

TISCO Financial Group Public Company Limited
and its subsidiaries
Report and interim financial statements
For the three-month and six-month periods ended
30 June 2011

Review Report of Independent Auditor

To the Shareholders of TISCO Financial Group Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of TISCO Financial Group Public Company Limited and its subsidiaries as at 30 June 2011, the related consolidated statements of comprehensive income for the three-month and six-month period ended 30 June 2011, the consolidated statements of changes in shareholders' equity and cash flows for the six-month period ended 30 June 2011, and the separate financial statements of TISCO Financial Group Public Company Limited for the same periods. 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 reviews.

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 2010 were audited in accordance with generally accepted auditing standards by another auditor of our firm who expressed an unqualified audit opinion on those statements, under her report dated 4 February 2011. The consolidated and separate statements of financial position as at 31 December 2010, as presented herein for comparative purposes, formed an integral part of the financial statements which that auditor audited and reported on.

The consolidated statements of income for the three-month and six-month periods ended 30 June 2010, the consolidated statements of changes in shareholders' equity and cash flows for the six-month period ended 30 June 2010 of TISCO Financial Group Public Company Limited and its subsidiaries, and the separate financial statements of TISCO Financial Group Public Company Limited for the same periods, 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 her report dated 9 August 2010, that nothing had come to her attention that caused her to believe that those financial statements were not presented fairly, in all material respects, in accordance with generally accepted accounting principles.

As described in Note 1.3 to the financial statements, since the first quarter of the current year, the Company adopted the revised and new accounting standards issued by the Federation of Accounting Professions, and applied them in its preparation and presentation of the interim financial statements.

Ratana Jala

Certified Public Accountant (Thailand) No. 3734

Ernst & Young Office Limited

Bangkok: 8 August 2011

TISCO Financial Group Public Company Limited and its subsidiaries

Statements of financial position

As at 30 June 2011 and 31 December 2010

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2011	31 December 2010	30 June 2011	31 December 2010
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Cash		849,353	903,306	50	50
Interbank and money market items - net	5.1	16,881,860	12,545,403	303,273	393,554
Derivatives assets	5.2	4,777	12,800	-	-
Investments - net	5.3, 5.7	4,420,848	6,481,004	-	-
Investments in subsidiaries - net	5.4	-	-	15,020,918	14,879,285
Loans to customers and accrued interest receivables - net	5.5, 5.7				
Loans to customers		192,013,586	164,980,877	1,424,000	1,281,000
Accrued interest receivable		148,788	133,879	-	-
Total loans to customers and accrued interest receivables		192,162,374	165,114,756	1,424,000	1,281,000
Less: Deferred revenue		(17,034,143)	(15,248,648)	-	-
Less: Allowance for doubtful accounts	5.6	(4,605,177)	(4,162,022)	-	-
Less: Allowance for loss on debt restructuring		(3)	(3)	-	-
Loans to customers and accrued interest receivables - net		170,523,051	145,704,083	1,424,000	1,281,000
Property foreclosed - net		25,929	21,397	-	-
Investment property	5.8	1,279	76,999	342,828	357,401
Premises and equipment - net		1,436,630	1,389,875	374,291	348,654
Intangible assets - net		219,062	243,719	81,091	100,354
Deferred tax assets	5.22	1,381,854	1,242,503	183,839	167,865
Securities and derivative business receivable - net		1,436,260	1,292,529	-	-
Dividend receivable	5.26	-	-	-	1,589,242
Other assets	5.9	1,240,589	1,493,931	146,697	118,377
Total assets		198,421,492	171,407,549	17,876,987	19,235,782

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

TISCO Financial Group Public Company Limited and its subsidiaries

Statements of financial position (continued)

As at 30 June 2011 and 31 December 2010

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>30 June 2011</u>	<u>31 December 2010</u>	<u>30 June 2011</u>	<u>31 December 2010</u>
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity				
Liabilities				
Deposits	35,017,830	48,533,223	-	-
Interbank and money market items - net	13,377,747	10,842,765	-	-
Liability payable on demand	590,399	532,448	-	-
Derivatives liabilities	5.2 127,559	9,363	-	-
Debts issued and borrowings	5.10 128,271,367	90,776,223	3,336,864	3,345,075
Provision for long-term employee benefits	170,049	-	41,063	-
Deferred tax liabilities	5.22 98,615	156,347	-	-
Securities and derivative business payables	885,742	1,610,686	-	-
Accrued interest payable	717,303	462,130	10,504	8,654
Income tax payable	725,184	942,103	33,244	108,574
Other liabilities	5.11 3,778,027	2,685,034	686,938	499,716
Total liabilities	183,759,822	156,550,322	4,108,613	3,962,019

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

TISCO Financial Group Public Company Limited and its subsidiaries

Statements of financial position (continued)

As at 30 June 2011 and 31 December 2010

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2011	31 December 2010	30 June 2011	31 December 2010
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Shareholders' equity					
Share capital					
Registered	6.3				
372,287,914 preference shares of Baht 10 each (31 December 2010: 555,548,180 preference shares of Baht 10 each)		3,722,879	5,555,482	3,722,879	5,555,482
727,912,086 ordinary shares of Baht 10 each (31 December 2010: 541,651,820 ordinary shares of Baht 10 each)		7,279,121	5,446,518	7,279,121	5,446,518
		<u>11,002,000</u>	<u>11,002,000</u>	<u>11,002,000</u>	<u>11,002,000</u>
Issued and fully paid-up					
33,858 preference shares of Baht 10 each (31 December 2010: 35,358 preference shares of Baht 10 each)		339	354	339	354
727,878,228 ordinary shares of Baht 10 each (31 December 2010: 727,876,728 ordinary of Baht 10 each)		7,278,782	7,278,767	7,278,782	7,278,767
		7,279,121	7,279,121	7,279,121	7,279,121
Share premium					
Share premium on preference shares		-	-	298	311
Share premium on ordinary shares		-	-	6,012,817	6,012,804
		-	-	6,013,115	6,013,115
Other components of shareholders' equity		901,845	1,049,546	-	-
Retained earnings					
Appropriated-statutory reserve		212,600	212,600	212,600	212,600
Unappropriated		6,179,421	6,235,417	263,538	1,768,927
Equity attributable to owners of the Company		<u>14,572,987</u>	<u>14,776,684</u>	<u>13,768,374</u>	<u>15,273,763</u>
Non-controlling interest of the subsidiaries		88,683	80,543	-	-
Total shareholders' equity		<u>14,661,670</u>	<u>14,857,227</u>	<u>13,768,374</u>	<u>15,273,763</u>
Total liabilities and shareholders' equity					
		<u>198,421,492</u>	<u>171,407,549</u>	<u>17,876,987</u>	<u>19,235,782</u>
		-	-	-	-

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

Statements of comprehensive income

For the three-month periods ended 30 June 2011 and 2010

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

	Note	Consolidated financial statements		Separate financial statements	
		2011	2010	2011	2010
Interest income	5.14	3,010,230	2,291,630	17,119	10,401
Interest expenses	5.15	-1,134,739	-584,441	-22,948	-14,483
Net interest income		1,875,491	1,707,189	(5,829)	(4,082)
Fees and service income		766,225	711,232	-	-
Fees and service expenses		-52,642	-46,236	(2,561)	(2,156)
Net fees and service income	5.16	713,583	664,996	(2,561)	(2,156)
Gains on tradings and foreign exchange transactions	5.17	6,513	8,086	-	-
Gains (losses) on investments	5.18	56,713	30,950	(13)	-
Dividend income		32,472	9,264	-	-
Penalty fee income from loans		63,429	45,680	-	-
Income from business promotion relating to the business		120,140	54,672	-	-
Intercompany supporting fee income	5.26	-	-	390,327	359,525
Other operating incomes	5.20, 5.26	30,633	157,800	15,994	17,330
Total operating incomes		2,898,974	2,678,637	397,918	370,617
Other operating expenses					
Employee's expenses		793,868	726,974	197,902	190,584
Directors' remuneration		3,295	1,960	2,935	1,960
Premises and equipment expenses		182,002	169,442	64,841	54,479
Taxes and duties		56,756	36,551	65	2
Expenses to business promotion relating to the business		144,321	77,124	-	-
Others	5.21	165,424	157,905	26,390	23,347
Total other operating expenses		1,345,666	1,169,956	292,133	270,372
Bad debt and doubtful accounts and impairment loss					
of debt securities	5.19	328,136	420,469	-	-
Profit before income tax expense		1,225,172	1,088,212	105,785	100,245
Income tax expense	5.22	358,139	320,871	26,239	24,716
Profit for the period		867,033	767,341	79,546	75,529

