

TISCO Bank Public Company Limited
Report and financial statements
31 December 2024

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 2024, 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 2024, 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.



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- 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: 25 February 2025

TISCO Bank Public Company Limited**Statement of financial position****As at 31 December 2024**

		(Unit: Thousand Baht)	
	Note	2024	2023
Assets			
Cash		901,308	911,497
Interbank and money market items - net	3.2, 3.8	38,091,183	47,143,998
Financial assets measured at fair value through profit or loss	3.3	1,293,898	1,031,717
Derivatives assets	3.4	55,782	-
Investments - net	3.5, 3.8	4,075,276	2,893,823
Loans to customers and accrued interest receivables	3.6, 3.8		
Loans to customers		238,103,818	238,667,824
Accrued interest receivables and undue interest income		1,658,586	1,687,912
Total loans to customers and accrued interest receivables		239,762,404	240,355,736
Less: Deferred revenue		(10,252,070)	(10,965,919)
Less: Allowance for expected credit loss	3.7	(7,464,893)	(8,897,485)
Total loans to customers and accrued interest receivables - net		222,045,441	220,492,332
Properties foreclosed - net	3.9	14,126	24,919
Investment properties	3.10	50,885	26,786
Premises and equipment - net	3.11	747,757	781,343
Right-of-use assets - net	3.12	399,750	458,450
Intangible assets - net	3.13	17,157	21,179
Deferred tax assets	3.30	324,032	326,574
Other assets	3.14	845,155	989,028
Total assets		268,861,750	275,101,646

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 2024

(Unit: Thousand Baht)

	Note	2024	2023
Liabilities and equity			
Liabilities			
Deposits	3.15	208,230,353	210,730,004
Interbank and money market items	3.16	9,856,352	8,396,179
Liabilities payable on demand		239,179	237,434
Derivatives liabilities	3.4	-	28,690
Debts issued and borrowings	3.17	2,776,122	7,876,122
Lease liabilities	3.18	401,380	455,918
Provisions	3.19	1,237,106	1,021,719
Accrued interest payable		1,726,448	1,365,209
Income tax payable		403,746	624,673
Dividend payable	4	2,156,468	2,525,095
Other liabilities	3.20	5,201,087	5,418,217
Total liabilities		232,228,241	238,679,260

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 2024

		(Unit: Thousand Baht)	
	Note	2024	2023
Equity			
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	357,138	338,636
Retained earnings			
Appropriated - statutory reserve		984,000	984,000
Unappropriated		23,533,670	23,341,049
Total equity		<u>36,633,509</u>	<u>36,422,386</u>
Total liabilities and equity		<u>268,861,750</u>	<u>275,101,646</u>

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



Mr. Sakchai Pasachai
 (Chairman of the Executive Board)



ธนาคารทีเอสซี จำกัด
 TISCO Bank Public Company Limited



Mr. Metha Pingsuthiwong
 (President)

TISCO Bank Public Company Limited
Statement of comprehensive income
For the year ended 31 December 2024

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

	Note	2024	2023
Profit or loss:			
Interest income	3.24	17,599,482	16,431,931
Interest expenses	3.25	(5,258,333)	(4,035,727)
Net interest income		12,341,149	12,396,204
Fee and service income		1,554,562	1,574,304
Fee and service expenses		(88,779)	(90,881)
Net fee and service income	3.26	1,465,783	1,483,423
Net gain on financial instruments measured at fair value through profit or loss	3.27	198,200	48,408
Net gain on investments	3.28	2,594	5,252
Penalty fee income from loans		115,886	112,528
Other operating income		130,943	151,824
Total operating income		14,254,555	14,197,639
Operating expenses			
Employee expenses		2,680,157	3,143,414
Premises and equipment expenses		1,203,853	1,180,133
Taxes and duties		378,859	334,318
Intercompany supporting fee expenses	3.32	3,188,677	2,799,969
Other operating expenses		707,104	716,554
Total operating expenses		8,158,650	8,174,388
Expected credit loss (reversal)	3.29	812,129	(86,434)
Profit from operations before income tax expenses		5,283,776	6,109,685
Income tax expenses	3.30	1,054,459	1,221,247
Profit for the year		4,229,317	4,888,438

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 2024

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

	Note	2024	2023
Other comprehensive income:			
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>			
Gain (loss) on valuation of investments in debt instruments measured at fair value through other comprehensive income	3.23	10,926	(2,172)
Income tax effects	3.30	(2,185)	434
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax (loss)		8,741	(1,738)
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>			
Changes in surplus on revaluation of assets	3.23	15,343	51,573
Actuarial loss		(73,333)	(21,064)
Income tax effects	3.30	11,598	(6,101)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax (loss)		(46,392)	24,408
Other comprehensive income for the year (loss)		(37,651)	22,670
Total comprehensive income for the year		4,191,666	4,911,108
Earnings per share			
Basic earnings per share (Baht per share)	3.31	4.59	5.30

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 2024

	(Unit: Thousand Baht)	
	2024	2023
Cash flows from operating activities		
Profit from operations before income tax	5,283,776	6,109,685
Adjustments to reconcile profit from operations before income tax to net cash provided by (paid from) operating activities		
Depreciation and amortisation	218,904	224,623
Expected credit loss	2,763,412	1,568,631
Other provisions	1,755	40,698
Reversal of allowance for impairment of properties foreclosed	(36)	(82)
Gain on disposal of investments in securities	(304)	(987)
Unrealised (gain) loss on foreign exchange transactions and trading derivatives	(53,049)	211,987
Gain on financial instruments measured at fair value through profit or loss	(248,041)	(91,086)
Gain on disposal of properties foreclosed	(10,536)	(17,193)
(Gain) loss on changes in fair value of investment properties	(1,257)	865
(Gain) loss on disposal/write-off of equipment, vehicles and intangible assets	518	(791)
Employee benefit expenses	147,956	119,252
(Increase) decrease in accrued income	(3,870)	22,504
Increase (decrease) in accrued expenses	(162,678)	617,712
Net interest income	(12,341,149)	(12,396,204)
Dividend income	(50,896)	(48,311)
Cash received on interest income	17,600,494	16,108,316
Cash paid on interest expenses	(3,902,874)	(2,251,614)
Cash received on dividend income	50,896	48,311
Cash paid on income tax	(1,262,802)	(1,405,440)
Profit from operating activities before changes in operating assets and liabilities	8,030,219	8,860,876

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 2024

	(Unit: Thousand Baht)	
	2024	2023
Operating assets (increase) decrease		
Interbank and money market items	9,042,238	(8,056,905)
Loans to customers	(4,416,652)	(17,960,678)
Properties foreclosed	10,829	(18,361)
Other assets	148,704	288,185
Operating liabilities increase (decrease)		
Deposits	(2,499,651)	20,895,761
Interbank and money market items	1,460,173	1,876,604
Liabilities payable on demand	1,745	(19,274)
Short-term debts issued and borrowings	100,000	(797)
Provision for long-term employee benefits	(44,500)	(28,271)
Other liabilities	(909,817)	(751,803)
Net cash flows from operating activities	10,923,288	5,085,337
Cash flows from investing activities		
Cash paid for purchase of investments in securities	(9,385,364)	(5,769,080)
Cash received from disposal of investments in securities	8,200,046	6,126,506
Cash paid for purchase of building improvements, equipment and vehicles	(22,943)	(82,298)
Cash paid for purchase of intangible assets	(1,065)	(6,699)
Cash received from disposal of building improvements, equipment and vehicles	376	1,360
Net cash flows from (used in) investing activities	(1,208,950)	269,789
Cash flows from financing activities		
Cash paid for redemption of long-term debentures	(5,200,000)	-
Cash paid on lease liabilities	(174,728)	(172,544)
Dividend paid	(4,349,799)	(5,271,368)
Net cash flows used in financing activities	(9,724,527)	(5,443,912)
Net decrease in cash	(10,189)	(88,786)
Cash at beginning of the year	911,497	1,000,283
Cash at end of the year	901,308	911,497
	-	-
Supplement cash flows information		
Non-cash transactions		
Right-of-use assets	106,982	328,992
Transfer-in of properties foreclosed in settlement of loans to customers	835,970	885,543

