

TISCO Financial Group Public Company Limited  
and its subsidiaries  
Report and interim financial statements  
For the three-month and nine-month periods ended  
30 September 2010

## **Review Report of Independent Auditor**

To the Shareholders of TISCO Financial Group Public Company Limited

I have reviewed the accompanying consolidated balance sheet of TISCO Financial Group Public Company Limited and its subsidiaries as at 30 September 2010, the related consolidated statements of income for the three-month and nine-month periods ended 30 September 2010, the consolidated statements of changes in shareholders' equity and cash flows for the nine-month period then ended, and the separate financial statements of TISCO Financial Group Public Company Limited for the same period. These financial statements are the responsibility of the Company's management as to their correctness and the completeness of the presentation. My responsibility is to issue a report on these financial statements based on my review.

I conducted my review in accordance with auditing standard applicable to review engagement. This standard requires that I plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. I have not performed an audit and, accordingly, I do not express an audit opinion.

Based on my review, nothing has come to my attention that causes me to believe that the accompanying financial statements are not presented fairly, in all material respects, in accordance with generally accepted accounting principles.

The consolidated financial statements of TISCO Financial Group Public Company Limited and its subsidiaries, and the separate financial statements of TISCO Financial Group Public Company Limited for the year ended 31 December 2009 were audited in accordance with generally accepted auditing standards by another auditor of our firm who, under his report dated 8 February 2010, expressed an unqualified audit opinion on those statements. The balance sheet as at 31 December 2009, as presented herein for comparative purposes, formed an integral part of the financial statements which have been audited and reported on by that auditor.

The consolidated statements of income for the three-month and nine-month periods ended 30 September 2009, the consolidated statements of changes in shareholders' equity and cash flows for the nine-month period ended 30 September 2009 of TISCO Financial Group Public Company Limited and its subsidiaries, and the separate financial statements of TISCO Financial Group Public Company Limited for the three-month and nine-month periods ended 30 September 2009, as presented herein for comparative purposes, formed an integral part of the interim financial statements which were reviewed by the aforementioned auditor who reported, under his report those dated 9 November 2009, that nothing had come to his attention that caused him to believe that those financial statements were not presented fairly, in all material respects, in accordance with generally accepted accounting principles.

Rungnapa Lertsuwankul  
Certified Public Accountant (Thailand) No. 3516

Ernst & Young Office Limited  
Bangkok: 11 November 2010

**TISCO Financial Group Public Company Limited and its subsidiaries**

**Balance sheets**

**As at 30 September 2010 and 31 December 2009**

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 September 2010	31 December 2009	30 September 2010	31 December 2009
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Assets</b>					
Cash		770,010	826,526	50	50
Interbank and money market items					
Domestic					
Interest bearing		6,357,126	10,452,308	182,467	426,405
Non-interest bearing		758,028	2,191,310	-	-
Foreign					
Interest bearing		58,616	64,626	-	-
Non-interest bearing		160	-	-	-
Total interbank and money market items - net		7,173,930	12,708,244	182,467	426,405
Investments	3.2, 3.3, 3.6				
Current investment - net		2,201,688	2,628,125	-	-
Long-term investment - net		4,292,335	6,809,822	-	-
Investment in subsidiaries - net		-	-	14,878,073	15,369,421
Net investments		6,494,023	9,437,947	14,878,073	15,369,421
Receivable from clearing house		128,824	139,725	-	-
Loans, receivables and accrued interest receivable	3.4, 3.6				
Loans and receivables		139,865,012	113,232,977	1,456,000	1,475,000
Securities and derivatives business receivables		1,661,852	1,016,339	-	-
Total loans and receivables		141,526,864	114,249,316	1,456,000	1,475,000
Accrued interest receivable		123,963	116,857	-	-
Total loans, receivables and accrued interest receivable		141,650,827	114,366,173	1,456,000	1,475,000
Less: Allowance for doubtful accounts	3.5.1, 3.5.2	(3,674,511)	(2,425,265)	-	-
Less: Allowance for loss on debt restructuring		(18)	(18)	-	-
Net loans, receivables and accrued interest receivable		137,976,298	111,940,890	1,456,000	1,475,000
Property foreclosed - net		39,698	49,171	-	-
Land, premises and equipment - net		1,500,155	1,558,671	722,069	727,932
Deferred tax assets	3.15	958,626	696,617	93,321	86,137
Other assets	3.7	1,365,365	1,446,564	256,374	725,656
<b>Total assets</b>		<b>156,406,929</b>	<b>138,804,355</b>	<b>17,588,354</b>	<b>18,810,601</b>

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

**TISCO Financial Group Public Company Limited and its subsidiaries**

**Balance sheets (continued)**

**As at 30 September 2010 and 31 December 2009**

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 September 2010	31 December 2009	30 September 2010	31 December 2009
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Liabilities and shareholders' equity</b>					
Deposits in Baht		58,471,269	56,808,483	-	-
Interbank and money market items					
Domestic - Interest bearing		7,473,450	6,380,216	-	210,000
Liability payable on demand		602,468	345,170	-	-
Borrowings	3.8				
Short-term borrowings		55,835,329	53,698,939	3,371,827	3,989,392
Long-term borrowings		14,449,732	5,429,750	-	-
Total borrowings		70,285,061	59,128,689	3,371,827	3,989,392
Payable to clearing house		328,395	192,815	-	-
Securities and derivative business payables		1,447,034	958,532	-	-
Accrued interest payable		472,294	263,482	11,046	9,062
Other liabilities	3.9	3,203,473	2,208,252	592,501	296,598
<b>Total liabilities</b>		<b>142,283,444</b>	<b>126,285,639</b>	<b>3,975,374</b>	<b>4,505,052</b>

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

**TISCO Financial Group Public Company Limited and its subsidiaries**

**Balance sheets (continued)**

**As at 30 September 2010 and 31 December 2009**

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 September 2010	31 December 2009	30 September 2010	31 December 2009
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Shareholders' equity</b>					
Share capital					
Registered					
		11,002,000	11,002,000	11,002,000	11,002,000
Issued and fully paid-up - registered 4.1					
43,058 preference shares of Baht 10 each					
		430	6,986	430	6,986
(31 December 2009: 698,558 preference shares of Baht 10 each)					
727,785,484 ordinary shares of Baht 10 each					
		7,277,855	7,261,652	7,277,855	7,261,652
(31 December 2009: 726,165,221 ordinary shares of Baht 10 each)					
		7,278,285	7,268,638	7,278,285	7,268,638
Issued and fully paid-up - awaiting to register					
31 December 2009: 9,208 ordinary shares of Baht 10 each					
		-	92	-	92
Share premium					
Share premium of preference shares					
		-	-	379	6,147
Share premium of ordinary shares					
		-	-	6,012,347	6,002,126
		-	-	6,012,726	6,008,273
		7,278,285	7,268,730	13,291,011	13,277,003
Adjustment from business combination of entities					
under common control under holding restructuring plan 4.1					
		676,748	672,295	-	-
Revaluation surplus (deficit) on investments 3.11					
		246,107	(37,793)	-	-
Unrealised losses on cash flow hedges					
		(9,651)	(21,924)	-	-
Translation adjustment					
		81,366	86,441	-	-
Retained earnings					
Appropriated-statutory reserve					
		119,800	119,800	119,800	119,800
Unappropriated					
		5,645,752	4,342,447	202,169	908,746
Equity attributable to the Company's shareholders					
		14,038,407	12,429,996	13,612,980	14,305,549
Non-controlling interest - equity attributable to					
minority shareholders of subsidiaries					
		85,078	88,720	-	-
<b>Total shareholders' equity</b>					
		14,123,485	12,518,716	13,612,980	14,305,549
<b>Total liabilities and shareholders' equity</b>					
		156,406,929	138,804,355	17,588,354	18,810,601
<b>Off-balance sheet items - contingencies</b> 3.19					
Aval to bills and guarantees of loans					
		297,730	21,651	-	-
Other commitments					
		2,036,947	2,482,668	-	-

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

.....  
 Mrs. Oranuch Apisaksirikul  
 (Group Chief Executive Officer)

.....  
 Mr. Suthas Ruangmanamongkol  
 (Director)

(Unaudited but reviewed)

**TISCO Financial Group Public Company Limited and its subsidiaries****Income statements****For the three-month periods ended 30 September 2010 and 2009**

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

	Note	Consolidated financial statements		Separate financial statements	
		2010	2009	2010	2009
<b>Interest and dividend income</b>					
Loans		437,257	300,669	9,082	53
Interbank and money market items		47,855	22,523	640	538
Hire purchase and financial lease income		1,826,371	1,632,955	-	-
Investments		118,823	171,734	-	-
<b>Total interest and dividend income</b>		<b>2,430,306</b>	<b>2,127,881</b>	<b>9,722</b>	<b>591</b>
<b>Interest expenses</b>					
Deposits		209,440	217,322	-	-
Interbank and money market items		57,296	47,304	35	9,620
Short-term borrowings		195,722	194,846	14,589	4,376
Long-term borrowings		126,562	69,989	-	-
<b>Total interest expenses</b>		<b>589,020</b>	<b>529,461</b>	<b>14,624</b>	<b>13,996</b>
<b>Net interest and dividend income (expenses)</b>		<b>1,841,286</b>	<b>1,598,420</b>	<b>(4,902)</b>	<b>(13,405)</b>
<b>Bad debt and doubtful accounts</b>		<b>(598,652)</b>	<b>(317,599)</b>	<b>-</b>	<b>-</b>
<b>Net interest and dividend income (expenses) after bad debt and doubtful accounts</b>		<b>1,242,634</b>	<b>1,280,821</b>	<b>(4,902)</b>	<b>(13,405)</b>
<b>Non-interest income</b>					
Brokerage fees		212,769	156,902	-	-
Gain (loss) on investments	3.12	136,652	(6,691)	(5,333)	(12,150)
Loss on derivatives		-	(78)	-	-
Fees and service income					
Acceptances, aval and guarantees		3,830	4,127	-	-
Insurance services		234,079	159,167	-	-
Fund management		197,849	165,103	-	-
Financial advisory fee		4,250	750	-	-
Supporting services	3.17	-	-	334,420	301,500
Others		145,633	144,629	175	227
Gain on exchange		1,772	-	-	-
Other income		188,903	108,341	43,699	15,785
<b>Total non-interest income</b>		<b>1,125,737</b>	<b>732,250</b>	<b>372,961</b>	<b>305,362</b>
<b>Total net income</b>		<b>2,368,371</b>	<b>2,013,071</b>	<b>368,059</b>	<b>291,957</b>

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

(Unaudited but reviewed)

**TISCO Financial Group Public Company Limited and its subsidiaries****Income statements (continued)****For the three-month periods ended 30 September 2010 and 2009**

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

	Note	Consolidated financial statements		Separate financial statements	
		2010	2009	2010	2009
<b>Non-interest expenses</b>					
Personnel expenses		721,701	544,995	168,622	91,710
Premises and equipment expenses		170,917	176,005	63,841	26,149
Taxes and duties		41,643	27,110	1,970	11
Fees and service expenses		83,462	99,406	2,275	2,096
Directors' remuneration		2,604	1,980	2,604	1,980
Other expenses		245,937	414,095	17,011	4,589
<b>Total non-interest expenses</b>		<b>1,266,264</b>	<b>1,263,591</b>	<b>256,323</b>	<b>126,535</b>
<b>Income before income tax</b>		<b>1,102,107</b>	<b>749,480</b>	<b>111,736</b>	<b>165,422</b>
Income tax expenses		(368,047)	(233,166)	(64,066)	(41,009)
<b>Net income for the period</b>		<b>734,060</b>	<b>516,314</b>	<b>47,670</b>	<b>124,413</b>
<b>Net income attributable to</b>					
Equity holders of the parent		730,633	512,679	47,670	124,413
Non-controlling interest of the subsidiaries		3,427	3,635		
		<b>734,060</b>	<b>516,314</b>		
<b>Earnings per share</b>					
	3.16				
Basic earnings per share					
Net income attributable to equity holders of the parent		1.00	0.71	0.07	0.17

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



(Unaudited but reviewed)