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 comprehensive income (continued)

For the three-month periods ended 30 June 2011 and 2010

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

	Note	Consolidated financial statements		Separate financial statements	
		2011	2010	2011	2010
Other comprehensive income	5.23				
Gains (losses) arising from translating the financial statements of a foreign operation		726	(13)	-	-
Investment in available-for-sale securities		(143,033)	124,949	-	-
Cash flow hedges		3,867	5,251	-	-
Income tax (charge)/credit relating to components of other comprehensive income	5.22, 5.24	40,134	(38,482)	-	-
		<u>(98,306)</u>	<u>91,705</u>	<u>-</u>	<u>-</u>
Other comprehensive income for the period -net		<u>768,727</u>	<u>859,046</u>	<u>79,546</u>	<u>75,529</u>
Total comprehensive income for the period					
Profit attributable to:	5.25	863,197	762,872	79,546	75,529
Equity holders of the Company		<u>3,836</u>	<u>4,469</u>		
Non-controlling interests of the subsidiaries		<u>867,033</u>	<u>767,341</u>		
Total comprehensive income attributable to:		763,510	852,702	79,546	75,529
Equity holders of the Company		<u>5,217</u>	<u>6,344</u>		
Non-controlling interests of the subsidiaries		<u>768,727</u>	<u>859,046</u>		
Earnings per share - equity shareholds of the Company	5.25				
Basic earnings per share		<u>1.19</u>	<u>1.05</u>	<u>0.11</u>	<u>0.10</u>

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 comprehensive income****For the six-month periods ended 30 June 2011 and 2010**

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

	Note	Consolidated financial statements		Separate financial statements	
		2011	2010	2011	2010
Interest income	5.14	5,722,403	4,498,497	28,148	20,960
Interest expenses	5.15	-2,015,419	-1,156,255	-38,292	-29,960
Net interest income		3,706,984	3,342,242	(10,144)	(9,000)
Fees and service income		1,559,343	1,335,581	-	-
Fees and service expenses		-107,731	-109,289	(5,006)	(3,900)
Net fees and service income	5.16	1,451,612	1,226,292	(5,006)	(3,900)
Gains (losses) on tradings and foreign exchange transactions	5.17	(18,976)	9,479	-	-
Gains (losses) on investments	5.18	69,944	52,294	(22)	(24)
Dividend income		58,100	57,828	2,205	1,470
Penalty fee income from loans		118,139	92,870	-	-
Income from business promotion relating to the business		216,089	105,314	-	-
Intercompany supporting fee income	5.26	-	-	742,737	698,525
Other operating incomes	5.20, 5.26	70,182	208,077	31,567	34,767
Total operating incomes		5,672,074	5,094,396	761,337	721,838
Other operating expenses					
Employee's expenses		1,519,384	1,435,370	358,786	374,546
Directors' remuneration		6,441	4,180	5,961	4,180
Premises and equipment expenses		365,925	341,922	130,897	109,509
Taxes and duties		113,205	72,001	1,443	1,394
Expenses to business promotion relating to the business		247,757	126,642	-	-
Others	5.21	328,140	293,586	51,982	43,956
Total other operating expenses		2,580,852	2,273,701	549,069	533,585
Bad debt and doubtful accounts and impairment loss					
of debt securities	5.19	679,694	735,594	-	-
Profit before income tax expense		2,411,528	2,085,101	212,268	188,253
Income tax expense	5.22	711,007	601,481	52,149	40,021
Profit for the period		1,700,521	1,483,620	160,119	148,232

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 comprehensive income (continued)

For the six-month periods ended 30 June 2011 and 2010

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

	Note	Consolidated financial statements		Separate financial statements	
		2011	2010	2011	2010
Other comprehensive income	5.23				
Gains (losses) arising from translating the financial statements of a foreign operation		974	(1,851)	-	-
Investment in available-for-sale securities		(213,873)	209,867	-	-
Cash flow hedges		7,733	11,844	-	-
Income tax (charge)/credit relating to components of other comprehensive income	5.22, 5.24	60,226	(65,935)	-	-
		<u>(144,940)</u>	<u>153,925</u>	<u>-</u>	<u>-</u>
Other comprehensive income for the period -net		<u>1,555,581</u>	<u>1,637,545</u>	<u>160,119</u>	<u>148,232</u>
Total comprehensive income for the period					
Profit attributable to:	5.25	1,691,795	1,475,151	<u>160,119</u>	<u>148,232</u>
Equity holders of the Company		<u>8,726</u>	<u>8,469</u>		
Non-controlling interests of the subsidiaries		<u>1,700,521</u>	<u>1,483,620</u>		
Total comprehensive income attributable to:		<u>1,544,094</u>	<u>1,624,847</u>	<u>160,119</u>	<u>148,232</u>
Equity holders of the Company		<u>11,487</u>	<u>12,698</u>		
Non-controlling interests of the subsidiaries		<u>1,555,581</u>	<u>1,637,545</u>		
Earnings per share - equity shareholds of the Company	5.25				
Basic earnings per share		<u>2.32</u>	<u>2.03</u>	<u>0.22</u>	<u>0.20</u>

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 cash flows****For the six-month periods ended 30 June 2011 and 2010**

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2011	2010	2011	2010
Cash flows from operating activities					
Profit before income tax		2,411,528	2,085,101	212,268	188,253
Adjustments to reconcile profit before income tax to net cash provided by (paid from) operating activities:					
Depreciation and amortisation		175,099	170,843	69,737	51,388
Bad debts and doubtful accounts		1,045,647	845,407	-	-
Allowance for impairment of investments		6,670	7,857	22	24
Allowance for impairment of property foreclosed		445	-	-	-
Gain on sale of investments		(70,561)	(54,482)	-	-
Unrealised loss on trading and foreign exchange transactions		19,500	1,064	-	-
Gain on disposal of equipment		(5,181)	(6,531)	(21)	(53)
Loss from written-off of equipment		118	671	-	-
Unrealised loss (gain) from trading securities		4,759	(6,040)	-	-
Gain on disposal of property foreclosed		(37,450)	(167,256)	-	-
Provision for long-term employee benefits		11,469	-	1,412	-
Decrease (increase) in other accrued income		8,297	40,433	(29,438)	(21,471)
Increase in accrued expenses		522,950	694,457	189,343	249,236
Net interest income		(3,706,984)	(3,342,242)	10,144	9,000
Dividend income		(58,100)	(57,828)	(2,205)	(1,470)
Cash received on interest income		5,578,869	4,444,608	28,223	20,830
Cash paid on interest expenses		(1,672,168)	(1,044,969)	(36,442)	-26,562
Cash received on dividend income		43,488	680,212	1,591,448	625,165
Cash paid on income tax expense		(1,019,158)	(770,731)	-131,574	-90,621
Profit from operating activities before changes in operating assets and liabilities		3,259,237	3,520,574	1,902,917	1,003,719
Decrease (increase) in operating assets					
Interbank and money market items		(4,260,117)	4,621,495	90,281	250,013
Investment in trading securities		-	1	-	-
Loans to customers		(26,354,563)	(15,965,453)	(143,000)	33,000
Securities and derivative business receivables		(142,299)	(275,615)	-	-
Property foreclosed		579,124	1,206,060	-	-
Intangible assets		(26,880)	(5,048)	(7,879)	(36,654)
Other assets		258,099	(406,705)	1,040	(46,102)

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 cash flows (continued)****For the six-month periods ended 30 June 2011 and 2010**