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 2024

(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				
Balance as at 1 January 2023	1	9,215,676	2,543,024	304	300,673	300,977	984,000	22,890,660	35,934,338
Dividend paid (Note 4)	-	-	-	-	-	-	-	(4,423,525)	(4,423,525)
Profit for the year	-	-	-	-	-	-	-	4,888,438	4,888,438
Other comprehensive income for the year (loss)	-	-	-	(1,738)	41,259	39,521	-	(16,851)	22,670
Total comprehensive income for the year (loss)	-	-	-	(1,738)	41,259	39,521	-	4,871,587	4,911,108
Transfer surplus on revaluation of assets to retained earnings	-	-	-	-	(1,862)	(1,862)	-	2,327	465
Balance as at 31 December 2023	1	9,215,676	2,543,024	(1,434)	340,070	338,636	984,000	23,341,049	36,422,386
Balance as at 1 January 2024	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
Balance as at 31 December 2024	1	9,215,676	2,543,024	7,307	349,831	357,138	984,000	23,533,670	36,633,509

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 2024

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 2024 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 2024, the Bank has adopted the revised financial reporting standards which are effective for fiscal years beginning on or after 1 January 2024. 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 standards that will become effective for fiscal years beginning on or after 1 January 2025

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 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 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 land, buildings 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 there will be no loss, 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 2024 and 2023, the Bank has 52 branches and 53 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 2024			Total
	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	
<u>Financial assets</u>				
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
<u>Financial liabilities</u>				
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

(Unit: Thousand Baht)

As at 31 December 2023

	Financial instruments measured at fair value through profit or loss	Financial instruments measured at fair value through other comprehensive income	Financial instruments measured at amortised cost	Total
<u>Financial assets</u>				
Cash	-	-	911,497	911,497
Interbank and money market items	-	-	47,143,998	47,143,998
Financial assets measured at fair value				
through profit or loss	1,031,717	-	-	1,031,717
Investments	-	2,893,823	-	2,893,823
Loans to customers and accrued interest				
receivables	-	-	220,492,332	220,492,332
Other assets - fee and service receivables	-	-	109,486	109,486
Other assets - other receivables	-	-	329,454	329,454
<u>Financial liabilities</u>				
Deposits	-	-	210,730,004	210,730,004
Interbank and money market items	-	-	8,396,179	8,396,179
Liabilities payable on demand	-	-	237,434	237,434
Derivatives liabilities	28,690	-	-	28,690
Debts issued and borrowings	-	-	7,876,122	7,876,122
Lease liabilities	-	-	455,918	455,918
Accrued interest payable	-	-	1,365,209	1,365,209
Other liabilities - accrued insurance premium	-	-	170,396	170,396

3.2 Interbank and money market items (assets)

(Unit: Thousand Baht)

	As at 31 December					
	2024			2023		
	At call	Term	Total	At call	Term	Total
<u>Domestic</u>						
Bank of Thailand and Financial Institutions						
Development Fund	1,623,499	-	1,623,499	2,384,892	-	2,384,892
Commercial banks	228,468	19,500,000	19,728,468	298,959	24,200,000	24,498,959
Specialised Financial Institutions	535	16,700,000	16,700,535	889	20,100,000	20,100,889
Other financial institutions	25,000	-	25,000	135,000	-	135,000
Total	1,877,502	36,200,000	38,077,502	2,819,740	44,300,000	47,119,740
Add: Accrued interest receivables	9	14,278	14,287	3	25,543	25,546
Less: Allowance for expected credit loss	(606)	-	(606)	(1,288)	-	(1,288)
Total domestic	1,876,905	36,214,278	38,091,183	2,818,455	44,325,543	47,143,998

As at 31 December 2024 and 2023, 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	
	2024	2023
	Commercial banks	19,500,000
Specialised Financial Institutions	16,700,000	20,100,000

Fair value of securities received as collateral is as follows:

(Unit: Thousand Baht)

	Fair value of securities received as collateral as at 31 December	
	2024	2023
	Commercial banks	19,640,800
Specialised Financial Institutions	16,647,500	20,435,800

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			
	2024		2023	
	Cost	Fair value	Cost	Fair value
Others				
Domestic marketable equity instruments	9,320	4,312	9,320	4,180
Domestic non-marketable equity instruments	234,414	1,289,586	220,274	1,027,537
	243,734	<u>1,293,898</u>	229,594	<u>1,031,717</u>
Add: Allowance for changes in value	<u>1,050,164</u>		<u>802,123</u>	
Total	<u>1,293,898</u>		<u>1,031,717</u>	

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					
	2024			2023		
	Fair value of investments	Unpaid amount	Percentage of holding (%)	Fair value of investments	Unpaid amount	Percentage of holding (%)
Services:						
Jiji Press (Thailand) Co., Ltd.	1,751	300	10	1,418	300	10
Trading import and export:						
Juki (Thailand) Co., Ltd.	2,384	-	10	8,678	-	10
PDTL Trading Co., Ltd.	-	-	10	-	-	10
Wattana Inter-Trade Co., Ltd.	13,349	-	10	16,360	-	10
Real estate:						
UMI Property Co., Ltd.	1,365	-	10	1,355	-	10
Industrial:						
Siam Art Ceramic Co., Ltd.	7,816	-	10	7,588	-	10

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

As at 31 December 2024 and 2023, 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			
	2024		2023	
	Cost	Fair value	Cost	Fair value
Companies with weak financial positions and poor operating results	23,410	10,791	9,270	-

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					
	2024			2023		
	Fair value		Notional amount	Fair value		Notional amount
Assets	Liabilities	Assets		Liabilities		
Exchange rate	55,782	-	2,771,366	-	28,690	2,386,981
Total	55,782	-	2,771,366	-	28,690	2,386,981

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 2024 and 2023, investments classified by type of investments are as follows:

(Unit: Thousand Baht)

	As at 31 December			
	2024		2023	
	Amortised cost	Fair value	Amortised cost	Fair value
Investments in debt instruments				
measured at fair value through				
other comprehensive income				
Government and state enterprise securities	4,048,022	4,052,603	2,871,615	2,867,283
Private sector debt instruments	39,210	22,673	51,460	26,540
	<u>4,087,232</u>	<u>4,075,276</u>	<u>2,923,075</u>	<u>2,893,823</u>
Less: Allowance for changes in value	<u>(11,956)</u>		<u>(29,252)</u>	
Total	<u>4,075,276</u>		<u>2,893,823</u>	
Allowance for expected credit loss	21,090		27,460	
Investments in debt instruments				
measured at amortised cost				
Investments in receivables	8,685		8,724	
Less: Allowance for expected credit loss	<u>(8,685)</u>		<u>(8,724)</u>	
Total	<u>-</u>		<u>-</u>	
Total investments	<u><u>4,075,276</u></u>		<u><u>2,893,823</u></u>	

3.5.2 Investments subject to restrictions

(Unit: Million Baht)

Type of investments	As at 31 December		Type of restrictions
	2024	2023	
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 2024 and 2023, 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					
	2024			2023		
	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	39,210	22,673	21,090	51,460	26,540	27,460

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	
	2024	2023
Loans to customers		
Overdrafts	364	364
Loans	131,873,469	124,092,005
Hire purchase receivables	106,229,985	114,575,455
Less: Deferred revenue	(10,252,070)	(10,965,919)
Total loans to customers	227,851,748	227,701,905
Add: Accrued interest receivables and undue interest income	1,658,586	1,687,912
Total loans to customers and accrued interest receivables	229,510,334	229,389,817
Less: Allowance for expected credit loss	(7,464,893)	(8,897,485)
Loans to customers and accrued interest receivables - net	222,045,441	220,492,332

3.6.2 Classified by residency of debtors

(Unit: Thousand Baht)

As at 31 December

	2024	2023
Loans to customers net of deferred revenue		
- Domestic	217,214,148	217,508,456
- Foreign	10,637,600	10,193,449
Total	<u>227,851,748</u>	<u>227,701,905</u>

3.6.3 Classified by loan classification

(Unit: Thousand Baht)

As at 31 December

	2024		2023	
	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)	206,764,698	3,175,927	205,550,730	4,947,414
Financial assets with significant increase in credit risk (Under-performing)	17,915,338	2,557,338	19,244,767	2,505,788
Financial assets that are credit-impaired (Non-performing)	4,830,298	1,731,628	4,594,320	1,444,283
Total	<u>229,510,334</u>	<u>7,464,893</u>	<u>229,389,817</u>	<u>8,897,485</u>

3.6.4 Classified by loan classification and type of debtors

As at 31 December 2024 and 2023, loans to customers classified by loan classification and type of debtors are as follows:

(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
Total	96,715	3,329	37,704	2,240	95,091	1,896	229,510	7,465

(Unit: Million Baht)

