)</u></b>			
<b>Related companies</b>			
Interest income	4	210	With reference to the terms and prices as offered to other customers
Insurance service income	51,653	49,098	With reference to the terms and prices as offered to other customers
Other income	138,291	51,416	With reference to the terms and prices as offered to other customers
Expenses involving loans	1,320,288	1,416,471	Determined on actual costs
Computer system advisory service expenses	683,000	692,000	Determined on actual costs in compliance with the criteria specified by the BOT
Training expenses	19,391	27,403	With reference to the prices as offered from other service providers
Interest expenses	11,707	16,748	With reference to the terms and prices as offered to other customers
Other expenses	39,984	37,984	With reference to the terms and prices as offered to other customers

#### Directors' and key management's benefits

During the years ended 31 December 2025 and 2024, the Bank had short-term benefit expenses and post-employment benefit expenses to its directors and key management as follows:

	For the years ended 31 December	
	2025	2024
Short-term benefits	228	219
Post-employment benefits	22	21
Total	250	240

The Bank has other employee benefit expenses to its directors and key management recognised in profit or loss during the years ended 31 December 2025 and 2024 amounting to Baht 14 million and Baht 17 million, respectively.

### **3.33 Segment information**

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

For management purposes, the Bank is organised into business units based on its products and services and has the following three reportable segments:

1. Retail banking business: Provision of credit facilities to retail customers, who are mostly individuals, principally comprised of consumer credit.
2. Corporate banking business: Provision of financial services, in the form of loans and related services, to medium and large corporate clients for commercial purposes and related services.
3. Treasury investment and other businesses: Responsible for asset and liability management activities of the Bank and other businesses.

No operating segments have been aggregated from the above reportable operating segment.

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

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

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

During the years ended 31 December 2025 and 2024, the Bank did not have income from any customers amounting to or over 10 percent of its income.

Revenue and profit information regarding the Bank's operating segments for the years ended 31 December 2025 and 2024 is as follows:

(Unit: Million Baht)

	For the year ended 31 December 2025					
	Retail banking	Corporate banking	Treasury investment and others	Total segments	Eliminations	Financial statements
<b>Revenue:</b>						
External customers	10,650	2,663	1,005	14,318	-	14,318
Inter-segment	-	-	2,608	2,608	(2,608)	-
<b>Total revenue</b>	<b>10,650</b>	<b>2,663</b>	<b>3,613</b>	<b>16,926</b>	<b>(2,608)</b>	<b>14,318</b>
<b>Operating results:</b>						
Net interest income	8,835	2,470	726	12,031	-	12,031
Net fee and service income	1,521	211	(25)	1,707	-	1,707
Other operating income	294	(18)	2,912	3,188	(2,608)	580
<b>Total operating income</b>	<b>10,650</b>	<b>2,663</b>	<b>3,613</b>	<b>16,926</b>	<b>(2,608)</b>	<b>14,318</b>
Premises and equipment expenses and amortisation	(227)	(41)	(915)	(1,183)	-	(1,183)
Other operating expenses	(6,634)	(1,023)	(1,725)	(9,382)	2,608	(6,774)
Expected credit loss	(1,931)	56	227	(1,648)	-	(1,648)
<b>Total operating expenses</b>	<b>(8,792)</b>	<b>(1,008)</b>	<b>(2,413)</b>	<b>(12,213)</b>	<b>2,608</b>	<b>(9,605)</b>
<b>Segment profit before income tax expenses</b>	<b>1,858</b>	<b>1,655</b>	<b>1,200</b>	<b>4,713</b>	<b>-</b>	<b>4,713</b>
Income tax expenses						(939)
<b>Profit for the year</b>						<b>3,774</b>

(Unit: Million Baht)