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2011	2010	2011	2010
Increase (decrease) in operating liabilities					
Deposits		(13,515,393)	9,963,274	-	-
Interbank and money market items		2,535,515	372,908	-	(200,000)
Liability payable on demand		57,951	149,309	-	-
Short-term borrowings		40,624,710	(4,457,753)	(8,211)	(598,355)
Payable to clearing house		563,428	236,881	-	-
Securities and derivative business payables		(724,945)	(810)	-	-
Other liabilities		47,744	(9,092)	(2,120)	12,551
Net cash flows from (used in) operating activities		2,901,611	(1,049,974)	1,833,028	418,172
Cash flows from investing activities					
Cash paid for purchase of investment in securities held for investment		(1,415,831)	(1,933,646)	-	-
Cash received from disposal of investment in securities held for investment		3,324,686	2,942,612	-	-
Cash paid for purchase of equipment		(104,052)	(77,837)	(53,768)	(16,086)
Cash received from disposal of equipment		5,960	8,301	131	394
Cash paid for acquisition of a subsidiary	1.2	-	(1)	(141,655)	(1)
Cash received from share capital reduction of a subsidiary		-	-	-	500,000
Net cash flows from (used in) investing activities		1,810,763	939,429	(195,292)	484,307
Cash flows from financing activities					
Long-term borrowings		(3,129,565)	2,843,223	-	-
Cash received from issuance of long-term debentures		-	1,000,000	-	-
Cash paid for the redemption of long-term debentures		-	(3,000,000)	-	-
Dividend paid		(1,637,736)	(902,479)	(1,637,736)	(902,479)
Net cash flows used in financing activities		(4,767,301)	(59,256)	(1,637,736)	(902,479)
Translation adjustment		974	(1,851)	-	-
Net decrease in cash		(53,953)	(171,652)	-	-
Cash at beginning of the period		903,306	826,526	50	50
Cash at end of the period		849,353	654,874	50	50
		-	-	-	-
Supplemental cash flows information					
Non-cash transactions					
Conversion of preference shares to ordinary shares		28	12,206	28	12,126
Issuance securities for swap ordinary shares of TISCO Bank					
under holding restructuring under common control		-	14,408	-	14,008
Transfer of properties foreclosed form receivables					
for debt settlement		3,382	-	-	-
Transfer investment property to premises and equipment	5.8	84,841	-	-	-

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 six-month periods ended 30 June 2011 and 2010

(Unit: Thousand Baht)

Consolidated financial statements												
Equity attributable to owner of the Company												
Other components of shareholders equity												
Other comprehensive income												
Adjustment from business combination												
Surplus (deficit) Unrealised of entities under Total other												
on change in value gain cash flow hedges Translation adjustment restructuring plan equity												
Retained earnings												
Appropriated Unappropriated												
Total equity Equity attributable												
attributable to owner of the Company interests of												
the Company the subsidiaries Total												
Issued and fully paid-up share capital	Preference shares	Ordinary shares	investments	cash flow hedges	adjustment	restructuring plan	equity	Appropriated	Unappropriated	the Company	the subsidiaries	Total
Balance as at 31 December 2009	6,986	7,261,744	(37,793)	(10,743)	86,441	672,295	710,200	119,800	4,342,447	12,441,177	77,539	12,518,716
Dividend paid	-	-	-	-	-	-	-	-	(902,479)	(902,479)	-	(902,479)
Total comprehensive income for the period	-	-	147,485	4,062	(1,851)	-	149,696	-	1,475,151	1,624,847	12,698	1,637,545
Preference shares converted to ordinary shares	(6,451)	6,451	-	-	-	-	-	-	-	-	-	-
Adjustment from business combination of entities under common control under holding restructuring plan	-	9,555	-	-	-	4,453	4,453	-	-	14,008	(14,008)	-
Decrease in non-controlling interests of the subsidiaries	-	-	-	-	-	-	-	-	-	-	(1,530)	(1,530)
Balance as at 30 June 2010	<u>535</u>	<u>7,277,750</u>	<u>109,692</u>	<u>(6,681)</u>	<u>84,590</u>	<u>676,748</u>	<u>864,349</u>	<u>119,800</u>	<u>4,915,119</u>	<u>13,177,553</u>	<u>74,699</u>	<u>13,252,252</u>
Balance as at 31 December 2010	354	7,278,767	292,656	(3,211)	80,835	679,266	1,049,546	212,600	6,235,417	14,776,684	80,543	14,857,227
Cumulative effect of the change in accounting policy for employee benefit (Note 2)	-	-	-	-	-	-	-	-	(110,039)	(110,039)	(1,053)	(111,092)
Dividend paid	-	-	-	-	-	-	-	-	(1,637,752)	(1,637,752)	-	(1,637,752)
Total comprehensive income for the period	-	-	(151,327)	2,652	974	-	(147,701)	-	1,691,795	1,544,094	11,487	1,555,581
Preference shares converted to ordinary shares	(15)	15	-	-	-	-	-	-	-	-	-	-
Decrease in non-controlling interests of the subsidiaries	-	-	-	-	-	-	-	-	-	-	(2,294)	(2,294)
Balance as at 30 June 2011	<u>339</u>	<u>7,278,782</u>	<u>141,329</u>	<u>(559)</u>	<u>81,809</u>	<u>679,266</u>	<u>901,845</u>	<u>212,600</u>	<u>6,179,421</u>	<u>14,572,987</u>	<u>88,683</u>	<u>14,661,670</u>

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 six-month periods ended 30 June 2011 and 2010

(Unit: Thousand Baht)

	Separate financial statements								
	Issued and fully		Issued and fully paid-up share capital				Retained earnings		Total
	paid-up share capital - registered		awaiting for registered		Share premium		Appropriated	Unappropriated	
	Preference shares	Ordinary shares	Preference shares	Ordinary shares	Preference shares	Ordinary shares			
Balance as at 31 December 2009	6,986	7,261,652	-	92	6,147	6,002,126	119,800	908,746	
Dividend paid	-	-	-	-	-	-	-	(902,479)	(902,479)
Total comprehensive income for the period	-	-	-	-	-	-	-	148,232	148,232
Preference shares converted to ordinary shares	(6,451)	6,451	-	-	(5,676)	5,676	-	-	-
Issuance of ordinary shares to the shareholders under common control under holding restructuring plan	-	9,555	-	-	-	4,453	-	-	14,008
Registered the issuance of ordinary shares to the shareholders under common control under holding restructuring plan	-	92	-	(92)	-	-	-	-	-
Balance as at 30 June 2010	<u>535</u>	<u>7,277,750</u>	<u>-</u>	<u>-</u>	<u>471</u>	<u>6,012,255</u>	<u>119,800</u>	<u>154,499</u>	<u>13,565,310</u>
Balance as at 31 December 2010	354	7,278,767	-	-	311	6,012,804	212,600	1,768,927	15,273,763
Cumulative effect of the change in accounting policy for employee benefit (Note 2)	-	-	-	-	-	-	-	(27,756)	(27,756)
Dividend paid	-	-	-	-	-	-	-	(1,637,752)	(1,637,752)
Total comprehensive income for the period	-	-	-	-	-	-	-	160,119	160,119
Preference shares converted to ordinary shares	(15)	15	-	-	(13)	13	-	-	-
Balance as at 30 June 2011	<u>339</u>	<u>7,278,782</u>	<u>-</u>	<u>-</u>	<u>298</u>	<u>6,012,817</u>	<u>212,600</u>	<u>263,538</u>	<u>13,768,374</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 six-month periods ended 30 June 2011 and 2010

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 2009) "Interim Financial Reporting", with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, comprehensive income, changes in shareholders' equity and cash flows in accordance with the Bank of Thailand ("BOT")'s Notification No. Sor Nor Sor. 11/2553 regarding "Preparation and Announcement of Financial Statements of Commercial Banks and Parent Companies of Financial Holding Groups", dated 3 December 2010, which is effective for fiscal years beginning on or after 1 January 2011.

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 the interim consolidation is the same as that for the consolidated financial statements for the year ended 31 December 2010. During the period, there were the following changes in the composition of the subsidiaries:

- a) In February 2011, the Company invested in 49,997 ordinary shares of TISCO Learning Center Co., Ltd. at a price of Baht 100 per share, for a total of Baht 5 million. The Company holds 99.99 percent of shares. Such company registered its incorporations with the Ministry of Commerce on 1 February 2011.
- b) In March 2011, TISCO Securities Company, the Company's subsidiary, invested in 9,997 ordinary shares of TISCO Investment Advisory Co., Ltd. at a price of Baht 100 per share, for a total of Baht 1 million. The Company's investment represents 99.99 percent of the registered capital of such company, which registered its incorporation with the Ministry of Commerce on 18 March 2011.

- c) On June 2011, the Company acquired TISCO Leasing Company Limited from TISCO Bank Public Company Limited, as approved by the year 2011 Annual General Meeting of shareholders of the Company on 21 April 2011. Therefore, the Company's investment represents 99.99 percent of the registered capital of such company, invested in 999,965 ordinary shares at a price of Baht 136.66 per share, for a total of Baht 137 million.

1.3 Application of new accounting standards during the period

Since the first quarter of the current year, the Company adopted a number of revised and new accounting standards, issued by the Federation of Accounting Professions, as listed below.