**TISCO Financial Group Public Company Limited and its subsidiaries****Income statements****For the nine-month periods ended 30 September 2010 and 2009**

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

	Note	Consolidated financial statements		Separate financial statements	
		2010	2009	2010	2009
<b>Interest and dividend income</b>					
Loans		1,122,405	938,884	27,621	53
Interbank and money market items		132,784	125,146	3,060	2,139
Hire purchase and financial lease income		5,294,325	4,771,185	-	-
Investments		437,117	475,629	1,470	1,391,005
<b>Total interest and dividend income</b>		<b>6,986,631</b>	<b>6,310,844</b>	<b>32,151</b>	<b>1,393,197</b>
<b>Interest expenses</b>					
Deposits		627,720	911,582	-	-
Interbank and money market items		148,410	147,497	189	68,627
Short-term borrowings		568,315	713,212	44,394	7,674
Long-term borrowings		263,856	210,962	-	-
<b>Total interest expenses</b>		<b>1,608,301</b>	<b>1,983,253</b>	<b>44,583</b>	<b>76,301</b>
<b>Net interest and dividend income (expenses)</b>		<b>5,378,330</b>	<b>4,327,591</b>	<b>(12,432)</b>	<b>1,316,896</b>
<b>Bad debts and doubtful accounts</b>		<b>(1,328,578)</b>	<b>(964,189)</b>	<b>-</b>	<b>-</b>
<b>Net interest and dividend income (expenses) after bad debts and doubtful accounts</b>		<b>4,049,752</b>	<b>3,363,402</b>	<b>(12,432)</b>	<b>1,316,896</b>
<b>Non-interest income</b>					
Brokerage fees		478,065	383,396	-	-
Gain (loss) on investments	3.12	193,835	(10,119)	(5,357)	(43,732)
Loss on derivatives		(15)	(160)	-	-
Fees and service income					
Acceptances, aval and guarantees		7,979	7,585	-	-
Insurance services		603,875	457,091	-	-
Fund management		438,597	444,108	-	-
Financial advisory fee		160,956	7,370	-	-
Supporting services	3.17	-	-	1,032,945	904,500
Others		451,947	406,376	403	762
Gain on exchange		294	9,198	-	-
Other income	3.13	594,936	272,846	78,239	44,760
<b>Total non-interest income</b>		<b>2,930,469</b>	<b>1,977,691</b>	<b>1,106,230</b>	<b>906,290</b>
<b>Total net income</b>		<b>6,980,221</b>	<b>5,341,093</b>	<b>1,093,798</b>	<b>2,223,186</b>

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

(Unaudited but reviewed)

**TISCO Financial Group Public Company Limited and its subsidiaries****Income statements (continued)****For the nine-month periods ended 30 September 2010 and 2009**

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

	Note	Consolidated financial statements		Separate financial statements	
		2010	2009	2010	2009
<b>Non-interest expenses</b>					
Personnel expenses		2,157,071	1,506,201	543,168	284,880
Premises and equipment expenses		516,009	519,198	187,923	78,213
Taxes and duties		113,644	87,544	3,364	1,682
Fees and service expenses		276,572	250,022	6,568	8,350
Directors' remuneration		6,784	5,920	6,784	5,920
Other expenses	3.14	722,933	856,807	46,001	15,388
<b>Total non-interest expenses</b>		<b>3,793,013</b>	<b>3,225,692</b>	<b>793,808</b>	<b>394,433</b>
<b>Income before income tax</b>		<b>3,187,208</b>	<b>2,115,401</b>	<b>299,990</b>	<b>1,828,753</b>
Income tax expenses	3.15	(969,528)	(634,859)	(104,088)	(108,169)
<b>Net income for the period</b>		<b>2,217,680</b>	<b>1,480,542</b>	<b>195,902</b>	<b>1,720,584</b>
<b>Net income attributable to</b>					
Equity holders of the parent		2,205,784	1,468,794	195,902	1,720,584
Non-controlling interest of the subsidiaries		11,896	11,748		
		<b>2,217,680</b>	<b>1,480,542</b>		
<b>Earnings per share</b>					
Basic earnings per share	3.16				
Net income attributable to equity holders of the parent		3.03	1.90	0.27	2.25

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

(Unaudited but reviewed)

**TISCO Financial Group Public Company Limited and its subsidiaries****Cash flow statements****For the nine-month periods ended 30 September 2010 and 2009**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
<b>Cash flows from operating activities</b>				
Income before income tax expenses	3,187,208	2,115,401	299,990	1,828,753
Adjustments to reconcile net income before income tax expenses to net cash provided by (paid from) operating activities				
Depreciation and amortisation	258,176	230,509	79,317	45,300
Bad debt and doubtful accounts	1,603,850	1,335,117	-	-
Allowance for impairment of investments	8,348	6,519	5,357	43,732
Allowance for impairment of property foreclosed (reversal)	98	363,931	-	-
Loss (gain) on disposal of investments	(194,680)	30,179	-	-
Unrealised loss (gain) on exchange rate	(294)	(9,198)	-	-
Gain on disposal of land, premises and equipment	(39,493)	(5,392)	(26,686)	-
Loss from written-off of equipment	682	5,088	-	-
Unrealised gain on securities for trading	(7,505)	(7,779)	-	-
Gain on disposal of property foreclosed	(189,240)	(43,499)	-	-
Decrease (increase) in other accrued income	(49,784)	(18,192)	(93,755)	(221)
Increase in accrued expenses	897,152	393,670	336,782	147,595
Income from operating activities before changes in operating assets and liabilities	5,474,518	4,396,354	601,005	2,065,159
Decrease (increase) in operating assets				
Interbank and money market items	5,534,311	7,085,926	243,938	(431,446)
Investment in securities for trading	-	25,570	-	-
Receivable from clearing house	10,901	(465,335)	-	-
Loans and receivables	(28,518,068)	(10,484,965)	19,000	(698,000)
Securities and derivative business receivables	(645,513)	(149,147)	-	-
Property foreclosed	1,503,746	1,429,045	-	-
Other assets	376,623	25,727	(93,303)	(19,871)

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

(Unaudited but reviewed)

**TISCO Financial Group Public Company Limited and its subsidiaries****Cash flow statements (continued)****For the nine-month periods ended 30 September 2010 and 2009**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
Increase (decrease) in operating liabilities				
Deposits	1,662,787	(1,291,888)	-	-
Interbank and money market items	1,094,391	469,968	(210,000)	(2,284,000)
Liability payable on demand	257,298	(36,029)	-	-
Short-term borrowings	5,134,924	(3,645,913)	(617,565)	3,251,946
Payable to clearing house	135,580	(339,141)	-	-
Securities and derivative business payables	488,502	998,011	-	-
Other liabilities	294,612	(579,123)	6,121	(249,764)
	(7,195,388)	(2,560,940)	(50,804)	1,634,024
Net interest and dividend income (expenses)	(5,378,330)	(4,327,591)	12,431	(1,316,896)
Cash received from interest income	6,826,632	6,573,918	30,669	2,024
Cash paid for interest expenses	(1,399,962)	(2,460,789)	(42,599)	(73,094)
Cash paid for income tax expenses	(1,522,970)	(551,912)	(158,272)	(114,110)
<b>Net cash flows from (used in) operating activities</b>	<b>(8,670,018)</b>	<b>(3,327,314)</b>	<b>(208,575)</b>	<b>131,948</b>
<b>Cash flows from investing activities</b>				
Cash paid for purchase of investment in securities held for investment	(3,036,479)	(3,356,971)	-	(8,983)
Cash received from sales of investment in securities held for investment	6,552,569	5,340,237	-	-
Cash paid for purchase of equipment	(170,574)	(148,977)	(74,051)	-
Cash received from sales of land, premises and equipment	74,976	28,435	59,941	-
Cash received from dividend	80,584	76,177	625,165	1,391,005
Cash paid for decrease in ordinary shares	-	-	-	(10)
Cash received from share capital reduction of a subsidiary (Note 4.2)	-	-	500,000	740,050
Cash paid for acquisition of a subsidiary	(1)	(890,321)	(1)	(890,321)
Cash paid for acquiring of the remaining ordinary shares in accordance with the Group shareholding restructuring plan	-	(1,754)	-	(1,754)
<b>Net cash flows from investing activities</b>	<b>3,501,075</b>	<b>1,046,826</b>	<b>1,111,054</b>	<b>1,229,987</b>
<b>Cash flows from financing activities</b>				
Dividend paid	(902,479)	(1,367,131)	(902,479)	(1,361,885)
Long-term borrowings	8,019,981	29,950	-	-
Cash received from issue long-term debentures	1,000,000	4,000,000	-	-
Cash paid for redemption of long-term debentures	(3,000,000)	(331,000)	-	-
<b>Net cash flows from (used in) financing activities</b>	<b>5,117,502</b>	<b>2,331,819</b>	<b>(902,479)</b>	<b>(1,361,885)</b>
<b>Translation adjustment</b>	<b>(5,075)</b>	<b>(2,634)</b>	<b>-</b>	<b>-</b>
<b>Net increase (decrease) in cash</b>	<b>(56,516)</b>	<b>48,697</b>	<b>-</b>	<b>50</b>
Cash at beginning of the period	826,526	595,570	50	-
<b>Cash at end of the period</b>	<b>770,010</b>	<b>644,267</b>	<b>50</b>	<b>50</b>
	-	-	-	-
<b>Supplemental cash flows information</b>				
Non-cash transactions				
Conversion of preference shares to ordinary shares	12,324	1,823	12,324	1,823
Issuance securities for swap ordinary shares of TISCO Bank under holding restructuring under common control (Note 4.1)	14,008	-	14,008	-

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

(Unaudited but reviewed)

## TISCO Financial Group Public Company Limited and its subsidiaries

## Statements of changes in shareholders' equity

For the nine-month periods ended 30 September 2010 and 2009

(Unit: Thousand Baht)

Consolidated financial statements										
Equity attributable to the parent's shareholders										
Issued and fully paid-up share capital (Consist of registered part and awaiting to be registered part)	Adjustment from business combination of entities under common control under holding restructuring plan		Revaluation surplus (deficit) on investments	Unrealised losses on cash flow hedges	Translation adjustment	Unappropriated retained earnings	Total equity attributable to the parent's shareholders	Non-controlling interest - equity attributable to minority shareholders of subsidiaries	Total	
	Preference shares	Ordinary shares								
<b>Balance as at 31 December 2008</b>	1,834,272	5,411,802	656,755	(398,992)	-	78,102	3,835,779	11,417,718	118,320	11,536,038
<b>Incomes (expenses) recognised in equity</b>										
Increase in fair value of investments	-	-	-	571,727	-	-	-	571,727	-	571,727
Unrealised losses on cash flow hedges	-	-	-	-	(36,910)	-	-	(36,910)	-	(36,910)
Increase in translation adjustment	-	-	-	-	-	8,702	-	8,702	-	8,702
Deferred tax recognised in (transferred out) from shareholders' equity	-	-	-	(146,128)	11,073	-	-	(135,055)	-	(135,055)
<b>Incomes (expenses) recognised in equity</b>	-	-	-	425,599	(25,837)	8,702	-	408,464	-	408,464
Net income for the period	-	-	-	-	-	-	1,468,794	1,468,794	11,748	1,480,542
<b>Total incomes (expenses) for the period</b>	-	-	-	425,599	(25,837)	8,702	1,468,794	1,877,258	11,748	1,889,006
Dividend paid (Note 4.3)	-	-	-	-	-	-	(1,361,885)	(1,361,885)	-	(1,361,885)
Income tax from unpaid dividend	-	-	-	-	-	-	(40)	(40)	-	(40)
Preference shares converted to ordinary shares	(1,823,298)	1,823,298	-	-	-	-	-	-	-	-
Decrease ordinary shares	-	(10)	-	-	-	-	-	(10)	-	(10)
Decrease in non-controlling interest of the subsidiaries	-	-	-	-	-	-	-	-	(7,043)	(7,043)
<b>Balance as at 30 September 2009</b>	10,974	7,235,090	656,755	26,607	(25,837)	86,804	3,942,648	11,933,041	123,025	12,056,066

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

(Unaudited but reviewed)