For the year ended 31 December 2024

	Retail banking	Corporate banking	Treasury investment and others	Total segments	Eliminations	Financial statements
<b>Revenue:</b>						
External customers	10,516	2,427	1,312	14,255	-	14,255
Inter-segment	-	-	2,639	2,639	(2,639)	-
<b>Total revenue</b>	<b>10,516</b>	<b>2,427</b>	<b>3,951</b>	<b>16,894</b>	<b>(2,639)</b>	<b>14,255</b>
<b>Operating results:</b>						
Net interest income	9,020	2,321	1,000	12,341	-	12,341
Net fee and service income	1,327	163	(24)	1,466	-	1,466
Other operating income	169	(57)	2,975	3,087	(2,639)	448
<b>Total operating income</b>	<b>10,516</b>	<b>2,427</b>	<b>3,951</b>	<b>16,894</b>	<b>(2,639)</b>	<b>14,255</b>
Premises and equipment expenses and amortisation	(232)	(41)	(937)	(1,210)	-	(1,210)
Other operating expenses	(6,869)	(988)	(1,732)	(9,589)	2,639	(6,950)
Expected credit loss	(3,021)	183	2,026	(812)	-	(812)
<b>Total operating expenses</b>	<b>(10,122)</b>	<b>(846)</b>	<b>(643)</b>	<b>(11,611)</b>	<b>2,639</b>	<b>(8,972)</b>
<b>Segment profit before income tax expenses</b>	<b>394</b>	<b>1,581</b>	<b>3,308</b>	<b>5,283</b>	<b>-</b>	<b>5,283</b>
Income tax expenses						(1,054)
<b>Profit for the year</b>						<b>4,229</b>

Total assets information regarding the Bank's operating segments as at 31 December 2025 and 2024 is as follows:

(Unit: Million Baht)

	As at 31 December 2025			Total segments
	Retail	Corporate	Treasury	
	banking	banking	investment and others	
<b>Segment total assets</b>	158,704	60,220	54,284	273,208
Premises and equipment - net	11	2	725	738

(Unit: Million Baht)

	As at 31 December 2024			Total segments
	Retail	Corporate	Treasury	
	banking	banking	investment and others	
<b>Segment total assets</b>	157,036	60,561	51,265	268,862
Premises and equipment - net	13	2	733	748

### 3.34 Provident fund

The Bank and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The Bank and the employees contribute to the fund monthly at the rates of 5 to 15 percent of the employees' salaries, in accordance with the rules prescribed in the fund's articles. The fund, which is managed by TISCO Asset Management Co., Ltd, will be paid to the employees upon termination in accordance with the fund rules. During the years ended 31 December 2025 and 2024, the Bank recognised contributions as expenses totalling Baht 196 million and Baht 192 million, respectively.

### 3.35 Commitments and contingent liabilities

#### 3.35.1 Avals, guarantees and commitments

(Unit: Thousand Baht)

	As at 31 December	
	2025	2024
Avals to bills	-	364,740
Other guarantees	1,850,916	2,846,525
Undrawn client overdraft facilities	255,000	255,000
Foreign exchange contracts (Note 3.36.4)	2,844,942	2,771,366
Others	7,016,073	7,937,389
Total	11,966,931	14,175,020

#### 3.35.2 Litigation

As at 31 December 2025 and 2024, the Bank has been sued for compensation totalling approximately Baht 113 million and Baht 190 million, respectively. Final judgements have not yet been reached in respect of these cases. The management of the Bank believes that no material loss will be incurred as a result of the mentioned lawsuits. The management has exercised judgements in assessing the possible loss to the Bank and recorded the amount under “Provisions” as presented in Note 3.19 to the financial statements.

#### 3.35.3 Other commitments

The Bank has commitments in relation to computer service agreements with a related party and other companies, whereby it is to pay both fixed fees and service fees which vary according to the quantity and type of services, as stipulated in the agreements.