	As at 31 December 2023							
	Hire purchase receivables		Loan against auto license receivables		Other loans		Total	
	Loans to customers and accrued interest receivables	Allowance for expected credit loss	Loans to customers and accrued interest receivables	Allowance for expected credit loss	Loans to customers and accrued interest receivables	Allowance for expected credit loss	Loans to customers and accrued interest receivables	Allowance for expected credit loss
Financial assets with no significant increase in credit risk (Performing)	91,549	2,006	28,877	891	85,125	2,050	205,551	4,947
Financial assets with significant increase in credit risk (Under-performing)	10,417	1,260	6,232	597	2,596	649	19,245	2,506
Financial assets that are credit-impaired (Non-performing)	2,431	767	1,434	460	729	217	4,594	1,444
Total	104,397	4,033	36,543	1,948	88,450	2,916	229,390	8,897

3.6.5 Hire purchase receivables

As at 31 December 2024, receivables of the Bank under hire purchase agreements amount to Baht 96,715 million (2023: Baht 104,397 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 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	35,020	65,701	2,930	2,579	106,230
Less: Deferred revenue ⁽¹⁾	(4,067)	(5,531)	(125)	(356)	(10,079)
Present value of minimum lease payment from agreements	30,953	60,170	2,805	2,223	96,151
Accrued interest receivables	493	-	-	71	564
Total	<u>31,446</u>	<u>60,170</u>	<u>2,805</u>	<u>2,294</u>	<u>96,715</u>
Allowance for expected credit loss					<u>(3,329)</u>
Net hire purchase receivables					<u>93,386</u>

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

(Unit: Million Baht)

As at 31 December 2023					
Amounts of installments due under the long-term lease agreements					
	Not over 1 year	Over 1 year but not over 5 years	Over 5 years	Financial assets that are credit-impaired	Total
Gross investment in the agreements	36,462	71,973	3,402	2,738	114,575
Less: Deferred revenue ⁽¹⁾	(4,302)	(5,964)	(142)	(385)	(10,793)
Present value of minimum lease payment from agreements	32,160	66,009	3,260	2,353	103,782
Accrued interest receivables	537	-	-	78	615
Total	<u>32,697</u>	<u>66,009</u>	<u>3,260</u>	<u>2,431</u>	<u>104,397</u>
Allowance for expected credit loss					<u>(4,033)</u>
Net hire purchase receivables					<u>100,364</u>

(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 2024 and 2023, the Bank has outstanding balances with troubled debt restructuring debtors as follows:

	As at 31 December			
	2024		2023	
	Number of debtors	Outstanding balances (Million Baht)	Number of debtors	Outstanding balances (Million Baht)
Balances of restructured debts	1,014	863	925	865

3.7 Allowance for expected credit loss

As at 31 December 2024 and 2023, 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 2024				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	
Interbank and money market items (assets)					
Balance - beginning of year	1,288	-	-	-	1,288
Changes from revaluation of allowance for credit loss	(682)	-	-	-	(682)
Balance - end of year	606	-	-	-	606
Investments in debt instruments measured at fair value through other comprehensive income					
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

(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	Financial assets applying a simplified approach	Total
Investments in debt instruments measured at amortised cost					
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
Loans to customers and accrued interest receivables					
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
Other assets - accrued interest receivables on investments					
Balance - beginning of year	-	-	916	-	916
Changes from revaluation of allowance for credit loss	-	-	(916)	-	(916)
Balance - end of year	-	-	-	-	-
Other assets - other receivables					
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

(Unit: Thousand Baht)

For the year ended 31 December 2023

	Financial assets with no significant increase in credit risk	Financial assets with significant increase in credit risk	Financial assets that are credit- impaired	Financial assets applying a simplified approach	Total
Interbank and money market items (assets)					
Balance - beginning of year	937	-	-	-	937
Changes from revaluation of allowance for credit loss	351	-	-	-	351
Balance - end of year	1,288	-	-	-	1,288
Investments in debt instruments measured at fair value through other comprehensive income					
Balance - beginning of year	-	-	27,460	-	27,460
Changes from revaluation of allowance for credit loss	-	-	-	-	-
Balance - end of year	-	-	27,460	-	27,460
Investments in debt instruments measured at amortised cost					
Balance - beginning of year	-	-	8,896	-	8,896
Changes from revaluation of allowance for credit loss	-	-	(172)	-	(172)
Balance - end of year	-	-	8,724	-	8,724
Loans to customers and accrued interest receivables					
Balance - beginning of year	6,631,970	2,758,059	1,292,530	-	10,682,559
Changes from transfers among stages	(35,654)	(368,337)	403,991	-	-
Changes from revaluation of allowance for credit loss	(2,577,466)	(103,535)	3,021,957	-	340,956
New financial assets purchased or acquired	1,816,807	594,266	237,794	-	2,648,867
Derecognition	(888,243)	(374,665)	(148,518)	-	(1,411,426)
Write-off	-	-	(3,363,471)	-	(3,363,471)
Balance - end of year	4,947,414	2,505,788	1,444,283	-	8,897,485

(Unit: Thousand Baht)

For the year ended 31 December 2023

	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	
Other assets - accrued interest receivables on investments					
Balance - beginning of year	-	-	556	-	556
Changes from revaluation of allowance for credit loss	-	-	360	-	360
Balance - end of year	-	-	916	-	916
Other assets - other receivables					
Balance - beginning of year	-	-	-	4,934	4,934
Changes from revaluation of allowance for credit loss	-	-	-	(473)	(473)
New financial assets purchased or acquired	-	-	-	109	109
Derecognition	-	-	-	(429)	(429)
Write-off	-	-	-	(103)	(103)
Balance - end of year	-	-	-	4,038	4,038

3.8 Classification of assets

3.8.1 Classification of assets under the BOT's guidelines

As at 31 December 2024 and 2023, classification of financial assets is as follows:

(Unit: Thousand Baht)

As at 31 December 2024

	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)					38,091,789
Financial assets with significant increase in credit risk (Under-performing)	-	-	-	17,915	17,915
Financial assets that are credit-impaired (Non-performing)	-	22,673	8,685	4,830	36,188
Total	38,091,789	4,075,276	8,685	229,510	42,405,260

(Unit: Thousand Baht)

As at 31 December 2023					
Financial assets					
	Debt instruments measured at fair value		Loans to customers and accrued interest receivables		Total
	Interbank and money market items	through other comprehensive income	Debt instruments measured at amortised cost		
Financial assets with no significant increase in credit risk (Performing)	47,145,286	2,867,283	-	205,550,730	255,563,299
Financial assets with significant increase in credit risk (Under-performing)	-	-	-	19,244,767	19,244,767
Financial assets that are credit-impaired (Non-performing)	-	26,540	8,724	4,594,320	4,629,584
Total	47,145,286	2,893,823	8,724	229,389,817	279,437,650

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		
	2024	2023
Non-performing loans to customers	4,632	4,403
Total loans to customers	227,852	227,702
Percentage of non-performing loans to customers	2.03	1.93

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	
	2024	2023	2024	2023	2024	2023	2024	2023
			(Million Baht)	(Million Baht)	(Million Baht)	(Million Baht)	(Million Baht)	(Million Baht)
Non-listed companies with similar operating results and financial positions to listed companies vulnerable to delisting from the SET	9	10	970	1,113	664	826	376	386

3.9 Properties foreclosed

(Unit: Thousand Baht)

	For the years ended 31 December	
	2024	2023
Assets from debt settlement - Movable assets		
Balance - beginning of year	24,955	6,594
Additions	835,970	885,543
Disposals	(846,799)	(867,182)
Balance - end of year	14,126	24,955
Less: Allowance for impairment		
Balance - beginning of year	36	118
Increase	377	116
Decrease	(413)	(198)
Balance - end of year	-	36
Total properties foreclosed - net	14,126	24,919

3.10 Investment properties

The book value of investment properties as at 31 December 2024 and 2023 is as follows:

	(Unit: Thousand Baht)	
	As at 31 December	
	2024	2023
Book value - beginning of year	26,786	28,152
Transfers from premises and equipment	22,842	-
Gain (loss) on changes in fair value	1,257	(1,366)
Book value - end of year	<u>50,885</u>	<u>26,786</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	Result to fair value
	the appraisal date	whereas 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 as at 31 December 2024 and 2023 as follows:

	(Unit: Thousand Baht)	
	As at 31 December	
	2024	2023
Not over 1 year	1,975	1,721
Over 1 year but not over 3 years	2,330	2,730
Total	<u>4,305</u>	<u>4,451</u>

