

TISCO Bank Public Company Limited  
Review report and interim financial information  
30 September 2020

## **Independent Auditor's Report on Review of Interim Financial Information**

To the Shareholders of TISCO Bank Public Company Limited

I have reviewed the accompanying statement of financial position of TISCO Bank Public Company Limited as at 30 September 2020, the related statements of comprehensive income for the three-month and nine-month periods then ended, the related statements of changes in equity and cash flows for the nine-month period then ended, as well as the condensed notes to the interim financial statements (collectively "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 Interim Financial Reporting and the Bank of Thailand's regulations. My responsibility is to express a conclusion on this interim financial information based on my review.

### **Scope of Review**

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

### **Conclusion**

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



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### Emphasis of Matter

I draw attention to Note 1.2 and Note 1.3 a) to the interim financial statements regarding the COVID-19 pandemic which is impacting various businesses and industries. This situation could create uncertainties and may be impacting the operating results and cash flows in the future; and due to the impact of the COVID-19 situation, the Bank has elected to adopt the Accounting Guidance on Temporary Relief Measures for Entities Providing Assistance to Debtors Impacted by Situations that Affect the Thai Economy as issued by the Federation of Accounting Professions in preparing the interim financial information. My conclusion is not modified in respect of this matter.

Somjai Khunapasut

Certified Public Accountant (Thailand) No. 4499

EY Office Limited

Bangkok: 12 November 2020

**TISCO Bank Public Company Limited**

**Statement of financial position**

**As at 30 September 2020**

(Unit: Thousand Baht)

	Note	30 September 2020	31 December 2019
		(Unaudited but reviewed)	(Audited)
<b>Assets</b>			
Cash		1,036,601	1,099,247
Interbank and money market items - net	4.2, 4.8	35,691,771	44,049,590
Financial assets measured at fair value through profit or loss	4.3	758,779	-
Derivatives assets	4.4	198	21,907
Investments - net	4.5, 4.8	11,029,437	7,671,893
Loans to customers and accrued interest receivables	4.6, 4.8		
Loans to customers		239,793,114	257,250,213
Accrued interest receivables and undue interest income		1,647,895	1,106,977
Total loans to customers and accrued interest receivables		241,441,009	258,357,190
Less: Deferred revenue		(18,209,221)	(19,084,739)
Less: Allowance for expected credit loss	4.7	(10,749,955)	-
Less: Allowance for doubtful accounts	4.7	-	(10,074,115)
Less: Allowance for loss on debt restructuring	4.7	-	(7,343)
Loans to customers and accrued interest receivables - net		212,481,833	229,190,993
Properties foreclosed - net		49,226	13,703
Investment properties		28,152	28,152
Premises and equipment - net	4.9	767,075	792,039
Right-of-use assets - net	4.10	496,633	-
Intangible assets - net		112,113	181,929
Deferred tax assets	4.30	403,460	882,142
Other assets	4.11	997,097	1,333,868
<b>Total assets</b>		<b>263,852,375</b>	<b>285,265,463</b>

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

**TISCO Bank Public Company Limited**  
**Statement of financial position (continued)**  
**As at 30 September 2020**

(Unit: Thousand Baht)

	Note	30 September 2020	31 December 2019
		(Unaudited but reviewed)	(Audited)
<b>Liabilities and equity</b>			
<b>Liabilities</b>			
Deposits	4.12	206,217,503	218,433,146
Interbank and money market items		4,694,804	3,831,925
Liabilities payable on demand		357,709	306,867
Debts issued and borrowings	4.13	10,946,919	18,716,919
Lease liabilities	4.14	480,184	-
Provisions	4.15	810,878	709,830
Accrued interest payable		825,900	988,036
Income tax payable		240,846	653,167
Dividend payable		-	4,100,976
Other liabilities	4.16	5,577,018	6,221,590
<b>Total liabilities</b>		<b>230,151,761</b>	<b>253,962,456</b>

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

**TISCO Bank Public Company Limited**  
**Statement of financial position (continued)**  
**As at 30 September 2020**

(Unit: Thousand Baht)

Note	30 September 2020 (Unaudited but reviewed)	31 December 2019 (Audited)
<b>Equity</b>		
Share capital		
Registered		
104 preference shares of Baht 10 each	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	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	307,732	304,899
Retained earnings		
Appropriated - statutory reserve	984,000	984,000
Unappropriated	20,650,181	18,255,407
<b>Total equity</b>	<u>33,700,614</u>	<u>31,303,007</u>
<b>Total liabilities and equity</b>	<u>263,852,375</u>	<u>285,265,463</u>

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



Mr. Suthas Ruangmanamongkol  
 (Chairperson of the Executive Board)



ธนาคารทีเอสซี จำกัด (มหาชน)  
 TISCO Bank Public Company Limited



Mr. Sakchai Peechapat  
 (President)

(Unaudited but reviewed)

**TISCO Bank Public Company Limited**

**Statement of comprehensive income**

**For the three-month period ended 30 September 2020**

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

	Note	2020	2019
<b>Profit or loss:</b>			
Interest income	4.20	3,763,412	4,096,338
Interest expenses	4.21	(803,264)	(1,227,912)
<b>Net interest income</b>		<b>2,960,148</b>	<b>2,868,426</b>
Fee and service income		500,949	684,489
Fee and service expenses		(16,881)	(18,645)
<b>Net fee and service income</b>	4.22	<b>484,068</b>	<b>665,844</b>
Net gain on financial instruments measured at fair value through profit or loss	4.23	7,340	-
Net gain on trading and foreign exchange transactions	4.24	-	9,131
Net gain on investments	4.25	2,593	3,785
Penalty fee income from loans		47,183	64,132
Other operating income	4.26	37,157	39,627
<b>Total operating income</b>		<b>3,538,489</b>	<b>3,650,945</b>
<b>Operating expenses</b>			
Employee expenses		549,243	792,843
Premises and equipment expenses		314,935	306,909
Taxes and duties		64,138	73,516
Intercompany supporting fee expenses	4.33	591,595	539,275
Other operating expenses	4.27	209,392	240,724
<b>Total operating expenses</b>		<b>1,729,303</b>	<b>1,953,267</b>
Bad debts, doubtful accounts and impairment loss	4.28	-	6,337
Expected credit loss	4.29	466,392	-
<b>Profit from operations before income tax expenses</b>		<b>1,342,794</b>	<b>1,691,341</b>
Income tax expenses	4.30	269,204	337,662
<b>Profit for the period</b>		<b>1,073,590</b>	<b>1,353,679</b>

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

(Unaudited but reviewed)

**TISCO Bank Public Company Limited**

**Statement of comprehensive income (continued)**

**For the three-month period ended 30 September 2020**

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

	Note	2020	2019
<b>Other comprehensive income:</b>	<u>4.31</u>		
<b><i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i></b>			
Loss on valuation of investments in debt instruments measured at fair value through other comprehensive income		(7,444)	-
Gain on valuation of available-for-sale investments		-	860
Income tax effects		1,489	(172)
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax (loss)		<u>(5,955)</u>	<u>688</u>
<b>Other comprehensive income for the period (loss)</b>		<u>(5,955)</u>	<u>688</u>
<b>Total comprehensive income for the period</b>		<u><u>1,067,635</u></u>	<u><u>1,354,367</u></u>
<b>Earnings per share</b>			
Basic earnings per share (Baht per share)	4.32	<u><u>1.16</u></u>	<u><u>1.47</u></u>

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



(Unaudited but reviewed)

**TISCO Bank Public Company Limited**

**Statement of comprehensive income**

**For the nine-month period ended 30 September 2020**

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

	Note	2020	2019
<b>Profit or loss:</b>			
Interest income	4.20	11,764,898	12,339,042
Interest expenses	4.21	(2,839,688)	(3,736,162)
<b>Net interest income</b>		<b>8,925,210</b>	<b>8,602,880</b>
Fee and service income		1,416,481	2,074,058
Fee and service expenses		(51,882)	(58,376)
<b>Net fee and service income</b>	4.22	<b>1,364,599</b>	<b>2,015,682</b>
Net gain on financial instruments measured at fair value through profit or loss	4.23	8,094	-
Net gain on trading and foreign exchange transactions	4.24	-	16,978
Net gain on investments	4.25	7,304	5,086
Penalty fee income from loans		150,761	201,513
Other operating income	4.26	106,387	121,954
<b>Total operating income</b>		<b>10,562,355</b>	<b>10,964,093</b>
<b>Operating expenses</b>			
Employee expenses		1,565,548	2,376,835
Premises and equipment expenses		947,406	910,217
Taxes and duties		206,096	216,592
Intercompany supporting fee expenses	4.33	1,735,242	1,563,986
Other operating expenses	4.27	602,395	667,577
<b>Total operating expenses</b>		<b>5,056,687</b>	<b>5,735,207</b>
Bad debts, doubtful accounts and impairment loss	4.28	-	100,335
Expected credit loss	4.29	1,825,094	-
<b>Profit from operations before income tax expenses</b>		<b>3,680,574</b>	<b>5,128,551</b>
Income tax expenses	4.30	738,683	1,020,460
<b>Profit for the period</b>		<b>2,941,891</b>	<b>4,108,091</b>

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

(Unaudited but reviewed)

**TISCO Bank Public Company Limited**  
**Statement of comprehensive income (continued)**  
**For the nine-month period ended 30 September 2020**

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

	Note	2020	2019
<b>Other comprehensive income:</b>	<b>4.31</b>		
<b><i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i></b>			
Loss on valuation of investments in debt instruments measured at fair value through other comprehensive income		(1,035)	-
Gain on valuation of available-for-sale investments		-	5,741
Income tax effects		207	(1,148)
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax (loss)		(828)	4,593
<b><i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i></b>			
Actuarial loss		(8,244)	(95,562)
Income tax effects		1,649	19,112
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax (loss)		(6,595)	(76,450)
<b>Other comprehensive income for the period (loss)</b>		<b>(7,423)</b>	<b>(71,857)</b>
<b>Total comprehensive income for the period</b>		<b>2,934,468</b>	<b>4,036,234</b>
<b>Earnings per share</b>			
Basic earnings per share (Baht per share)	4.32	3.19	4.46

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

(Unaudited but reviewed)

**TISCO Bank Public Company Limited**

**Cash flow statement**

**For the nine-month period ended 30 September 2020**

	(Unit: Thousand Baht)	
	2020	2019
<b>Cash flows from operating activities</b>		
Profit from operations before income tax	3,680,574	5,128,551
Adjustments to reconcile profit from operations before income tax to net cash provided by (paid from) operating activities		
Depreciation and amortisation	259,770	121,609
Expected credit loss	3,106,061	-
Bad debts and doubtful accounts	-	1,449,530
Allowance for impairment of investments	-	4,705
Reversal of allowance for impairment of properties foreclosed	(19)	(10,887)
Gain on disposal of investments in securities	(7,304)	(10,701)
Unrealised gain on foreign exchange transactions and trading derivatives	(25,773)	(5,386)
Loss on financial instruments measured at fair value through profit or loss	140	-
Gain on disposal of equipment and intangible assets	(1,518)	(1,379)
Loss on written-off of equipment	814	159
Gain on disposal of properties foreclosed	(19,667)	(32,918)
Employee benefit expenses	100,687	150,795
(Increase) decrease in accrued income	70,410	(47,806)
Increase (decrease) in accrued expenses	(405,917)	479,500
Net interest income	(8,925,210)	(8,602,880)
Dividend income	(41,681)	(49,110)
Cash received on interest income	11,153,382	12,328,123
Cash paid on interest expenses	(2,592,860)	(2,764,502)
Cash received on dividend income	41,681	49,110
Cash paid on income tax	(780,030)	(1,407,534)
Profit from operating activities before changes in operating assets and liabilities	5,613,540	6,778,979
Operating assets (increase) decrease		
Interbank and money market items	8,349,585	17,541,121
Loans to customers	12,791,759	(2,875,606)
Properties foreclosed	1,214,631	1,074,670
Other assets	279,849	380,644

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

(Unaudited but reviewed)

**TISCO Bank Public Company Limited**

**Cash flow statement (continued)**

**For the nine-month period ended 30 September 2020**

	(Unit: Thousand Baht)	
	2020	2019
Operating liabilities increase (decrease)		
Deposits	(12,215,643)	9,168,780
Interbank and money market items	862,879	2,290,502
Liabilities payable on demand	50,842	213,026
Short-term debts issued and borrowings	2,320,000	-
Provision for long-term employee benefits	(12,004)	(6,243)
Other liabilities	(370,925)	(705,810)
<b>Net cash flows from operating activities</b>	<b>18,884,513</b>	<b>33,860,063</b>
<b>Cash flows from investing activities</b>		
Cash paid for purchase of investments in securities	(24,905,218)	(15,996,806)
Cash received from disposal of investments in securities	21,282,423	16,678,606
Cash paid for purchase of equipment	(26,338)	(38,645)
Cash paid for purchase of intangible assets	(956)	(6,336)
Cash received from disposal of equipment	1,563	1,379
<b>Net cash flows from (used in) investing activities</b>	<b>(3,648,526)</b>	<b>638,198</b>
<b>Cash flows from financing activities</b>		
Cash received from issuance of long-term debentures	2,910,000	2,400,000
Cash paid for redemption of long-term debentures	(13,000,000)	(33,400,000)
Cash paid on lease liabilities	(130,795)	-
Dividend paid	(5,077,838)	(3,594,114)
<b>Net cash flows used in financing activities</b>	<b>(15,298,633)</b>	<b>(34,594,114)</b>
<b>Net decrease in cash</b>	<b>(62,646)</b>	<b>(95,853)</b>
Cash at beginning of the period	1,099,247	1,188,931
<b>Cash at end of the period</b>	<b>1,036,601</b>	<b>1,093,078</b>
	-	-
<b>Supplemental cash flows information</b>		
Non-cash transactions		
Right-of-use assets	51,095	-
Transfer-in of properties foreclosed in settlement of loans to customers	35,523	44,912
Transfer of investment properties to premises and equipment	-	10,679