### 3.36 Risk management

#### 3.36.1 Credit risk

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

## **Credit Risk Management Framework**

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

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

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

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

## The maximum exposure to credit risk

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

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

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

As at 31 December 2025 and 2024, the exposure to credit risk is as follows:

(Unit: Million Baht)

	As at 31 December	
	2025	2024
Interbank and money market items (Assets)	38,670	38,092
Investments in debt instruments measured at fair value through other comprehensive income	6,930	4,075
Investments in debt instruments measured at amortised cost	9	9
Loans to customers and accrued interest receivables	229,234	229,510
Other assets - accrued interest receivables on investments	4	7
Other assets - fee and service receivables	161	113
Other assets - other receivables	530	238
Total financial assets	275,538	272,044
Loan commitments	7,271	8,565
Total credit risk exposure	282,809	280,609

## Collateral and any operations to increase creditability

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

(Unit: Million Baht)

	Exposure to risk with collateral as at 31 December		Type of collateral
	2025	2024	
Interbank and money market items	37,008	36,214	Bonds
Loans to customers and accrued interest receivables	225,842	223,363	Motor vehicles, land and buildings, deposits, securities

## Credit quality analysis

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

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

(Unit: Million Baht)

	As at 31 December 2025				Total
	Financial assets with no significant increase in credit risk	Financial assets with significant increase in credit risk	Financial assets that are credit-impaired	Financial assets applying a simplified approach	
<b>Interbank and money market items</b>					
<b>(Assets)</b>					
Investment grade	38,670	-	-	-	38,670
Non-investment grade	-	-	-	-	-
Total	38,670	-	-	-	38,670
Allowance for expected credit loss	1	-	-	-	1
<b>Investments in debt instruments</b>					
<b>measured at fair value through other comprehensive income</b>					
Investment grade	6,904	-	-	-	6,904
Non-investment grade	26	-	-	-	26
Total	6,930	-	-	-	6,930
Allowance for expected credit loss	20	-	1	-	21
<b>Investments in debt instruments</b>					
<b>measured at amortised cost</b>					
Investment grade	-	-	-	-	-
Non-investment grade	-	-	9	-	9
Total	-	-	9	-	9
Allowance for expected credit loss	-	-	9	-	9

(Unit: Million Baht)

As at 31 December 2025

	Financial assets with no significant increase in credit risk	Financial assets with significant increase in credit risk	Financial assets that are credit-impaired	Financial assets applying a simplified approach	Total
<b>Loans to customers and accrued interest receivables</b>					
0 day overdue	197,647	3,088	353	-	201,088
1 - 30 days overdue	10,316	2,328	272	-	12,916
31 - 60 days overdue	-	7,933	271	-	8,204
61 - 90 days overdue	-	3,302	226	-	3,528
Over 90 days overdue	-	-	3,498	-	3,498
Total	207,963	16,651	4,620	-	229,234
Allowance for expected credit loss	3,290	2,718	2,074	-	8,082
<b>Other assets - accrued interest receivables on investments</b>					
Investment grade	4	-	-	-	4
Non-investment grade	-	-	-	-	-
Total	4	-	-	-	4
Allowance for expected credit loss	-	-	-	-	-
<b>Other assets - fee and service receivables</b>					
0 day overdue	-	-	-	161	161
1 - 30 days overdue	-	-	-	-	-
Total	-	-	-	161	161
Allowance for expected credit loss	-	-	-	-	-
<b>Other assets - other receivables</b>					
0 day overdue	-	-	-	523	523
1 - 30 days overdue	-	-	-	1	1
31 - 90 days overdue	-	-	-	-	-
91 - 180 days overdue	-	-	-	1	1
Over 180 days overdue	-	-	-	5	5
Total	-	-	-	530	530
Allowance for expected credit loss	-	-	-	5	5
<b>Commitments</b>					
Loan commitments and financial guarantees	7,269	2	-	-	7,271
Total	7,269	2	-	-	7,271
Allowance for expected credit loss	36	-	-	-	36

(Unit: Million Baht)