## TISCO Financial Group Public Company Limited and its subsidiaries

## Statements of changes in shareholders' equity (continued)

For the nine-month periods ended 30 September 2010 and 2009

(Unit: Thousand Baht)

Consolidated financial statements											
Equity attributable to the parent's shareholders											
Issued and fully paid-up share capital (Consist of registered part and awaiting to be registered part)	Adjustment from business combination of entities under common control under holding restructuring plan		Revaluation surplus (deficit) on investments	Unrealised losses on cash flow hedges	Translation adjustment	Statutory reserve	Unappropriated retained earnings	Total equity attributable to the parent's shareholders	Non-controlling interest - equity attributable to minority shareholders of subsidiaries	Total	
	Preference shares	Ordinary shares									
<b>Balance as at 31 December 2009</b>	6,986	7,261,744	672,295	(37,793)	(21,924)	86,441	119,800	4,342,447	12,429,996	88,720	12,518,716
<b>Incomes (expenses) recognised in equity</b>											
Increase in fair value of investments	-	-	-	389,759	-	-	-	-	389,759	-	389,759
Increase in fair value of cash flow hedges	-	-	-	-	17,533	-	-	-	17,533	-	17,533
Decrease in translation adjustment	-	-	-	-	-	(5,075)	-	-	(5,075)	-	(5,075)
Deferred tax recognised in (transferred out) from shareholders' equity	-	-	-	(105,859)	(5,260)	-	-	-	(111,119)	-	(111,119)
<b>Incomes (expenses) recognised in equity</b>	-	-	-	283,900	12,273	(5,075)	-	-	291,098	-	291,098
Net income for the period	-	-	-	-	-	-	-	2,205,784	2,205,784	11,896	2,217,680
<b>Total incomes (expenses) for the period</b>	-	-	-	283,900	12,273	(5,075)	-	2,205,784	2,496,882	11,896	2,508,778
Dividend paid (Note 4.3)	-	-	-	-	-	-	-	(902,479)	(902,479)	-	(902,479)
Preference shares converted to ordinary shares	(6,556)	6,556	-	-	-	-	-	-	-	-	-
Adjustment from business combination of entities under common control under holding restructuring plan (Note 4.1)	-	9,555	4,453	-	-	-	-	-	14,008	(14,008)	-
Decrease in non-controlling interest of the subsidiaries	-	-	-	-	-	-	-	-	-	(1,530)	(1,530)
<b>Balance as at 30 September 2010</b>	<b>430</b>	<b>7,277,855</b>	<b>676,748</b>	<b>246,107</b>	<b>(9,651)</b>	<b>81,366</b>	<b>119,800</b>	<b>5,645,752</b>	<b>14,038,407</b>	<b>85,078</b>	<b>14,123,485</b>

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

(Unaudited but reviewed)

## TISCO Financial Group Public Company Limited and its subsidiaries

## Statements of changes in shareholders' equity (continued)

For the nine-month periods ended 30 September 2010 and 2009

(Unit: Thousand Baht)

	Separate financial statements								Total
	Issued and fully paid-up share capital - registered		Issued and fully paid-up share capital awaiting for registered		Share premium		Statutory reserve	Unappropriated retained earnings (deficit)	
	Preference shares	Ordinary shares	Preference shares	Ordinary shares	Preference shares	Ordinary shares			
<b>Balance as at 31 December 2008</b>	-	10	1,834,272	5,411,792	1,614,160	4,383,551	-	(3,820)	13,239,965
Decrease ordinary shares	-	(10)	-	-	-	-	-	-	(10)
Net income for the period	-	-	-	-	-	-	-	1,720,584	1,720,584
Dividend paid (Note 4.3)	-	-	-	-	-	-	-	(1,361,885)	(1,361,885)
Income tax from unpaid dividend	-	-	-	-	-	-	-	(39)	(39)
Preference shares converted to ordinary shares	(1,823,298)	1,823,298	-	-	(1,604,503)	1,604,503	-	-	-
Registered the issuance of preference shares and ordinary shares to the shareholders under common control under holding restructuring plan	1,834,272	5,411,792	(1,834,272)	(5,411,792)	-	-	-	-	-
<b>Balance as at 30 September 2009</b>	<u>10,974</u>	<u>7,235,090</u>	<u>-</u>	<u>-</u>	<u>9,657</u>	<u>5,988,054</u>	<u>-</u>	<u>354,840</u>	<u>13,598,615</u>
<b>Balance as at 31 December 2009</b>	6,986	7,261,652	-	92	6,147	6,002,126	119,800	908,746	14,305,549
Net income for the period	-	-	-	-	-	-	-	195,902	195,902
Dividend paid (Note 4.3)	-	-	-	-	-	-	-	(902,479)	(902,479)
Preference shares converted to ordinary shares	(6,556)	6,556	-	-	(5,768)	5,768	-	-	-
Issuance of ordinary shares to the shareholders under common control under holding restructuring plan (Note 4.1)	-	9,555	-	-	-	4,453	-	-	14,008
Registered the issuance of ordinary shares to the shareholders under common control under holding restructuring plan	-	92	-	(92)	-	-	-	-	-
<b>Balance as at 30 September 2010</b>	<u>430</u>	<u>7,277,855</u>	<u>-</u>	<u>-</u>	<u>379</u>	<u>6,012,347</u>	<u>119,800</u>	<u>202,169</u>	<u>13,612,980</u>

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

**TISCO Financial Group Public Company Limited and its subsidiaries**

**Notes to interim financial statements**

**For the three-month and nine-month periods ended 30 September 2010 and 2009**

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

**1.1 Basis of preparation of interim financial statements**

These interim financial statements are prepared in accordance with Accounting Standard No. 34 (revised 2007) "Interim Financial Reporting", with the Company choosing to present condensed interim financial statements. However, the Company has presented the balance sheets, the statements of income, changes in shareholders' equity and cash flows in the same format as that used for the annual financial statements.

These interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

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

**1.2 Basis of preparation of consolidated financial statements**

The basis of interim consolidation is the same as that for the consolidated financial statements for the year ended 31 December 2009. There is no change in the shareholding structure during the period.



### 1.3 Adoption of new accounting standards

During the current period, the Federation of Accounting Professions issued a number of revised and new accounting standards as listed below.

- a) Accounting standards that will become effective in fiscal years beginning on or after 1 January 2011 (except for the Framework for the Preparation and Presentation of Financial Statements, which is immediately effective):

Accounting standards relevant to the Group:

Framework for the Preparation and Presentation of Financial Statements  
(revised 2009)

TAS 1 (revised 2009)	Presentation of Financial Statements
TAS 7 (revised 2009)	Statement of Cash Flows
TAS 8 (revised 2009)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2009)	Events after the Reporting Period
TAS 17 (revised 2009)	Leases
TAS 23 (revised 2009)	Borrowing Costs
TAS 24 (revised 2009)	Related Party Disclosures
TAS 27 (revised 2009)	Consolidated and Separate Financial Statements
TAS 33 (revised 2009)	Earnings per Share
TAS 34 (revised 2009)	Interim Financial Reporting
TAS 36 (revised 2009)	Impairment of Assets
TAS 37 (revised 2009)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2009)	Intangible Assets
TAS 40 (revised 2009)	Investment Property
TFRS 3 (revised 2009)	Business Combinations
TFRS 5 (revised 2009)	Non-current Assets Held for Sale and Discontinued Operations

Accounting standards not relevant to the Group:

TAS 2 (revised 2009)	Inventories
TAS 11 (revised 2009)	Construction Contracts
TAS 28 (revised 2009)	Investments in Associates
TAS 29	Financial Reporting in Hyperinflationary Economies
TAS 31 (revised 2009)	Interests in Joint Ventures
TFRS 6	Exploration for and Evaluation of Mineral Resources

- b) Accounting standards which are effective in fiscal years beginning on or after 1 January 2013:

Accounting standards relevant to the Group:

TAS 12                                      Income Taxes

Accounting standards not relevant to the Group:

TAS 20 (revised 2009)      Accounting for Government Grants and Disclosure of  
Government Assistance

The management of the Company and its subsidiaries has assessed the effect of the accounting standards and financial reporting standards and believes that those standards that are relevant to the Group will not have any significant impact on the financial statements for the year in which they are initially applied. For TAS 12: Income Taxes, in line with its accounting policies, the Company and its subsidiaries have recorded income tax transactions in compliance with this accounting standard before the effective date.

#### **1.4 Significant accounting policies**

These interim financial statements are prepared by using the same accounting policies and methods of computation as were adopted for the financial statements for the year ended 31 December 2009.

## **2. General information**

### **2.1 The Company's information**

TISCO Financial Group Public Company Limited ("the Company") was incorporated as a holding company. Upon completion of the holding company restructuring plan on 9 January 2009, the Company became the parent company of TISCO Group in place of TISCO Bank Public Company Limited ("TISCO Bank"). On 15 January 2009, the securities of the Company were listed on the Stock Exchange of Thailand in place of those of TISCO Bank.

Its registered address is 48/49 TISCO Tower, 21st Floor, North Sathorn Road, Silom, Bangrak, Bangkok.

## 2.2 Related party transactions

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

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

The Company and its subsidiaries have neither granted credit, nor made any commitments to management-level employees (departmental managers upward), and have not granted credit to companies of which at least 10 percent of the common shares of paid up capital are held by the Company, the Company's directors or management-level employees, with the exception of loans to related parties and loans to employees under the employee welfare scheme, as mentioned in Note 3.17 to the financial statements.

## 3. Details of financial statements

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

(Unit: Million Baht)

Interbank and money market items (assets) which are pledged	Consolidated financial statements		Type of pledge
	as at		
	30 September 2010	31 December 2009	
Cash at banks of local subsidiary	10	10	To secure facilities provided for bank overdraft

**3.2 Investments**

(Unit: Thousand Baht)

	Consolidated financial statements as at			
	30 September 2010		31 December 2009	
	Cost / Book value	Fair value	Cost / Book value	Fair value
<b>Current investments</b>				
<b>Trading securities</b>				
Equity securities:				
Domestic marketable equity securities	3,752	27,456	3,752	19,951
Add (less): Allowance for changes in value	23,704		16,199	
Net equity securities	27,456		19,951	
<b>Total trading securities</b>	<b>27,456</b>		<b>19,951</b>	
<b>Available-for-sales securities</b>				
Debt securities:				
Government and state enterprise securities	950,845	950,666	849,832	850,763
Debt securities of private sector	971,443	987,880	1,678,120	1,687,053
Foreign debt securities	196,612	195,043	-	-
Total	2,118,900	2,133,589	2,527,952	2,537,816
Add (less): Allowance for changes in value	28,005		11,324	
Difference from exchange rate	(11,856)		-	
Less: Allowance for impairment	(1,460)		(1,460)	
Debt securities - net	2,133,589		2,537,816	
Equity securities:				
Domestic marketable equity securities	-	-	30	30
Unit trust	40,133	40,641	70,000	70,326
Total	40,133	40,641	70,030	70,356
Add (less): Allowance for changes in value	508		326	
Net equity securities	40,641		70,356	
<b>Total available-for-sales securities</b>	<b>2,174,230</b>		<b>2,608,172</b>	
<b>Held-to-maturity debt securities - due within 1 year</b>				
Debt securities:				
Debt securities of private sector	2		2	
<b>Total held-to-maturity debt securities - due within 1 year</b>	<b>2</b>		<b>2</b>	
<b>Net current investments</b>	<b>2,201,688</b>		<b>2,628,125</b>	

(Unaudited but reviewed)

(Unit: Thousand Baht)

Consolidated financial statements as at			
30 September 2010		31 December 2009	
Cost /		Cost /	
Book value	Fair value	Book value	Fair value
<b><u>Long-term investments</u></b>			
<b>Available-for-sales securities</b>			
Equity securities:			
Domestic marketable equity securities	876,552	1,267,697	908,725
Add (less): Allowance for changes in value	391,145		55,143
Net equity securities	1,267,697		963,868
<b>Total available-for-sales securities</b>	<b>1,267,697</b>		<b>963,868</b>
<b>Held-to-maturity debt securities</b>			
Debt securities:			
Government and state enterprise securities	-		698,561
<b>Total held-to-maturity debt securities</b>	<b>-</b>		<b>698,561</b>
<b>Other investments</b>			
Equity securities:			
Domestic non-marketable equity securities	701,404		706,832
Investments in receivables	2,407,956		4,517,004
Total	3,109,360		5,223,836
Less: Allowance for impairment	(84,722)		(76,443)
<b>Total other investments</b>	<b>3,024,638</b>		<b>5,147,393</b>
<b>Net long-term investments</b>	<b>4,292,335</b>		<b>6,809,822</b>
<b>Net investments</b>	<b>6,494,023</b>		<b>9,437,947</b>

(Unit: Thousand Baht)

Separate financial statements as at		
	30 September 2010	31 December 2009
<b><u>Investment in subsidiaries</u></b>		
Investments in subsidiaries (cost method)	14,987,723	15,473,714
Less: Allowance for impairment	(109,650)	(104,293)
<b>Total Investments in subsidiaries</b>	<b>14,878,073</b>	<b>15,369,421</b>

## 3.2.1 Investments subject to restriction

(Unit: Million Baht)

Type of investment	Consolidated financial statements		Type of restriction
	as at		
	30 September 2010	31 December 2009	
Government debt securities	2	1	Pledged for electricity usage
Government debt securities	897	-	Pledged for the use of credit balance on clearing positions

## 3.2.2 Investments in companies with weak financial positions and poor operating results of a subsidiary company operating banking business

(Unit: Thousand Baht)

	Consolidated financial statements		
	as at 30 September 2010		
	Cost	Fair value	Allowance for changes in Value <sup>(1)</sup>
Companies having problems with debt repayment or in default	7,060	-	7,060

<sup>(1)</sup> Allowance for changes in value of investment is calculated at cost less collateral value.