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

(Unaudited but reviewed)

## TISCO Bank Public Company Limited

## Statement of changes in equity

For the nine-month period ended 30 September 2020

(Unit: Thousand Baht)

	Issued and fully paid-up		Share premium on ordinary shares	Other components of equity			Total	Retained earnings												
	Preference shares	Ordinary shares		Deficit on changes in value of available-for-sale investments	Surplus on changes in value of investments measured at fair value through other comprehensive income	Surplus on revaluation of assets		Total	Appropriated	Unappropriated	Total									
<b>Balance as at 1 January 2019</b>	1	9,215,676	2,543,024	(5,462)	-	308,123	302,661	984,000	17,277,459	30,322,821										
Profit for the period	-	-	-	-	-	-	-	-	4,108,091	4,108,091										
Other comprehensive income for the period (loss)	-	-	-	4,593	-	-	4,593	-	(76,450)	(71,857)										
Total comprehensive income for the period	-	-	-	4,593	-	-	4,593	-	4,031,641	4,036,234										
Transfer surplus on revaluation of assets to retained earnings	-	-	-	-	-	(1,393)	(1,393)	-	1,741	348										
<b>Balance as at 30 September 2019</b>	1	9,215,676	2,543,024	(869)	-	306,730	305,861	984,000	21,310,841	34,359,403										
<b>Balance as at 1 January 2020</b>	1	9,215,676	2,543,024	(1,362)	-	306,261	304,899	984,000	18,255,407	31,303,007										
Cumulative effects due to the adoption of new financial reporting standards (Note 2)	-	-	-	5,056	-	-	5,056	-	434,597	439,653										
Reclassification	-	-	-	(3,694)	3,694	-	-	-	-	-										
<b>Balance as at 1 January 2020 - after adjustment</b>	1	9,215,676	2,543,024	-	3,694	306,261	309,955	984,000	18,690,004	31,742,660										
Dividend paid (Note 5)	-	-	-	-	-	-	-	-	(976,862)	(976,862)										
Profit for the period	-	-	-	-	-	-	-	-	2,941,891	2,941,891										
Other comprehensive income for the period (loss)	-	-	-	-	(828)	-	(828)	-	(6,595)	(7,423)										
Total comprehensive income for the period (loss)	-	-	-	-	(828)	-	(828)	-	2,935,296	2,934,468										
Transfer surplus on revaluation of assets to retained earnings	-	-	-	-	-	(1,395)	(1,395)	-	1,743	348										
<b>Balance as at 30 September 2020</b>	1	9,215,676	2,543,024	-	2,866	304,866	307,732	984,000	20,650,181	33,700,614										

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

**TISCO Bank Public Company Limited**

**Notes to interim financial statements**

**For the three-month and nine-month periods ended 30 September 2020**

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

**1.1 Basis for preparation of interim financial information**

This interim financial information is prepared in accordance with Thai Accounting Standard No. 34 Interim Financial Reporting and with reference to the regulation as stipulated by the Bank of Thailand (“BOT”), with the Bank choosing to present condensed interim financial information. However, the Bank has presented the statements of financial position, comprehensive income, changes in equity and cash flows in the same format as that used for the annual financial statements, and their presentation has been made in compliance with the BOT’s Notification No. Sor Nor Sor. 21/2561 regarding “Preparation and Announcement of Financial Statements of Commercial Banks and Parent Companies of Financial Holding Groups”, dated 31 October 2018, which has become effective for the financial statements for the year 2020.

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

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

**1.2 Coronavirus disease 2019 pandemic**

The Coronavirus disease 2019 pandemic is impacting various businesses and industries both directly and indirectly. This situation could create uncertainties and may be impacting the operating results and cash flows in the future. However, the impact cannot be reasonably estimated at this stage. The Bank’s management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgement in various matters in order to continuously assess the impact as the situation evolves.

### 1.3 New financial reporting standards

#### a) Financial reporting standards that became effective in the current period

During the period, the Bank has adopted the revised (revised 2019) and new financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2020. 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, except the new standards involving changes to key principles, which are summarised below:

#### Financial reporting standards related to financial instruments

A set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Bank's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments.

The impact of the adoption of these standards on the Bank's financial statements is as follows:

#### Classification and measurement of financial assets

##### Financial assets - Debt instruments

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

- Financial assets measured at amortised cost, when both of the following conditions are met: the financial asset is held within a business model whose objective is to hold 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.
- Financial assets measured at fair value through other comprehensive income, when 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.
- Financial assets measured at fair value through profit or loss, when the financial asset is held within a business model whose objective is not to hold 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.

Despite the foregoing, these financial assets - debt instruments may be designated as measured at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch, with such designation being irrevocable.

##### Financial assets - Equity instruments

All investments in equity are measured at fair value in the statement of financial position.



The Bank's management reviewed and assessed existing financial assets as at 1 January 2020, based on the facts and circumstances that existed at that date, and concluded that the following significant changes were required to classification and measurement of the Bank's financial assets.

- Termination of the former classification of investments in debt securities as held-to-maturity and available-for-sale, and investments in equity securities as available-for-sale and general investment.
- Classification of the former investments in held-to-maturity debt securities as financial assets measured at amortised cost.
- Classification of the former investments in available-for-sale debt securities as financial assets measured at fair value through other comprehensive income.
- Classification of all investments in equity securities as financial assets measured at fair value through profit or loss, in accordance with the Bank's investment policy. As a result of the reclassification, the surplus (deficit) on changes in value of available-for-sale investments previously presented as part of other comprehensive income is to be reclassified and presented in retained earnings.

#### Classification of financial liabilities

The adoption of these standards does not have an impact on the classification of financial liabilities. The Bank continues to classify and measure its financial liabilities at amortised cost, except for derivatives liabilities which are measured at fair value through profit or loss.

#### Impairment of financial assets

This TFRS requires entities to estimate allowance for expected credit loss in place of the incurred loss recognised under the previous accounting policy. It requires that impairment loss be recognised using the expected credit loss model, with a management overlay, for all financial assets that are debt instruments and not measured at fair value through profit or loss, including for undrawn commitments and financial guarantees, and it is not necessary for a credit-impaired event to have occurred prior to the recognition. The Bank adopts the general approach to determine expected credit loss of financial assets e.g. loans to customers, loans to financial institutions and investments in debt instruments.

#### Practice during transitional period

The Bank adopted these financial reporting standards which the cumulative effect is recognised as an adjustment to the retained earnings or other components of equity as at 1 January 2020, and the comparative information was not restated. Therefore, the presentation of the 2019 figures cannot be compared with the financial statements for the year 2020.

The cumulative effect of the change is described in Note 2 to the interim financial statements.

### **TFRS 16 Leases**

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases, adopting the same principles as those of TAS 17.

The Bank adopted these financial reporting standards whereby the cumulative effect is recognised as an adjustment to the retained earnings as at 1 January 2020 (if any), and at the initial adoption the comparative information was not restated.

The cumulative effect of the change is described in Note 2 to the interim financial statements.

### **Accounting Guidance on Temporary Relief Measures for Entities Providing Assistance to Debtors Impacted by Situations that Affect the Thai Economy**

The Federation of Accounting Professions announced Accounting Guidance on Temporary Relief Measures for Entities Providing Assistance to Debtors Impacted by Situations that Affect the Thai Economy. Its objectives are to provide temporary relief measures solely for entities providing assistance to debtors impacted by the situations that affect the Thai economy, such as COVID-19, economic conditions, trade wars and drought, and to provide an alternative for all entities providing assistance to debtors in accordance with measures to assist debtors specified in the circular of the BOT No. BOT.RPD.(23)C. 276/2563 “Guidelines on providing assistance to debtors impacted by situations that affect the Thai economy”, and the circular of the BOT No. BOT.RPD.(01)C. 380/2563 “Measures to provide additional assistance to debtors during the COVID-19 situation” or any other measures announced by the BOT. Such entities include credit card businesses, businesses providing loans secured against vehicle registrations without collateral, personal loan businesses under the supervision of the BOT and certain entities not under the supervision of the BOT, such as leasing, hire-purchase, motorcycle hire-purchase and factoring businesses. Entities providing assistance to debtors in accordance with the BOT’s measures and electing to apply this Accounting Guidance have to apply all temporary relief measures in this guidance.

On 22 April 2020, the Accounting Guidance was announced in the Royal Gazette and it is effective for entities providing assistance to debtors impacted by the aforementioned situations during the period from 1 January 2020 to 31 December 2021. The guidance applies to large-sized debtors, small and medium-sized debtors and retail debtors who have the ability to run a business or to pay debts in the future, considering the following guidelines.

- Debtors who were not yet non-performing (Stage 1 or Stage 2) on or after 1 January 2020
- Debtors who became non-performing (Stage 3) on or after 1 January 2019, unless the entity is able to prove that the debtors becoming non-performing before 1 January 2019 are non-performing loans affected by the economic conditions

The Bank has entered into the scheme to provide assistance to affected debtors in accordance with the BOT's guideline. For the debtors who meet the conditions under the temporary relief measures, the Accounting Guidance can be applied as follows:

- (1) For the provision of assistance to loans that are not yet non-performing (Non-NPL), the Bank classifies them as loans with no significant increase in credit risk (Performing or Stage 1), provided that analysis of its status and business shows that the debtor is able to comply with the debt restructuring agreement without compliance monitoring and the debt restructuring is considered a pre-emptive debt restructuring rather than a troubled debt restructuring. If it is a provision of assistance to debtors in accordance with the circular of the BOT No. BOT.RPD.(01)C. 380/2563, classification of the debtor remains at the same stage as before.
- (2) For the provision of assistance to non-performing loans (NPL), the Bank classifies them as performing loans if the debtor is able to make payment in accordance with the debt restructuring agreement for 3 months or 3 installments consecutively, whichever is the longer period.
- (3) Additional working capital loans provided to a debtor in order to increase liquidity and enable the debtor to continue its business operations during the debt restructuring are classified by account level if the debtor has cash flows to support repayment or if, considering other factors, the debtor has the ability to pay the debt.
- (4) The guidelines of the BOT relating to assessment of whether there has been a significant increase in credit risk are applied to assess whether a debtor is moving to Stage 2.

- (5) Expected credit loss is determined based on the outstanding balance of the drawn down portion only.
- (6) If the debt restructuring causes the existing effective interest rate to no longer reflect the estimated cash inflows from the loan, the Bank applies a newly calculated effective interest rate to determine the present value of loans that have been restructured and recognises interest income on the basis of this new effective interest rate during the grace period, or in accordance with the BOT's new guidelines if there are changes.
- (7) In cases where a general approach is used in determining expected credit loss, consideration is given to placing less weight on forward-looking information that is the result of the temporary crisis than on information reflecting ability of debt payment from historical experience.

In addition, as at 19 June 2020 the BOT issued the circular of the BOT No. BOT.RPD.(01)C. 648/2563 "Measures to provide additional assistance to small-sized debtors during the COVID-19 situation - Phase 2".

As at 30 September 2020, the Bank's outstanding receivable balance of debtors under debt relief measures totalled Baht 39,022 million, decreased when compared with the initial implementation of debt relief measures as at 30 June 2020 which totalled Baht 54,832 million, because of the partial expiry for certain debtors under principal holiday scheme and debtors under debt moratorium scheme. The balance consists of the debtors under principal holiday scheme of Baht 34,795 million, the debtors under debt moratorium scheme of Baht 160 million and the debtors receiving other forms of debt relief of Baht 4,067 million.

#### **Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic**

The Federation of Accounting Professions announced Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic. Its objectives are to alleviate some of the impact of applying certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation.

On 22 April 2020, the Accounting Guidance was announced in the Royal Gazette and it is effective for the financial statements prepared for reporting periods ending between 1 January 2020 and 31 December 2020.

As of 30 September 2020, the Bank has elected to apply the following temporary relief measures on accounting alternatives:

- To measure the fair value as at 30 September 2020 of investments in unquoted equity instruments using the fair value as at 1 January 2020.
- Not to account for any reduction in lease payments by lessors resulting from the COVID-19 situation as a lease modification, with the lease liabilities that come due in each period reduced in proportion to the reduction and depreciation of right-of-use assets and interest on lease liabilities recognised in each period reversed in proportion to the reduction, with any differences then recognised in profit or loss.