As at 31 December 2024

	Financial assets with no significant increase in credit risk	Financial assets with significant increase in credit risk	Financial assets that are credit-impaired	Financial assets applying a simplified approach	Total
<b>Interbank and money market items</b>					
<b>(Assets)</b>					
Investment grade	38,092	-	-	-	38,092
Non-investment grade	-	-	-	-	-
Total	38,092	-	-	-	38,092
Allowance for expected credit loss	1	-	-	-	1
<b>Investments in debt instruments</b>					
<b>measured at fair value through</b>					
<b>other comprehensive income</b>					
Investment grade	4,052	-	-	-	4,052
Non-investment grade	-	-	23	-	23
Total	4,052	-	23	-	4,075
Allowance for expected credit loss	-	-	21	-	21
<b>Investments in debt instruments</b>					
<b>measured at amortised cost</b>					
Investment grade	-	-	-	-	-
Non-investment grade	-	-	9	-	9
Total	-	-	9	-	9
Allowance for expected credit loss	-	-	9	-	9
<b>Loans to customers and accrued</b>					
<b>interest receivables</b>					
0 day overdue	195,554	1,565	229	-	197,348
1 - 30 days overdue	11,211	2,477	139	-	13,827
31 - 60 days overdue	-	9,739	170	-	9,909
61 - 90 days overdue	-	4,134	187	-	4,321
Over 90 days overdue	-	-	4,105	-	4,105
Total	206,765	17,915	4,830	-	229,510
Allowance for expected credit loss	3,176	2,557	1,732	-	7,465

(Unit: Million Baht)

As at 31 December 2024

	Financial assets with no significant increase in credit risk	Financial assets with significant increase in credit risk	Financial assets that are credit-impaired	Financial assets applying a simplified approach	Total
<b>Other assets - accrued interest receivables on investments</b>					
Investment grade	7	-	-	-	7
Non-investment grade	-	-	-	-	-
Total	7	-	-	-	7
Allowance for expected credit loss	-	-	-	-	-
<b>Other assets - fee and service receivables</b>					
0 day overdue	-	-	-	113	113
1 - 30 days overdue	-	-	-	-	-
Total	-	-	-	113	113
Allowance for expected credit loss	-	-	-	-	-
<b>Other assets - other receivables</b>					
0 day overdue	-	-	-	232	232
1 - 30 days overdue	-	-	-	-	-
31 - 90 days overdue	-	-	-	1	1
91 - 180 days overdue	-	-	-	1	1
Over 180 days overdue	-	-	-	4	4
Total	-	-	-	238	238
Allowance for expected credit loss	-	-	-	4	4
<b>Commitments</b>					
Loan commitments and financial guarantees	8,563	2	-	-	8,565
Total	8,563	2	-	-	8,565
Allowance for expected credit loss	62	-	-	-	62

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

Quality of risk from credit granted by the Bank is mainly from the provision of hire purchase receivables. The Bank considers risk of hire purchase receivables as follows.

The risk of hire purchase receivables with no significant increase in credit risk can be classified into three groups, based on quality of risk in respect of expected loss that will be incurred within one year. These are “Very high grade”, “High grade” and “Medium grade”, with “Very high grade” credit defined as credit from which expected loss within one year is less than or equal to 0.2% of the balance; “High grade” as credit from which loss within one year is expected to be between 0.2% and 2.0% and “Medium grade” as credit from which loss within one year is expected to exceed 2.0% of the balance.

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

	(Unit: Million Baht)	
	As at 31 December	
	2025	2024
Hire purchase receivables with no significant increase in credit risk		
Very high grade	40,313	43,661
High grade	41,772	35,101
Medium grade	6,668	6,608
Subtotal	88,753	85,370
Hire purchase receivables with significant increase in credit risk	7,526	9,051
Hire purchase receivables that are credit-impaired	2,170	2,294
Total	98,449	96,715

### 3.36.2 Market risk

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

#### 3.36.2.1 Market risk - Marketable portfolio

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

(Unit: Million Baht)

	Market risk as at 31 December	
	2025	2024
Marketable financial assets		
Equity securities	14	1
Debt securities	7	7

#### 3.36.2.2 Market risk sensitivity - Interest bearing assets and liabilities

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

(Unit: Million Baht)

	Increase (decrease) in sensitivity of net interest income as at 31 December	
	2025	2024
Changes in interest rate		
Increase by 1 percent	(366.56)	(152.55)
Decrease by 1 percent	366.56	152.55