During the years ended 31 December 2024 and 2023, the Bank has rental income of Baht 2 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	
Cost:						
As at 1 January 2023	633,889	17,509	411,193	402,577	48,211	1,513,379
Additions/transfers-in	3,023	-	36,892	40,089	2,795	82,799
Disposals/write-offs/ transfers-out	-	-	(35,519)	(50,363)	(4,645)	(90,527)
Transfer accumulated depreciation to deduct cost	(50,971)	-	-	-	-	(50,971)
Surplus on revaluation	51,573	-	-	-	-	51,573
As at 31 December 2023	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
Accumulated depreciation:						
As at 1 January 2023	40,773	-	373,829	369,685	27,437	811,724
Depreciation for the year	10,198	-	17,761	20,352	5,804	54,115
Transfer accumulated depreciation to deduct cost	(50,971)	-	-	-	-	(50,971)
Depreciation on disposals/ write-offs/transfers-out	-	-	(34,988)	(50,325)	(4,645)	(89,958)
As at 31 December 2023	-	-	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
Net book value:						
As at 31 December 2023	637,514	17,509	55,964	52,591	17,765	781,343
As at 31 December 2024	622,942	17,509	52,994	41,052	13,260	747,757
Depreciation for the years ended 31 December:						
2023						54,115
2024						48,135

As at 31 December 2024 and 2023, 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 634 million and Baht 631 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 2024 and 2023 would have been as follows:

	(Unit: Thousand Baht)	
	As at 31 December	
	2024	2023
Office condominiums - net of accumulated depreciation	185,723	212,427

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

	As of	Result to fair value
	the appraisal date	whereas 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 2024 and 2023 are as follows:

	(Unit: Thousand Baht)	
	For the years ended 31 December	
	2024	2023
Book value - beginning of year	458,450	294,841
Additions	108,882	307,529
Contract amendment	(1,900)	21,463
Depreciation for the year	(165,682)	(165,383)
Book value - end of year	399,750	458,450

3.13 Intangible assets

The book value of intangible assets - computer software as at 31 December 2024 and 2023 is presented as follows:

	(Unit: Thousand Baht)	
	As at 31 December	
	2024	2023
Cost	879,171	878,106
Less: Accumulated amortisation	(862,014)	(856,927)
Net book value	<u>17,157</u>	<u>21,179</u>

A reconciliation of the net book value of intangible assets for the years ended 31 December 2024 and 2023 is presented as follows:

	(Unit: Thousand Baht)	
	For the years ended 31 December	
	2024	2023
Book value - beginning of year	21,179	19,605
Acquisitions of computer software	1,065	6,699
Amortisation for the year	(5,087)	(5,125)
Book value - end of year	<u>17,157</u>	<u>21,179</u>

As at 31 December 2024 and 2023, 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 853 million and Baht 851 million, respectively.

3.14 Other assets

(Unit: Thousand Baht)

	As at 31 December	
	2024	2023
Value added tax - net	283,073	288,068
Accrued interest receivables	7,071	3,889
Fee and service receivables	113,356	109,486
Deposits	59,396	58,732
Other receivables	233,738	329,454
Other assets	148,521	199,399
Total other assets	<u>845,155</u>	<u>989,028</u>

3.15 Deposits

3.15.1 Classified by type of deposits

(Unit: Thousand Baht)

	As at 31 December	
	2024	2023
Deposits		
Current accounts	3,286,507	2,954,758
Saving accounts	26,922,557	28,987,686
Fixed accounts		
- not over 6 months	11,815,210	16,285,410
- over 6 months but not over 1 year	54,004,216	20,426,149
- over 1 year	8,789,082	27,431,254
Certificates of deposits/negotiable certificates of deposits	103,412,781	114,644,747
Total	<u>208,230,353</u>	<u>210,730,004</u>

3.15.2 As at 31 December 2024 and 2023, 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					
	2024			2023		
	At call	Term	Total	At call	Term	Total
<u>Domestic</u>						
Bank of Thailand	-	8,246,354	8,246,354	-	7,319,046	7,319,046
Commercial banks	57,039	-	57,039	130,538	-	130,538
Specialised Financial Institutions	-	392,339	392,339	1,181	97,021	98,202
Other financial institutions	1,111,581	49,039	1,160,620	790,562	57,831	848,393
Total	1,168,620	8,687,732	9,856,352	922,281	7,473,898	8,396,179

3.17 Debts issued and borrowings

(Unit: Thousand Baht)

	As at 31 December	
	2024	2023
	<u>Domestic borrowings</u>	
Subordinated unsecured debentures	2,640,000	5,040,000
Unsubordinated unsecured debentures	100,000	2,800,000
Bills of exchange	36,122	36,122
Total	2,776,122	7,876,122

3.17.1 Subordinated unsecured debentures

As at 31 December 2024 and 2023, 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			
	2024	2023		2024	2023		
	(Million units)	(Million units)		(Million Baht)	(Million Baht)		
2019	-	1.20	1,000	-	1,200	2029	4.00 percent per annum
2019	-	1.20	1,000	-	1,200	2029	4.00 percent per annum
2020	1.25	1.25	1,000	1,250	1,250	2030	3.50 percent per annum
2020	0.69	0.69	1,000	690	690	2030	3.15 percent per annum
2021	0.70	0.70	1,000	700	700	2031	3.25 percent per annum
Total				2,640	5,040		

3.17.2 Unsubordinated unsecured debentures

As at 31 December 2024 and 2023, the Bank has short-term and long-term unsubordinated unsecured debentures as follows:

Issued year	Type of debentures	Units as at 31 December		Face value (Baht per unit)	Balance as at 31 December		Maturity in the year	Interest rate
		2024 (Million units)	2023 (Million units)		2024 (Million Baht)	2023 (Million Baht)		
2024	Short-term debenture	0.10	-	1,000	100	-	2025	2.50 percent per annum
2022	Long-term debenture	-	2.80	1,000	-	2,800	2024	1.25 percent per annum
Total								
					100	2,800		

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	
	2024	2023
Balance - beginning of year	495,404	315,875
Increase during the year	115,060	322,118
Contract amendment	(2,496)	29,955
Paid during the year	(174,728)	(172,544)
Balance - end of year	433,240	495,404
Less: Deferred interest expenses	(31,860)	(39,486)
Lease liabilities - net	401,380	455,918
Current portion	(140,300)	(134,962)
Lease liabilities - net of current portion	261,080	320,956

The Bank had total cash outflows on leases during the years ended 31 December 2024 and 2023 of Baht 182 million and Baht 179 million, respectively.

Expenses relating to leases that are recognised in profit or loss for the years ended 31 December 2024 and 2023 are as follows:

	(Unit: Million Baht)	
	For the years ended 31 December	
	2024	2023
Depreciation expenses of right-of-use assets	166	165
Interest expenses on lease liabilities	13	10
Expenses relating to variable lease payments	7	7
Total	186	182

3.19 Provisions

	(Unit: Thousand Baht)	
	As at 31 December	
	2024	2023
Allowance for expected credit loss on loan commitments and financial guarantees	62,215	25,371
Provision for long-term employee benefits	1,132,438	955,650
Other provisions	42,453	40,698
Total provisions	1,237,106	1,021,719

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

As at 31 December 2024 and 2023, allowance for expected credit loss on loan commitments and financial guarantees by classification is as follows:

	(Unit: Thousand Baht)			
	As at 31 December			
	2024		2023	
	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)	8,562,419	62,054	2,980,106	25,278
Financial assets with significant increase in credit risk (Under-performing)	2,442	61	1,933	93
Financial assets that are credit-impaired (Non-performing)	268	100	-	-
Total	8,565,129	62,215	2,982,039	25,371

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 2024			Total
	Financial assets with no significant increase in credit risk	Financial assets with significant increase in credit risk	Financial assets that are credit-impaired	
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
Balance - end of year	62,054	61	100	62,215

(Unit: Thousand Baht)

	For the year ended 31 December 2023			Total
	Financial assets with no significant increase in credit risk	Financial assets with significant increase in credit risk	Financial assets that are credit-impaired	
Balance - beginning of year	9,287	792	19	10,098
Changes from revaluation of allowance for credit loss/new financial assets/derecognition	15,991	(699)	(19)	15,273
Balance - end of year	25,278	93	-	25,371

3.19.2 Provision for long-term employee benefits

Provision for long-term 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	
	2024	2023
Defined post-employment benefit obligation at beginning of year	743,975	670,439
Current service cost	51,530	48,613
Interest cost	21,326	18,998
Past service cost	15,253	-
Benefits paid during the year	(29,519)	(15,139)
Included in other comprehensive income:		
Actuarial (gain) loss arising from		
Demographic assumptions changes	59,815	16,286
Financial assumptions changes	(42,105)	(63,470)
Other assumptions changes	55,623	68,248
Defined post-employment benefit obligation at end of year	875,898	743,975
Other long-term benefits	256,540	211,675
Total provision for long-term employee benefits at end of year	1,132,438	955,650

Long-term employee benefit expenses included in profit or loss for the years ended 31 December 2024 and 2023 are as follows:

	(Unit: Thousand Baht)	
	For the years ended 31 December	
	2024	2023
Current service cost	69,959	64,640
Interest cost	27,031	23,660
Past service cost	15,253	-
Actuarial loss	35,713	30,952
Total employee benefit expenses	<u>147,956</u>	<u>119,252</u>

As at 31 December 2024 and 2023, the Bank expects to pay long-term employee benefits during the next year of Baht 83 million and Baht 72 million, respectively.