**b) Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2021**

The Federation of Accounting Professions issued a number of revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2021. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The management of the Bank is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

**1.4 Significant accounting policies**

The interim financial information is prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2019 except for the changes in accounting policies that became effective on 1 January 2020 due to the adoption of new financial reporting standards, as follows:

**1.4.1 Revenue recognition**

a) Interest and discounts on loans

Since 1 January 2020, the Bank has recognised interest on loans on an accrual basis, using the effective interest rate method, applied to the outstanding principal amount, without ceasing revenue recognition. 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. If loans to customers 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.

Prior to 1 January 2020, interest on loans was recognised as income on an accrual basis and was based on principal outstanding. The Bank had policies to cease accruing income for corporate loans on which interest payments had been defaulted for more than one month. For other loan accounts which were overdue for more than three months, the recognition of interest income was ceased, already recorded accrued interest was reversed from accounts and after that interest would be recognised as income on a cash basis. The accounts would be reinstated to an accrual basis when the overdue amounts were received.

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.

#### **1.4.2 Investments in securities**

Since 1 January 2020, the Bank has classified investments in securities as financial assets - debt instruments and equity instruments as follows:

##### 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, 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. 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.

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. These financial assets are initially recognised at fair value.

After initial recognition, gain or loss on changes in fair value is presented as a separate item in other comprehensive income, with gain or loss on changes in the accumulated fair value of investments in debt instruments recognised as net gain (loss) on investments in profit or loss upon the disposal of investments. The expected credit loss and interest income which is 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 net of allowance for expected credit loss (if any).

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 as at transaction date.

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, gain or loss on subsequent changes in fair value of investments in equity instruments is recognised in profit or loss. Dividends on these investments are recognised in profit or loss.

### Fair value

The fair value of marketable securities is calculated based on the latest bid price of the last working day of the period as quoted on the Stock Exchange of Thailand. The fair value of non-marketable securities is calculated using discounted future cash flows techniques and/or determined by using a book value of the investees. The fair value of government bonds, state enterprise securities and private debt securities is calculated using the formula determined by the BOT, which is based on the yield rates quoted by the Thai Bond Market Association or other financial institutions, as the case may be. The fair value of unit trusts is determined based on their net asset value.

### Income from investments and disposals of investments

Gain (loss) on disposals of investments is recognised in profit or loss on the settlement date. The weighted average method is used for computation of the cost of investments.

### Recognition

Purchases and sales of investments are recognised on the settlement date.

### 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 in debt instruments on the reclassification date are recorded in profit or loss or other comprehensive income, depending on the classification of the investments.

Prior to 1 January 2020, the Bank classified its investments as follows:

- a) Investments in trading securities are stated at fair value. Changes in the fair value of these securities are recorded in profit or loss.
- b) Investments in available-for-sale securities are stated at fair value. Changes in the fair value of these securities are recorded in other comprehensive income, and will be recognised as part of profit or loss when the securities are sold.
- c) Investments in held-to-maturity debt securities are recorded at amortised cost less allowance for impairment loss (if any). The premium/discount on debt securities is amortised/accreted by the effective rate method with the amortised/accreted amount presented as an adjustment to the interest income.
- d) Investments in non-marketable equity securities, which are classified as general investments, are stated at cost net of allowance for impairment loss (if any).



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

Since 1 January 2020, the Bank has reclassified investments in receivables purchased or transferred in as held-to-maturity financial assets which are initially recognised at acquisition cost. At the end of reporting period, these investments are presented in the statement of financial position at amortised cost net of allowance for expected credit loss (if any).

Prior to 1 January 2020, investments in receivables purchased or transferred in are classified as held-to-maturity securities, and are valued at acquisition cost net of allowance for impairment (if any).

#### **1.4.4 Loans to customers**

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

Hire purchase and finance lease receivables are stated at the outstanding contract value, net of deferred revenue. Deferred revenue is stated net of commissions and direct expenses incurred at the initiation of hire purchase contracts and advances received from finance lease receivables.

#### **1.4.5 Allowance for expected credit loss/allowance for doubtful accounts**

##### Allowance for expected credit loss

The Bank applies general approach to calculate 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 and financial guarantees.

The Bank classifies financial assets into three groups (Three-stage approach) in order to measure the 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 expected credit loss at an amount equal to expected credit loss over the expected lifetime of the financial instrument.

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 that asset occur. The Bank recognises the 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 may use internal quantitative or 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. 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 term 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 of that contractual cash flows will not be recoverable has decreased significantly and there are no 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 current macroeconomic data and macroeconomic forecasts. 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 current 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 for 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.

In addition, the Bank has adopted the accounting guidance in determining the staging of loans to customers for debtors meeting the criteria for relief measures in accordance with the BOT's circulars.

### Allowance for doubtful accounts

Prior to 1 January 2020, the Bank provided allowance for doubtful accounts of loans to customers in accordance with the Notifications of the BOT and adjusted these by the additional amount which is expected not to be collectible based on an evaluation of the current status of the debtors, taking into consideration the recovery risk and the value of collateral.

For all loans to customers except for hire purchase receivables and loan against auto license receivables that are classified as pass and special mention, the Bank records provision at a rate of not less than 1% and not less than 2% of the debt balance net of collateral value excluding accrued interest receivables, respectively. For non-performing loans to customers which are classified as sub-standard, doubtful and doubtful of loss, the Bank records allowance for doubtful accounts at a rate 100% of the debt balance remaining after deducting the present value of expected future cash inflows from debt collection or from collateral disposal, with the discount interest rate and the period of collateral disposal being set with reference to the BOT's Notifications.

For hire purchase receivables and loan against auto license receivables that are classified as pass, special mention and non-performing loans, the Bank uses a collective approach, based on historical loss and behavioral grading of the hire purchase receivables and loan against auto license receivables.

Allowance for doubtful accounts for other receivables is provided for the estimated loss that may be incurred in the collection of receivables and based on the review of current status of receivables outstanding at the end of reporting period.

#### **1.4.6 Financial assets with modifications of terms/debt restructuring**

Since 1 January 2020, 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 financial asset with a significant increase in credit risk (Stage 2) or as a financial asset that is credit-impaired (Stage 3) unless the debtor has been able to make payment in accordance with the debt restructuring agreement for not less than 12 months counting from the restructuring date. At that point, 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).

Prior to 1 January 2020, the Bank recorded troubled debt restructuring transactions in accordance with the BOT's regulations and Thai Accounting Standard regarding "Accounting for Troubled Debts Restructuring". In case where the debt restructuring involves modifications of terms of receivables, the fair value of receivables after restructuring represents the net present value of the expected future cash inflows, discounted using the cost of fund rates prevailing at the restructuring date. In case where the cost of fund rates are lower than the interest rates specified in the term of modifications, the Bank will use the interest rates specified in the term of modifications as the discount rates. The Bank records differences between the fair value of receivables and the balance of net book value of receivables as of restructuring date as expenses in profit or loss. Loss arising from restructuring by waiver of part of principal or recorded accrued interest receivable, less recorded allowance, is recognised in profit or loss when incurred.

#### **1.4.7 Leases**

At the inception of the contract, the Bank assesses whether a contract is a lease or consists of a lease component. The contract is classified as lease or consists of a lease component if that contract provides the right to control the use of the specified asset for a certain period in exchange for compensation.

##### **The Bank as a lessee**

The Bank recognises right-of-use assets and lease liabilities for all lease contracts with a lease term of more than 12 months, unless the underlying assets are low in value.

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

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

Unless the Bank is reasonably certain that it will obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis from the commencement date of the lease to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

### ***Lease liabilities***

At the commencement date of the lease, the Bank recognises lease liabilities measured at the present value of the lease payments to be made over the lease term, discounted by the interest rate implicit in the lease or 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 modification or reassessment.

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

Payments under leases that have a lease term of 12 months or less at the commencement date, or are leases of low-value assets, are recognised as expenses on a straight-line basis over the lease term.

### **The Bank as a lessor**

Leases in which the majority of risks and rewards of ownership are transferred to lessees are considered finance leases. Assets under finance lease agreements are recognised as accounts receivable equal to the net investment amount according to the lease agreement or the net present value of the amount received under the lease agreement and the remaining unsecured value.

Leases in which the majority of risks and rewards of ownership are not transferred to lessees are considered operating leases. Amounts paid under operating leases are recognised as income in profit or loss by using the straight-line method over the life of the lease.

## **1.5 Significant accounting judgements and estimates**

The interim financial information is prepared using subjective judgements and estimates as same as those used for the financial statements for the year ended 31 December 2019, except for the changes in judgements and estimates related to the following matters that became effective on 1 January 2020.

### **1.5.1 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.

### 1.5.2 Determination of lease terms for leases with options to extend or cancel the lease - as a lessee

In determining the lease terms, the management needs 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.

## 2. Cumulative effects of changes in accounting policies due to the adoption of new financial reporting standards

As described in Note 1.3 a) to the interim financial statements, during the current period, the Bank has adopted financial reporting standards related to financial instruments and TFRS 16. The cumulative effect of initially applying these standards is recognised as an adjustment to retained earnings and other components of equity as at 1 January 2020. Therefore, the comparative information was not restated.

The amounts of adjustments affecting the statements of financial position as at 1 January 2020 from changes in accounting policies due to the adoption of these standards are presented as follows:

(Unit: Million Baht)

	The impacts of			1 January 2020
	31 December 2019	Financial reporting standards related to financial instruments	TFRS 16	
<b>Statement of financial position</b>				
<b>Assets</b>				
Financial instruments measured at fair value through profit or loss	-	759	-	759
Investments - net	7,672	(209)	-	7,463
Right-of-use assets	-	-	616	616
Deferred tax assets	882	(110)	-	772
Others assets	1,357	-	(36)	1,321
<b>Liabilities</b>				
Lease liabilities	-	-	580	580
<b>Equity</b>				
Other components of equity	305	5	-	310
Retained earnings - unappropriated	18,255	435	-	18,690

## 2.1 Financial instruments

Details of the impact on equity as at 1 January 2020 due to the adoption of financial reporting standards related to financial instruments are presented as follows:

	(Unit: Million Baht)
	<u>The impact</u>
<b>Other components of equity</b>	
Classification of investments in available-for-sale equity securities as financial assets measured at fair value through profit or loss	6
Less: Income tax effects	(1)
	<u>5</u>
Impacts on other components of equity due to the adoption of financial reporting standards related to financial instruments	<u>5</u>
<b>Retained earnings - unappropriated</b>	
Classification of investments in available-for-sale equity securities as financial assets measured at fair value through profit or loss	(6)
Fair value measurement of investments in equity instruments of non-listed companies	550
Less: Income tax effects	(109)
	<u>435</u>
Impacts on retained earnings due to the adoption of financial reporting standards related to financial instruments	<u>435</u>

In addition, the adoption of these financial reporting standards requires the Bank to recognise an allowance for expected credit loss, in place of the loss recognised under the previous accounting method, in accordance with the model for each group of assets. Based on the impact calculation, the Bank has a remaining excess loan loss reserve of Baht 2,113 million, which will be released in quarterly amounts over 2 years under the straight-line method, in line with the BOT's guideline.



(Unaudited but reviewed)

The classifications and measurements of financial assets and financial liabilities in accordance with TFRS 9, compared with the classifications and measurements of the carrying amounts under the former basis, are as follows:

(Unit: Million Baht)

Classification and measurement under the former basis as at 31 December 2019	Classification and measurement in accordance with TFRS 9 as at 1 January 2020				Total
	Financial instruments measured at fair value through profit or loss	Financial instruments measured at fair value through other comprehensive income	Investments in equity instruments designated at fair value through other comprehensive income	Financial instruments measured at amortised cost	
<b>Financial assets</b>					
Cash	1,099	-	-	1,099	1,099
Interbank and money market items - net	44,050	-	-	44,050	44,050
Derivatives assets	22	22	-	-	22
Investments - net	7,672	759	7,463	-	8,222
Loans to customers and accrued interest receivables - net	229,191	-	-	229,191	229,191
<b>Financial liabilities</b>					
Deposits	218,433	-	-	218,433	218,433
Interbank and money market items	3,832	-	-	3,832	3,832
Liabilities payable on demand	307	-	-	307	307
Debts issued and borrowings	18,717	-	-	18,717	18,717

The table below presents a reconciliation of allowance for impairment as at 31 December 2019 which was recognised in accordance with the BOT and Thai Accounting Standard No. 105 Accounting for Investments in Debt and Equity Securities, and provision for contingent obligation which was recognised in accordance with Thai Accounting Standard No. 37 Provisions, Contingent Liabilities and Contingent Assets, and allowance for impairment as at 1 January 2020 which was recognised in accordance with TFRS 9. All the changes are the result of the remeasurement of allowance for expected credit loss in accordance with TFRS 9.