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

### 3.36.2.3 Interest rate risk

The Bank has the following significant exposures to interest rate risk related to financial instruments which are classified below by the periods from the financial statements date to the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

Transactions	As at 31 December 2025					Total
	Repricing or maturity date					
	0 - 3 months	3 - 12 months	1 - 5 years	Over 5 years	Non-interest bearing	
<b>Financial assets</b>						
Cash	-	-	-	-	818	818
Interbank and money market items	37,009	-	-	-	1,661	38,670
Financial assets measured at fair value through profit or loss	-	-	-	-	1,445	1,445
Derivatives assets	-	-	-	-	91	91
Investments	501	91	27	-	6,311	6,930
Loans to customers	81,524	8,229	120,848	18,633	-	229,234
Other assets - accrued interest receivables on investments	-	-	-	-	4	4
Other assets - fee and service receivables	-	-	-	-	161	161
Other assets - other receivables	-	-	-	-	530	530
	<u>119,034</u>	<u>8,320</u>	<u>120,875</u>	<u>18,633</u>	<u>11,021</u>	<u>277,883</u>
<b>Financial liabilities</b>						
Deposits	118,077	93,802	358	-	882	213,119
Interbank and money market items	434	2,547	5,944	-	1,231	10,156
Liabilities payable on demand	-	-	-	-	223	223
Debts issued and borrowings	19	-	-	2,900	-	2,919
Lease liabilities	2	47	189	77	-	315
Accrued interest payable	-	-	-	-	1,333	1,333
Other liabilities - accrued insurance premium	-	-	-	-	284	284
	<u>118,532</u>	<u>96,396</u>	<u>6,491</u>	<u>2,977</u>	<u>3,953</u>	<u>228,349</u>

(Unit: Million Baht)

As at 31 December 2024

Transactions	Repricing or maturity date					Total
	0 - 3 months	3 - 12 months	1 - 5 years	Over 5 years	Non-interest bearing	
<b>Financial assets</b>						
Cash	-	-	-	-	901	901
Interbank and money market items	36,241	-	-	-	1,851	38,092
Financial assets measured at fair value through profit or loss	-	-	-	-	1,294	1,294
Derivatives assets	-	-	-	-	56	56
Investments	-	2,654	24	-	1,397	4,075
Loans to customers	80,335	7,467	122,556	19,152	-	229,510
Other assets - accrued interest receivables on investments	-	-	-	-	7	7
Other assets - fee and service receivables	-	-	-	-	113	113
Other assets - other receivables	-	-	-	-	238	238
	<u>116,576</u>	<u>10,121</u>	<u>122,580</u>	<u>19,152</u>	<u>5,857</u>	<u>274,286</u>
<b>Financial liabilities</b>						
Deposits	116,045	90,959	392	-	834	208,230
Interbank and money market items	526	34	8,612	-	684	9,856
Liabilities payable on demand	-	-	-	-	239	239
Debts issued and borrowings	136	-	-	2,640	-	2,776
Lease liabilities	1	15	294	91	-	401
Accrued interest payable	-	-	-	-	1,726	1,726
Other liabilities - accrued insurance premium	-	-	-	-	166	166
	<u>116,708</u>	<u>91,008</u>	<u>9,298</u>	<u>2,731</u>	<u>3,649</u>	<u>223,394</u>

### 3.36.3 Liquidity risk

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

#### Liquidity risk management framework

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

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

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

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

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

### 3.36.3.1 Volume and composition of highly liquid assets and internal ratio

(Unit: Million Baht)

	As at 31 December	
	2025	2024
Composition of highly liquid assets		
Cash	818	901
Interbank and money market items	38,670	38,092
Current investments	6,907	4,057
Total highly liquid assets	<u>46,395</u>	<u>43,050</u>
Liquid asset requirement according to the LCR criteria	29,060	29,002

The Bank has a policy to maintain the highly liquid assets higher than the liquid asset requirement according to the Liquidity Coverage Ratio criteria. As at 31 December 2025 and 2024, the Bank has highly liquid assets higher than the liquid asset requirement according to the Liquidity Coverage Ratio criteria. In addition, the Bank has operating cash inflows from business, and available credit lines from other financial institutions which are available to support uncertain liquidity requirement.