Accounting standards:

TAS 1 (revised 2009)	Presentation of Financial Statements
TAS 2 (revised 2009)	Inventories
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 11 (revised 2009)	Construction Contracts
TAS 12	Corporate Income Tax
TAS 16 (revised 2009)	Property, Plant and Equipment
TAS 17 (revised 2009)	Leases
TAS 18 (revised 2009)	Revenue
TAS 19	Employee Benefits
TAS 23 (revised 2009)	Borrowing Costs
TAS 24 (revised 2009)	Related Party Disclosures
TAS 26	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2009)	Consolidated and Separate Financial Statements
TAS 28 (revised 2009)	Investments in Associates
TAS 29	Financial Reporting in Hyperinflationary Economies
TAS 31 (revised 2009)	Interests in Joint Ventures
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

Financial reporting standards:

TFRS 2	Share-Based Payment
TFRS 3 (revised 2009)	Business Combinations
TFRS 5 (revised 2009)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6	Exploration for and Evaluation of Mineral Resources

Financial Reporting Standard Interpretations:

TFRIC 15	Agreements for the Construction of Real Estate
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Accounting Standard Interpretations:

SIC 21	Income Taxes - Recovery of Revalued Non-Depreciable Assets
SIC 25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders
SIC 31	Revenue-Barter Transactions Involving Advertising Services

These accounting standards do not have any significant impact on the financial statements for the current period. The effect of changes in significant accounting policies has been described in Note 2 to financial statements.

1.4 Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2010, except for the changes in the following accounting policies due to the adoption of revised and new accounting standards.

Employee benefits

Post-employment benefits (Defined contribution plans)

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

Post-employment benefits (Defined benefit plans)

The Company and its subsidiaries have obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Company and its subsidiaries treat these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by the Company and its subsidiaries based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, staff turnover rate, mortality rate, and inflation rates.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in the income statement.

For the first-time adoption of TAS 19 Employee Benefits, the Company and its subsidiaries elected to recognise the transitional liability, which exceeds the liability that would have been recognised at the same date under the previous accounting policy, through an adjustment to the beginning balance of retained earnings in the current period.

Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and allowance for loss on impairment.

Depreciation of investment properties is calculated by reference to their costs on the straight-line basis over estimated useful lives of 20 years. Depreciation of the investment properties is included in the income statement.

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period when the asset is derecognised.

2. The effect of the change in accounting policies due to the adoption of new accounting standards

In the first quarter of the current year, the Company and its subsidiaries made the changes to its significant accounting policies described in Note 1.3 and 1.4 to the financial statements, as a result of the adoption of revised and new accounting standards.

TAS 19 Employee Benefits

This accounting standard requires employee benefits to be recognised as expenses in the period in which service is performed by the employee. In particular, an entity has to evaluate and make provision for post-employment benefits using actuarial techniques. The Company and its subsidiaries previously accounted for such employee benefits when they were incurred.

The Company and its subsidiaries have changed this accounting policy since the beginning of the current year and have recognised the liability in the transitional period through an adjustment to the beginning balance of retained earnings in the current period. This resulted in the decreases in the balances of retained earnings brought forward as at 1 January 2011 in the consolidated and separate financial statements by Baht 111 million (long-term employee benefit obligations of Baht 159 million net of related deferred tax of Baht 48 million) and Baht 28 million (long-term employee benefit obligations of Baht 40 million net of related deferred tax of Baht 12 million), respectively. The cumulative effect of such change in accounting policy has already been presented as “Cumulative effect of the change in accounting policy for employee benefits” in the statements of changes in shareholders’ equity.

In addition, the change in such accounting policy has the effect of decreasing the profit of the Company and its subsidiaries for the three-month and six-month periods ended 30 June 2011 by Baht 5 million, or 0.008 Baht per share and Baht 11 million, or 0.016 Baht per share, respectively (The Company only: decreasing the profit by Baht 0.5 million, or 0.001 Baht per share) and Baht 1 million, or 0.002 Baht per share, respectively.

TAS 40 Investment property

The Company and its subsidiaries record initial value of investment property at cost, including transaction cost. The amounts of adjustments affecting the statement of financial position as at 31 December 2010 are summarised below:

	(Unit: Thousand Baht)	
	31 December 2010	
	Consolidated financial statements	Separate financial statements
Statements of financial position		
Increase in investment properties	76,999	357,401
Decrease in premises and equipment	(76,999)	(357,401)

3. New accounting standards issued during the period not yet effective

During the current period, the Federation of Accounting Professions issued the below listed new accounting standards that are effective for fiscal years beginning on or after 1 January 2013.

Accounting Standard Interpretations:

SIC 10 Government Assistance - No Specific Relation to Operating Activities

4. General information

4.1 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.

4.2 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 party and loans to employees under the employee welfare scheme, as mentioned in Note 5.26 to the financial statements.

A subsidiary company operating banking business has neither provided any credit nor made any commitments to companies which have directors in common with such subsidiary in cases where such credit is unsecured or not fully collateralised and therefore would require approval from the Bank of Thailand.

The Company and its subsidiaries have no investments in related companies which are related by way of members of the management of the Company or of its subsidiaries being shareholders and/or authorised directors.

5. Supplemental information

5.1 Interbank and money market items - net (assets)

(Unit: Million Baht)

Interbank and money market items (assets) which are pledged	Consolidated financial statements		Type of pledge
	as at		
	30 June 2011	31 December 2010	
Cash at banks of local subsidiary	10	10	To secure facilities provided for bank overdraft

5.2 Derivatives

5.2.1 Trading derivative

(Unit: Thousand Baht)

Type of risk	Consolidated financial statements					
	30 June 2011			31 December 2010		
	Fair value		Notional amount	Fair value		Notional amount
	Assets	Liabilities		Assets	Liabilities	
Exchange rate	3,707	92,975	7,917,352	11,190	-	180,908
Interest rate	1,070	32,954	3,332,000	1,610	-	300,000
Total	4,777	125,929	11,249,352	12,800	-	480,908

All counter parties of these derivative transactions are financial institutions.

5.2.2 Derivative for hedging

(Unit: Thousand Baht)

	Consolidated financial statements					
	30 June 2011			31 December 2010		
	Fair value		Notional amount	Fair value		Notional amount
	Assets	Liabilities		Assets	Liabilities	
<u>Type of risk</u>						
Interest rate	-	1,630	123,630	-	9,363	326,491
Total	-	1,630	123,630	-	9,363	326,491

All counter parties of these derivative transactions are financial institutions.

5.3 Investments

(Unit: Thousand Baht)

	Consolidated financial statements as at	
	30 June 2011	31 December 2010
Trading securities - fair value		
Domestic marketable equity securities	3,752	3,752
Add: Allowance for changes in value	24,436	29,195
Total trading securities	28,188	32,947
Available-for-sales securities - fair value		
Government and state enterprise securities	578,703	1,419,765
Debt securities of private sector	831,460	841,460
Foreign debt securities	196,141	196,430
Domestic marketable equity securities	809,401	872,709
Other securities - unit trusts	30,133	40,133
Add: Allowance for changes in value	267,845	476,545
Less: Allowance for impairment	(1,460)	(1,460)
Total available-for-sales securities	2,712,223	3,845,582
Held-to-maturity debt securities - cost/amortised cost		
Government and state enterprise securities	-	87,975
Debt securities of private sector	2	2
Investment in receivables	1,169,644	1,906,753
Less: Allowance for impairment	(29,309)	(23,256)
Total held-to-maturity debt securities	1,140,337	1,971,474
Other investments - cost		
Domestic non-marketable equity securities	608,263	698,548
Less: Allowance for impairment	(68,163)	(67,547)
Total other investments	540,100	631,001
Investments - net	4,420,848	6,481,004

5.3.1 Investments subject to restriction

(Unit: Million Baht)

Type of investment	Consolidated financial statements		Type of restriction
	as at		
	30 June 2011	31 December 2010	
Government debt securities	2	2	Pledged for electricity usage

5.3.2 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 June 2011		
	Cost	Fair value	Allowance for changes in value ⁽¹⁾
Companies having problems with debt repayment or in default	7,060	-	7,060

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

(Unit: Thousand Baht)

	Consolidated financial statements		
	as at 31 December 2010		
	Cost	Fair value	Allowance for changes in value ⁽¹⁾
Companies having problems with debt repayment or in default	7,060	-	7,060