3.2.3 Investments which the subsidiary company holds not less than 20% of equity, but which are not recorded as investments in associated companies under the equity method in the consolidated financial statements, since the company does not have influence over the financial and operating policies of these funds, which are independently managed by the fund manager accorded to mutual fund management policy and operate under the supervision of the Office of Securities and Exchange Commission.

(Unit: Thousand Baht)

Security's name	As at					
	30 September 2010			31 December 2009		
	Net Book Value	Cost	Percentage of Holding	Net Book Value	Cost	Percentage of Holding
The Krung Thai Capital Protection Fixed 6 months Fund 4	20,326	20,000	18.66%	20,187	20,000	46.84%

### 3.3 Investments in subsidiaries

(Unit: Million Baht)

		Separate financial statements							
Company's name	Nature of Business	Paid-up share capital		Percentage of shares held by the Company		Cost		Dividend received for the nine-month periods ended	
		as at		as at		as at			
		30 September 2010	31 December 2009	30 September 2010	31 December 2009	30 September 2010	31 December 2009	30 September 2010	30 September 2009
<b>Subsidiaries directly held by the Company</b>				%	%				
TISCO Bank Public Company Limited	Banking	7,282	7,282	99.97	99.84	13,293	13,279	-	1,021
TISCO Securities Co., Ltd.	Securities business	1,000	1,500	99.99	99.99	1,075	1,575	-	121
TISCO Asset Management Co., Ltd.	Asset management	100	100	99.99	99.99	110	110	-	192
Hi-Way Co., Ltd.	Hire purchase	100	100	99.99	99.99	273	273	-	55
TISCO Information Technology Co., Ltd.	Services	20	20	99.99	99.99	22	22	-	-
TISCO Tokyo Leasing Co., Ltd.	Leasing	60	60	49.00	49.00	73	73	1	1
Primus Leasing Co., Ltd. (in the process of liquidation)	Hire purchase	3	3	99.99	99.99	32	37	-	-
Investment in subsidiaries - net						14,878	15,369	1	1,390

3.3.1 Details of the cost of the investment in Primus Leasing Company Limited, as presented in the separate financial statement, are as follows:

(Unit: Million Baht)

	Paid-up share capital	Cost
Acquisition of investment	752	890
Capital returns from the reduction of share capital during the year 2009	(749)	(749)
Cost	3	141
Less: Allowance for investment		(109)
Investment - net		32

3.3.2 In March 2010, the Company received the return of capital from the reduction of registered share capital of TISCO Securities Company Limited amounting to Baht 500 million as mentioned in the note 4.2 to financial statements.

**3.4 Loans, receivables and accrued interest receivable****3.4.1 Classified by type of loan and receivable**

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	as at	
	30 September 2010	31 December 2009
<b><u>Loans and receivables</u></b>		
Loans	28,761,265	18,337,649
Hire purchase and financial lease receivables		
Hire purchase and financial lease receivables	125,753,327	108,171,429
Add (less): Unearned income	(15,537,787)	(14,048,916)
: Deferred commissions and direct expenses incurred at the initiation of hire purchase	970,944	824,829
: Advances received from financial lease receivables	(82,737)	(52,014)
Net hire purchase and financial lease receivables	111,103,747	94,895,328
Total loans and receivables	139,865,012	113,232,977
Add: Accrued interest receivable	123,963	116,857
Less: Allowance for doubtful accounts	(3,673,079)	(2,423,833)
Less: Allowance for loss on debt restructuring	(18)	(18)
Net loans, receivables and accrued interest receivable	136,315,878	110,925,983
<b><u>Securities and derivatives business receivables</u></b>		
Securities business receivable:		
Customers' cash accounts	1,660,321	1,014,639
Other receivables - installment receivables	1,432	1,432
Total securities business receivables	1,661,753	1,016,071
Derivatives business receivables	99	268
Total securities and derivatives business receivables	1,661,852	1,016,339
Less: Allowance for doubtful accounts	(1,432)	(1,432)
Securities and derivatives business receivables - net	1,660,420	1,014,907
Net loans, receivables and accrued interest receivable	137,976,298	111,940,890

	(Unit: Thousand Baht)	
	Separate financial statements	
	as at	
	30 September 2010	31 December 2009
<b><u>Loans and receivables</u></b>		
Loans	1,456,000	1,475,000
Add: Accrued interest receivable	-	-
Net loans and accrued interest receivable	1,456,000	1,475,000



(Unaudited but reviewed)

### 3.4.2 Loans and receivables of subsidiary companies for which the recognition of interest income has ceased

(Unit: Million Baht)

TISCO Bank	Amounts calculated under BOT's guidelines <sup>(2)</sup>		Amounts calculated under TISCO Bank's policy	
	as at		as at	
	30 September 2010	31 December 2009	30 September 2010	31 December 2009
Loans and receivables for which the recognition of interest income has ceased <sup>(1)</sup>	3,540	4,084	3,945	4,262

<sup>(1)</sup> These amounts are calculated on an account by account basis.

<sup>(2)</sup> Accrual of interest ceases when interest payments have been defaulted on for more than three months, counting from the due date.

(Unit: Million Baht)

Other subsidiaries	As at	
	30 September 2010	31 December 2009
Securities business loans and receivables, hire purchase receivables, financial lease receivables and other loans and receivables for which the recognition of interest income has ceased	310	345

### 3.4.3 Unearned interest income which is presented as a deduction against loans and receivables of subsidiaries

(Unit: Million Baht)

	Consolidated financial statements as at	
	30 September 2010	31 December 2009
	Unearned interest income <sup>(1)</sup>	14,750

<sup>(1)</sup> These amounts included unearned interest income of hire purchase and finance lease contracts which is stated net of commissions and direct expenses incurred at the initiation of hire purchase.

(Unaudited but reviewed)

3.4.4 Outstanding balances (net of collateral) of restructured loans and receivables which are being restructured of a subsidiary company operating banking business

(Unit: Million Baht)

	As at 30 September 2010
Restructured loans and receivables <sup>(1)</sup>	268
Loans and receivables which are being restructured	111

<sup>(1)</sup> As a result of restructuring, the due date for the first repayment of these restructured loans and receivables has been rescheduled.

3.4.5 Troubled debt restructuring of a subsidiary company operating banking business

- Debt restructuring during the period

	For the nine-month periods ended 30 September	
	2010	2009
Debtors restructured during the period		
Number of debtors restructured by modification of terms (numbers)	379	725
Loan balances before restructuring (million Baht)	222	625
Loss on troubled debt restructuring (million Baht)	-	-
Average contract period of debt restructuring (years)		
Hire purchase receivables	4	4
Mortgage loan receivables	3	2
Corporate loan receivables	-	3
Interest income on restructured receivables (million Baht)	45	34
Receipt of principal and interest (million Baht)	297	173

- The balance of the restructured debts

(Unit: Million Baht)

	As at	
	30 September 2010	31 December 2009
The balance of the restructured debts	1,701	1,737

### 3.5 Allowance for doubtful accounts / allowance for loss on debt restructuring

#### 3.5.1 Allowance for doubtful accounts - classified by the receivables classification

(Unit: Thousand Baht)

Consolidated financial statements as at 30 September 2010							
	Pass	Special- mentioned	Sub-standard	Doubtful	Doubtful of loss	Reserve for counter cyclical business factors*	Total
Balance - beginning of period	732,736	97,122	229,552	113,804	524,204	727,847	2,425,265
Increase (decrease) in allowance for doubtful accounts during the period	116,829	4,840	228,431	384,770	63,830	1,017,155	1,815,855
Transfer from allowance for declining in value of property foreclosed	-	-	-	-	-	211,125	211,125
Bad debt written-off	(657)	(13,213)	(244,668)	(393,940)	(125,233)	(23)	(777,734)
Balance - end of period	848,908	88,749	213,315	104,634	462,801	1,956,104	3,674,511

\* Allowance for doubtful accounts is determined based on long-term average value of business risk in order to provide a reserve for counter cyclical business including economic factors, and other risk that may affect the quality of assets

#### 3.5.2 Allowance for doubtful accounts - classified by loan loss provisioning method

(Unit: Thousand Baht)

Consolidated financial statements as at 30 September 2010				
	Individual impairment	Collective impairment	Reserve for counter cyclical business factors*	Total
Balance - beginning of period	520,672	1,176,746	727,847	2,425,265
Increase (decrease) in allowance for doubtful accounts during the period	36,920	761,780	1,017,155	1,815,855
Transfer from allowance for declining in value of property foreclosed	-	-	211,125	211,125
Bad debt written-off	(25,454)	(752,257)	(23)	(777,734)
Balance - end of period	532,138	1,186,269	1,956,104	3,674,511

\* Allowance for doubtful accounts is determined based on long-term average value of business risk in order to provide a reserve for counter cyclical business including economic factors, and other risk that may affect the quality of assets

(Unaudited but reviewed)

3.5.3 Allowance for doubtful accounts / allowance for loss on debt restructuring of a subsidiary company operating banking business

(Unit: Million Baht)

Allowance for doubtful accounts / allowance for loss on debt restructuring <sup>(1)</sup>	As at	
	30 September 2010	31 December 2009
Amount to be provided under BOT's guidelines	1,404	1,327
Amount already recorded by TISCO Bank	3,382	2,088
Amount in excess of the required amount under BOT's guidelines	1,978	761

<sup>(1)</sup> Include allowance for doubtful accounts for credit granted to financial institutions (which is presented as part of interbank and money market items (asset) in the balance sheet).

3.5.4 Non-performing loans and receivables of a subsidiary company operating banking business

(Unit: Million Baht)

	As at	
	30 September 2010	31 December 2009
Non-performing loans and receivables	2,336	2,461
Allowance for doubtful accounts	647	705

3.6 Classification of assets

3.6.1 Investments in companies with weak financial position and poor operating results of a subsidiary company operating banking business

(Unit: Million Baht)

	Cost as at		Fair value as at		Allowance for possible loss provided in the accounts <sup>(1)</sup> as at	
	30 September 2010	31 December 2009	30 September 2010	31 December 2009	30 September 2010	31 December 2009
	Debt instruments - debentures <sup>(2)</sup>	1	1	-	-	1
Equity instruments - ordinary shares <sup>(3)</sup>	6	6	-	-	6	6

<sup>(1)</sup> Allowance for possible losses is determined based on the investment cost less collateral value.

<sup>(2)</sup> Investments in subordinated debentures issued by financial institutions which the Bank of Thailand ordered closed on 8 December 1997.