(Unit: Million Baht)

	As at 31 December 2019	Remeasurement	As at 1 January 2020
Allowance for expected credit loss			
Investments in available-for-sale debt securities reclassified as investments in debt instruments measured at fair value through other comprehensive income	1	-	1
Loans to customers and accrued interest receivables	10,081	-	10,081
Total	10,082	-	10,082

## 2.2 Leases

Upon initial application of TFRS 16 the Bank recognised lease liabilities previously classified as operating leases at the present value of the remaining lease payments, discounted using the Bank's incremental borrowing rate at 1 January 2020.

	(Unit: Million Baht)
	Financial statements
Operating lease commitments as at 31 December 2019	282
Add: Option to extend lease term	345
Less: Deferred interest expenses	(47)
Lease liabilities as at 1 January 2020	<u>580</u>

The adjustments of right-of-use assets due to TFRS 16 adoption as at 1 January 2020 are summarised below:

	(Unit: Million Baht)
	Financial statements
Buildings	616
Total right-of-use assets	<u>616</u>

## 3. General information

### 3.1 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 30 September 2020, the Bank has 59 branches in Thailand. (As at 31 December 2019: 61 branches).

### 3.2 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.

#### 4. Supplemental information

##### 4.1 Classification of financial assets and financial liabilities

(Unit: Thousand Baht)

	As at 30 September 2020			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	
<b><u>Financial assets</u></b>				
Cash	-	-	1,036,601	1,036,601
Interbank and money market items - net	-	-	35,691,771	35,691,771
Financial assets measured at fair value through profit or loss	758,779	-	-	758,779
Derivatives assets	198	-	-	198
Investments - net	-	11,029,437	-	11,029,437
Loans to customers and accrued interest receivables - net	-	-	212,481,833	212,481,833
<b><u>Financial liabilities</u></b>				
Deposits	-	-	206,217,503	206,217,503
Interbank and money market items	-	-	4,694,804	4,694,804
Liabilities payable on demand	-	-	357,709	357,709
Debts issued and borrowings	-	-	10,946,919	10,946,919
Lease liabilities	-	-	480,184	480,184
Accrued interest payable	-	-	825,900	825,900

##### 4.2 Interbank and money market items (Assets)

As at 30 September 2020 and 31 December 2019, interbank and money market items include purchases of securities under resale agreements made by the Bank in accordance with private repurchase transactions, with the securities purchased being used as collateral, as follows:

(Unit: Thousand Baht)

	Securities purchased under resale agreements according to private repurchase transactions as at	
	30 September 2020	31 December 2019
Commercial banks	21,700,000	26,800,000
Specialised Financial Institutions	11,500,000	15,000,000

(Unaudited but reviewed)

Fair value of securities received as collateral is as follows:

(Unit: Thousand Baht)

	Fair value of securities received as collateral as at	
	30 September 2020	31 December 2019
Commercial banks	20,711,800	26,456,400
Specialised Financial Institutions	11,600,700	15,057,800

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

(Unit: Thousand Baht)

Investments	As at 30 September 2020	
	Cost	Fair value
<b>Others</b>		
Domestic marketable equity instruments	9,320	2,860
Domestic non-marketable equity instruments	246,596	755,919
	255,916	758,779
Add: Allowance for changes in value	502,863	
Total	758,779	

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 30 September 2020		
	Fair value of investments	Unpaid amounts	Percentage of holding (%)
<b>Services:</b>			
Jiji Press (Thailand) Co., Ltd.	1,825	300	10
<b>Trading import and export:</b>			
Juki (Thailand) Co., Ltd.	6,025	-	10
PDTL Trading Co., Ltd.	3,637	-	10
Wattana Inter-Trade Co., Ltd.	19,158	-	10
<b>Real estate:</b>			
UMI Property Co., Ltd.	4,031	-	10
<b>Industrial:</b>			
Siam Art Ceramic Co., Ltd.	11,268	-	10

(Unaudited but reviewed)

#### 4.4 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					
	30 September 2020			31 December 2019		
	Fair value		Notional amount	Fair value		Notional amount
Assets	Liabilities	Assets		Liabilities		
Exchange rate	198	-	1,253,715	21,907	-	917,044
Total	198	-	1,253,715	21,907	-	917,044

All counterparties of these derivatives transactions are financial institutions.

#### 4.5 Investments

##### 4.5.1 Investments classified by type of investments

As at 30 September 2020, investments classified by type of investments are as follows:

(Unit: Thousand Baht)

	As at 30 September 2020	
	Amortised cost	Fair value
<b>Investments in debt instruments measured at fair value through other comprehensive income</b>		
Government and state enterprise securities	11,000,854	11,004,622
Private sector debt securities	51,460	24,815
	11,052,314	11,029,437
Add: Surplus on changes in fair value	3,583	
Less: Allowance for expected credit loss	(26,460)	
Total	11,029,437	
<b>Investments in debt instruments measured at amortised cost</b>		
Investments in receivables	12,296	
Less: Allowance for expected credit loss	(12,296)	
Total	-	
Total investments	11,029,437	

(Unaudited but reviewed)

As at 31 December 2019, investments classified by type of investments are as follows:

(Unit: Thousand Baht)

	As at 31 December 2019	
	Cost	Fair value
<b>Available-for-sale investments - fair value</b>		
Government and state enterprise securities	7,277,922	7,280,613
Private sector debt securities	181,460	181,927
Domestic marketable equity securities	9,320	3,000
	<u>7,468,702</u>	<u>7,465,540</u>
Less: Deficit on changes in fair value	(1,702)	
Less: Allowance for impairment	(1,460)	
<b>Total available-for-sale investments</b>	<u>7,465,540</u>	
<b>Held-to-maturity debt securities - cost/amortised cost</b>		
Investments in receivables	12,437	
Less: Allowance for impairment	(12,437)	
<b>Total held-to-maturity debt securities</b>	<u>-</u>	
<b>General investments - cost</b>		
Domestic non-marketable equity securities	246,596	
Less: Allowance for impairment	(40,243)	
<b>Total general investments</b>	<u>206,353</u>	
<b>Investments - net</b>	<u>7,671,893</u>	

#### 4.5.2 Investments subject to restrictions

(Unit: Million Baht)

Type of investments	As at		Type of restrictions
	30 September 2020	31 December 2019	
Government debt securities	2	2	Pledged for electricity usage
Government debt securities	-	2,912	Pledge for the use of credit balance on clearing position

(Unaudited but reviewed)

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

(Unit: Thousand Baht)

	As at 30 September 2020		
	Cost	Fair value	Allowance for expected credit loss
Companies having problems with debt repayment or in default	51,460	24,815	26,460

(Unit: Thousand Baht)

	As at 31 December 2019		
	Cost	Fair value	Allowance for impairment
Companies having problems with debt repayment or in default	1,460	-	1,460

#### 4.5.4 Investments in which the Bank holds not less than 10 percent of the equity of the investees

(Unit: Thousand Baht)

Securities' name	As at 31 December 2019		
	Cost	Unpaid amounts	Percentage of holding (%)
<b>Services:</b>			
Jiji Press (Thailand) Co., Ltd.	814	300	10
<b>Trading import and export:</b>			
Juki (Thailand) Co., Ltd.	5,707	-	10
PDTL Trading Co., Ltd.	3,637	-	10
Wattana Inter-Trade Co., Ltd.	5,382	-	10
<b>Real estate:</b>			
UMI Property Co., Ltd.	4,097	-	10
<b>Industrial:</b>			
Siam Art Ceramic Co., Ltd.	11,299	-	10

(Unaudited but reviewed)

## 4.6 Loans to customers and accrued interest receivables

### 4.6.1 Classified by type of loans to customers

(Unit: Thousand Baht)

As at

	30 September 2020	31 December 2019
<b>Loans to customers</b>		
Overdrafts	44,934	107,811
Loans	96,033,350	103,383,449
Hire purchase receivables	143,714,830	153,758,207
Finance lease receivables	-	9,359
Less: Deferred revenue	(18,209,221)	(19,084,739)
Advances received from finance lease receivables	-	(8,613)
Total loans to customers	221,583,893	238,165,474
Add: Accrued interest receivables and undue interest receivables	1,647,895	1,106,977
Total loans to customers and accrued interest receivables	223,231,788	239,272,451
Less: Allowance for expected credit loss	(10,749,955)	-
Allowance for doubtful accounts	-	(10,074,115)
Allowance for loss on debt restructuring	-	(7,343)
Loans to customers and accrued interest receivables - net	212,481,833	229,190,993

### 4.6.2 Classified by residency of debtors

(Unit: Thousand Baht)

As at

	30 September 2020	31 December 2019
<b>Loans to customers net of deferred revenue</b>		
- Domestic	212,823,788	230,030,212
- Foreign	8,760,105	8,135,262
Total	221,583,893	238,165,474



(Unaudited but reviewed)

## 4.6.3 Classified by loan classification

	(Unit: Thousand Baht)	
	As at 30 September 2020	
	Loans to customers and accrued interest receivables	Allowance for expected credit loss
Financial assets with no significant increase in credit risk (Performing)	188,684,475	4,636,071
Financial assets with significant increases in credit risk (Under-performing)	29,068,581	3,401,786
Financial assets that are credit-impaired (Non-performing)	5,478,732	1,391,599
Allowance established in excess	-	1,320,499
<b>Total</b>	<b>223,231,788</b>	<b>10,749,955</b>

	(Unit: Thousand Baht)		
	As at 31 December 2019		
	Loans to customers and accrued interest receivables	Net amount used for setting up allowance for doubtful accounts	Allowance for doubtful accounts <sup>(1) (2)</sup>
Provision under BOT's guidelines			
- Pass	217,488,690	175,206,431	2,438,575
- Special mention	16,491,289	15,191,241	2,352,268
- Sub-standard	2,927,707	2,389,220	1,037,284
- Doubtful	1,409,323	1,178,170	480,613
- Doubtful of loss	955,442	320,408	202,811
Allowance established in excess	-	-	3,562,564
<b>Total</b>	<b>239,272,451</b>	<b>194,285,470</b>	<b>10,074,115</b>

(1) Allowance for doubtful accounts for loans to customers is determined based on debt balance less collateral value in accordance with the BOT's guidelines (except for hire purchase and finance lease receivables, for which the Bank does not deduct the collateral value from the outstanding loan balance).

(2) As at 31 December 2019, the provisions set aside by the Bank exceeded the BOT's notification No. Sor Nor Sor. 5/2559 minimum requirement by a total of Baht 5,714 million. The Bank allocated Baht 2,151 million of the excess provision to specific provision for individual debtors and so combined with the minimum provision requirement of Baht 4,360 million, the total provision set aside in accordance with BOT's requirement is Baht 6,511 million.

	As at 31 December 2019		
	Percentage of allowance for doubtful accounts set up (%)		
	Hire purchase receivables <sup>(3)</sup>	Loan against auto license receivables <sup>(3)</sup>	Other loans <sup>(4)</sup>
Pass	0.72	1.87	1
Special mention	7.64	17.25	2
Sub-standard	26.35	39.13	100
Doubtful	31.89	39.13	100
Doubtful of loss	26.21	39.13	100

(3) These percentages of allowance for doubtful accounts are average percentages used in setting up allowance for doubtful accounts, after inclusion of the allowance for doubtful accounts from assigning provision in excess of BOT's minimum requirement to specific provision for individual debtors.

(4) These percentages are the rates used to set aside allowance for doubtful accounts in accordance with the BOT's minimum requirement.

## 4.6.4 Classified by loan classification and type of debtors

As at 30 September 2020, loans to customers classified by loan classification and type of debtors are as follows:

(Unit: Million Baht)

	As at 30 September 2020							
	Hire purchase receivables		Loan against auto license receivables		Other loans		Total	
	Loans to customers and accrued interest receivables	Allowance for expected credit loss	Loans to customers and accrued interest receivables	Allowance for expected credit loss	Loans to customers and accrued interest receivables	Allowance for expected credit loss	Loans to customers and accrued interest receivables	Allowance for expected credit loss
Financial assets with no significant increase in credit risk (Performing)	103,959	2,047	22,709	796	62,016	1,793	188,684	4,636
Financial assets with significant increases in credit risk (Under-performing)	19,354	1,497	6,237	861	3,478	1,044	29,069	3,402
Financial assets that are credit-impaired (Non-performing)	3,117	742	970	342	1,392	308	5,479	1,392
Total	<u>126,430</u>	<u>4,286</u>	<u>29,916</u>	<u>1,999</u>	<u>66,886</u>	<u>3,145</u>	<u>223,232</u>	<u>9,430</u>
Allowance established in excess								1,320
Total								<u>10,750</u>

As at 31 December 2019, loans to customers classified by loan classification in accordance with the BOT's guidelines are as follows:

(Unit: Million Baht)

	As at 31 December 2019							
	Hire purchase receivables		Loan against auto license receivables		Other loans		Total	
	Debt balance	Allowance for doubtful accounts <sup>(5)</sup>	Debt balance	Allowance for doubtful accounts <sup>(5)</sup>	Debt balance	Allowance for doubtful accounts <sup>(5)</sup>	Debt balance	Allowance for doubtful accounts <sup>(5)</sup>
Pass	120,479	867	26,640	497	69,533	1,074	216,652	2,438
Special mention	11,569	883	2,965	511	1,688	958	16,222	2,352
Sub-standard	1,817	479	391	153	719	405	2,927	1,037
Doubtful	860	274	200	78	349	129	1,409	481
Doubtful of loss	121	32	79	31	755	140	955	203
Total	<u>134,846</u>	<u>2,535</u>	<u>30,275</u>	<u>1,270</u>	<u>73,044</u>	<u>2,706</u>	<u>238,165</u>	<u>6,511</u>
Accrued interest receivables							1,107	-
Allowance established in excess							-	3,563
Total							<u>239,272</u>	<u>10,074</u>

(5) These amounts of allowance for doubtful accounts include the allowance for doubtful accounts from assigning provision in excess of BOT's minimum requirement to specific provision for individual debtors.