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

(Unaudited but reviewed)

5.3.3 Investments where a subsidiary company operating banking business hold not less than 10 percent of the equity of the investees

(Unit: Thousand Baht)

Securities' name	Consolidated financial statements as at					
	30 June 2011			31 December 2010		
	Book value	Unpaid amounts	Percentage of holding %	Book value	Unpaid amounts	Percentage of holding %
Insurance:						
AXA Insurance Plc.	53,169	-	10	53,169	-	10
Services:						
TISCO Securities Hong Kong Limited (in the process of liquidation)	47,743	-	100	49,315	-	100
Jiji Press (Thailand) Co., Ltd.	814	300	10	814	300	10
K. Line (Thailand) Co., Ltd.	37,335	-	10	37,335	-	10
Leasing and hire purchase:						
TISCO Leasing Co., Ltd.	-	-	-	85,998	-	99.99
Trading import and export:						
Shin Thai Enterprises Co., Ltd.	4,019	-	10	4,592	-	10
PDTL Trading Co., Ltd.	8,703	-	10	9,270	-	10
Wattana Inter-Trade Co., Ltd.	3,957	-	10	3,957	-	10
Real estate:						
Prosperity Industrial Estate Co., Ltd.	45,095	-	10	45,095	-	10
UMI Property Co., Ltd.	7,454	-	10	7,454	-	10
Industrial:						
Siam Art Ceramic Co., Ltd.	17,028	-	10	16,588	-	10

5.4 Investments in subsidiaries

(Unit: Million Baht)

Company's name	Nature of Business	Separate financial statements							
		Type of shares		Percentage of shares held by the Company as at		Investment value - cost method as at		Dividend received for the six-month periods ended	
		30 June 2011	31 December 2010	30 June 2011	31 December 2010	30 June 2011	31 December 2010	30 June 2011	30 June 2010
Subsidiaries directly held by the Company									
TISCO Bank Public Company Limited	Banking	Ordinary shares	Ordinary shares	99.98	99.98	13,294	13,294	-	-
TISCO Securities Co., Ltd.	Securities business	Ordinary shares	Ordinary shares	99.99	99.99	1,075	1,075	-	-
TISCO Asset Management Co., Ltd.	Asset management	Ordinary shares	Ordinary shares	99.99	99.99	110	110	-	-
Hi-Way Co., Ltd.	Hire purchase	Preference shares	Preference shares	99.99	99.99	3	3	-	-
		Ordinary shares	Ordinary shares	99.99	99.99	270	270	-	-
TISCO Information Technology Co., Ltd.	Services	Ordinary shares	Ordinary shares	99.99	49.00	22	22	-	-
TISCO Leasing Co., Ltd.	Leasing	Ordinary shares	Ordinary shares	99.99	99.99	137	-	-	-
TISCO Tokyo Leasing Co., Ltd.	Leasing	Ordinary shares	Ordinary shares	49.00	49.00	73	73	2	1
Primus Leasing Co., Ltd. (in the process of liquidation)	Hire purchase	Ordinary shares	Ordinary shares	99.99	99.99	142	142	-	-
TISCO Learning Center Co., Ltd.	Services	Ordinary shares	Ordinary shares	99.99	-	5	-	-	-
						15,131	14,989	2	1
Less: Allowance for impairment						(110)	(110)		
Investment in subsidiaries - net						15,021	14,879		

On 27 June 2011, the Company acquired TISCO Leasing Co., Ltd. from TISCO Bank Public Co., Ltd. as mentioned in Note 6.2 to financial statements.

5.5 Loans to customers and accrued interest receivable

5.5.1 Classified by loan type

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	as at	
	30 June 2011	31 December 2010
Loans to customers		
Loans	42,301,014	32,788,168
Hire purchase receivables	146,216,444	129,188,567
Financial lease receivables	3,660,956	3,112,688
Less: Deferred revenue	(17,034,143)	(15,248,648)
Advances received from financial lease receivables	(164,828)	(108,546)
Total loans to customers	174,979,443	149,732,229
Add: Accrued interest receivables	148,788	133,879
Less: Allowance for doubtful accounts		
BOT's minimum requirement provision		
- Individual	(666,230)	(682,402)
- Collective	(1,365,392)	(1,128,795)
Excess over BOT's minimum requirement provision	(2,573,555)	(2,350,825)
	(4,605,177)	(4,162,022)
Less: Allowance for loss on debt restructuring	(3)	(3)
Loans to customers and accrued interest receivables - net	170,523,051	145,704,083

	(Unit: Thousand Baht)	
	Separate financial statements	
	as at	
	30 June 2011	31 December 2010
Loans to customers		
Loans	1,424,000	1,281,000
Add: Accrued interest receivable	-	-
Loans and accrued interest receivable - net	1,424,000	1,281,000

5.5.2 Classified by currency and residency of debtors

(Unit: Thousand Baht)

	Consolidated financial statements as at					
	30 June 2011			31 December 2010		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	171,904,723	-	171,904,723	149,732,229	-	149,732,229
US Dollars	-	3,074,720	3,074,720	-	-	-
Total loans to customers net						
from deferred revenue	<u>171,904,723</u>	<u>3,074,720</u>	<u>174,979,443</u>	<u>149,732,229</u>	<u>-</u>	<u>149,732,229</u>

(Unit: Thousand Baht)

	Separate financial statements as at					
	30 June 2011			31 December 2010		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	<u>1,424,000</u>	-	<u>1,424,000</u>	<u>1,281,000</u>	-	<u>1,281,000</u>
Total loans to customers net						
from deferred revenue	<u>1,424,000</u>	<u>-</u>	<u>1,424,000</u>	<u>1,281,000</u>	<u>-</u>	<u>1,281,000</u>

5.5.3 Classified by type of business

(Unit: Thousand Baht)

	Consolidated financial statements as at 30 June 2011							Other subsidiaries	Total
	Subsidiary company operating banking business								
	Pass	Special-mentioned	Sub-standard	Doubtful	Doubtful of loss	Total			
Agricultural and mining	644,271	3,124	4,378	-	1,209	652,982	-	652,982	
Manufacturing and commerce	23,452,681	123,918	29,207	13,219	69,495	23,688,520	-	23,688,520	
Real estate and construction	7,982,787	86,045	10,047	1,561	359,180	8,439,620	-	8,439,620	
Public utilities and services	8,999,105	128,519	210,075	16,414	65,127	9,419,240	-	9,419,240	
Personal use									
Hire purchase	106,566,413	6,149,642	748,992	106,213	353,877	113,925,137	5,049,097	118,974,234	
Housing loans	1,213,478	34,042	13,287	25,361	77,335	1,363,503	-	1,363,503	
Auto cash loan	6,226,367	191,581	34,686	11,830	7,367	6,471,831	-	6,471,831	
Others	5,506,280	62,331	5,482	1,633	389,354	5,965,080	4,433	5,969,513	
Total loans to customers	160,591,382	6,779,202	1,056,154	176,231	1,322,944	169,925,913	5,053,530	174,979,443	
Add: Accrued interest receivable	49,319	81,589	-	-	-	130,908	17,880	148,788	
Total loans to customers and accrued interest receivables	<u>160,640,701</u>	<u>6,860,791</u>	<u>1,056,154</u>	<u>176,231</u>	<u>1,322,944</u>	<u>170,056,821</u>	<u>5,071,410</u>	<u>175,128,231</u>	

(Unit: Thousand Baht)

Consolidated financial statements as at 31 December 2010

	Subsidiary company operating banking business						Other	Total
	Pass	Special- mentioned	Sub-standard	Doubtful	Doubtful		subsidiaries	
					of loss	Total		
Agricultural and mining	159,152	2,519	4,405	513	1,323	167,912	-	167,912
Manufacturing and commerce	17,441,497	141,008	25,055	28,871	61,962	17,698,393	-	17,698,393
Real estate and construction	5,955,550	87,192	4,521	5,438	362,968	6,415,669	-	6,415,669
Public utilities and services	6,911,822	152,127	28,133	26,981	62,021	7,181,084	-	7,181,084
Personal use								
Hire purchase	94,354,795	5,968,776	687,177	183,337	331,931	101,526,016	4,642,252	106,168,268
Housing loans	1,243,598	54,709	19,930	12,588	91,461	1,422,286	-	1,422,286
Auto cash loan	5,160,852	177,132	16,465	2,995	5,941	5,363,385	-	5,363,385
Others	4,891,666	27,148	2,306	6,557	386,123	5,313,800	1,432	5,315,232
Total loans to customers	136,118,932	6,610,611	787,992	267,280	1,303,730	145,088,545	4,643,684	149,732,229
Add: Accrued interest receivable	33,535	82,032	-	-	-	115,567	18,312	133,879
Total loans to customers and accrued interest receivables	136,152,467	6,692,643	787,992	267,280	1,303,730	145,204,112	4,661,996	149,866,108