<sup>(3)</sup> Investments in securities of companies which are vulnerable to delisting, of companies of which the auditors have expressed opinions citing the going concern issue, or of companies which have defaulted on interest payment.

### 3.6.2 Classification of assets under the Bank of Thailand's guidelines of a subsidiary company operating banking business

(Unit: Million Baht)

	Debt balance		Debt balance after		Allowance for doubtful accounts			
	as at		net of collateral		Amounts to be provided under		Amounts already set up	
			as at		BOT's guidelines		by TISCO Bank	
	30 September	31 December	30 September	31 December	30 September	31 December	30 September	31 December
	2010	2009	2010	2009	2010	2009	2010	2009
<b><u>Loans and receivables</u></b> <sup>(1)(2)(3)</sup>								
Pass	131,120	109,926	115,414	89,825	724	594	724	595
Special mentioned	6,316	6,615	6,238	6,560	54	59	55	61
Substandard	712	774	697	745	154	162	154	162
Doubtful	313	354	279	309	64	71	64	71
Doubtful of loss	1,311	1,333	788	736	408	441	429	471
Total	139,772	119,002	123,416	98,175	1,404	1,327	1,426	1,360
Reserve for counter cyclical business factor <sup>(4)</sup>							1,956	728
Total							3,382	2,088
<b><u>Investments in securities</u></b>								
Doubtful of loss								
Debt instruments	2	2	2	2	2	2	2	2
Equity instruments	79	67	79	67	79	67	79	67
Total	81	69	81	69	81	69	81	69
<b><u>Investments in receivables</u></b>								
Doubtful of loss	21	12	21	12	21	12	21	12
<b><u>Properties foreclosed</u></b>								
Doubtful of loss	61	61	61	61	61	61	326	537
Total classified assets	139,935	119,144	123,579	98,317	1,567	1,469	3,810	2,706

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

<sup>(2)</sup> Interest receivables are not included in the pass and special mentioned debt balances.

<sup>(3)</sup> Loans and receivables include investment in debt securities under resale agreements of BOT and other commercial banks, and loans to financial institutions (which is presented as part of interbank and money market items (assets) in the balance sheet).

<sup>(4)</sup> Allowance for doubtful accounts is determined based on long-term average value of business risk in order to provide a reserve for counter cyclical business including economic factors, and other risk that may affect the quality of assets.

### 3.6.3 Classification of assets under the Bank of Thailand's guidelines for hire purchase receivables on which a subsidiary company operating banking business sets aside provision using a collective approach

(Unit: Million Baht)

	Debt balance		Debt balance		Percentage of allowance for		Allowance for doubtful accounts	
	as at		after net of collateral value		doubtful accounts set up <sup>(2)</sup>		as at	
	30 September 2010	31 December 2009	30 September 2010	31 December 2009	30 September 2010	31 December 2009	30 September 2010	31 December 2009
<b>Hire purchase receivables<sup>(1)</sup></b>								
Pass	98,956	82,924	98,956	82,924	0.58	0.65	560	525
Special mentioned	6,104	6,440	6,104	6,440	0.58	0.65	51	57
Substandard	682	730	682	730	19.81	19.57	139	147
Doubtful	268	294	268	294	19.81	19.57	53	57
Doubtful of loss	468	362	468	362	19.81	19.57	89	67
<b>Total</b>	<b>106,478</b>	<b>90,750</b>	<b>106,478</b>	<b>90,750</b>			<b>892</b>	<b>853</b>

<sup>(1)</sup> TISCO Bank does not deduct the collateral value from the outstanding loan balance for calculation allowance for doubtful accounts for hire purchase receivables.

<sup>(2)</sup> These percentages of allowance for doubtful accounts are average percentages used in setting up allowance for doubtful accounts.

### 3.6.4 Loans and receivables includes debts due from companies with weak financial position and operating results of a subsidiary company operating banking business

	Number of debtors		Debt balance		Collateral value		Allowance for doubtful accounts provided in the accounts	
	as at		as at		as at		as at	
	30 September 2010	31 December 2009	30 September 2010	31 December 2009	30 September 2010	31 December 2009	30 September 2010	31 December 2009
				Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
1. Listed companies vulnerable to delisting from the SET	-	-	-	-	-	-	-	-
2. Non-listed companies with similar operating results and financial positions to listed companies vulnerable to delisting from the SET	1	2	259	274	148	156	129	144
3. Listed companies under rehabilitation	-	1	-	78	-	10	-	72
4. Companies which have loan settlement problems or have defaulted on payment of debts	2	1	349	3	268	-	80	3
5. Companies whose auditor's report cited going concern issues	4	-	1,192	-	1,140	-	53	-
<b>Total</b>	<b>7</b>	<b>4</b>	<b>1,800</b>	<b>355</b>	<b>1,556</b>	<b>166</b>	<b>262</b>	<b>219</b>

(Unaudited but reviewed)

3.6.5 Classification of assets of the securities business of a local subsidiary in accordance with the Notification of the Office of the Securities and Exchange Commission

(Unit: Million Baht)

	Securities business receivables and accrued interest		Allowance for doubtful accounts as required by SEC		Allowance for doubtful accounts provided in the accounts	
	as at		as at		as at	
	30 September	31 December	30 September	31 December	30 September	31 December
	2010	2009	2010	2009	2010	2009
Doubtful	2	2	2	2	2	2

3.6.6 Hire purchase receivables/financial lease receivables and other loan receivables of the other subsidiaries classified by the due date of the contracts

(Unit: Million Baht)

	Debt balance		Allowance for doubtful account		Debt balance - net	
	as at		as at		as at	
	30 September	31 December	30 September	31 December	30 September	31 December
	2010	2009	2010	2009	2010	2009
Current	3,684	3,182	111	110	3,573	3,072
Overdue						
1 month	279	276	28	28	251	248
2 - 3 months	337	344	35	37	302	307
4 - 6 months	145	157	59	67	86	90
7 - 12 months	96	99	39	42	57	57
Over 12 months	47	63	19	27	28	36
Debtors under litigation	20	24	15	24	5	-
Total	4,608	4,145	306	335	4,302	3,810

(Unaudited but reviewed)

**3.7 Other assets**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	as at		as at	
	30 September 2010	31 December 2009	30 September 2010	31 December 2009
Value added tax - net	362,920	314,499	3,930	5,134
Accrued interest and dividend receivable from investments	22,005	44,178	-	-
Fee and charges receivable	203,278	153,495	94,032	276
Prepaid income tax	35,871	47,501	-	-
Deferred computer system development cost - net	251,222	249,103	105,228	87,189
Deposits	34,473	31,427	4,435	4,065
Other receivables	165,786	421,599	-	-
Dividend receivable from subsidiaries	-	-	-	623,695
Other assets	289,810	184,762	48,749	5,297
<b>Total other assets</b>	<b>1,365,365</b>	<b>1,446,564</b>	<b>256,374</b>	<b>725,656</b>

**3.8 Borrowings**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	as at		as at	
	30 September 2010	31 December 2009	30 September 2010	31 December 2009
<u>Domestic borrowings</u>				
Subordinated unsecured debentures	5,000,000	4,000,000	-	-
Unsubordinated unsecured debentures	1,000,000	4,000,000	-	-
Bills of exchange	64,285,061	51,128,689	3,371,827	3,989,392
<b>Total</b>	<b>70,285,061</b>	<b>59,128,689</b>	<b>3,371,827</b>	<b>3,989,392</b>



### 3.8.1 Subordinated unsecured debentures

Year	Issuer	Type of debenture	Units		Face value per unit (Baht)	Balance in consolidated financial statements as at (Million Baht)		Maturity in the year	Interest rate
			30 September	31 December		30 September	31 December		
			2010	2009		2010	2009		
2009	TISCO Bank	Subordinated and unsecured long-term debentures	2 million	2 million	1,000	2,000	2,000	2019	5.5 percent per annum in the first to third years, 6.0 percent per annum in the forth to seventh years and 6.5 percent per annum in the eighth to tenth years.
2009	TISCO Bank	Subordinated and unsecured long-term debentures	2 million	2 million	1,000	2,000	2,000	2019	5.0 percent per annum in the first to third years, 5.5 percent per annum in the forth to seventh years and 6.0 percent per annum in the eighth to tenth years.
2010	TISCO Bank	Subordinated and unsecured long-term debentures	1 million	-	1,000	1,000	-	2020	5.0 percent per annum in the first to tenth years
Total						5,000	4,000		

### 3.8.2 Unsubordinated unsecured debentures

Year	Issuer	Type of debenture	Units		Face value per unit (Baht)	Balance as at (Million Baht)		Maturity in the year	Interest rate
			30 September	31 December		30 September	31 December		
			2010	2009		2010	2009		
2007	TISCO Bank	Unsubordinated and unsecured long-term debentures	-	3 million	1,000	-	3,000	2010	3.75 percent per annum.
2007	TISCO Bank	Unsubordinated and unsecured long-term debentures	1 million	1 million	1,000	1,000	1,000	2012	4.04 percent per annum.
Total						1,000	4,000		

### 3.8.3 Bills of exchange

Bills of exchange bear fixed interest rates and float interest rates between 0.75 and 3.50 percent per annum and mature between 2010 and 2013.

**3.9 Other liabilities**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	as at		as at	
	30 September 2010	31 December 2009	30 September 2010	31 December 2009
Corporate income tax payable	406,999	704,302	21,673	68,672
Withholding income tax and other tax payable	41,724	229,031	4,898	30,019
Accrued insurance premium	258,963	290,294	-	-
Deferred tax liabilities	133,325	15,724	-	-
Deferred income	214,318	175,261	-	-
Accrued expenses	1,480,055	395,168	550,555	182,971
Other liabilities	668,089	398,472	15,375	14,936
<b>Total other liabilities</b>	<b>3,203,473</b>	<b>2,208,252</b>	<b>592,501</b>	<b>296,598</b>

**3.10 Capital funds**

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

TISCO Bank maintains capital adequacy ratio in comply with Basel II principles which is implementing capital requirement based on Internal Ratings-Based Approach (IRB) for hire purchase receivables, equity exposure and other assets, at the end of 2009.

Regarding to Capital fund as of 30 September 2010 under Basel II framework, the Bank has allocated the additional reserve from classification as part of regulatory capital fund. The reserve has been classified to Tier 1 capital and Tier 2 capital based on pro rata method under BOT's regulation.