## 4.6.5 Hire purchase and finance lease receivables

As at 30 September 2020, receivables of the Bank under hire purchase and finance lease agreements amount to Baht 125,679 million (31 December 2019: Baht 134,847 million) and mostly comprise hire purchase agreements for cars and finance lease agreements for machines and equipment for business operation. The terms of the agreements are generally between 1 to 8 years and under most agreements interest is charged at a fixed rate as specified in agreements.

(Unit: Million Baht)

As at 30 September 2020					
Amounts of installments due under the long-term lease agreements					
	Not over 1 year	Over 1 year but not over 5 years	Over 5 years	Financial assets that are credit- impaired (Non- performing)	Total
Gross investment in the agreements	37,509	77,522	21,732	6,952	143,715
Less: Deferred revenue <sup>(6)</sup>	(5,391)	(8,296)	(411)	(3,938)	(18,036)
Present value of minimum lease pay from agreements	32,118	69,226	21,321	3,014	125,679
Accrued interest	648	-	-	103	751
Total	<u>32,766</u>	<u>69,226</u>	<u>21,321</u>	<u>3,117</u>	126,430
Allowance for expected credit loss					(4,286)
Net hire purchase and finance lease receivables					<u>122,144</u>

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

(Unaudited but reviewed)

(Unit: Million Baht)

As at 31 December 2019					
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	Non- performing loans	Total
Gross investment in the agreements	45,748	93,957	7,412	6,651	153,768
Less: Deferred revenue <sup>(6)</sup>	(5,868)	(8,866)	(325)	(3,853)	(18,912)
Advances received from finance lease receivables	(9)	-	-	-	(9)
Present value of minimum lease pay from agreements	39,871	85,091	7,087	2,798	134,847
Accrued interest	624	-	-	1	625
Total	40,495	85,091	7,087	2,799	135,472
Allowance for doubtful accounts <sup>(5)</sup>					(2,535)
Net hire purchase and finance lease receivables					132,937

<sup>(5)</sup> This allowance for doubtful accounts includes the allowance for doubtful accounts from assigning provision in excess of BOT's minimum requirement to specific provision for individual debtors.

<sup>(6)</sup> Net of deferred commissions and direct expenses incurred at the initiation of hire purchase.

#### 4.6.6 Loans to customers for which the recognition of interest income has been ceased

As at 31 December 2019, the Bank has loans to customers for which the recognition of interest income has been ceased according to the BOT's guidelines and internal criteria as follows:

(Unit: Million Baht)		
As at 31 December 2019		
	Amounts calculated under BOT's guidelines <sup>(8)</sup>	Amounts calculated under the Bank's policy
Loans to customers for which the recognition of interest income has been ceased <sup>(7)</sup>	6,816	7,588

<sup>(7)</sup> These amounts are calculated on an account by account basis.

<sup>(8)</sup> Accrual of interest ceases when interest payments have been defaulted on for more than three months, counting from the due date.

However, in order to align with the financial reporting standards which became effective on 1 January 2020, the Bank revised its accounting policy by cancelling the policy to cease the recognition of interest income. Therefore, as at 30 September 2020 the Bank does not have loans to customers for which the recognition of interest income has been ceased.

## 4.6.7 Troubled debt restructuring

As at 30 September 2020 and 31 December 2019, the Bank has outstanding balances with troubled debt restructuring debtors as follows:

	As at			
	30 September 2020		31 December 2019	
	Number of debtors	Outstanding balance (Million Baht)	Number of debtors	Outstanding balance (Million Baht)
Balances of restructured debts	10,355	3,080	10,615	2,109

#### 4.7 Allowance for expected credit loss/allowance for doubtful accounts/allowance for loss on debt restructuring

## 4.7.1 Allowance for expected credit loss

As at 30 September 2020, the Bank has allowance for expected credit loss which is classified by type of financial assets as follows:

(Unit: Thousand Baht)

	For the nine-month period ended 30 September 2020					Total
	Financial assets with no significant increase in credit risk (12-mth ECL)	Financial assets with significant increases in credit risk (Lifetime ECL - not credit impaired)	Financial assets that are credit-impaired (Lifetime ECL - credit impaired)	Allowance for doubtful accounts/ allowance for impairment	Allowance established in excess	
<b>Interbank and money market items (assets)</b>						
Balance - beginning of period	-	-	-	-	-	-
Changes from revaluation of allowance for credit loss	195	-	-	-	-	195
Balance - end of period	195	-	-	-	-	195
<b>Investments in debt instruments measured at fair value through other comprehensive income</b>						
Balance - beginning of period	-	-	-	1,460	-	1,460
Changes due to the adoption of new financial reporting standards <sup>(1)</sup>	-	-	1,460	(1,460)	-	-
	-	-	1,460	-	-	1,460
Changes from revaluation of allowance for credit loss	-	-	25,000	-	-	25,000
Balance - end of period	-	-	26,460	-	-	26,460

(1) Beginning balance of allowance for doubtful accounts, measured in accordance with the rules of the BOT, is presented as 12-mth ECL and Lifetime ECL on TFRS 9, without restatement of the comparative information.

(Unaudited but reviewed)

(Unit: Thousand Baht)

For the nine-month period ended 30 September 2020

	Financial assets with no significant increase in credit risk (12-mth ECL)	Financial assets with significant increases in credit risk (Lifetime ECL - not credit impaired)	Financial assets that are credit- impaired (Lifetime ECL - credit impaired)	Allowance for doubtful accounts/ allowance for impairment	Allowance established in excess	Total
<b>Investments in debt instruments measured at amortised cost</b>						
Balance - beginning of period	-	-	-	12,437	-	12,437
Changes due to the adoption of new financial reporting standards <sup>(1)</sup>	-	-	12,437	(12,437)	-	-
	-	-	12,437	-	-	12,437
Changes from revaluation of allowance for credit loss	-	-	(141)	-	-	(141)
Balance - end of period	-	-	12,296	-	-	12,296
<b>Loans to customers and accrued interest receivables</b>						
Balance - beginning of period	-	-	-	6,511,551	3,562,564	10,074,115
Changes due to the adoption of new financial reporting standards <sup>(1)</sup>						
- Allocation of allowance for doubtful accounts	3,693,151	2,882,492	1,385,674	(6,511,551)	(1,449,766)	-
- Transfer allowance for loss on debt restructuring to allowance for expected credit loss	-	7,343	-	-	-	7,343
	3,693,151	2,889,835	1,385,674	-	2,112,798	10,081,458
Changes from transfers among stages	(36,085)	28,451	7,634	-	-	-
Changes from revaluation of allowance for credit loss	358,447	303,335	2,329,093	-	(792,299)	2,198,576
New financial assets	936,797	477,017	106,907	-	-	1,520,721
Derecognition	(316,239)	(296,852)	(92,957)	-	-	(706,048)
Write-off	-	-	(2,344,752)	-	-	(2,344,752)
Balance - end of period	4,636,071	3,401,786	1,391,599	-	1,320,499	10,749,955

(1) Beginning balance of allowance for doubtful accounts, measured in accordance with the rules of the BOT, is presented as 12-mth ECL and Lifetime ECL on TFRS 9, without restatement of the comparative information.

The amount of allowance for expected credit loss (ECL) as at 1 January 2020 as determined in accordance with TFRS 9: Financial Instruments was lower than the amount of allowance for doubtful accounts as at 31 December 2019 as determined in accordance with the former accounting policy by Baht 2,113 million. Such amount will be released in quarterly amounts over 2 years under the straight-line method, in line with the BOT's guideline. As a result, as at 30 September 2020 the balance of allowance established in excess remained at Baht 1,320 million.

(Unaudited but reviewed)

#### 4.7.2 Allowance for doubtful accounts

As at 31 December 2019, the Bank has allowance for doubtful accounts on loans to customers and accrued interest receivables classified by loan classification as follows:

(Unit: Thousand Baht)

	For the year ended 31 December 2019						Total
	Pass	Special mention	Sub-standard	Doubtful	Doubtful of loss	Allowance established in excess	
Balance - beginning of year	2,512,050	3,194,214	1,268,714	586,227	531,021	2,951,428	11,043,654
Increase (decrease) in allowance for doubtful accounts during the year	(73,475)	(841,946)	(204,699)	1,419,687	1,531,388	611,136	2,442,091
Bad debts written-off	-	-	(26,731)	(1,525,301)	(1,859,598)	-	(3,411,630)
Balance - end of year	<u>2,438,575</u>	<u>2,352,268</u>	<u>1,037,284</u>	<u>480,613</u>	<u>202,811</u>	<u>3,562,564</u>	<u>10,074,115</u>

#### 4.7.3 Allowance for loss on debt restructuring

(Unit: Thousand Baht)

	For the nine-month period ended	
	30 September 2020	For the year ended 31 December 2019
Balance - beginning of period	7,343	8,146
Changes due to the adoption of new financial reporting standards	(7,343)	-
Amortisation during the period	-	(803)
Balance - end of period	<u>-</u>	<u>7,343</u>

### 4.8 Classification of assets

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

As at 30 September 2020, classification of financial assets is as follows:

(Unit: Million Baht)

	As at 30 September 2020				Total
	Financial assets		Loans		
	Interbank and money market items	Debt instruments measured at fair value through other comprehensive income <sup>(1)</sup>	Debt instruments measured at amortised cost <sup>(1)</sup>	to customers and accrued interest receivables	
Financial assets with no significant increase in credit risk (Performing)	35,692	11,001	-	188,684	235,377
Financial assets with significant increases in credit risk (Under-performing)	-	-	-	29,069	29,069
Financial assets that are credit-impaired (Non-performing)	-	51	12	5,479	5,542
Total	<u>35,692</u>	<u>11,052</u>	<u>12</u>	<u>223,232</u>	<u>269,988</u>

(1) Presented at an amount before deductions of allowance for changes in value and allowance for expected credit loss.

(Unaudited but reviewed)

As at 31 December 2019, the quality of the Bank's assets classified in accordance with the BOT's guidelines is as follows:

(Unit: Million Baht)

	As at 31 December 2019			Total
	Loan to customers <sup>(2)</sup>	Investments in securities	Investments in receivables	
Pass	258,452	-	-	258,452
Special mention	16,222	-	-	16,222
Sub-standard	2,927	-	-	2,927
Doubtful	1,409	-	-	1,409
Doubtful of loss	955	42	12	1,009
<b>Total</b>	<b>279,965</b>	<b>42</b>	<b>12</b>	<b>280,019</b>

(2) Loans to customers include loans to financial institutions (which are presented as part of interbank and money market items - net).

#### 4.8.2 Loans to customers with weak financial position and poor operating results

	Number of debtors		Debt balance		Collateral value		Allowance for expected credit loss/allowance for doubtful accounts provided in the accounts <sup>(3)</sup>	
	as at		as at		as at		as at	
	30 September 2020	31 December 2019	30 September 2020	31 December 2019	30 September 2020	31 December 2019	30 September 2020	31 December 2019
				(Million Baht)	(Million Baht)	(Million Baht)	(Million Baht)	(Million Baht)
1. Listed companies vulnerable to delisting from the SET and under rehabilitation	-	1	-	513	-	467	-	513 <sup>(4)</sup>
2. Non-listed companies with similar operating results and financial positions to listed companies vulnerable to delisting from the SET and under rehabilitation	1	-	502	-	315	-	500	-
3. Non-listed companies with similar operating results and financial positions to listed companies vulnerable to delisting from the SET	9	8	800	862	485	236	80	10
<b>Total</b>	<b>10</b>	<b>9</b>	<b>1,302</b>	<b>1,375</b>	<b>800</b>	<b>703</b>	<b>580</b>	<b>523</b>

(3) This allowance for doubtful accounts includes the allowance for doubtful accounts from assigning provision in excess of BOT's minimum requirement to specific provision for individual debtors.

(4) This allowance for doubtful accounts includes the allowance for loss on debt restructuring.