5.5.4 Classified by loan classification of a subsidiary company operating banking business

(Unit: Million Baht)

	30 June 2011			31 December 2010		
	Loans to customers and accrued interest receivables ⁽¹⁾		Allowance provided in	Loans to customers and accrued interest receivables ⁽¹⁾		Allowance provided in
	Balance of collateral	net	the accounts	Balance of collateral	net	the accounts
BOT's minimum requirement provision						
Pass	160,941	145,312	974	136,253	122,958	794
Special mention	6,861	6,722	60	6,692	6,547	59
Sub-standard	1,056	1,038	243	788	768	178
Doubtful	176	144	44	267	239	51
Doubtful of loss	1,323	819	424	1,304	789	426
Provision in excess of BOT's minimum rates required ⁽²⁾	-	-	2,574	-	-	2,351
Total	170,357	154,035	4,319	145,304	131,301	3,859

⁽¹⁾ 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 the Bank does not deduct the collateral value from the outstanding loan balance).

⁽²⁾ 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 factors including economic factors, and other risk that may affect the quality of assets.

	Percentage of allowance for doubtful account set up			
	Hire purchase receivables ⁽¹⁾		Loans	
	30 June 2011	31 December 2010	30 June 2011	31 December 2010
Pass	0.61	0.60	1	1
Special mention	0.61	0.60	2	2
Sub-standard	20.09	20.31	100	100
Doubtful	20.09	20.31	100	100
Doubtful of loss	20.09	20.31	100	100

⁽¹⁾ These percentages of allowance for doubtful accounts are average percentages used in setting up allowance for doubtful accounts.

5.5.5 Hire purchase and financial lease receivables

As at 30 June 2011, net receivables of the subsidiaries under hire purchase and financial lease agreements amount to Baht 132,866 million (31 December 2010: Baht 117,133 million) and mostly comprise hire purchase agreements for cars, machine and equipment for business operation. The terms of the agreements are generally between 1 to 7 years and under most agreements interest is charged at a fixed rate as specified in agreements.

(Unit: Million Baht)

	Consolidated financial statements as at 30 June 2011				
	Amounts of installments due under the long-term lease agreements				
	Less than 1 year	1 - 5 years	Over 5 years	Non performing loans	Total
Gross investment in the agreements	47,237	96,375	3,061	3,203	149,876
Less: Deferred revenue*	(6,922)	(8,561)	(78)	(1,284)	(16,845)
Advances received from financial lease receivables	(7)	(155)	(3)	-	(165)
Present value of minimum lease pay from agreements	40,308	87,659	2,980	1,919	132,866
Allowance for doubtful accounts					(1,386)
Net hire purchase and financial lease receivables					131,480

* Net of commissions and direct expenses incurred at the initiation of hire purchase.

(Unaudited but reviewed)

(Unit: Million Baht)

Consolidated financial statements as at 31 December 2010					
Amounts of installments due under the long-term lease agreements					
	Less than 1 year	1 - 5 years	Over 5 years	Non performing loans	Total
Gross investment in the agreements	42,534	84,437	2,318	3,012	132,301
Less: Deferred revenue*	(6,293)	(7,453)	(56)	(1,258)	(15,060)
Advances received from financial lease receivables	(5)	(103)	-	-	(108)
Present value of minimum lease pay from agreements	36,236	76,881	2,262	1,754	117,133
Allowance for doubtful accounts					(1,253)
Net hire purchase and financial lease receivables					115,880

* Net of commissions and direct expenses incurred at the initiation of hire purchase.

5.5.6 Loans to customers of subsidiary companies for which the recognition of interest income has ceased

(Unit: Million Baht)

TISCO Bank	Amounts calculated under BOT's guidelines ⁽²⁾		Amounts calculated under TISCO Bank's policy	
	as at		as at	
	30 June 2011	31 December 2010	30 June 2011	31 December 2010
Loans to customers for which the recognition of interest income has ceased ⁽¹⁾	3,557	3,618	3,873	3,941

⁽¹⁾ These amounts are calculated on an account by account basis.

⁽²⁾ 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 June 2011	31 December 2010
	Hire purchase receivables, financial lease receivables and other loans and receivables for which the recognition of interest income has ceased	279

(Unaudited but reviewed)

5.5.7 Deferred revenue which is presented as a deduction against loans to customers of subsidiaries

(Unit: Million Baht)

Consolidated financial statements
as at

	30 June 2011	31 December 2010
Deferred revenue ⁽¹⁾	17,034	15,248

⁽¹⁾ These amounts included deferred revenue of hire purchase and finance lease contracts which is stated net of commissions and direct expenses incurred at the initiation of hire purchase.

5.5.8 Troubled debt restructuring of a subsidiary company operating banking business

For the six-month periods
ended 30 June

	2011	2010
Debtors restructured during the period:		
Number of debtors restructured by modification of terms (number)	131	257
Loan balances before restructuring (million Baht)	85	162
Loan balances after restructuring (million Baht)	85	162
Loss on troubled debt restructuring (million Baht)	-	-
Average contract period of debt restructuring (years)		
Hire purchase receivables	4	4
Mortgage loan receivables	3	2

Supplemental information for the six-month periods end 30 June 2011 and 2010 relating to the restructured debts is as follows:

For the six-month periods
ended 30 June

	2011	2010
Interest income on restructured receivables (million Baht)	32	31
Receipt of principal and interest (million Baht)	178	208

(Unaudited but reviewed)

As at 30 June 2011 and 31 December 2010, the subsidiary company operating banking business have the outstanding balance with troubled debt restructuring debtors, as follows:

(Unit: Million Baht)

	As at			
	30 June 2011		31 December 2010	
	Number of debts	Outstanding balance	Number of debts	Outstanding balance
The balance of the restructured debts	1,428	1,634	1,289	1,711

5.6 Allowance for doubtful accounts / allowance for loss on debt restructuring

5.6.1 Allowance for doubtful accounts - classified by the receivables classification

(Unit: Thousand Baht)

Consolidated financial statements as at 30 June 2011							
	Pass	Special-mentioned	Sub-Standard	Doubtful	Doubtful of loss	Reserve for counter cyclical business factors*	Total
Balance - beginning of period	934,963	92,619	237,767	88,718	457,130	2,350,825	4,162,022
Increase (decrease) in allowance for doubtful accounts during the period	172,863	5,816	283,983	320,002	40,253	222,730	1,045,647
Bad debt written-off	(603)	(8,006)	(218,874)	(331,051)	(43,958)	-	(602,492)
Balance - end of period	1,107,223	90,429	302,876	77,669	453,425	2,573,555	4,605,177

* 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.

(Unit: Thousand Baht)

Consolidated financial statements as at 31 December 2010							
	Pass	Special-mentioned	Sub-Standard	Doubtful	Doubtful of loss	Reserve for counter cyclical business factors*	Total
Balance - beginning of year	732,736	97,122	229,552	113,804	524,204	727,847	2,425,265
Increase (decrease) in allowance for doubtful accounts during the year	203,127	13,790	334,714	497,205	125,883	1,411,876	2,586,595
Transfer from allowance for declining in value of property foreclosed	-	-	-	-	-	211,125	211,125
Bad debt written-off	(900)	(18,293)	(326,499)	(522,291)	(192,957)	(23)	(1,060,963)
Balance - end of year	934,963	92,619	237,767	88,718	457,130	2,350,825	4,162,022

* 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)

5.6.2 Allowance for doubtful accounts - classified by loan loss provisioning method

(Unit: Thousand Baht)

Consolidated financial statements as at 30 June 2011

	Individual impairment	Collective impairment	Reserve for counter cyclical business factors*	Total
Balance - beginning of period	565,586	1,245,611	2,350,825	4,162,022
Increase (decrease) in allowance for doubtful accounts during the period	101,553	721,364	222,730	1,045,647
Bad debt written-off	(908)	(601,584)	-	(602,492)
Balance - end of period	666,231	1,365,391	2,573,555	4,605,177

* 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.