(Unaudited but reviewed)

Capital funds of the subsidiary company operating banking business are as follows:

(Unit: Thousand Baht)

As at

	30 September 2010	31 December 2009
<u>Tier I</u>		
Issued and fully paid up share capital	7,281,523	7,281,523
Premium on share capital	130,451	130,451
Statutory reserve	614,900	547,000
Retained earnings - unappropriated	3,196,595	3,050,225
Less: Deferred tax assets	(633,931)	(482,797)
Shortage provision according to IRB	-	(420,199)
Total Tier I	10,589,538	10,106,203
<u>Tier II</u>		
Subordinated long-term debentures	5,000,000	4,000,000
Reserve for loans classified as pass	529,403	71,892
Add (less): Surplus (shortage) provision according to IRB	262,220	(420,199)
Total Tier II	5,791,623	3,651,693
Total capital fund	16,381,161	13,757,896

As at

Capital ratios	30 September 2010		31 December 2009	
	TISCO Bank	Requirement	TISCO Bank	Requirement
Tier I capital to risk assets	12.31% <sup>(1)</sup>	4.25%	14.46% <sup>(1)</sup>	4.25%
Total capital to risk assets	15.23% <sup>(2)</sup>	8.50%	16.96% <sup>(2)</sup>	8.50%

<sup>(1)</sup> Before Capital Floor

<sup>(2)</sup> After Capital Floor

### 3.11 Surplus (deficit) on changes in the value of investments

(Unit: Thousand Baht)

Consolidated financial statements  
as at

	30 September 2010	31 December 2009
Balance - beginning of period	(16,602)	(496,329)
Increase from changes in the value of investment during the period	389,759	479,727
	373,157	(16,602)
Less: The effect of deferred tax assets / liabilities	(127,050)	(21,191)
Balance - end of period	246,107	(37,793)

(Unaudited but reviewed)

**3.12 Gain (loss) on investments**

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	for the three-month periods		for the three-month periods	
ended 30 September		ended 30 September		
	2010	2009	2010	2009
Reversal allowance for impairment of investments (loss)	(492)	4,668	(5,333)	(12,150)
Unrealised gain on securities for trading	1,465	5,582	-	-
Realised gain (loss) on investments	135,679	(16,941)	-	-
<b>Total</b>	<b>136,652</b>	<b>(6,691)</b>	<b>(5,333)</b>	<b>(12,150)</b>

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	for the nine-month periods		for the nine-month periods	
ended 30 September		ended 30 September		
	2010	2009	2010	2009
Loss on impairment of investments	(8,348)	(6,519)	(5,357)	(43,732)
Unrealised gain on securities for trading	7,504	7,779	-	-
Realised gain (loss) on investments	194,679	(11,379)	-	-
<b>Total</b>	<b>193,835</b>	<b>(10,119)</b>	<b>(5,357)</b>	<b>(43,732)</b>

**3.13 Other income**

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	for the nine-month periods		for the nine-month periods	
ended 30 September		ended 30 September		
	2010	2009	2010	2009
Penalty fee income from loans	140,402	145,612	-	-
Gains on disposal of property foreclosed	189,240	43,499	-	-
Income from business promotion relating to business	170,276	-	-	-
Rental income	25,836	35,919	51,458	44,662
Others	69,182	47,816	26,781	98
<b>Total</b>	<b>594,936</b>	<b>272,846</b>	<b>78,239</b>	<b>44,760</b>

(Unaudited but reviewed)

**3.14 Other expenses**

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	for the nine-month periods		for the nine-month periods	
	ended 30 September		ended 30 September	
	2010	2009	2010	2009
Contributions to the Deposit Protection				
Agency	201,950	163,744	-	-
Allowance for impairment of property				
foreclosed	98	363,932	-	-
Mailing expenses	32,497	31,659	193	208
Software amortization expenses	69,425	29,543	32,659	2,500
Transportation expenses	64,401	52,432	5,872	3,994
Advertising and promotion expenses	252,537	62,114	1,787	1,455
Others	102,025	153,383	5,490	7,231
<b>Total</b>	<b>722,933</b>	<b>856,807</b>	<b>46,001</b>	<b>15,388</b>

**3.15 Income tax expenses**

Income tax expenses of the Company and its subsidiaries for the nine-month periods ended 30 September 2010 and 2009 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	for the nine-month periods		for the nine-month periods	
	ended 30 September		ended 30 September	
	2010	2009	2010	2009
Income tax payable on taxable profit for the period	1,226,751	849,682	111,187	152,189
Add (less): Net increase in deferred tax on temporary				
differences	(255,527)	(214,995)	(7,184)	(43,982)
Adjustment in respect of income tax				
expenses of prior period	(1,696)	172	85	(38)
<b>Income tax expenses</b>	<b>969,528</b>	<b>634,859</b>	<b>104,088</b>	<b>108,169</b>

(Unaudited but reviewed)

Deferred taxes are recorded directly to equity during the nine-month periods ended 30 September 2010 and 2009 as follow:

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>	
	for the nine-month periods	
	ended 30 September	
	<u>2010</u>	<u>2009</u>
Revaluation surplus on investments	105,859	146,128
Gain (loss) on changes in fair value of cash flow hedges	5,260	(11,073)
Deferred taxes are recorded directly to equity	<u>111,119</u>	<u>135,055</u>

A reconciliation between the tax expense and the accounting profit multiplied by the applicable tax rate is presented as follows:

(Unit: Thousand Baht)

	<u>Consolidated</u>		<u>Separate</u>	
	financial statements		financial statements	
	for the nine-month periods		for the nine-month periods	
	ended 30 September		ended 30 September	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Accounting profit before income tax expenses	<u>3,187,208</u>	<u>2,115,401</u>	<u>299,990</u>	<u>1,828,753</u>
Income tax rate of 25% and 30%	948,764	636,141	74,997	457,188
Tax effect of net tax-exempt income and net disallowed expenses	26,609	(4,229)	29,980	(347,938)
Utilisation of loss carry forwards	(3,175)	(408)	-	-
Effect of tax rate used for deferred tax	(974)	(1,043)	(974)	(1,043)
Written-off deferred tax assets	-	4,226	-	-
Adjustment in respect of income tax expenses of prior period	<u>(1,696)</u>	<u>172</u>	<u>85</u>	<u>(38)</u>
Income tax expense reported in the income statements	<u>969,528</u>	<u>634,859</u>	<u>104,088</u>	<u>108,169</u>

The following table shows consist of deferred tax assets and deferred tax liabilities.

(Unit: Thousand Baht)

	Consolidated financial statements			
	As at		Change in deferred tax assets/deferred tax liabilities reported in the income statements for the nine-month periods ended	
	30 September	31 December	30 September	30 September
	2010	2009	2010	2009
Allowance for doubtful accounts	675,163	315,578	359,585	41,565
Allowance for doubtful accounts (VAT receivable)	-	-	-	(1,214)
Allowance for impairment of investments	72,496	66,753	5,743	5,742
Allowance for impairment of property foreclosed	97,875	161,183	(63,308)	108,878
Non-accrual of interest income	197,379	202,645	(5,266)	(2,074)
Depreciation of assets	36,682	31,214	5,468	3,306
Financial leases	16,857	19,559	(2,702)	4,195
Revaluation surplus on investments	(8,401)	(3,397)	-	-
Unrealised gain on derivatives	(66)	(21)	(45)	212
Deferred commissions and direct expenses of incurred at the initiation of hire purchase	(290,749)	(245,402)	(45,347)	(24,277)
Unrealised gain on disposal of property foreclosed	-	-	-	40,150
Loss on disposal of property foreclosed	13,978	22,829	(8,851)	(3,778)
Deferred subsidised income	59,425	42,144	17,281	17,963
Reduction of subsidiaries' share capital	26,794	26,794	-	26,794
Loss carried forwards	-	-	-	8,010
Accrued expenses	56,401	56,618	(217)	(109)
Others	4,792	120	4,672	(10,368)
<b>Deferred tax assets</b>	<b>958,626</b>	<b>696,617</b>	<b>267,013</b>	<b>214,995</b>
Financial leases	86,204	47,158	39,046	-
Allowance for doubtful accounts	(463)	(513)	50	-
Loss carried forwards	(65,345)	(34,848)	(30,497)	-
Allowance for revaluation of other assets	(270)	(270)	-	-
Non-accrual of interest income	(7)	(7)	-	-
Deprecation of assets	(1,773)	(2,289)	516	-
Revaluation surplus on investments	118,648	17,793	-	-
Unrealised losses on cash flow hedges	(4,136)	(9,396)	-	-
Gain from revaluation of investments in trading securities	6,434	4,182	2,252	-
Accrued expenses	(4,123)	(4,123)	-	-
Other	(1,844)	(1,963)	119	-
<b>Deferred tax Liabilities</b>	<b>133,325</b>	<b>15,724</b>	<b>11,486</b>	<b>-</b>

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements			
	As at		Change in deferred tax assets/deferred tax liabilities reported in the income statements for the nine-month periods ended	
	30 September	31 December	30 September	30 September
	2010	2009	2010	2009
Allowance for impairment of investments	27,412	26,073	1,339	10,933
Depreciation of assets	14,449	8,495	5,954	6,364
Reduction of subsidiaries' share capital	26,794	26,794	-	26,794
Accrued expenses	24,666	24,775	(109)	(109)
<b>Deferred tax assets</b>	<b>93,321</b>	<b>86,137</b>	<b>7,184</b>	<b>43,982</b>

### 3.16 Earnings per share

The computation of basic and diluted earnings per share is listed below.

	Consolidated financial statements					
	For the three-month periods ended 30 September					
	Net income		Weighted average number of ordinary shares		Earnings per share	
	2010	2009	2010	2009	2010 <sup>(1)</sup>	2009 <sup>(1)</sup>
Thousand Baht	Thousand Baht	Thousand shares	Thousand shares	Baht	Baht	
<b>Basic earnings per share</b>						
Net income attributable to equity holders of the parent	730,633	512,679				
Less: Dividend paid to preference shares in preference to the ordinary shares for the period <sup>(2)</sup>	-	-				
	730,633	512,679	727,829	724,606	1.00	0.71
<b>Effect of dilutive potential ordinary shares</b>						
Warrants to purchase preference shares	-	-	-	-		
<b>Diluted earnings per share</b>						
Net income of ordinary shareholders assuming the conversion to ordinary shares	730,633	512,679	727,829	724,606	1.00	0.71



Consolidated financial statements					
For the nine-month periods ended 30 September					
Net income		Weighted average number of ordinary shares		Earnings per share	
2010	2009	2010	2009	2010 <sup>(1)</sup>	2009 <sup>(1)</sup>
Thousand Baht	Thousand Baht	Thousand shares	Thousand shares	Baht	Baht
<b>Basic earnings per share</b>					
Net income attributable to equity holders of the parent	2,205,784	1,468,794			
Less: Dividend paid to preference shares in preference to the ordinary shares for the period <sup>(2)</sup>	-	(91,704)			
	2,205,784	1,377,090	727,403	724,606	3.03 1.90
<b>Effect of dilutive potential ordinary shares</b>					
Warrants to purchase preference shares	-	-	-	-	
<b>Diluted earnings per share</b>					
Net income of ordinary shareholders assuming the conversion to ordinary shares	2,205,784	1,377,090	727,403	724,606	3.03 1.90
Separate financial statements					
For the three-month period ended 30 September					
Net income		Weighted average number of ordinary shares		Earnings per share	
2010	2009	2010	2009	2010 <sup>(1)</sup>	2009 <sup>(1)</sup>
Thousand Baht	Thousand Baht	Thousand shares	Thousand shares	Baht	Baht
<b>Basic earnings per share</b>					
Net income attributable to equity holders of the parent	47,670	124,413			
Less: Dividend paid to preference shares in preference to the ordinary shares for the period <sup>(2)</sup>	-	-			
	47,670	124,413	727,829	724,606	0.07 0.17
<b>Effect of dilutive potential ordinary shares</b>					
Warrants to purchase preference shares	-	-	-	-	
<b>Diluted earnings per share</b>					
Net income of ordinary shareholders assuming the conversion to ordinary shares	47,670	124,413	727,829	724,606	0.07 0.17

Separate financial statements					
For the nine-month period ended 30 September					
Net income		Weighted average number of ordinary shares		Earnings per share	
2010	2009	2010	2009	2010 <sup>(1)</sup>	2009 <sup>(1)</sup>
Thousand Baht	Thousand Baht	Thousand shares	Thousand shares	Baht	Baht
<b>Basic earnings per share</b>					
Net income attributable to equity holders of the parent					
195,902	1,720,584				
Less: Dividend paid to preference shares in preference to the ordinary shares for the period <sup>(2)</sup>					
-	(91,704)				
195,902	1,628,880	727,403	724,606	0.27	2.25
<b>Effect of dilutive potential ordinary shares</b>					
Warrants to purchase preference shares					
-	-	-	-		
<b>Diluted earnings per share</b>					
Net income of ordinary shareholders assuming the conversion to ordinary shares					
195,902	1,628,880	727,403	724,606	0.27	2.25

<sup>(1)</sup> The number of potential ordinary shares that the Company may have to issue for warrants to purchase preference share had not been taken into account because the exercise period of the warrants ended in August 2009.

<sup>(2)</sup> Dividend paid to preference shares in preference to the ordinary shares for the period is calculated from the rights and benefits that the holders of preference shares receive dividend for each of the year that the Company pays dividend prior to the holders of ordinary shares at the rate of Baht 1 per share on a time proportion basis. However, since 30 June 2009, the rights and benefits of the preference shareholders have been equal to those of the ordinary shareholders.