### 3.36.3.2 Counting from the financial statements date, as at 31 December 2025 and 2024, the periods to the maturity dates of financial instruments are as follows:

(Unit: Million Baht)

Transactions	As at 31 December 2025						Financial assets that are credit-impaired	Total
	At call	0 - 3 months	3 - 12 months	1 - 5 years	Over 5 years	Unspecified		
<b>Financial assets</b>								
Cash	818	-	-	-	-	-	-	818
Interbank and money market items	1,662	37,008	-	-	-	-	-	38,670
Financial assets measured at fair value through profit or loss	-	-	-	-	-	1,445	-	1,445
Derivatives assets	-	-	91	-	-	-	-	91
Investments	-	1,500	5,403	27	-	-	-	6,930
Loans to customers	3,342	13,098	38,657	123,139	46,378	-	4,620	229,234
Other assets - accrued interest receivables on investments	-	4	-	-	-	-	-	4
Other assets - fee and service receivables	-	161	-	-	-	-	-	161
Other assets - other receivables	7	503	6	-	-	14	-	530
	<u>5,829</u>	<u>52,274</u>	<u>44,157</u>	<u>123,166</u>	<u>46,378</u>	<u>1,459</u>	<u>4,620</u>	<u>277,883</u>

(Unit: Million Baht)

As at 31 December 2025

Transactions	At call	0 - 3 months	3 - 12 months	1 - 5 years	Over 5 years	Unspecified	Financial	Total
							assets that are credit- impaired	
<b>Financial liabilities</b>								
Deposits	31,937	87,022	93,802	358	-	-	-	213,119
Interbank and money market items	1,632	33	2,547	5,944	-	-	-	10,156
Liabilities payable on demand	223	-	-	-	-	-	-	223
Debts issued and borrowings	19	-	-	-	2,900	-	-	2,919
Lease liabilities	-	27	93	157	38	-	-	315
Accrued interest payable	13	754	561	5	-	-	-	1,333
Other liabilities - accrued insurance premium	-	284	-	-	-	-	-	284
	<u>33,824</u>	<u>88,120</u>	<u>97,003</u>	<u>6,464</u>	<u>2,938</u>	<u>-</u>	<u>-</u>	<u>228,349</u>
<b>Commitments and contingent liabilities</b>								
Avals to bills and other guarantees	12	4	22	8	-	1,805	-	1,851
Other commitments	1,491	175	3,287	3,025	2,138	-	-	10,116

(Unit: Million Baht)

As at 31 December 2024

Transactions	At call	0 - 3 months	3 - 12 months	1 - 5 years	Over 5 years	Unspecified	Financial	Total
							assets that are credit- impaired	
<b>Financial assets</b>								
Cash	901	-	-	-	-	-	-	901
Interbank and money market items	1,878	36,214	-	-	-	-	-	38,092
Financial assets measured at fair value through profit or loss	-	-	-	-	-	1,294	-	1,294
Derivatives assets	-	56	-	-	-	-	-	56
Investments	-	119	3,932	1	-	-	23	4,075
Loans to customers	6,156	13,724	39,068	115,843	49,889	-	4,830	229,510
Other assets - accrued interest receivables on investments	-	5	2	-	-	-	-	7
Other assets - fee and service receivables	-	113	-	-	-	-	-	113
Other assets - other receivables	6	212	-	6	-	14	-	238
	<u>8,941</u>	<u>50,443</u>	<u>43,002</u>	<u>115,850</u>	<u>49,889</u>	<u>1,308</u>	<u>4,853</u>	<u>274,286</u>

(Unit: Million Baht)