(Unit: Thousand Baht)

Consolidated financial statements as at 31 December 2010

	Individual impairment	Collective impairment	Reserve for counter cyclical business factors*	Total
Balance - beginning of year	520,672	1,176,746	727,847	2,425,265
Increase (decrease) in allowance for doubtful accounts during the year	84,717	1,090,002	1,411,876	2,586,595
Transfer from allowance for declining in value of property foreclosed	-	-	211,125	211,125
Bad debt written-off	(39,803)	(1,021,137)	(23)	(1,060,963)
Balance - end of year	565,586	1,245,611	2,350,825	4,162,022

* 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.

5.6.3 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 ⁽¹⁾	As at	
	30 June	31 December
	2011	2010
Amount to be provided under BOT's guidelines	1,745	1,485
Amount already recorded by TISCO Bank	4,319	3,859
Amount in excess of the required amount under BOT's guidelines	2,574	2,351

⁽¹⁾ Include allowance for doubtful accounts for credit granted to financial institutions (which is presented as part of interbank and money market items - assets in the statements of financial position).

5.6.4 Non-performing loans of a subsidiary company operating banking business

(Unit: Million Baht)

	As at	
	30 June	31 December
	2011	2010
Non-performing loans	2,555	2,359
Allowance for doubtful accounts	711	655

5.7 Classification of assets

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

(Unit: Million Baht)

	Cost		Fair value		Allowance for possible loss provided in the accounts ⁽¹⁾	
	as at		as at		as at	
	30 June	31 December	30 June	31 December	30 June	31 December
	2011	2010	2011	2010	2011	2010
Debt instruments - debentures ⁽²⁾	1	1	-	-	1	1
Equity instruments - ordinary shares ⁽³⁾	6	6	-	-	6	6

⁽¹⁾ Allowance for possible loss is determined based on the investment cost less collateral value.

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

⁽³⁾ 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.

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

As at 30 June 2011 and 31 December 2010, the quality of the Bank's assets is classified in accordance with the Bank of Thailand's guidelines are as follows:

(Unit: Million Baht)

	Loans and receivables ⁽¹⁾		Investments in securities		Investments in transferred receivables		Property foreclosed		Total	
	30 June	31 December	30 June	31 December	30 June	31 December	30 June	31 December	30 June	31 December
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Pass	171,191	139,279	-	-	-	-	-	-	171,191	139,279
Special mentioned	6,779	6,611	-	-	-	-	-	-	6,779	6,611
Substandard	1,056	788	-	-	-	-	-	-	1,056	788
Doubtful	176	267	-	-	-	-	-	-	176	267
Doubtful of loss	1,323	1,304	93	87	29	23	64	61	1,509	1,475
Total	180,525	148,249	93	87	29	23	64	61	180,711	148,420

⁽¹⁾ Loans and receivable include investment in debt securities under resale agreements of other commercial banks and loan to financial institutions (which presented as part of interbank and money market items-asset in the statement of financial position).

5.7.3 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 account set up ⁽²⁾		as at	
	30 June	31 December	30 June	31 December	30 June	31 December	30 June	31 December
	2011	2010	2011	2010	2011	2010	2011	2010
Hire purchase receivables⁽¹⁾								
Pass	119,441	104,568	119,441	104,568	0.61	0.60	714	610
Special mentioned	6,477	6,360	6,477	6,360	0.61	0.60	56	55
Substandard	997	747	997	747	20.09	20.31	202	157
Doubtful	127	234	127	234	20.09	20.31	27	46
Doubtful of loss	517	479	517	479	20.09	20.31	100	94
Total	127,559	112,388	127,559	112,388			1,099	962

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

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

5.7.4 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 June 2011	31 December 2010	30 June 2011	31 December 2010	30 June 2011	31 December 2010	30 June 2011	31 December 2010
				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 positions to listed companies vulnerable to delisting from the SET	1	1	249	254	145	148	124	127
3. Listed companies under rehabilitation	-	-	-	-	-	-	-	-
4. Companies which have loan settlement problems or have defaulted on payment of debts	2	2	349	349	269	269	80	80
5. Companies whose auditor's report cited going concern issues	3	3	481	506	428	453	53	53
Total	6	6	1,079	1,109	842	870	257	260

5.7.5 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

	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 June 2011	31 December 2010	30 June 2011	31 December 2010	30 June 2011	31 December 2010
Doubtful	1	1	1	1	1	1

(Unit: Million Baht)

(Unaudited but reviewed)

5.7.6 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 June 2011	31 December 2010	30 June 2011	31 December 2010	30 June 2011	31 December 2010
Current	4,156	3,740	108	113	4,048	3,627
Overdue						
1 month	282	274	25	27	257	247
2 - 3 months	333	334	30	33	303	301
4 - 6 months	146	146	60	60	86	86
7 - 12 months	82	92	34	38	48	54
Over 12 months	31	37	13	15	18	22
Debtors under litigation	20	19	15	14	5	5
Total	5,050	4,642	285	300	4,765	4,342

5.8 Investment property

(Unit: Thousand Baht)

	Consolidated	Separate financial
	financial statements	statements
	Building and office	Building and office
	condominium	condominium
Cost:		
31 December 2010	97,699	416,177
Transfer to operating assets	(84,841)	-
30 June 2011	12,858	416,177
Accumulated depreciation:		
31 December 2010	20,700	58,776
Depreciation for the period	1,084	13,383
Transfer from operating assets	-	11,395
Transfer to operating assets	(10,205)	(10,205)
30 June 2011	11,579	73,349
Net book value:		
31 December 2010	76,999	357,401
30 June 2011	1,279	342,828
Depreciation for the six-month periods ended 30 June		
2010	2,663	14,573
2011	1,084	13,383

(Unaudited but reviewed)

5.9 Other assets

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	as at		as at	
	30 June 2011	31 December 2010	30 June 2011	31 December 2010
Receivable from clearing house	35,879	342,549	-	-
Value added tax – net	382,444	353,181	1,390	1,410
Accrued interest receivable	13,312	18,370	-	-
Fee and charges receivable	162,962	171,259	104,271	74,834
Prepaid income tax	27,990	34,690	-	-
Deposits	36,958	34,978	4,075	4,075
Other receivables	267,402	228,758	597	8
Other assets	313,642	310,146	36,364	38,050
Total other assets	1,240,589	1,493,931	146,697	118,377

5.10 Debt issued and borrowings

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	as at		as at	
	30 June 2011	31 December 2010	30 June 2011	31 December 2010
<u>Domestic borrowings</u>				
Subordinated unsecured debentures	6,000,000	6,000,000	-	-
Unsubordinated unsecured debentures	1,000,000	1,000,000	-	-
Bills of exchange	121,268,991	83,773,847	3,336,864	3,345,075
Promissory notes	2,376	2,376	-	-
Total	128,271,367	90,776,223	3,336,864	3,345,075

5.10.1 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 June 2011	31 December 2010		30 June 2011	31 December 2010		
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 million	1,000	1,000	1,000	2020	5.0 percent per annum in the first to tenth years.
2010	TISCO Bank	Subordinated and unsecured long-term debentures	1 million	1 million	1,000	1,000	1,000	2020	4.8 percent per annum in the first to tenth years.
Total						<u>6,000</u>	<u>6,000</u>		

5.10.2 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 June 2011	31 December 2010		30 June 2011	31 December 2010		
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						<u>1,000</u>	<u>1,000</u>		

5.10.3 Bills of exchange

Bills of exchange comprised of the fixed interest rates bearing and float interest rate bearing, which will gradually mature in 2011 to 2014. The interest rates of the fixed interest rates bearing bills of exchange are between 1.05 and 4.00 percent per annum.

5.11 Other liabilities

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	as at		as at	
	30 June 2011	31 December 2010	30 June 2011	31 December 2010
Payable to clearing housing	582,042	18,615	-	-
Withholding income tax and other tax payable	69,544	165,152	7,788	47,571
Accrued insurance premium	329,175	373,622	-	-
Deferred income	440,333	235,537	-	-
Accrued expenses	1,766,521	1,148,128	665,892	436,766
Other liabilities	590,412	743,980	13,258	15,379
Total other liabilities	3,778,027	2,685,034	686,938	499,716

5.12 Capital funds

5.12.1 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, cash liquidity and other in accordance with the regulations of Bank of Thailand or relevant regulatory agencies.

5.12.2 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.

Regarding to Capital fund as of 30 June 2011 and 31 December 2010 under Basel II framework, TISCO 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.