**3.17 Related party transactions**

(Unit: Thousand Baht)

	Balance - beginning of period	Increase	Decrease	Balance - end of period
<b>Outstanding balance as at 30 September 2010</b>				
(Eliminated in consolidated financial statements)				
<b>Subsidiary companies</b>				
Interbank and money market items (assets):				
TISCO Bank Public Company Limited	426,405	381,216	(625,154)	182,467
Loans:				
Hi-Way Co., Ltd.	1,475,000	14,000	(33,000)	1,456,000
Dividend receivable:				
TISCO Bank Public Company Limited	436,196	-	(436,196)	-
TISCO Securities Co., Ltd.	34,500	-	(34,500)	-
TISCO Asset Management Co., Ltd.	152,999	-	(152,999)	-
TISCO Tokyo Leasing Co., Ltd.	-	1,470	(1,470)	-
Other assets:				
TISCO Bank Public Company Limited	-	114,334	(20,525)	93,809
Interbank and money market items (liabilities):				
TISCO Securities Co., Ltd.	200,000	-	(200,000)	-
Borrowings:				
TISCO Information Technology Co., Ltd.	-	10,000	(10,000)	-
Interest payable:				
TISCO Securities Co., Ltd.	48	-	(48)	-
Other liabilities:				
TISCO Bank Public Company Limited	-	2,344	-	2,344
TISCO Securities Co., Ltd.	7,842	75	(881)	7,036
TISCO Information Technology Co., Ltd.	3,768	55	-	3,823

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements		Terms and pricing policy
	<u>2010</u>	<u>2009</u>	(For the period 2010)
<b><u>Transactions occurred during the three-month periods ended 30 September</u></b>			
(Eliminated in consolidated financial statements)			
<b>Subsidiary companies</b>			
Risk and financial management fee income, human resources management fee income and office administration fee income	334,420	301,500	Determined on the basis of market price and/or in compliance with the criteria specified by the Bank of Thailand
Interest income	9,641	525	With reference to the terms and prices as offered to other customers
Rental income	13,203	11,483	With reference to the terms and prices as offered to other customers
Computer system advisory services expenses	33,500	3,750	Determined on the basis of market price and/or in compliance with the criteria specified by the Bank of Thailand
Interest expenses	12	10,201	With reference to the terms and prices as offered to other customers
Other expenses	43	-	With reference to the terms and prices as offered to other customers

(Unit: Thousand Baht)

	Separate financial statements		Terms and pricing policy
	<u>2010</u>	<u>2009</u>	(For the period 2010)
<b><u>Transactions occurred during the nine-month periods ended 30 September</u></b>			
(Eliminated in consolidated financial statements)			
<b>Subsidiary companies</b>			
Risk and financial management fee income, human resources management fee income and office administration fee income	1,032,945	904,500	Determined on the basis of market price and/or in compliance with the criteria specified by the Bank of Thailand
Interest income	30,600	2,009	With reference to the terms and prices as offered to other customers
Rental income	39,405	33,792	With reference to the terms and prices as offered to other customers
Computer system advisory services expenses	100,500	11,250	Determined on the basis of market price and/or in compliance with the criteria specified by the Bank of Thailand
Interest expenses	33	72,507	With reference to the terms and prices as offered to other customers
Other expenses	239	3,000	With reference to the terms and prices as offered to other customers

(Unaudited but reviewed)

## Loans to management-level employees (departmental manager upward)

(Unit: Thousand Baht)

	Consolidated financial statements	
	as at	
	30 September 2010	31 December 2009
Loans	222	1,949

**3.18 Financial information by segment**

## 3.18.1 Financial information by business segment

(Unit: Million Baht)

	For the three-month periods ended 30 September									
	Bank		Securities				Elimination		Total	
	business/financial		business		Other business					
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Net interest and dividend										
income after bad debt and										
doubtful accounts	1,233	1,275	14	13	(5)	(13)	-	6	1,242	1,281
Non-interest income	647	391	483	403	459	375	(463)	(437)	1,126	732
Non-interest expenses	(1,105)	(1,159)	(266)	(293)	(335)	(199)	440	387	(1,266)	(1,264)
Income tax expenses	(234)	(156)	(68)	(36)	(66)	(41)	-	-	(368)	(233)
Non-controlling interests of										
the subsidiaries	-	-	-	-	-	-	(3)	(3)	(3)	(3)
Net income for the period	541	351	163	87	53	122	(26)	(47)	731	513

(Unit: Million Baht)

	For the nine-month periods ended 30 September									
	Bank		Securities				Elimination		Total	
	business/financial		business		Other business					
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Net interest and dividend										
income after bad debt and										
doubtful accounts	4,028	3,296	33	38	(12)	1,317	1	(1,287)	4,050	3,364
Non-interest income	1,673	1,181	1,254	1,016	1,366	1,115	(1,363)	(1,334)	2,930	1,978
Non-interest expenses	(3,318)	(3,115)	(791)	(714)	(1,031)	(602)	1,347	1,205	(3,793)	(3,226)
Income tax expenses	(713)	(425)	(148)	(102)	(108)	(108)	-	-	(969)	(635)
Non-controlling interests of										
the subsidiaries	-	-	-	-	-	-	(12)	(12)	(12)	(12)
Net income for the period	1,670	937	348	238	215	1,722	(27)	(1,428)	2,206	1,469

## (Unaudited but reviewed)

(Unit: Million Baht)

	As at									
	Bank business/financial									
	service business		Securities business		Other business		Elimination		Total	
	30 September	31 December	30 September	31 December	30 September	31 December	30 September	31 December	30 September	31 December
2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	
Investments	5,203	8,438	1,345	1,063	14,878	15,369	(14,932)	(15,432)	6,494	9,438
Loans, receivables and accrued interest										
receivable - net	136,366	110,941	1,660	1,015	1,456	1,475	(1,506)	(1,490)	137,976	111,941
Other assets	10,225	15,523	1,107	1,312	1,359	2,041	(754)	(1,451)	11,937	17,425
Total assets	151,794	134,902	4,112	3,390	17,693	18,885	(17,192)	(18,373)	156,407	138,804

## 3.18.2 Significant operating results by domestic and foreign activities

(Unit: Million Baht)

	For the three-month periods ended 30 September							
	2010				2009			
	Domestic	Foreign	Elimination	Total	Domestic	Foreign	Elimination	Total
Net interest and dividend income after bad debt and doubtful accounts	1,242	-	-	1,242	1,275	-	6	1,281
Non-interest income	1,589	-	(463)	1,126	1,169	-	(437)	732
Non-interest expenses	(1,705)	(1)	440	(1,266)	(1,649)	(2)	387	(1,264)
Income tax expenses	(368)	-	-	(368)	(233)	-	-	(233)
Non-controlling interests of the subsidiaries	-	-	(3)	(3)	-	-	(3)	(3)
Net income for the period	758	(1)	(26)	731	562	(2)	(47)	513

(Unit: Million Baht)

	For the nine-month periods ended 30 September							
	2010				2009			
	Domestic	Foreign	Elimination	Total	Domestic	Foreign	Elimination	Total
Net interest and dividend income after bad debt and doubtful accounts	4,049	-	1	4,050	4,651	-	(1,287)	3,364
Non-interest income	4,293	-	(1,363)	2,930	3,312	-	(1,334)	1,978
Non-interest expenses	(5,136)	(4)	1,347	(3,793)	(4,426)	(5)	1,205	(3,226)
Income tax expenses	(969)	-	-	(969)	(635)	-	-	(635)
Non-controlling interests of the subsidiaries	-	-	(12)	(12)	-	-	(12)	(12)
Net income for the period	2,237	(4)	(27)	2,206	2,902	(5)	(1,428)	1,469

**3.19 Commitments and contingent liabilities**

## 3.19.1 Avals, guarantees and commitments

(Unit: Thousand Baht)

Consolidated financial statements  
as at

	30 September 2010	31 December 2009
Avals	297,730	21,651
Other guarantees	1,092,538	928,884
Undrawn client overdraft facilities	30,981	8,052
Obligations covering principal under interest rate swap agreements (Note 3.20.5)	730,932	1,545,732
Obligations for cross currency swap agreements (Note 3.20.5)	182,496	-
	<u>2,334,677</u>	<u>2,504,319</u>

## 3.19.2 Litigation

As at 30 September 2010, the subsidiary has been sued for compensation totaling approximately Baht 153 million. Final judgments have not yet been reached in respect of these cases.

In December 2005, a foreign subsidiary received a letter from the solicitor of one of its clients, requesting payment of damages amounting to HKD 46.6 million (equivalent to Baht 194 million as at 30 September 2010). During the current period, this case is currently under consideration of the court.

The management of the Company and its subsidiaries believe that no material losses to the consolidated financial statements will be incurred as a result of the above mentioned lawsuits and damage claims.

### 3.19.3 Other commitments

- a) The subsidiary company operating banking business 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 subsidiary companies have entered into several lease agreements in respect of the lease of office building and branch office. The terms of the agreements are generally between 3 and 10 years.

As at 30 September 2010, future minimum lease payments required under these non-cancellable operating leases contracts were as follows:

	<u>Million Baht</u>
Payable within:	
Less than 1 year	74
1 to 5 years	66
More than 5 years	5

## 3.20 Financial instruments

There have been no significant changes in the risk management policy of TISCO Group during the current period.

### 3.20.1 Credit risk

TISCO Group is exposed to credit risk primarily with respect to loans and receivables, guarantees of loans, and others. The maximum exposure to credit risk is limited to the carrying amount of loans and receivables as stated in the balance sheets.

Quality of risk of hire purchase receivables by a subsidiary operating banking business, which comprises the largest portion of credit granted by the Group, is as detailed below.

The risk of hire purchase credit that is not overdue of the subsidiary operating banking business can be classified into three groups, based on quality of risk in respect of expected losses within one year. These are "Very High Grade", "High Grade" and "Medium Grade", with "Very High Grade" credit defined as credit from which expected losses over the next year are less than or equal to 0.2% of the balance; "High Grade" as credit from which losses within one year are expected to be between 0.2% and 2.0% and "Medium Grade" as credit from which losses within one year are expected to exceed 2% of the balance.



(Unaudited but reviewed)

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

(Unit: Million Baht)

	As at	
	30 September 2010	31 December 2009
Neither past due nor impaired		
Very high grade	67,352	57,448
High grade	28,115	22,443
Medium grade	3,489	3,033
Sub total	98,956	82,924
Overdue 31 - 90 days	6,104	6,440
Overdue more than 90 days	1,418	1,386
Total	106,478	90,750

### 3.20.2 Market risk

#### 3.20.2.1 Market risk - Marketable portfolio

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

(Unit: Million Baht)

	Market risk	
	as at	
	30 September 2010	31 December 2009
Marketable financial assets		
Equity securities	507	573
Debts securities	21	95
Foreign currencies	7	10

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

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

	(Unit: Million Baht)	
	Increase (decrease) in sensitivity of net interest income	
	as at	
	30 September 2010	31 December 2009
Change in interest rate		
Increase 1 percent	(158.23)	(305.10)
Decrease 1 percent	158.23	305.10

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

## 3.20.2.3 Interest rate risk

The Company and its subsidiaries have the following significant exposures to interest rate risk, relating to financial instruments.

(Unit: Million Baht)

Consolidated financial statements as at 30 September 2010				
Outstanding balances of financial instruments				
<u>Transactions</u>	Floating interest rate	Fixed interest rate	Without interest	Total
<b><u>Financial assets</u></b>				
Cash	-	-	770	770
Interbank and money market items	101	6,315	758	7,174
Investments - net	102	4,415	1,977	6,494
Receivable from clearing house	-	-	129	129
Loans and receivables <sup>(1)</sup>	8,908	129,909	2,834	141,651
	<u>9,111</u>	<u>140,639</u>	<u>6,468</u>	<u>156,218</u>
<b><u>Financial liabilities</u></b>				
Deposits	39,148	18,893	430	58,471
Interbank and money market items	1,408	6,066	-	7,474
Liabilities payable on demand	-	-	602	602
Borrowings	-	70,285	-	70,285
Payable to clearing house	-	-	328	328
Securities and derivative business payables	2	-	1,445	1,447
	<u>40,558</u>	<u>95,244</u>	<u>2,805</u>	<u>138,607</u>

<sup>(1)</sup>Loans and receivables with floating rates and fixed interest rates include non-performing loans and receivables on accrual basis.