As at 31 December 2024

Transactions	At call	0 - 3 months	3 - 12 months	1 - 5 years	Over 5 years	Financial assets that are credit-		Total
						Unspecified	impaired	
<b>Financial liabilities</b>								
Deposits	30,579	86,300	90,959	392	-	-	-	208,230
Interbank and money market items	1,168	42	34	8,612	-	-	-	9,856
Liabilities payable on demand	239	-	-	-	-	-	-	239
Debts issued and borrowings	36	100	-	-	2,640	-	-	2,776
Lease liabilities	-	27	113	215	46	-	-	401
Accrued interest payable	18	994	707	7	-	-	-	1,726
Other liabilities - accrued insurance premium	-	166	-	-	-	-	-	166
	<u>32,040</u>	<u>87,629</u>	<u>91,813</u>	<u>9,226</u>	<u>2,686</u>	<u>-</u>	<u>-</u>	<u>223,394</u>
<b>Commitments and contingent liabilities</b>								
Avals to bills and other guarantees	10	377	41	14	-	2,769	-	3,211
Other commitments	1,114	161	2,992	3,472	3,225	-	-	10,964

Regarding the disclosure of the Bank's Liquidity Coverage Ratio as at 31 December 2025, it will be disclosed via the Bank's website by April 2026.

### 3.36.4 Derivatives

As at 31 December 2025 and 2024, the Bank has a policy to enter into foreign exchange contracts to manage the risk associated with its financial assets. The Bank classified them as trading derivatives and measured them at fair value through profit or loss, as follows:

(Unit: Million Baht)

As at 31 December 2025

Maturity	Notional amount	Gain on measurement of fair value
Year 2026	2,845	91

(Unit: Million Baht)

As at 31 December 2024

Maturity	Notional amount	Gain on measurement of fair value
Year 2025	2,771	56

### 3.37 Fair value hierarchy

3.37.1 As at 31 December 2025 and 2024, the Bank has assets and liabilities that are measured or disclosed at fair value using different levels of inputs as follows:

(Unit: Million Baht)

	As at 31 December 2025				Total
	Book value	Fair value			
		Level 1	Level 2	Level 3	
<b><u>Financial assets measured at fair value</u></b>					
Financial assets measured at fair value through profit or loss					
Equity instruments	1,445	3	27	1,415	1,445
Derivatives assets					
Foreign exchange contracts	91	-	91	-	91
Investments - debt instruments	6,930	-	6,904	26	6,930
<b><u>Assets measured at fair value</u></b>					
Investment properties	51	-	-	51	51
Office condominiums	616	-	-	616	616
<b><u>Financial assets for which fair value is disclosed</u></b>					
Cash	818	818	-	-	818
Interbank and money market items	38,670	1,662	37,008	-	38,670
Loans to customers and accrued interest receivables	221,153	-	84,575	135,548	220,123
Other assets - accrued interest receivables on investments	4	-	4	-	4
Other assets - fee and service receivables	161	-	161	-	161
Other assets - other receivables	525	-	525	-	525
<b><u>Financial liabilities for which fair value is disclosed</u></b>					
Deposits	213,119	31,527	181,592	-	213,119
Interbank and money market items	10,156	1,632	8,524	-	10,156
Liabilities payable on demand	223	223	-	-	223
Debts issued and borrowings	2,919	-	2,759	-	2,759
Accrued interest payable	1,333	3	1,330	-	1,333
Other liabilities - accrued insurance premium	284	-	284	-	284

(Unit: Million Baht)