As at 31 December 2024 and 2023, the weighted average duration of the liabilities for long-term employee benefits is 14 years.

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

	(Unit: Percent per annum)	
	As at 31 December	
	2024	2023
Discount rate	1.00 - 3.26	1.00 - 4.18
Average salary increase rate	5.00	5.00
Turnover rate	0.72 - 7.08	0.79 - 7.69

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 2024 and 2023 are summarised below.

	(Unit: Thousand Baht)			
	As at 31 December			
	2024		2023	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
Discount rate	(23,321)	24,267	(20,064)	20,886
Average salary increase rate	23,284	(22,501)	20,449	(19,751)
Turnover rate	(2,593)	2,593	(2,235)	2,235

3.20 Other liabilities

(Unit: Thousand Baht)

	As at 31 December	
	2024	2023
Withholding income tax and other tax payables	340,481	293,900
Accrued insurance premium	166,109	170,396
Deferred income	1,458,457	1,324,336
Accrued expenses	2,140,051	2,302,729
Suspense creditors	587,113	874,927
Other liabilities	508,876	451,929
Total other liabilities	<u>5,201,087</u>	<u>5,418,217</u>

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 2024 and 2023, the Bank has accrued bonus under this scheme amounting to Baht 100 million and Baht 118 million, respectively, and recognised expenses in profit or loss during the years ended 31 December 2024 and 2023 amounting to Baht 43 million and Baht 44 million, respectively.

As at 31 December 2024 and 2023, there were no outstanding balances of advances received from Electronic Funds Transfer transactions included in the above other liabilities. However, the Bank maintained an asset amounting to 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 2024 and 2023.

3.21 Preference shares converted to ordinary shares

Up to 31 December 2024 and 2023, preference shares have been converted into ordinary shares totalling 627,952,146 shares.

As at 31 December 2024 and 2023, 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 2024 and 2023, 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	
	2024	2023
<u>Common Equity Tier I capital</u>		
Issued and fully paid-up share capital	9,215,676	9,215,676
Premium on share capital	2,543,024	2,543,024
Statutory reserve	984,000	984,000
Net profits after appropriation	22,649,873	22,153,406
Other components of equity	304,257	297,377
Less: Deductions from Common Equity Tier I items	(360,082)	(376,687)
Total Common Equity Tier I capital	35,336,748	34,816,796
<u>Financial Instrument Tier I capital</u>		
Issued and fully paid-up share capital - non-cumulative preference shares	1	1
Total Tier I capital	35,336,749	34,816,797
<u>Tier II capital</u>		
Long-term subordinated debentures	2,640,000	5,040,000
Surplus of provision	439,756	841,867
Reserve for loans classified as normal	291,898	542,519
Total Tier II capital	3,371,654	6,424,386
Total capital funds	38,708,403	41,241,183

(Unit: Percent)

Capital fund ratios	As at 31 December			
	2024		2023	
	The Bank	Requirement	The Bank	Requirement
Common Equity Tier I capital to risk assets	18.70	7.00	18.87	7.00
Tier I capital to risk assets	18.70	8.50	18.87	8.50
Total capital to risk assets	20.48	11.00	22.35	11.00

To comply 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 will disclose capital maintenance information as at 31 December 2024 on its website (www.tisco.co.th) by April 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	
	2024	2023
Balance - beginning of year	(1,792)	380
Increase (decrease) from changes in value of investments during the year	10,926	(2,172)
	9,134	(1,792)
Add (less): Effect of deferred tax assets (liabilities)	(1,827)	358
Balance - end of year	7,307	(1,434)

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	
	2024	2023
Balance - beginning of year	425,087	375,841
Revaluation	15,343	51,573
Transfer to retained earnings	(3,142)	(2,327)
	437,288	425,087
Less: Effect of deferred tax liabilities	(87,457)	(85,017)
Balance - end of year	349,831	340,070

3.24 Interest income

Interest income in the statements of comprehensive income for the years ended 31 December 2024 and 2023 consisted of the following:

	(Unit: Thousand Baht)	
	For the years ended 31 December	
	2024	2023
Interbank and money market items	889,739	748,208
Investments in debt instruments	82,781	65,592
Loans to customers	11,244,336	9,992,416
Hire purchase receivables	5,382,626	5,625,715
Total interest income	17,599,482	16,431,931

Interest income for the years ended 31 December 2024 and 2023 included interest income on credit-impaired financial assets amounting to Baht 404 million and Baht 393 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 2024 and 2023 consisted of the following:

	(Unit: Thousand Baht)	
	For the years ended 31 December	
	2024	2023
Deposits	4,153,106	2,847,446
Interbank and money market items	3,572	4,204
Contribution fee to the Deposit Protection Agency and the Bank of Thailand	981,012	954,061
Issued debt securities		
- Subordinated debentures	99,392	184,235
- Unsubordinated debentures	7,137	35,000
Borrowings	905	904
Others	13,209	9,877
Total interest expenses	5,258,333	4,035,727

3.26 Net fee and service income

Net fee and service income in the statements of comprehensive income for the years ended 31 December 2024 and 2023 consisted of the following:

(Unit: Thousand Baht)

	For the years ended 31 December	
	2024	2023
Fee and service income		
- Acceptance, aval and guarantees	24,789	21,928
- Insurance service	1,062,932	1,101,362
- Others	466,841	451,014
Total fee and service income	1,554,562	1,574,304
Fee and service expenses	(88,779)	(90,881)
Net fee and service income	1,465,783	1,483,423

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 2024 and 2023 consisted of the following:

(Unit: Thousand Baht)

	For the years ended 31 December	
	2024	2023
Gain (loss) on trading and foreign exchange transactions		
- Foreign currencies and derivatives on foreign exchange	(78,330)	(70,038)
- Debt instruments	28,489	27,360
- Equity instruments	248,041	91,086
Net gain on financial instruments measured at fair value through profit or loss	198,200	48,408

3.28 Net gain on investments

Net gain on investments in the statements of comprehensive income for the years ended 31 December 2024 and 2023 consisted of the following:

	(Unit: Thousand Baht)	
	For the years ended 31 December	
	2024	2023
Gain on derecognition		
- Debt instruments measured at fair value through other comprehensive income	304	987
- Debt instruments measured at amortised cost	2,290	4,265
Net gain on investments	2,594	5,252

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 2024 and 2023 consisted of the following:

	(Unit: Thousand Baht)	
	For the years ended 31 December	
	2024	2023
Expected credit loss		
- Interbank and money market items (reversal)	(682)	351
- Investments in debt instruments measured at amortised cost (reversal)	(39)	(172)
- Investments in debt instruments measured at fair value through other comprehensive income and accrued interest receivables (reversal)	(7,286)	360
- Loans to customers (reversal) ⁽¹⁾	786,561	(76,005)
- Other receivables (reversal)	332	(841)
Gain from the modification of terms		
- Loans to customers	(3,601)	(25,400)
Loan commitments and financial guarantees	36,844	15,273
Total	812,129	(86,434)

(1) Net of bad debt recovery

3.30 Income tax expenses

Income tax expenses for the years ended 31 December 2024 and 2023 are as follows:

	(Unit: Thousand Baht)	
	For the years ended 31 December	
	2024	2023
Current income tax:		
Income tax expenses for the year	1,041,876	1,366,529
Deferred tax:		
Deferred tax on temporary differences and reversion of temporary differences	12,583	(145,282)
Income tax expenses reported in the statement of comprehensive income	<u>1,054,459</u>	<u>1,221,247</u>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2024 and 2023 are as follows:

	(Unit: Thousand Baht)	
	For the years ended 31 December	
	2024	2023
(Gain) loss on valuation of investments in debt instruments measured at fair value through other comprehensive income	(2,185)	434
Changes in surplus on revaluation of assets	(3,069)	(10,314)
Actuarial loss	14,667	4,213
Income tax expenses recorded directly to other comprehensive income	<u>9,413</u>	<u>(5,667)</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 2024 and 2023 is as follows:

	(Unit: Thousand Baht)	
	For the years ended 31 December	
	2024	2023
Accounting profit before tax	<u>5,283,776</u>	<u>6,109,685</u>
Applicable tax rate	20%	20%
Accounting profit before tax multiplied by applicable tax rate	1,056,755	1,221,937
Tax effect of net tax-exempt income, net disallowed expenses and additional expense deductions allowed	(2,296)	(690)
Income tax expenses reported in the statement of comprehensive income	<u>1,054,459</u>	<u>1,221,247</u>
Weighted average tax rate	19.96%	19.99%

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

(Unit: Thousand Baht)

	Changes in deferred tax assets/liabilities reported in profit or loss for the			
	As at 31 December		years ended 31 December	
	2024	2023	2024	2023
Allowance for expected credit loss	19,099	13,266	5,833	2,983
Allowance for impairment of investments	1,469	2,589	(1,120)	-
Allowance for impairment of properties foreclosed	-	7	(7)	(17)
Non-accrual of interest income	2,834	2,886	(52)	(1,008)
Depreciation of assets	(11,021)	(10,849)	(172)	3,074
(Gain) loss on changes in fair value of investment properties	(78)	173	(251)	173
Surplus on revaluation of assets	(87,457)	(85,017)	-	-
(Surplus) deficit on changes in value of investments	(1,827)	358	-	-
Gain on changes in value of investments	(210,033)	(160,424)	(49,609)	(18,216)
Deferred commission and direct expenses incurred at the initiation of hire purchase	(8,287)	(29,093)	20,806	46,298
Unearned interest income on hire purchase	562	3,125	(2,563)	(10,101)
Loss on disposal of properties foreclosed	28,987	27,919	1,068	18,635
Accrued expenses	214,487	257,259	(42,772)	43,471
Employee benefit expenses	226,487	191,130	20,691	18,196
Others	148,810	113,245	35,565	41,794
Deferred tax assets	324,032	326,574	(12,583)	145,282

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	
	2024	2023
Profit attributable to equity holders of the Bank (Thousand Baht)	4,229,317	4,888,438
Weighted average number of shares (Thousand shares)	921,568	921,568
Basic earnings per share (Baht/share)	4.59	5.30

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 2024 and 2023, the balances of accounts between the Bank and its related companies are as follows:

(Unit: Thousand Baht)

	As at 31 December	
	2024	2023
<u>Outstanding balances</u>		
Parent company		
TISCO Financial Group Plc.		
Loans to customers	4,240,000	-
Deposits	36,536	564,439
Lease liabilities	55,089	53,942
Accrued interest payable	1	21
Dividend payable	2,156,205	2,524,785
Other liabilities	141,708	161,125
Related companies		
Interbank and money market item (assets)		
TISCO Asset Management Co., Ltd.	25,000	135,000
Other assets		
TISCO Securities Co., Ltd.	130	134
TISCO Asset Management Co., Ltd.	3,494	3,148
Hi-Way Co., Ltd.	1,056	1,053
TISCO Insurance Solution Co., Ltd.	11,199	11,277
Deposits		
Hi-Way Co., Ltd.	162,055	114,114
TISCO Insurance Solution Co., Ltd.	531,753	524,205
TISCO Information Technology Co., Ltd.	556,453	464,393
TISCO Learning Center Co., Ltd.	73,380	104,357
All-Ways Co., Ltd.	300,413	280,929
Primus Leasing Co., Ltd.	32,897	32,897
TISCO Tokyo Leasing Co., Ltd.	2,516	4,100
Interbank and money market items (liabilities)		
TISCO Securities Co., Ltd.	306,646	262,606
TISCO Asset Management Co., Ltd.	90,091	237,709
Lease liabilities		
TISCO Securities Co., Ltd.	66	325
Hi-Way Co., Ltd.	610	2,951

(Unit: Thousand Baht)

	As at 31 December	
	2024	2023
Related companies (continued)		
Accrued interest payable		
TISCO Securities Co., Ltd.	17	20
TISCO Asset Management Co., Ltd.	4	17
Hi-Way Co., Ltd.	5	5
TISCO Insurance Solution Co., Ltd.	11	189
TISCO Information Technology Co., Ltd.	27	137
TISCO Learning Center Co., Ltd.	4	6
All-Ways Co., Ltd.	91	373
Other liabilities		
Hi-Way Co., Ltd.	386,400	304,270
TISCO Insurance Solution Co., Ltd.	24,737	14,717
TISCO Learning Center Co., Ltd.	1,052	2,229
All-Ways Co., Ltd.	8,066	9,283
Management - departmental managers upward		
Loans ⁽¹⁾	13,607	14,708
Directors and management - departmental managers upward		
Deposits	302,421	301,021
Companies which directors or their related persons have significant influence over		
Deposits	63,086	340,720
Related persons of directors and key management		
Deposits	65,886	65,699
Commitments - guarantees		
Parent company		
TISCO Financial Group Plc.	1,040	1,040
Related companies		
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
Commitments - undrawn overdraft facilities		
Related companies		
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	
	2024	2023
Commitments - loan credit lines ⁽²⁾		
Parent company		
TISCO Financial Group Plc.	9,500,000	9,500,000
Related companies		
TISCO Securities Co., Ltd. ⁽³⁾	5,000,000	5,000,000
TISCO Asset Management Co., Ltd. ⁽³⁾	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
Commitments - financial guarantees		
TISCO Tokyo Leasing Co., Ltd.	8,000	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 2024 and 2023, 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 2024			
	Balance - beginning of year	Increase	Decrease	Balance - end of year
Parent company				
Loans				
TISCO Financial Group Plc.	-	66,160,000	(61,920,000)	4,240,000
Related companies				
Interbank and money market items (Assets)				
TISCO Asset Management Co., Ltd.	135,000	25,000	(135,000)	25,000

(Unit: Thousand Baht)

	For the year ended 31 December 2023			
	Balance - beginning			Balance - end
	of year	Increase	Decrease	of year
Parent company				
Loans				
TISCO Financial Group Plc.	550,000	4,710,000	(5,260,000)	-
Related companies				
Interbank and money market items (Assets)				
TISCO Securities Co., Ltd.	100,000	-	(100,000)	-
TISCO Asset Management Co., Ltd.	-	135,000	-	135,000

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
	2024	2023	
<u>Transactions occurred during the years</u>			
Parent company			
Interest income	81,685	37,283	With reference to the terms and prices as offered to other customers
Other income	2,297	720	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	1,700,000	1,675,000	Determined on actual costs in compliance with the criteria specified by the BOT
Interest expenses	2,292	526	With reference to the terms and prices as offered to other customers
Other expenses	11,323	11,911	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
	2024	2023	
Related companies			
Interest income	210	542	With reference to the terms and prices as offered to other customers
Insurance service income	49,098	53,229	With reference to the terms and prices as offered to other customers
Other income	51,416	49,852	With reference to the terms and prices as offered to other customers
Expenses involving loans	1,416,471	1,068,263	Determined on actual costs
Computer system advisory service expenses	692,000	654,000	Determined on actual costs in compliance with the criteria specified by the BOT
Training expenses	27,403	50,145	With reference to the prices as offered from other service providers
Interest expenses	16,748	11,921	With reference to the terms and prices as offered to other customers
Other expenses	37,984	36,452	With reference to the terms and prices as offered to other customers

Directors' and key management's benefits

During the years ended 31 December 2024 and 2023, the Bank had short-term benefit expenses and post-employment benefit expenses to its directors and key management as follows:

	(Unit: Million Baht)	
	For the years ended 31 December	
	2024	2023
Short-term benefits	219	202
Post-employment benefits	21	19
Total	240	221

The Bank has other employee benefit expenses to its directors and key management recognised in profit or loss during the years ended 31 December 2024 and 2023 amounting to Baht 17 million and Baht 13 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 2024 and 2023, 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 2024 and 2023 is as follows:

(Unit: Million Baht)

	For the year ended 31 December 2024					
	Retail banking	Corporate banking	Treasury investment and others	Total segments	Eliminations	Financial statements
Revenue:						
External customers	10,516	2,427	1,312	14,255	-	14,255
Inter-segment	-	-	2,639	2,639	(2,639)	-
Total revenue	10,516	2,427	3,951	16,894	(2,639)	14,255
Operating results:						
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
Total operating income	10,516	2,427	3,951	16,894	(2,639)	14,255
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)
Total operating expenses	(10,122)	(846)	(643)	(11,611)	2,639	(8,972)
Segment profit before income tax expenses	394	1,581	3,308	5,283	-	5,283
Income tax expenses						(1,054)
Profit for the year						4,229