#### 4.9 Premises and equipment

Movements of premises and equipment for the nine-month period ended 30 September 2020 are as follows:

	(Unit: Thousand Baht)
<b>Cost</b>	
1 January 2020	1,691,557
Additions	26,338
Disposals/write-offs/transfers-out	(135,479)
30 September 2020	<u>1,582,416</u>
<b>Accumulated depreciation</b>	
1 January 2020	899,518
Depreciation for the period	48,082
Accumulated depreciation on disposals/write-offs/transfers-out	(132,259)
30 September 2020	<u>815,341</u>
<b>Net book value</b>	
31 December 2019	<u>792,039</u>
30 September 2020	<u><u>767,075</u></u>

#### 4.10 Right-of-use assets

Movements of right-of-use assets for the nine-month period ended 30 September 2020 are as follows:

	(Unit: Thousand Baht)
<b>Cost</b>	
Beginning balance as at 1 January 2020	-
Changes due to the adoption of new financial reporting standards	616,201
Beginning balance as at 1 January 2020 - after adjustment	616,201
Additions	51,095
Contract amendment	(24)
Contract termination	(46,567)
30 September 2020	<u>620,705</u>
<b>Accumulated depreciation</b>	
1 January 2020	-
Depreciation for the period	140,916
Accumulated depreciation on terminated contracts	(16,844)
30 September 2020	<u>124,072</u>
<b>Net book value</b>	
30 September 2020	<u><u>496,633</u></u>

(Unaudited but reviewed)

#### 4.11 Other assets

(Unit: Thousand Baht)

As at

	30 September 2020	31 December 2019
Value added tax - net	272,020	386,145
Accrued interest receivables	35,837	11,334
Fee and service receivables	116,921	187,331
Deposits	60,984	62,476
Other receivables	372,009	492,668
Other assets	139,326	193,914
Total other assets	<u>997,097</u>	<u>1,333,868</u>

#### 4.12 Deposits

##### 4.12.1 Classified by type of deposits

(Unit: Thousand Baht)

As at

	30 September 2020	31 December 2019
Deposits		
Current accounts	3,086,552	3,013,919
Saving accounts	44,138,394	37,801,616
Fixed accounts		
- not over 6 months	13,720,845	19,248,789
- over 6 months but not over 1 year	32,759,837	33,399,669
- over 1 year	2,801,497	3,912,418
Certificates of deposit/negotiable certificates of deposit	109,710,378	121,056,735
Total	<u>206,217,503</u>	<u>218,433,146</u>

4.12.2 As at 30 September 2020 and 31 December 2019, all outstanding deposits are deposits from domestic depositors and are in Baht.

#### 4.13 Debts issued and borrowings

(Unit: Thousand Baht)

As at

	30 September 2020	31 December 2019
<u>Domestic borrowings</u>		
Subordinated unsecured debentures	6,370,000	6,680,000
Unsubordinated unsecured debentures	4,540,000	12,000,000
Bills of exchange	36,122	36,122
Promissory notes	797	797
Total	<u>10,946,919</u>	<u>18,716,919</u>

## 4.13.1 Subordinated unsecured debentures

As at 30 September 2020 and 31 December 2019, the Bank has long-term subordinated unsecured debentures as follows:

Issued year	Units as at		Face value (Baht per unit)	Balance as at		Maturity in the year	Interest rate
	30 September 2020	31 December 2019		30 September 2020	31 December 2019		
	(Million units)	(Million units)		(Million Baht)	(Million Baht)		
2015	-	1.00	1,000	-	1,000	2025	4.50 percent per annum
2015	1.00	1.00	1,000	1,000	1,000	2025	4.25 percent per annum
2016	0.68	0.68	1,000	680	680	2026	3.875 percent per annum
2017	1.00	1.00	1,000	1,000	1,000	2027	4.00 percent per annum
2017	0.60	0.60	1,000	600	600	2027	3.70 percent per annum
2019	1.20	1.20	1,000	1,200	1,200	2029	4.00 percent per annum
2019	1.20	1.20	1,000	1,200	1,200	2029	4.00 percent per annum
2020	0.69	-	1,000	690	-	2030	3.15 percent per annum
Total				<u>6,370</u>	<u>6,680</u>		

## 4.13.2 Unsubordinated unsecured debentures

As at 30 September 2020 and 31 December 2019, the Bank has short-term and long-term unsubordinated unsecured debentures as follows:

Issued year	Type of debentures	Units as at		Face value (Baht per unit)	Balance as at		Maturity in the year	Interest rate
		30 September 2020	31 December 2019		30 September 2020	31 December 2019		
		(Million units)	(Million units)		(Million Baht)	(Million Baht)		
2018	Long-term debenture	-	12.00	1,000	-	12,000	2020	1.65 - 2.05 percent per annum
2020	Short-term debenture	2.32	-	1,000	2,320	-	2021	1.30 percent per annum
2020	Long-term debenture	2.22	-	1,000	2,220	-	2022	1.40 percent per annum
Total					<u>4,540</u>	<u>12,000</u>		

## 4.13.3 Bills of exchange

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

(Unaudited but reviewed)

#### 4.14 Lease liabilities

(Unit: Thousand Baht)

	As at	
	30 September 2020	31 December 2019
Beginning balance as at 1 January 2020 from the adoption of new financial reporting standards	627,281	-
Increase during the period	52,522	-
Contract amendment	(40)	-
Paid during the period	(130,795)	-
Terminated during the period	(31,167)	-
Balance as at 30 September 2020	517,801	-
Less: Deferred interest expenses	(37,617)	-
Lease liabilities - net	480,184	-

The maturity analysis of lease liabilities of the Bank is presented below.

(Unit: Thousand Baht)

	As at 30 September 2020			
	Amount due for payment under the contract			
	Less than 1 year	1 - 5 years	Over 5 years	Total
Undiscounted lease payments	142,518	299,920	75,363	517,801
Deferred interest expenses	(10,493)	(17,566)	(9,558)	(37,617)
Lease liabilities	132,025	282,354	65,805	480,184

The Bank had total cash outflows on leases for the nine-month period ended 30 September 2020 of Baht 137 million.

#### 4.15 Provisions

(Unit: Thousand Baht)

	As at	
	30 September 2020	31 December 2019
Allowance for expected credit loss on loan commitments and financial guarantees	4,121	-
Provision for long-term employee benefits	806,757	709,830
Total provisions	810,878	709,830

(Unaudited but reviewed)

As at 30 September 2020, allowance for expected credit loss on loan commitments and financial guarantee contracts by classification is as follows:

(Unit: Thousand Baht)

	As at 30 September 2020	
	Loan commitments and financial guarantee contracts	Allowance for expected credit loss
Financial assets with no significant increase in credit risk (Performing)	1,671,078	4,121
Financial assets with significant increases in credit risk (Under-performing)	-	-
Financial assets that are credit-impaired (Non-performing)	-	-
Total	<u>1,671,078</u>	<u>4,121</u>

#### 4.16 Other liabilities

(Unit: Thousand Baht)

	As at	
	30 September 2020	31 December 2019
Withholding income tax and other tax payables	112,586	317,795
Accrued insurance premium	178,604	207,760
Deferred income	1,454,200	1,614,941
Accrued expenses	2,273,405	2,679,322
Suspense creditors	1,205,319	1,014,778
Other liabilities	352,904	386,994
Total other liabilities	<u>5,577,018</u>	<u>6,221,590</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 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 30 September 2020, the Bank has issued bonus under this scheme amounting to Baht 127 million.

(Unaudited but reviewed)

As at 30 September 2020, the above other liabilities include advances received from Electronic Funds Transfer transactions amounting to Baht 36,454, and the Bank records an asset amounting to Baht 11 million maintained for advances received through such transactions, presented under interbank and money market items (assets) in the statement of financial position.

#### 4.17 Preference shares converted to ordinary shares

Up to 30 September 2020 and 31 December 2019, 627,952,146 preference shares have been converted to ordinary shares and registered with the Ministry of Commerce.

As at 30 September 2020 and 31 December 2019, there are preference shares which are convertible to ordinary shares totalling 104 shares.

#### 4.18 Capital funds

The primary objectives of the Bank's capital management are to maintain the Bank's 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, car inventory financing loans, equity exposure and other assets.

Regarding Capital funds as at 30 September 2020 and 31 December 2019, the Bank has allocated the additional reserve from classification as a part of regulatory capital funds. The reserve has been classified to Tier 1 capital and Tier 2 capital based on method under the BOT's regulation.

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

(Unit: Thousand Baht)

	As at	
	30 September 2020	31 December 2019
<b><u>Common Equity Tier I capital</u></b>		
Issued and fully paid-up share capital	9,215,676	9,215,676
Premium on share capital	2,543,024	2,543,024
Statutory reserve	984,000	984,000
Net profits after appropriation	17,278,545	17,277,459
Other components of equity	307,732	304,899
Less: Deductions from Common Equity Tier I items	(531,026)	(1,080,464)
<b>Total Common Equity Tier I capital</b>	<b>29,797,951</b>	<b>29,244,594</b>

(Unaudited but reviewed)

(Unit: Thousand Baht)

	As at	
	30 September 2020	31 December 2019
<b>Financial Instrument Tier I capital</b>		
Issued and fully paid-up share capital - non cumulative preferred shares	1	1
<b>Total Tier I capital</b>	<b>29,797,952</b>	<b>29,244,595</b>
<b>Tier II capital</b>		
Long-term subordinated debentures	6,370,000	6,680,000
Surplus of provision	730,022	749,945
Reserve for loans classified as normal	547,203	542,598
<b>Total Tier II capital</b>	<b>7,647,225</b>	<b>7,972,543</b>
<b>Total capital funds</b>	<b>37,445,177</b>	<b>37,217,138</b>

(Unit: Percent)

Capital fund ratios	As at			
	30 September 2020		31 December 2019	
	The Bank	Requirement	The Bank	Requirement
Common Equity Tier I capital to risk assets	17.93	7.00	17.37	7.00
Tier I capital to risk assets	17.93	8.50	17.37	8.50
Total capital to risk assets	22.53	11.00	22.10	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 has disclosed capital maintenance information as at 30 June 2020 on its website ([www.tisco.co.th](http://www.tisco.co.th)) in October 2020.

#### 4.19 Other components of equity

##### 4.19.1 Surplus (deficit) on valuation of available-for-sale investments

(Unit: Thousand Baht)

	As at	
	30 September 2020	31 December 2019
Balance - beginning of period	(1,703)	(6,828)
Changes due to the adoption of new financial reporting standards	1,703	-
Balance - beginning of period after adjustment	-	(6,828)
Increase from changes in value of investments during the period	-	5,125
	-	(1,703)
Add: Effect of deferred tax assets	-	341
Balance - end of period	-	(1,362)

(Unaudited but reviewed)

#### 4.19.2 Surplus on valuation of investments in debt securities at fair value through other comprehensive income

(Unit: Thousand Baht)

	As at	
	30 September 2020	31 December 2019
Balance - beginning of period	-	-
Changes due to the adoption of new financial reporting standards	4,618	-
Balance - beginning of period after adjustment	4,618	-
Decrease from changes in value of investments during the period	(1,035)	-
	3,583	-
Less: Effect of deferred tax liabilities	(717)	-
Balance - end of period	2,866	-

#### 4.19.3 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)

	As at	
	30 September 2020	31 December 2019
Balance - beginning of period	382,828	385,154
Transfer to retained earnings	(1,743)	(2,326)
	381,085	382,828
Less: Effect of deferred tax liabilities	(76,219)	(76,567)
Balance - end of period	304,866	306,261

The revaluation surplus can neither be offset against deficit nor used for dividend payment.



**4.20 Interest income**

Interest income in the statements of comprehensive income for the three-month and nine-month periods ended 30 September 2020 and 2019 consisted of the following:

	(Unit: Thousand Baht)			
	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2020	2019	2020	2019
Interbank and money market items	38,479	105,917	207,594	470,533
Investments in debt securities	24,754	47,317	77,965	124,212
Loans to customers	1,904,704	2,022,912	6,035,985	5,977,519
Hire purchase and finance lease	1,795,475	1,920,192	5,443,354	5,766,778
<b>Total interest income</b>	<b>3,763,412</b>	<b>4,096,338</b>	<b>11,764,898</b>	<b>12,339,042</b>

Interest income for the three-month and nine-month periods ended 30 September 2020 consisted of interest income on impaired financial assets amounting to Baht 33 million and Baht 261 million, respectively. The Bank recognised expected credit loss on which at the amount that fully covers this interest income.