As at 31 December 2024

	Book value	Fair value			Total
		Level 1	Level 2	Level 3	
<b><u>Financial assets measured at fair value</u></b>					
Financial assets measured at fair value through profit or loss					
Equity instruments	1,294	4	-	1,290	1,294
Derivatives assets					
Foreign exchange contracts	56	-	56	-	56
Investments - debt instruments	4,075	-	4,052	23	4,075
<b><u>Assets measured at fair value</u></b>					
Investment properties	51	-	-	51	51
Office condominiums	623	-	-	623	623
<b><u>Financial assets for which fair value is disclosed</u></b>					
Cash	901	901	-	-	901
Interbank and money market items	38,091	1,877	36,214	-	38,091
Loans to customers and accrued interest receivables					
	222,045	-	81,028	140,830	221,858
Other assets - accrued interest receivables on investments					
	7	-	7	-	7
Other assets - fee and service receivables	113	-	113	-	113
Other assets - other receivables	234	-	234	-	234
<b><u>Financial liabilities for which fair value is disclosed</u></b>					
Deposits	208,230	30,209	178,021	-	208,230
Interbank and money market items	9,856	1,168	8,688	-	9,856
Liabilities payable on demand	239	239	-	-	239
Debts issued and borrowings	2,776	-	2,541	-	2,541
Accrued interest payable	1,726	3	1,723	-	1,726
Other liabilities - accrued insurance premium	166	-	166	-	166

During the current year, there was a transfer between levels within the fair value hierarchy of financial assets measured at fair value through profit or loss that are equity instruments, from level 3 to level 2, because observable market data became available for use in the fair value measurement.

**3.37.2** A reconciliation of the financial assets measured at fair value on a recurring basis which are categorised within level 3 of the fair value hierarchy is presented as follows:

(Unit: Million Baht)

	Non-marketable equity instruments	Investments - private sector debt instruments	Total
Balance as at 1 January 2025	1,290	23	1,313
Net gain recognised in profit or loss	152	-	152
Net gain recognised in other comprehensive income	-	3	3
Decrease from a transfer within the fair value hierarchy	(27)	-	(27)
Balance as at 31 December 2025	<u>1,415</u>	<u>26</u>	<u>1,441</u>

Key assumptions used in the valuation are summarised below.

Financial instruments	Valuation technique	Significant unobservable inputs	Rates	Sensitivity of the input to fair value
Investments in non-marketable equity instruments	Discounted future cash flows	Terminal growth rate	0%	1% increase in the terminal growth rate would result in an increase in fair value by Baht 152 million.
		Equity risk premium	9.80%, 10.30%	1% increase in the equity risk premium would result in a decrease in fair value by Baht 96 million.

Fair value of investments in private sector debt instruments is wholly determined using reference yield rates announced by the Thai Bond Market Association. Therefore, they are categorised within level 3, and the sensitivity of the input to fair value has not been calculated.

#### 4. Dividend payment

	Approved by	Dividend per share		Amounts of	Dividend
		Preference	Ordinary	dividend paid	payment period
		share	share	(Million Baht)	
		(Baht per share)	(Baht per share)		
Annual dividend for the year 2023	The 2024 Annual General Meeting of the Shareholders on 18 April 2024	0.75	0.75	691	May 2024
Interim dividend for the year 2024	The 3/2024 Meeting of the Board of Directors on 20 June 2024	1.23	1.23	1,134	July 2024
Interim dividend for the year 2024	The 6/2024 Meeting of the Board of Directors on 17 December 2024	2.34	2.34	2,156	January 2025
Total dividend payment in the year 2024				<u>3,981</u>	
Annual dividend for the year 2024	The 2025 Annual General Meeting of the Shareholders on 18 April 2025	1.02	1.02	939	May 2025
Interim dividend for the year 2025	The 3/2025 Meeting of the Board of Directors on 25 June 2025	1.10	1.10	1,014	July 2025
Interim dividend for the year 2025	The 6/2025 Meeting of the Board of Directors on 18 December 2025	1.70	1.70	1,567	January 2026
Total dividend payment in the year 2025				<u>3,520</u>	

#### 5. Subsequent events

On 26 February 2026, the Board of Directors Meeting No. 1/2026 of the Bank concurred to propose to the General Meeting of the shareholders to approve a dividend payment of Baht 0.85 per share to the ordinary and preference shareholders listed in the share register as at 23 April 2026 in respect of the operating results for the year 2025. The dividend is to be paid on 14 May 2026.

#### 6. Approval of financial statements

These financial statements were authorised for issue by the Bank's Board of Directors on 26 February 2026.