(Unit: Million Baht)

For the year ended 31 December 2023

	Retail banking	Corporate banking	Treasury investment and others	Total segments	Eliminations	Financial statements
Revenue:						
External customers	11,058	2,281	859	14,198	-	14,198
Inter-segment	-	-	3,066	3,066	(3,066)	-
Total revenue	11,058	2,281	3,925	17,264	(3,066)	14,198
Operating results:						
Net interest income	9,477	2,209	710	12,396	-	12,396
Net fee and service income	1,368	138	(23)	1,483	-	1,483
Other operating income	213	(66)	3,238	3,385	(3,066)	319
Total operating income	11,058	2,281	3,925	17,264	(3,066)	14,198
Premises and equipment expenses and amortisation	(244)	(32)	(909)	(1,185)	-	(1,185)
Other operating expenses	(6,894)	(977)	(2,185)	(10,056)	3,066	(6,990)
Expected credit loss	(2,223)	(73)	2,382	86	-	86
Total operating expenses	(9,361)	(1,082)	(712)	(11,155)	3,066	(8,089)
Segment profit before income tax expenses	1,697	1,199	3,213	6,109	-	6,109
Income tax expenses						(1,221)
Profit for the year						4,888

Total assets information regarding the Bank's operating segments as at 31 December 2024 and 2023 is as follows:

(Unit: Million Baht)

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

(Unit: Million Baht)

	As at 31 December 2023			
	Retail	Corporate	Treasury	Total segments
	banking	banking	investment and others	
Segment total assets	164,190	58,165	52,747	275,102
Premises and equipment - net	16	2	763	781

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 2024 and 2023, the Bank recognised contributions as expenses totalling Baht 192 million and Baht 183 million, respectively.

3.35 Commitments and contingent liabilities

3.35.1 Avals, guarantees and commitments

(Unit: Thousand Baht)

	As at 31 December	
	2024	2023
Avals to bills	364,740	230,502
Other guarantees	2,846,525	1,570,840
Undrawn client overdraft facilities	255,000	230,000
Foreign exchange contracts (Note 3.36.4)	2,771,366	2,386,981
Others	7,937,389	2,513,537
Total	<u>14,175,020</u>	<u>6,931,860</u>

3.35.2 Litigation

As at 31 December 2024 and 2023, the Bank has been sued for compensation totalling approximately Baht 190 million and Baht 193 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 2024 and 2023, the exposure to credit risk is as follows:

	(Unit: Million Baht)	
	As at 31 December	
	2024	2023
Interbank and money market items (Assets)	38,092	47,145
Investments in debt instruments measured at fair value through other comprehensive income	4,075	2,894
Investments in debt instruments measured at amortised cost	9	9
Loans to customers and accrued interest receivables	229,510	229,390
Other assets - accrued interest receivables on investments	7	5
Other assets - fee and service receivables	113	109
Other assets - other receivables	238	333
Total financial assets	272,044	279,885
Loan commitments	8,565	2,982
Total credit risk exposure	280,609	282,867

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:

	Exposure to risk with collateral		
	as at 31 December		
	2024	2023	Type of collateral
Interbank and money market items	36,214	44,326	Bonds
Loans to customers and accrued interest receivables	223,363	226,649	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 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
Interbank and money market items					
(Assets)					
Investment grade	38,092	-	-	-	38,092
Non-investment grade	-	-	-	-	-
Total	38,092	-	-	-	38,092
Allowance for expected credit loss	1	-	-	-	1
Investments in debt instruments measured at fair value through other comprehensive income					
Investment grade	4,052	-	-	-	4,052
Non-investment grade	-	-	23	-	23
Total	4,052	-	23	-	4,075
Allowance for expected credit loss	-	-	21	-	21
Investments in debt instruments measured at amortised cost					
Investment grade	-	-	-	-	-
Non-investment grade	-	-	9	-	9
Total	-	-	9	-	9
Allowance for expected credit loss	-	-	9	-	9

(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
Loans to customers and accrued interest receivables					
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
Other assets - accrued interest receivables on investments					
Investment grade	7	-	-	-	7
Non-investment grade	-	-	-	-	-
Total	7	-	-	-	7
Allowance for expected credit loss	-	-	-	-	-
Other assets - fee and service receivables					
0 day overdue	-	-	-	113	113
1 - 30 days overdue	-	-	-	-	-
Total	-	-	-	113	113
Allowance for expected credit loss	-	-	-	-	-
Other assets - other receivables					
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
Commitments					
Loan commitments and financial guarantees	8,563	2	-	-	8,565
Total	8,563	2	-	-	8,565
Allowance for expected credit loss	62	-	-	-	62

(Unit: Million Baht)

As at 31 December 2023

	Financial assets with no significant increase in credit risk	Financial assets with significant increase in credit risk	Financial assets that are credit-impaired	Financial assets applying a simplified approach	Total
Interbank and money market items					
(Assets)					
Investment grade	47,145	-	-	-	47,145
Non-investment grade	-	-	-	-	-
Total	47,145	-	-	-	47,145
Allowance for expected credit loss	1	-	-	-	1
Investments in debt instruments					
measured at fair value through					
other comprehensive income					
Investment grade	2,867	-	-	-	2,867
Non-investment grade	-	-	27	-	27
Total	2,867	-	27	-	2,894
Allowance for expected credit loss	-	-	27	-	27
Investments in debt instruments					
measured at amortised cost					
Investment grade	-	-	-	-	-
Non-investment grade	-	-	9	-	9
Total	-	-	9	-	9
Allowance for expected credit loss	-	-	9	-	9
Loans to customers and accrued					
interest receivables					
0 day overdue	191,919	2,133	153	-	194,205
1 - 30 days overdue	13,632	2,553	84	-	16,269
31 - 60 days overdue	-	10,178	144	-	10,322
61 - 90 days overdue	-	4,381	164	-	4,545
Over 90 days overdue	-	-	4,049	-	4,049
Total	205,551	19,245	4,594	-	229,390
Allowance for expected credit loss	4,947	2,506	1,444	-	8,897

(Unit: Million Baht)

As at 31 December 2023

	Financial assets with no significant increase in credit risk	Financial assets with significant increase in credit risk	Financial assets that are credit-impaired	Financial assets applying a simplified approach	Total
Other assets - accrued interest receivables on investments					
Investment grade	4	-	-	-	4
Non-investment grade	-	-	1	-	1
Total	4	-	1	-	5
Allowance for expected credit loss	-	-	1	-	1
Other assets - fee and service receivables					
0 day overdue	-	-	-	109	109
1 - 30 days overdue	-	-	-	-	-
Total	-	-	-	109	109
Allowance for expected credit loss	-	-	-	-	-
Other assets - other receivables					
0 day overdue	-	-	-	328	328
1 - 30 days overdue	-	-	-	-	-
31 - 90 days overdue	-	-	-	-	-
91 - 180 days overdue	-	-	-	1	1
Over 180 days overdue	-	-	-	4	4
Total	-	-	-	333	333
Allowance for expected credit loss	-	-	-	4	4
Commitments					
Loan commitments and financial guarantees	2,980	2	-	-	2,982
Total	2,980	2	-	-	2,982
Allowance for expected credit loss	25	-	-	-	25

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	
	2024	2023
Hire purchase receivables with no significant increase in credit risk		
Very high grade	43,661	46,146
High grade	35,101	38,445
Medium grade	6,608	6,958
Subtotal	85,370	91,549
Hire purchase receivables with significant increase in credit risk	9,051	10,417
Hire purchase receivables that are credit-impaired	2,294	2,431
Total	96,715	104,397

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	
	2024	2023
Marketable financial assets		
Equity securities	1	1
Debt securities	7	13

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	
	2024	2023
Changes in interest rate		
Increase by 1 percent	(152.55)	(371.22)
Decrease by 1 percent	152.55	371.22

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 2024					Total
	Repricing or maturity date					
	0 - 3 months	3 - 12 months	1 - 5 years	Over 5 years	Non-interest bearing	
Financial assets						
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>
Financial liabilities						
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>

(Unit: Million Baht)