**4.21 Interest expenses**

Interest expenses in the statements of comprehensive income for the three-month and nine-month periods ended 30 September 2020 and 2019 consisted of the following:

	(Unit: Thousand Baht)			
	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2020	2019	2020	2019
Deposits	587,463	839,121	2,109,072	2,376,884
Interbank and money market items	2,984	3,125	10,123	7,260
Contribution fee to the Deposit Protection Agency and the Bank of Thailand	126,878	256,710	399,321	804,836
Issued debt securities				
- Subordinated debentures	62,707	68,571	196,405	206,503
- Unsubordinated debentures	19,929	60,155	114,439	339,998
Borrowings	230	230	684	681
Others	3,073	-	9,644	-
<b>Total interest expenses</b>	<b>803,264</b>	<b>1,227,912</b>	<b>2,839,688</b>	<b>3,736,162</b>

(Unaudited but reviewed)

#### 4.22 Fee and service income

Fee and service income in the statements of comprehensive income for the three-month and nine-month periods ended 30 September 2020 and 2019 consisted of the following:

(Unit: Thousand Baht)

	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2020	2019	2020	2019
Fee and service income				
- Acceptance, aval and guarantees	1,652	512	5,156	3,799
- Insurance service	284,150	484,935	803,224	1,396,239
- Others	215,147	199,042	608,101	674,020
Total fee and service income	500,949	684,489	1,416,481	2,074,058
Fee and service expenses	(16,881)	(18,645)	(51,882)	(58,376)
Net fee and service income	484,068	665,844	1,364,599	2,015,682

#### 4.23 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 for the three-month and nine-month periods ended 30 September 2020 and 2019 consisted of the following:

(Unit: Thousand Baht)

	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2020	2019	2020	2019
Gains (losses) on trading and foreign exchange transactions				
- Foreign currencies and derivatives on foreign exchange	3,178	-	(11,313)	-
- Debt securities	3,502	-	19,547	-
- Equity securities	660	-	(140)	-
Total	7,340	-	8,094	-

**4.24 Net gain on trading and foreign exchange transactions**

Net gain on trading and foreign exchange transactions in the statements of comprehensive income for the three-month and nine-month periods ended 30 September 2020 and 2019 consisted of the following:

	(Unit: Thousand Baht)			
	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2020	2019	2020	2019
Gains (losses) on trading and foreign exchange transactions				
- Foreign currencies and derivatives on foreign exchange	-	(6,191)	-	(11,889)
- Derivatives on interest rates	-	(6)	-	(2)
- Debt securities	-	15,328	-	28,869
Net gain on trading and foreign exchange transactions	-	9,131	-	16,978

**4.25 Net gain on investments**

Net gain on investments in the statements of comprehensive income for the three-month and nine-month periods ended 30 September 2020 and 2019 consisted of the following:

	(Unit: Thousand Baht)			
	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2020	2019	2020	2019
Gains on disposal				
- Debt instruments measured at fair value through other comprehensive income	310	-	1,695	-
- Debt instruments measured at amortised cost	2,283	-	5,609	-
- Available-for-sale investments	-	50	-	67
- Held-to-maturity debt securities	-	1,643	-	8,716
- General investments	-	1,918	-	1,918
Total	2,593	3,611	7,304	10,701
Reversal of allowance for losses (losses) on impairment				
- General investments	-	174	-	(5,615)
Total	-	174	-	(5,615)
Net gain on investments	2,593	3,785	7,304	5,086

**4.26 Other operating income**

Other operating income in the statements of comprehensive income for the three-month and nine-month periods ended 30 September 2020 and 2019 consisted of the following:

(Unit: Thousand Baht)

	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2020	2019	2020	2019
Gain on disposal of properties foreclosed	9,949	7,370	19,667	32,918
Dividend income	11,698	19,421	41,681	49,110
Others	15,510	12,836	45,039	39,926
<b>Total</b>	<b>37,157</b>	<b>39,627</b>	<b>106,387</b>	<b>121,954</b>

**4.27 Other operating expenses**

Other operating expenses in the statements of comprehensive income for the three-month and nine-month periods ended 30 September 2020 and 2019 consisted of the following:

(Unit: Thousand Baht)

	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2020	2019	2020	2019
Mailing expenses	10,653	12,858	36,218	38,532
Software amortisation expenses	23,752	24,018	70,772	71,056
Legal expenses relating to the business	74,235	76,039	212,422	222,907
Transportation expenses	13,408	18,515	40,583	55,409
Expenses related to the repossession and the disposal of repossessed assets	17,202	17,921	48,027	50,866
Advertising and business promotion expenses	38,259	51,662	101,896	99,882
Others	31,883	39,711	92,477	128,925
<b>Total</b>	<b>209,392</b>	<b>240,724</b>	<b>602,395</b>	<b>667,577</b>

**4.28 Bad debts, doubtful accounts and impairment loss**

Bad debts, doubtful accounts and impairment loss in the statements of comprehensive income for the three-month and nine-month periods ended 30 September 2020 and 2019 consisted of the following:

	(Unit: Thousand Baht)			
	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2020	2019	2020	2019
Interbank and money market items (reversal)	-	90	-	(910)
Held-to-maturity debt securities (reversal)	-	(74)	-	(910)
Loans to customers	-	6,321	-	102,155
<b>Total</b>	<b>-</b>	<b>6,337</b>	<b>-</b>	<b>100,335</b>

**4.29 Expected credit loss**

Expected credit loss and gain or loss from the modification of terms of financial assets for the three-month and nine-month periods ended 30 September 2020 and 2019 are as follows:

	(Unit: Thousand Baht)			
	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2020	2019	2020	2019
<b>Expected credit loss</b>				
- Interbank and money market items (reversal)	(128)	-	195	-
- Investments in debt instruments measured at amortised cost (reversal)	85	-	(141)	-
- Investments in debt instruments measured at fair value through other comprehensive income	-	-	25,000	-
- Loans to customers	458,666	-	1,732,282	-
<b>Loss from the modification of terms</b>				
- Loans to customers	6,098	-	63,637	-
Loan commitments lines and financial guarantees	1,671	-	4,121	-
<b>Total</b>	<b>466,392</b>	<b>-</b>	<b>1,825,094</b>	<b>-</b>

### 4.30 Income tax expenses

Income tax expenses of the Bank for the three-month and nine-month periods ended 30 September 2020 and 2019 are as follows:

	(Unit: Thousand Baht)			
	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	2020	2019	2020	2019
<b>Current income tax:</b>				
Income tax expenses for the period	254,584	421,375	367,710	1,191,000
<b>Deferred tax:</b>				
Deferred tax on temporary differences and reversion of temporary differences	14,620	(83,713)	370,973	(170,540)
<b>Income tax expenses reported in the statement of comprehensive income</b>	<u>269,204</u>	<u>337,662</u>	<u>738,683</u>	<u>1,020,460</u>

A reconciliation between income tax expenses and the product of accounting profit multiplied by the applicable tax rate for the three-month and nine-month periods ended 30 September 2020 and 2019 is as follows:

	(Unit: Thousand Baht)			
	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	2020	2019	2020	2019
Accounting profit before tax	1,342,794	1,691,341	3,680,574	5,128,551
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by applicable tax rate	268,559	338,268	736,115	1,025,710
Tax effect of net tax-exempt income and net disallowed expenses	645	(606)	2,568	(5,250)
Income tax expenses reported in the statement of comprehensive income	<u>269,204</u>	<u>337,662</u>	<u>738,683</u>	<u>1,020,460</u>

(Unaudited but reviewed)

The components of deferred tax assets are as follows:

	As at		(Unit: Thousand Baht) Changes in deferred tax assets/liabilities reported in profit or loss for the nine-month periods ended 30 September	
	30 September	31 December	2020	2019
	2020	2019	2020	2019
Allowance for doubtful accounts	264,100	712,513	(448,413)	148,725
Allowance for expected credit loss	5,863	-	5,863	-
Allowance for impairment of investments	13,097	13,125	(28)	(8,867)
Allowance for impairment of properties foreclosed	52	55	(3)	(2,274)
Non-accrual of interest income	11,539	33,209	(21,670)	1,378
Depreciation of assets	(31,562)	(41,143)	9,581	(8,393)
Finance leases	-	(12)	12	53
Gain on changes in fair value of investment properties	-	-	-	2,983
Surplus on revaluation of assets	(76,219)	(76,565)	-	-
(Surplus) deficit on changes in value of investments	(717)	340	-	-
Unrealised gain on derivatives	-	(214)	214	(2,131)
Gain on changes in value of investments in securities	(108,619)	-	28	-
Deferred commission and direct expenses incurred at the initiation of hire purchase	(488,236)	(583,651)	95,415	(32,333)
Unearned interest income on hire purchase	185,444	197,238	(11,794)	28,833
Accrued expenses	346,225	346,225	-	-
Employee benefit expenses	161,353	141,966	17,738	28,911
Others	121,140	139,056	(17,916)	13,655
<b>Deferred tax assets</b>	<b>403,460</b>	<b>882,142</b>	<b>(370,973)</b>	<b>170,540</b>

### 4.31 Components of other comprehensive income

(Unit: Thousand Baht)

	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2020	2019	2020	2019
<b>Other comprehensive income</b>				
Investments in debt instruments measured at fair value through other comprehensive income:				
Gains (losses) during the period	(7,134)	-	660	-
Less: Reclassification adjustments for gains included in profit or loss	(310)	-	(1,695)	-
	(7,444)	-	(1,035)	-
Available-for-sale investments:				
Gains during the period	-	910	-	5,808
Less: Reclassification adjustments for gains included in profit or loss	-	(50)	-	(67)
	-	860	-	5,741
Actuarial loss	-	-	(8,244)	(95,562)
Other comprehensive income (loss)	(7,444)	860	(9,279)	(89,821)
Income tax effects	1,489	(172)	1,856	17,964
Other comprehensive income for the period (loss)	<u>(5,955)</u>	<u>688</u>	<u>(7,423)</u>	<u>(71,857)</u>

### 4.32 Earnings per share

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

	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2020	2019	2020	2019
Profit attributable to equity holders of the Bank (Thousand Baht)	1,073,590	1,353,679	2,941,891	4,108,091
Weighted average number of shares (Thousand shares)	921,568	921,568	921,568	921,568
Basic earnings per share (Baht/share)	1.16	1.47	3.19	4.46



### 4.33 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
TISCO Investment Advisory Securities Co., Ltd. (In the process of liquidation)	Related company
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 30 September 2020 and 31 December 2019, the balances of accounts between the Bank and its related companies are as follows:

	(Unit: Thousand Baht)	
	As at	
	30 September 2020	31 December 2019
<b><u>Outstanding balances</u></b>		
<b>Parent company</b>		
TISCO Financial Group Plc.		
Loans to customers	1,970,000	-
Deposits	46,067	1,098,238
Lease liabilities	31,442	-
Accrued interest payable	102	210
Dividend payable	-	4,100,464
Other liabilities	126,333	120,398
<b>Related companies</b>		
Other Assets		
TISCO Securities Co., Ltd.	238	199
TISCO Asset Management Co., Ltd.	4,350	3,009
Hi-Way Co., Ltd.	900	2,280
TISCO Insurance Solution Co., Ltd.	15,348	15,417
Deposits		
Hi-Way Co., Ltd.	154,627	113,782
TISCO Insurance Solution Co., Ltd.	436,159	553,781
TISCO Information Technology Co., Ltd.	531,459	295,531
TISCO Learning Center Co., Ltd.	46,236	42,813

(Unaudited but reviewed)

(Unit: Thousand Baht)

	As at	
	30 September 2020	31 December 2019
<b>Related companies (continued)</b>		
Deposits (continued)		
All-Ways Co., Ltd.	214,090	211,551
Primus Leasing Co., Ltd.	32,897	32,898
TISCO Tokyo Leasing Co., Ltd.	2,098	4,186
Interbank and money market items (liabilities)		
TISCO Securities Co., Ltd.	34,270	98,020
TISCO Asset Management Co., Ltd.	24,064	64,335
TISCO Investment Advisory Securities Co., Ltd.	-	23,888
Lease liabilities		
TISCO Securities Co., Ltd.	1,119	-
Hi-way Co., Ltd.	2,830	-
Accrued interest payable		
TISCO Securities Co., Ltd.	5	3
TISCO Asset Management Co., Ltd.	37	80
TISCO Investment Advisory Securities Co., Ltd.	-	1
Hi-Way Co., Ltd.	86	7
TISCO Insurance Solution Co., Ltd.	163	223
TISCO Information Technology Co., Ltd.	364	69
TISCO Learning Center Co., Ltd.	16	128
All-Ways Co., Ltd.	102	236
TISCO Tokyo Leasing Co., Ltd.	1	1
Other liabilities		
Hi-Way Co., Ltd.	207,800	175,092
TISCO Insurance Solution Co., Ltd.	12,021	38,623
TISCO Learning Center Co., Ltd.	4,159	1,723
TISCO Securities Co., Ltd.	27	-
<b>Companies with common directors</b>		
Deposits	57,437	60,803
<b>Commitments - Guarantees</b>		
<b>Parent company</b>		
TISCO Financial Group Plc.	1,040	1,040
<b>Related companies</b>		
TISCO Securities Co., Ltd.	540	540
TISCO Asset Management Co., Ltd.	440	440
TISCO Insurance Solution Co., Ltd.	200	200
TISCO Information Technology Co., Ltd.	1,014	1,014
<b>Commitments - Undrawn client overdraft facilities</b>		
<b>Related companies</b>		
TISCO Securities Co., Ltd.	30,000	30,000
TISCO Asset Management Co., Ltd.	200,000	-

(Unaudited but reviewed)

Loans to related companies

As at 30 September 2020 and 1 January 2020, the balances of loans between the Bank and its related companies and their movements are as follows:

	(Unit: Thousand Baht)			
	As at 1 January 2020	Increase	Decrease	As at 30 September 2020
<b>Parent company</b>				
Loans				
TISCO Financial Group Plc.	-	1,978,000	(8,000)	1,970,000