(Unit: Million Baht)

Separate financial statements as at 30 September 2010				
Outstanding balances of financial instruments				
<u>Transactions</u>	Floating interest rate	Fixed interest rate	Without interest	Total
<b><u>Financial assets</u></b>				
Interbank and money market items	8	175	-	183
Investments - net	-	-	14,878	14,878
Loans and receivables	-	1,456	-	1,456
	<u>8</u>	<u>1,631</u>	<u>14,878</u>	<u>16,517</u>
<b><u>Financial liabilities</u></b>				
Borrowings	-	3,372	-	3,372
	<u>-</u>	<u>3,372</u>	<u>-</u>	<u>3,372</u>

(Unaudited but reviewed)

Financial instruments which bear interest rate at fixed rates are classified below by the period from the balance sheet date to the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

Consolidated financial statements as at 30 September 2010							
<u>Transactions</u>	Repricing or maturity date					Total	Interest rates (%)
	At call	0 - 3 months	3 - 12 months	1 - 5 years	Over 5 years		
	<b>Financial assets</b>						
Interbank and money market items	-	6,315	-	-	-	6,315	1.2070
Investments - net	52	274	1,370	2,714	5	4,415	5.7885
Loans and receivables	6,114	10,510	29,659	81,426	2,200	129,909	7.1220
	<u>6,166</u>	<u>17,099</u>	<u>31,029</u>	<u>84,140</u>	<u>2,205</u>	<u>140,639</u>	
<b>Financial liabilities</b>							
Deposits	1,628	14,033	2,778	454	-	18,893	1.5867
Interbank and money market items	363	1,719	367	3,617	-	6,066	2.7686
Borrowings	1,168	42,759	11,908	9,450	5,000	70,285	2.1119
	<u>3,159</u>	<u>58,511</u>	<u>15,053</u>	<u>13,521</u>	<u>5,000</u>	<u>95,244</u>	

(Unit: Million Baht)

Separate financial statements as at 30 September 2010							
<u>Transactions</u>	Repricing or maturity date					Total	Interest rates (%)
	At call	0 - 3 months	3 - 12 months	1 - 5 years	Over 5 years		
	<b>Financial assets</b>						
Interbank and money market items	175	-	-	-	-	175	1.0000
Loans and receivables	1,456	-	-	-	-	1,456	2.5000
	<u>1,631</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,631</u>	
<b>Financial liabilities</b>							
Borrowings	-	3,261	111	-	-	3,372	1.7176
	<u>-</u>	<u>3,261</u>	<u>111</u>	<u>-</u>	<u>-</u>	<u>3,372</u>	

The balances of loans and receivables (including those on which interest recognition has been ceased) shown in the above table are presented before deducting allowance for doubtful accounts.

## 3.20.3 Liquidity risk

Counting from the balance sheet date, as at 30 September 2010, the periods to the maturity dates of financial instruments are as follows:

(Unit: Million Baht)

Consolidated financial statements as at 30 September 2010								
Transactions	At call	0 - 3 months	3 - 12 months	1 - 5 years	Over 5 years	Unspecified	Non	Total
							performing	
							Loans*	
<b>Financial assets</b>								
Cash	770	-	-	-	-	-	-	770
Interbank and money market items	859	6,315	-	-	-	-	-	7,174
Investments - net	52	375	1,370	2,714	5	1,978	-	6,494
Receivable from clearing house	-	129	-	-	-	-	-	129
Loans and receivables	6,771	10,978	31,623	84,724	3,705	-	3,850	141,651
	8,452	17,797	32,993	87,438	3,710	1,978	3,850	156,218
<b>Financial liabilities</b>								
Deposits	41,206	14,033	2,778	454	-	-	-	58,471
Interbank and money market items	376	1,903	839	4,356	-	-	-	7,474
Liabilities payable on demand	602	-	-	-	-	-	-	602
Borrowings	1,168	42,759	11,908	9,450	5,000	-	-	70,285
Payable to clearing house	-	328	-	-	-	-	-	328
Securities and derivative business payables	2	1,445	-	-	-	-	-	1,447
	43,354	60,468	15,525	14,260	5,000	-	-	138,607
<b>Off-balance sheet items</b>								
Aval to bills and guarantees of loans	-	162	124	12	-	-	-	298
Other commitments	392	138	265	578	-	664	-	2,037

\*Non performing loans according to the BOT's guidelines

(Unit: Million Baht)

Separate financial statements as at 30 September 2010								
Transactions	At call	0 - 3 months	3 - 12 months	1 - 5 years	Over 5 years	Unspecified	Non	Total
							performing	
							loans	
<b>Financial assets</b>								
Interbank and money market items	183	-	-	-	-	-	-	183
Investments - net	-	-	-	-	-	14,878	-	14,878
Loans and receivables	1,456	-	-	-	-	-	-	1,456
	1,639	-	-	-	-	14,878	-	16,517
<b>Financial liabilities</b>								
Borrowings	-	3,261	111	-	-	-	-	3,372
	-	3,261	111	-	-	-	-	3,372

### 3.20.4 Foreign exchange risk

As at 30 September 2010, the subsidiary company operating banking business had the significant financial instruments in foreign currencies are as follows:

- a) Investment in a subsidiary company indirectly owned by the Company amounting to HKD 20 million (under the cost method equivalent to Baht 66 million).
- b) Investment in foreign debt securities held by the subsidiary operating banking business amounting to USD 6 million (amortised cost amounting to Baht 197 million), of which entered into cross currency swap agreements to hedge risk on the whole amount, as mentioned in Note 3.20.5 to the financial statements.

### 3.20.5 Derivatives

The subsidiaries have a policy to operate involve in financial derivative instruments, for trading and hedging risks.

As at 30 September 2010, the subsidiaries have the following financial derivative instruments.

- a) Financial derivative instruments classified as derivatives held for trading
  - a.1) Interest rate swap agreement

The subsidiary operating banking business entered into interest rate swap agreements to manage the risk associated with its interest-bearing financial liabilities. The subsidiary has signed contracts to pay interest at a fixed rate and receive interest at a floating rate, as follow:

(Unit: Million Baht)

Maturity	Notional amount	Fair value gain (loss)
2012	300	2

- a.2) Cross currency swap agreement

The subsidiary operating banking business entered into cross currency swap agreements to manage risk associated with investments in foreign debt securities, as follow:

(Unit: Million Baht)

Maturity	Number of contracts	Notional amount	Fair value gain (loss)
2013	4	182	12

## b) Financial derivative instruments classified as derivatives for cash flow hedges

The subsidiary operating leasing business entered into interest rate swap agreements to manage the risk associated with its interest-bearing financial liabilities. Such subsidiary has signed contracts to pay interest at a fixed rate and receive interest at a floating rate, as follow:

(Unit: Million Baht)		
Maturity	Notional amount	Fair value gain (loss)
2013	431	(14)

The hedged cash flows are expected to occur and when they are expected to affect income statements are in the periods as follow:

(Unit: Million Baht)		
	Less than 1 year	1 - 4 years
Interest expenses	6	2

The net loss on cash flow hedges transferred from shareholders' equity to the income statement for the nine-month period ended 30 September 2010, and arose from interest payment under interest rate swap contracts used to hedge cash flows as follow:

(Unit: Million Baht)	
For the nine-month period ended 30 September 2010	
Interest expenses	22

## 3.20.6 Fair value of financial instruments

The fair value of significant financial instruments of the Company and its subsidiaries are presented below.

(Unit: Million Baht)

Transactions	As at			
	30 September 2010		31 December 2009	
	Book value	Fair value	Book value	Fair value
<b><u>Financial assets</u></b>				
Cash	770	770	827	827
Interbank and money market items	7,174	7,174	12,708	12,708
Investments - net	6,494	6,494	9,438	9,438
Receivable from clearing house	129	129	140	140
Loans and receivables	137,976	141,589	111,941	115,320
<b><u>Financial liabilities</u></b>				
Deposits	58,471	58,471	56,808	56,808
Interbank and money market items	7,474	7,481	6,380	6,380
Liabilities payable on demand	602	602	345	345
Borrowings	70,285	70,808	59,129	59,070
Payable to clearing house	328	328	193	193
Securities and derivative business payables	1,447	1,447	959	959

In estimating the fair value of financial instruments, an allowance for doubtful debt is deducted based on the relative risk. The book values of financial instruments are the values net of the full amount of such allowance for doubtful debt.



#### **4. Significant events during the period and other information**

##### **4.1 Holding restructuring**

On 24 April 2009, the 2009 Annual General Meeting of Shareholders of the Company passed a resolution to acquire the remaining 0.49% of shares in TISCO Bank from the minority shareholders after the completion of the shareholding restructuring of TISCO Group in January 2009. The shareholders delegated authority to the Company's Board of Directors to implement the share swap process, as they consider appropriate. However, the swap price or the cash purchase price are not to exceed the book value of TISCO Bank as at 31 December 2008 adjusted with the dividend payment from the operation results of year 2008 and are not to exceed the previous swap price.

During the nine-month period ended 30 September 2010, the Company undertook to issue the Company's ordinary shares in exchange of the remaining 955,555 ordinary shares of TISCO Bank at a price of Baht 14.66 per share, totaling Baht 14 million, from the minority shareholders. In addition, the Company acquired the remaining 24 ordinary shares of TISCO Bank at a price of Baht 14.66 per share, totaling Baht 352, from the minority shareholders. As a result, the Company's shareholding in TISCO Bank increased to 99.97 percent of TISCO Bank's paid up shares and there are 203,064 shares of TISCO Bank held by minority shareholders (194,960 ordinary shares and 8,104 preference shares), which is equivalent to 0.03 percent of TISCO Bank's shares in issue.

According to this acquiring of the remaining ordinary shares of TISCO Bank from the minority shareholders, the difference of the ordinary share swap price and the net asset value of the remaining ordinary shares of TISCO Bank arising in this period was Baht 4.5 million. The difference amount was recorded in "Adjustment from business combination of entities under common control under holding restructuring plan" as presented in shareholders' equity of the consolidated financial statements.

With respect to the Company's ordinary shares which were issued in exchange of the remaining 955,555 ordinary shares of TISCO Bank from the minority shareholders, the Company already registered the increase in its paid-up share capital with the Ministry of Commerce.

## 4.2 Significant events of subsidiaries

### 2010

#### TISCO Securities Company Limited

A resolution passed by the Extraordinary General Meeting of the Shareholders of TISCO Securities Company Limited No.1/2009, on 15 December 2009, approved a decrease in that company's registered share capital from Baht 1,500 million (150,000,000 ordinary shares of Baht 10 each) to Baht 1,000 million (100,000,000 ordinary shares of Baht 10 each). On 29 March 2010, the company registered the decrease in its registered share capital with the Ministry of Commerce.

In March 2010, the Company received the return of capital from the reduction of registered share capital of TISCO Securities Company Limited amounting to Baht 500 million.

## 4.3 Dividend payment

	<u>Approved by</u>	<u>Dividend per share</u>		<u>Amounts of dividend paid</u> (Million Baht)	<u>Dividend payment period</u>
		<u>Preference share</u>	<u>Ordinary share</u>		
		(Baht per share)	(Baht per share)		
Final dividends for 2008	The 2009 Annual General Meeting of the Shareholders on 24 April 2009	2.00	1.00	908	May 2009
Interim dividends for 2009	The 2009 Annual General Meeting of the Shareholders on 24 April 2009	1.00	0.50	454	July 2009
Total dividend payment in year 2009				<u>1,362</u>	
Final dividends for 2009	The 2010 Annual General Meeting of the Shareholders on 29 April 2010	1.24	1.24	902	May 2010
Total dividend payment in year 2010				<u>902</u>	

**5. Subsequent event**

Increase of its subsidiary's registered share capital

A resolution passed by the Extraordinary General Meeting of the Shareholders of TISCO Leasing Company Limited No.1/2010, on 27 October 2010, approved an increase in that company's registered share capital from Baht 14 million (140,000 ordinary shares of Baht 100 each) to Baht 100 million (1,000,000 ordinary shares of Baht 100 each). On 29 October 2010, the company registered the increase in its registered share capital with the Ministry of Commerce.

**6. Approval of interim financial statements**

These interim financial statements were approved by the Company's Audit Committee on 11 November 2010.