As at 31 December 2023

Transactions	Repricing or maturity date					Total
	0 - 3 months	3 - 12 months	1 - 5 years	Over 5 years	Non-interest bearing	
Financial assets						
Cash	-	-	-	-	911	911
Interbank and money market items	44,326	-	135	-	2,684	47,145
Financial assets measured at fair value through profit or loss	-	-	-	-	1,032	1,032
Investments	-	1,653	28	-	1,213	2,894
Loans to customers	78,894	7,558	118,672	24,266	-	229,390
Other assets - accrued interest receivables on investments	-	-	-	-	5	5
Other assets - fee and service receivables	-	-	-	-	109	109
Other assets - other receivables	-	-	-	-	333	333
	<u>123,220</u>	<u>9,211</u>	<u>118,835</u>	<u>24,266</u>	<u>6,287</u>	<u>281,819</u>
Financial liabilities						
Deposits	132,546	74,951	2,407	-	826	210,730
Interbank and money market items	668	64	7,357	-	307	8,396
Liabilities payable on demand	-	-	-	-	237	237
Derivatives liabilities	-	-	-	-	29	29
Debts issued and borrowings	2,836	-	-	5,040	-	7,876
Lease liabilities	1	21	292	142	-	456
Accrued interest payable	-	-	-	-	1,365	1,365
Other liabilities - accrued insurance premium	-	-	-	-	170	170
	<u>136,051</u>	<u>75,036</u>	<u>10,056</u>	<u>5,182</u>	<u>2,934</u>	<u>229,259</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	
	2024	2023
Composition of highly liquid assets		
Cash	901	911
Interbank and money market items	38,092	47,144
Current investments	4,057	2,871
Total highly liquid assets	<u>43,050</u>	<u>50,926</u>
Liquid asset requirement according to the LCR criteria	29,002	30,548

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 2024 and 2023, 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 2024 and 2023, the periods to the maturity dates of financial instruments are as follows:

(Unit: Million Baht)

Transactions	As at 31 December 2024						Financial assets that are credit-impaired	Total
	At call	0 - 3 months	3 - 12 months	1 - 5 years	Over 5 years	Unspecified		
Financial assets								
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	5,803	14,978	42,190	114,226	47,483	-	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>8,588</u>	<u>51,697</u>	<u>46,124</u>	<u>114,233</u>	<u>47,483</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	Unspecified	Financial assets that are credit-impaired	Total
Financial liabilities								
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>

Commitments and contingent liabilities

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

(Unit: Million Baht)

As at 31 December 2023

Transactions	At call	0 - 3 months	3 - 12 months	1 - 5 years	Over 5 years	Unspecified	Financial assets that are credit-impaired	Total
Financial assets								
Cash	911	-	-	-	-	-	-	911
Interbank and money market items	2,685	44,325	-	135	-	-	-	47,145
Financial assets measured at fair value through profit or loss	-	-	-	-	-	1,032	-	1,032
Investments	-	128	2,738	1	-	-	27	2,894
Loans to customers	1,583	15,568	42,048	120,625	44,972	-	4,594	229,390
Other assets - accrued interest receivables on investments	-	1	3	-	-	-	1	5
Other assets - fee and service receivables	-	109	-	-	-	-	-	109
Other assets - other receivables	6	301	7	5	-	14	-	333
	<u>5,185</u>	<u>60,432</u>	<u>44,796</u>	<u>120,766</u>	<u>44,972</u>	<u>1,046</u>	<u>4,622</u>	<u>281,819</u>

(Unit: Million Baht)

As at 31 December 2023

Transactions	At call	0 - 3 months	3 - 12 months	1 - 5 years	Over 5 years	Unspecified	Financial assets that are credit-impaired	Total
Financial liabilities								
Deposits	33,153	100,219	74,951	2,407	-	-	-	210,730
Interbank and money market items	922	53	64	7,357	-	-	-	8,396
Liabilities payable on demand	237	-	-	-	-	-	-	237
Derivatives liabilities	-	29	-	-	-	-	-	29
Debts issued and borrowings	36	2,800	-	-	5,040	-	-	7,876
Lease liabilities	-	24	111	261	60	-	-	456
Accrued interest payable	28	705	622	10	-	-	-	1,365
Other liabilities - accrued insurance premium	-	170	-	-	-	-	-	170
	<u>34,376</u>	<u>104,000</u>	<u>75,748</u>	<u>10,035</u>	<u>5,100</u>	<u>-</u>	<u>-</u>	<u>229,259</u>

Commitments and contingent**liabilities**

Avals to bills and other guarantees	-	239	52	8	1	1,501	-	1,801
Other commitments	759	2,461	382	1,456	73	-	-	5,131

Regarding the disclosure of the Bank's Liquidity Coverage Ratio as at 31 December 2024, it will be disclosed via the Bank's website by April 2025.

3.36.4 Derivatives

As at 31 December 2024 and 2023, 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 2024

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

(Unit: Million Baht)

As at 31 December 2023

Maturity	Notional amount	Loss on measurement of fair value
Year 2024	2,387	(29)

3.37 Fair value hierarchy

3.37.1 As at 31 December 2024 and 2023, 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 2024				
	Book value	Fair value			Total
		Level 1	Level 2	Level 3	
<u>Financial assets measured at fair value</u>					
Financial assets measured at fair value through profit or loss					
Equity instruments	1,294	4	-	1,290	1,294
Derivatives assets					
Foreign exchange contracts	56	-	56	-	56
Investments - debt instruments	4,075	-	4,052	23	4,075
<u>Assets measured at fair value</u>					
Investment properties	51	-	-	51	51
Office condominiums	623	-	-	623	623
<u>Financial assets for which fair value is disclosed</u>					
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	-	75,513	146,345	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
<u>Financial liabilities for which fair value is disclosed</u>					
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

(Unit: Million Baht)

As at 31 December 2023

	Book value	Fair value			Total
		Level 1	Level 2	Level 3	
<u>Financial assets measured at fair value</u>					
Financial assets measured at fair value					
through profit or loss					
Equity instruments	1,032	4	-	1,028	1,032
Investments - debt instruments	2,894	-	2,867	27	2,894
<u>Financial liabilities measured at fair value</u>					
Derivatives liabilities					
Foreign exchange contracts	29	-	29	-	29
<u>Assets measured at fair value</u>					
Investment properties	27	-	-	27	27
Office condominiums	638	-	-	638	638
<u>Financial assets for which fair value is disclosed</u>					
Cash	911	911	-	-	911
Interbank and money market items	47,144	2,818	44,326	-	47,144
Loans to customers and accrued interest receivables	220,492	-	68,143	152,202	220,345
Other assets - accrued interest receivables on investments	4	-	4	-	4
Other assets - fee and service receivables	109	-	109	-	109
Other assets - other receivables	329	-	329	-	329
<u>Financial liabilities for which fair value is disclosed</u>					
Deposits	210,730	31,942	178,788	-	210,730
Interbank and money market items	8,396	921	7,475	-	8,396
Liabilities payable on demand	237	237	-	-	237
Debts issued and borrowings	7,876	-	7,587	-	7,587
Accrued interest payable	1,365	4	1,361	-	1,365
Other liabilities - accrued insurance premium	170	-	170	-	170

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

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 2024	1,028	27	1,055
Transfer to non-marketable equity instruments	-	(7)	(7)
Transfer from investments - private sector			
debt instruments	14	-	14
Net gain recognised in profit or loss	248	-	248
Net gain recognised in other comprehensive income	-	3	3
Balance as at 31 December 2024	1,290	23	1,313

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 107 million.
		Equity risk premium	9.40%, 10.40%	1% increase in the equity risk premium would result in a decrease in fair value by Baht 83 million.
		Relative Valuation - Price per Earning	WACC 4.90%	1% increase in the WACC would result in a decrease in fair value by Baht 0.16 million.

Fair value of investments in private sector debt instruments is wholly determined using yield rates quoted by the Thai Bond Market Association. However, as they are investments in companies with weak financial positions and poor operating results, they are categorised within level 3, and 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 2022	The 2023 Annual General Meeting of the Shareholders on 17 April 2023	0.80	0.80	737	May 2023
Interim dividend for the year 2023	The 3/2023 Meeting of the Board of Directors on 29 June 2023	1.26	1.26	1,161	July 2023
Interim dividend for the year 2023	The 6/2023 Meeting of the Board of Directors on 18 December 2023	2.74	2.74	2,525	January 2024
Total dividend payment in the year 2023				<u>4,423</u>	
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>	

5. Subsequent events

On 25 February 2025, the Board of Directors Meeting No. 1/2025 of the Bank concurred to propose to the General Meeting of the shareholders to approve a dividend payment of Baht 1.02 per share to the ordinary and preference shareholders listed in the share register as at 18 April 2025 in respect of the operating results for the year 2024. The dividend is to be paid on 9 May 2025.

6. Approval of financial statements

These financial statements were authorised for issue by the Bank's Board of Directors on 25 February 2025.