During the period, 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 three-month periods ended 30 September		For the nine-month periods ended 30 September		
	2020	2019	2020	2019	Terms and pricing policies
<b><u>Transactions occurred during the periods</u></b>					
<b>Parent company</b>					
Interest income	5,010	-	5,036	65	With reference to the terms and prices as offered to other customers
Other income	125	190	375	583	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	378,500	366,642	1,135,500	1,143,653	Determined on market prices and/or actual costs in compliance with the criteria specified by the BOT
Interest expenses	94	1,115	2,643	5,801	With reference to the terms and prices as offered to other customers
Other expenses	2,509	2,509	7,526	7,526	With reference to the terms and prices as offered to other customers
<b>Related companies</b>					
Interest income	-	2,269	-	7,239	With reference to the terms and prices as offered to other customers
Other income	34,499	22,247	95,176	78,417	With reference to the terms and prices as offered to other customers

(Unaudited but reviewed)

(Unit: Thousand Baht)

	For the three-month periods ended 30 September		For the nine-month periods ended 30 September		Terms and pricing policies
	2020	2019	2020	2019	
	<b>Transactions occurred during the periods (continued)</b>				
<b>Related companies (continued)</b>					
Expenses involving loans	207,800	167,700	584,200	402,900	Determined on actual costs
Computer system advisory service expenses	176,250	157,000	528,750	471,000	Determined on actual costs in compliance with the criteria specified by the BOT
Training expenses	15,523	11,541	28,620	31,599	With reference to the prices as offered from other service providers
Interest expenses	2,094	3,472	5,554	9,580	With reference to the terms and prices as offered to other customers
Other expenses	1,062	1,048	3,251	4,442	With reference to the terms and prices as offered to other customers

Loans to directors and management-level employees (departmental manager upward)

(Unit: Thousand Baht)

	As at	
	30 September 2020	31 December 2019
Loans <sup>(1)</sup>	1,674	1,846

(1) Including employee welfare loans and normal loans

Liabilities payable to directors and management-level employees (departmental manager upward)

(Unit: Thousand Baht)

	As at	
	30 September 2020	31 December 2019
Deposits	154,278	126,207

Directors' and management's benefits

During the three-month and nine-month periods ended 30 September 2020 and 2019, the Bank had short-term benefit expenses paid to its directors and key management during the periods and other employee benefit expenses to its directors and management as follows:

(Unit: Million Baht)

	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2020	2019	2020	2019
Short-term benefits	42	39	85	80
Post-employment benefits	4	4	11	11
Total	46	43	96	91

**4.34 Segment information**

The Bank is organised into business units based on its products and services. During the current period, the Bank has not changed the organisation of its reportable segments.

The following tables present revenue and profit information regarding the Bank's operating segments for the three-month and nine-month periods ended 30 September 2020 and 2019.

(Unaudited but reviewed)

(Unit: Million Baht)

For the three-month period ended 30 September 2020

	Retail banking	Corporate banking	Treasury investment and others	Total segments	Eliminations	Financial statements
<b>Revenue</b>						
External customers	3,183	329	26	3,538	-	3,538
Inter-segment	-	-	642	642	(642)	-
<b>Total revenue</b>	<u>3,183</u>	<u>329</u>	<u>668</u>	<u>4,180</u>	<u>(642)</u>	<u>3,538</u>
<b>Operating results:</b>						
Net interest income	2,661	289	10	2,960	-	2,960
Net fee and service income	449	37	(2)	484	-	484
Other operating income	73	3	660	736	(642)	94
<b>Total operating income</b>	<u>3,183</u>	<u>329</u>	<u>668</u>	<u>4,180</u>	<u>(642)</u>	<u>3,538</u>
Premises and equipment expenses and amortisation	(75)	(7)	(257)	(339)	-	(339)
Other operating expenses	(1,518)	(124)	(390)	(2,032)	642	(1,390)
Expected credit loss	(504)	(37)	75	(466)	-	(466)
<b>Total operating expenses</b>	<u>(2,097)</u>	<u>(168)</u>	<u>(572)</u>	<u>(2,837)</u>	<u>642</u>	<u>(2,195)</u>
<b>Segment profit before income tax expenses</b>	<u>1,086</u>	<u>161</u>	<u>96</u>	<u>1,343</u>	<u>-</u>	<u>1,343</u>
Income tax expenses						(269)
<b>Profit for the period</b>						<u>1,074</u>

(Unaudited but reviewed)

(Unit: Million Baht)

For the three-month period ended 30 September 2019

	Retail banking	Corporate banking	Treasury investment and others	Total segments	Eliminations	Financial statements
<b>Revenue</b>						
External customers	3,202	320	129	3,651	-	3,651
Inter-segment	-	-	847	847	(847)	-
<b>Total revenue</b>	<u>3,202</u>	<u>320</u>	<u>976</u>	<u>4,498</u>	<u>(847)</u>	<u>3,651</u>
<b>Operating results:</b>						
Net interest income	2,471	305	92	2,868	-	2,868
Net fee and service income	647	21	(2)	666	-	666
Other operating income	84	(6)	886	964	(847)	117
<b>Total operating income</b>	<u>3,202</u>	<u>320</u>	<u>976</u>	<u>4,498</u>	<u>(847)</u>	<u>3,651</u>
Premises and equipment expenses and amortisation	(76)	(6)	(249)	(331)	-	(331)
Other operating expenses	(1,726)	(140)	(604)	(2,470)	847	(1,623)
Bad debts, doubtful accounts and impairment loss	242	62	(310)	(6)	-	(6)
<b>Total operating expenses</b>	<u>(1,560)</u>	<u>(84)</u>	<u>(1,163)</u>	<u>(2,807)</u>	<u>847</u>	<u>(1,960)</u>
<b>Segment profit before income tax expenses</b>	<u>1,642</u>	<u>236</u>	<u>(187)</u>	<u>1,691</u>	<u>-</u>	<u>1,691</u>
Income tax expenses						(337)
<b>Profit for the period</b>						<u>1,354</u>

(Unaudited but reviewed)

(Unit: Million Baht)

For the nine-month period ended 30 September 2020

	Retail Banking	Corporate banking	Treasury investment and others	Total segments	Eliminations	Financial statements
<b>Revenue</b>						
External customers	9,472	925	165	10,562	-	10,562
Inter-segment	-	-	1,935	1,935	(1,935)	-
<b>Total revenue</b>	<b>9,472</b>	<b>925</b>	<b>2,100</b>	<b>12,497</b>	<b>(1,935)</b>	<b>10,562</b>
<b>Operating results:</b>						
Net interest income	7,974	845	106	8,925	-	8,925
Net fee and service income	1,281	91	(7)	1,365	-	1,365
Other operating income	217	(11)	2,001	2,207	(1,935)	272
<b>Total operating income</b>	<b>9,472</b>	<b>925</b>	<b>2,100</b>	<b>12,497</b>	<b>(1,935)</b>	<b>10,562</b>
Premises and equipment expenses and amortisation	(219)	(18)	(781)	(1,018)	-	(1,018)
Other operating expenses	(4,455)	(351)	(1,167)	(5,973)	1,935	(4,038)
Expected credit loss	(2,398)	(6)	579	(1,825)	-	(1,825)
<b>Total operating expenses</b>	<b>(7,072)</b>	<b>(375)</b>	<b>(1,369)</b>	<b>(8,816)</b>	<b>1,935</b>	<b>(6,881)</b>
<b>Segment profit before income tax expenses</b>	<b>2,400</b>	<b>550</b>	<b>731</b>	<b>3,681</b>	<b>-</b>	<b>3,681</b>
Income tax expenses						(739)
<b>Profit for the period</b>						<b>2,942</b>



(Unaudited but reviewed)

(Unit: Million Baht)

For the nine-month period ended 30 September 2019

	Retail Banking	Corporate banking	Treasury investment and others	Total segments	Eliminations	Financial statements
<b>Revenue</b>						
External customers	9,550	942	472	10,964	-	10,964
Inter-segment	-	-	2,719	2,719	(2,719)	-
<b>Total revenue</b>	<b>9,550</b>	<b>942</b>	<b>3,191</b>	<b>13,683</b>	<b>(2,719)</b>	<b>10,964</b>
<b>Operating results:</b>						
Net interest income	7,337	869	397	8,603	-	8,603
Net fee and service income	1,951	70	(5)	2,016	-	2,016
Other operating income	262	3	2,799	3,064	(2,719)	345
<b>Total operating income</b>	<b>9,550</b>	<b>942</b>	<b>3,191</b>	<b>13,683</b>	<b>(2,719)</b>	<b>10,964</b>
Premises and equipment expenses and amortisation	(228)	(17)	(736)	(981)	-	(981)
Other operating expenses	(5,064)	(412)	(1,998)	(7,474)	2,719	(4,755)
Bad debts, doubtful accounts and impairment loss	(564)	93	371	(100)	-	(100)
<b>Total operating expenses</b>	<b>(5,856)</b>	<b>(336)</b>	<b>(2,363)</b>	<b>(8,555)</b>	<b>2,719</b>	<b>(5,836)</b>
<b>Segment profit before income tax expenses</b>	<b>3,694</b>	<b>606</b>	<b>828</b>	<b>5,128</b>	<b>-</b>	<b>5,128</b>
Income tax expenses						(1,020)
<b>Profit for the period</b>						<b>4,108</b>

(Unaudited but reviewed)

The following tables present total assets information regarding the Bank's operating segments as at 30 September 2020 and 31 December 2019.

(Unit: Million Baht)

	As at 30 September 2020			
	Retail banking	Corporate banking	Treasury	Total segments
			investment and others	
<b>Segment total assets</b>	185,765	35,853	42,234	263,852
Premises and equipment - net	33	2	732	767

(Unit: Million Baht)

	As at 31 December 2019			
	Retail banking	Corporate banking	Treasury	Total segments
			investment and others	
<b>Segment total assets</b>	204,808	33,495	46,962	285,265
Premises and equipment - net	38	6	748	792

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

During the three-month and nine-month periods ended 30 September 2020 and 2019, the Bank did not have income from any customer amounting to or over 10 percent of its income.

#### 4.35 Commitments and contingent liabilities

##### 4.35.1 Avals, guarantees and commitments

(Unit: Thousand Baht)

	As at	
	30 September 2020	31 December 2019
Other guarantees	534,300	482,094
Undrawn client overdraft facilities	250,000	76,439
Foreign exchange contracts	1,253,715	917,044
Others	2,214,785	548,509
<b>Total</b>	<b>4,252,800</b>	<b>2,024,086</b>

#### 4.35.2 Litigation

As at 30 September 2020 and 31 December 2019, the Bank has been sued for compensation totalling approximately Baht 332 million and Baht 313 million, respectively. Final judgements have not yet been reached in respect of these cases. The management of the Bank believes that no material losses to the financial statements will be incurred as a result of the mentioned lawsuits.

#### 4.35.3 Other commitments

- a) The Bank has commitments in relation to computer service agreements, 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.
- b) The Bank has provided warranties in accordance with the terms of an agreement, related to the sale of a personal loan portfolio. The warranties cover a period of 3 years after the transfer date, to be expired in June 2021.

#### 4.36 Fair value of financial instruments

As at 30 September 2020 and 31 December 2019, the Bank has financial assets and liabilities that are measured at fair value using different levels of inputs as follows:

(Unit: Million Baht)

	As at 30 September 2020				
	Book Value	Fair Value			Total
		Level 1	Level 2	Level 3	
<b>Financial assets measured at fair value</b>					
Financial assets measured at fair value through profit or loss					
Equity securities	759	3	-	756	759
Financial assets measured at fair value through other comprehensive income					
Debt securities	11,029	-	11,029	-	11,029

(Unit: Million Baht)

	As at 31 December 2019				
	Book Value	Fair Value			Total
		Level 1	Level 2	Level 3	
<b>Financial assets measured at fair value</b>					
Derivatives					
Foreign exchange contracts	22	-	22	-	22
Available-for-sale investments					
Equity securities	3	3	-	-	3
Debt securities	7,463	-	7,463	-	7,463

Valuation techniques and inputs to Level 2 and Level 3 valuations

- a) The fair value of investments in debt instruments has been determined by using the yield curve as announced by the Thai Bond Market Association.
- b) The fair value of derivatives has been 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.
- c) Investments in non-marketable equity instruments have been determined by using a discounted future cash flow and/or by using a book value of the investees.

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

**5. Dividend payment**

On 10 April 2020, the Board of Director's Meeting of the Bank passed a resolution approving an interim dividend payment of Baht 1.06 per share from the operating results of the year 2019 to ordinary and preference shareholders listed in the share register as at 28 April 2020. The Bank has paid dividend on 7 May 2020.

**6. Reclassification**

The Bank has reclassified some items in the statement of financial position as at 31 December 2019 in order to correspond to the classification in the current period.

(Unit: Thousand Baht)

	As at 31 December 2019	
	As reclassified	As previously reported
<b>Statement of financial position</b>		
<b>Assets</b>		
Other assets	1,333,868	1,356,706
<b>Liabilities</b>		
Other liabilities	6,221,590	6,244,428

**7. Approval of interim financial information**

This interim financial information was approved by the Bank's Audit Committee on 12 November 2020.