Capital funds of TISCO Bank are as follows:

	(Unit: Thousand Baht)	
	As at	
	30 June 2011	31 December 2010
<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	714,600	614,900
Retained earnings - unappropriated	4,026,712	3,196,595
Less: Deferred tax assets	(1,078,013)	(960,966)
Total Tier I	<u>11,075,273</u>	<u>10,262,503</u>
<u>Tier II</u>		
Subordinated long-term debentures	5,537,636	5,131,251
Reserve for loans classified as pass	743,466	552,695
Add: Excess provision according to IRB	259,040	280,332
Total Tier II	<u>6,540,142</u>	<u>5,964,278</u>
Total capital fund	<u>17,615,415</u>	<u>16,226,781</u>

	As at			
	30 June 2011		31 December 2010	
Capital ratios	TISCO Bank	Requirement	TISCO Bank	Requirement
Tier I capital to risk assets	9.82% ⁽¹⁾	4.25%	11.29% ⁽¹⁾	4.25%
Total capital to risk assets	13.81% ⁽²⁾	8.50%	15.23% ⁽²⁾	8.50%

⁽¹⁾ Before Capital Floor

⁽²⁾ After Capital Floor

5.12.3 To comply with the Notification of the Bank of Thailand No. Sor Nor Sor. 6/2553 regarding "Consolidated Supervision" dated 18 June 2010, the Company has disclosed capital maintenance information of financial business group as at 31 December 2010 on its website on 29 April 2011.

5.13 Surplus (deficit) on changes in the value of investments

(Unit: Thousand Baht)

Consolidated financial statements		
as at		
	30 June 2011	31 December 2010
Balance - beginning of period	439,655	(16,602)
Increase (decrease) from changes in the value of securities during the period	(213,873)	456,257
	225,782	439,655
Less: The effect of deferred tax assets / liabilities	(84,453)	(146,999)
Balance - end of period	141,329	292,656

5.14 Interest income

Interest income in the statements of comprehensive income for the three-month and six-month periods ended 30 June 2011 and 2010 consisted of the following:

(Unit: Thousand Baht)

Consolidated financial statements				
	For the three-month		For the six-month	
	periods ended 30 June		periods ended 30 June	
	2011	2010	2011	2010
Interbank and money market items	92,829	39,619	190,551	84,929
Investments in debt securities	58,952	123,227	127,940	260,466
Loans to customers	803,978	367,312	1,396,532	685,148
Hire purchase and financial lease income	2,054,471	1,761,472	4,007,380	3,467,954
Total interest income	3,010,230	2,291,630	5,722,403	4,498,497

(Unit: Thousand Baht)

Separate financial statements				
	For the three-month		For the six-month	
	periods ended 30 June		periods ended 30 June	
	2011	2010	2011	2010
Interbank and money market items	6,261	1,497	8,931	2,420
Loans to customers	10,858	8,904	19,217	18,540
Total interest income	17,119	10,401	28,148	20,960

5.15 Interest expenses

Interest expenses in the statements of comprehensive income for the three-month and six-month periods ended 30 June 2011 and 2010 consisted of the following:

(Unit: Thousand Baht)

	Consolidated financial statements			
	For the three-month		For the six-month	
	periods ended 30 June		periods ended 30 June	
	2011	2010	2011	2010
Deposits	178,092	223,652	343,401	418,280
Interbank and money market items	71,175	42,903	130,718	86,846
Contribution fee to the Deposit Protection Agency	40,797	73,009	86,525	136,560
Issued debt instruments				
- Subordinated debentures	76,789	58,897	152,734	110,678
- Unsubordinated debentures	10,073	26,716	20,034	64,418
Borrowings	757,813	159,264	1,282,007	339,473
Total interest expenses	1,134,739	584,441	2,015,419	1,156,255

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month		For the six-month	
	periods ended 30 June		periods ended 30 June	
	2011	2010	2011	2010
Interbank and money market items	-	44	-	155
Borrowings	22,948	14,439	38,292	29,805
Total interest expenses	22,948	14,483	38,292	29,960

5.16 Fees and services income - net

Fees and service income in the statements of comprehensive income for the three-month and six-month periods ended 30 June 2011 and 2010 consisted of the following:

(Unit: Thousand Baht)

	Consolidated financial statements			
	For the three-month		For the six-month	
	periods ended 30 June		periods ended 30 June	
	2011	2010	2011	2010
Fees and service income				
- Acceptance, aval and guarantees	6,241	2,159	8,941	4,149
- Insurance service	274,691	177,828	539,265	352,864
- Brokerage fees	155,739	135,067	355,467	265,296
- Fund management	134,359	95,334	275,719	240,749
- Financial advisory fees	9,800	149,581	18,166	157,776
- Others	185,395	151,263	361,785	314,747
Total fees and service income	766,225	711,232	1,559,343	1,335,581
Fees and service expenses				
- Information service expense	15,175	14,666	29,945	32,167
- Others	37,467	31,570	77,786	77,122
Total fees and service expense	52,642	46,236	107,731	109,289
Fees and service income - net	713,583	664,996	1,451,612	1,226,292

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month		For the six-month	
	periods ended 30 June		periods ended 30 June	
	2011	2010	2011	2010
Fees and service income	-	-	-	-
Fees and service expenses				
- Others	2,561	2,156	5,006	3,900
Total fees and service expense	2,561	2,156	5,006	3,900
Fees and service income - net	(2,561)	(2,156)	(5,006)	(3,900)

5.17 Gains (losses) on trading and foreign exchange transactions

Gains (losses) on trading and foreign exchange transactions in the statements of comprehensive income for the three-month and six-month periods ended 30 June 2011 and 2010 consisted of the following:

(Unit: Thousand Baht)

	Consolidated financial statements			
	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	2011	2010	2011	2010
Gains (losses) on trading and foreign exchange transactions				
- Foreign currencies and derivatives on foreign exchange	9,555	(1,478)	13,459	(1,478)
- Derivatives on interest rates	(809)	269	(32,960)	414
- Debt securities	(704)	2,522	5,291	4,518
- Equity securities	(1,526)	6,773	(4,759)	6,040
- Others	(3)	-	(7)	(15)
Total	<u>6,513</u>	<u>8,086</u>	<u>(18,976)</u>	<u>9,479</u>

5.18 Gains on investments

Gains on investments in the statements of comprehensive income for the three-month and six-month periods ended 30 June 2011 and 2010 consisted of the following:

(Unit: Thousand Baht)

	Consolidated financial statements			
	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	2011	2010	2011	2010
Gains (loss) on disposal				
- Available-for-sale securities	55,191	27,352	55,559	28,621
- Held-to-maturity securities	119	(247)	125	(304)
- General investments	2,022	6,590	14,877	26,165
Total	<u>57,332</u>	<u>33,695</u>	<u>70,561</u>	<u>54,482</u>
Loss on impairment				
- General investments	(619)	(2,745)	(617)	(2,188)
Total	<u>(619)</u>	<u>(2,745)</u>	<u>(617)</u>	<u>(2,188)</u>
Gains on investments	<u>56,713</u>	<u>30,950</u>	<u>69,944</u>	<u>52,294</u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	2011	2010	2011	2010
Loss on impairment				
- Investments in subsidiaries	(13)	-	(22)	(24)
Losses on investments	(13)	-	(22)	(24)

5.19 Bad debt, doubtful accounts and impairment loss of debt securities

Bad debt, doubtful accounts and impairment loss of debt securities in the statements of comprehensive income for the three-month and six-month periods ended 30 June 2011 and 2010 consisted of the following:

(Unit: Thousand Baht)

	Consolidated financial statements			
	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	2011	2010	2011	2010
Interbank and money market items	(16,000)	(14,000)	-	-
Held-to-maturity debt securities	2,010	2,717	6,053	5,669
Loans to customers	342,126	431,752	673,641	729,925
Total	328,136	420,469	679,694	735,594

5.20 Other operating income

Other operating income in the statements of comprehensive income for the three-month and six-month periods ended 30 June 2011 and 2010 consisted of the following:

(Unit: Thousand Baht)

	Consolidated financial statements			
	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	2011	2010	2011	2010
Gain on sale of property foreclosed	16,445	132,146	37,450	167,256
Rental income	171	550	389	1,218
Others	14,017	25,104	32,343	39,603
Total	30,633	157,800	70,182	208,077

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	2011	2010	2011	2010
	Rental income	15,637	17,194	30,877
Others	357	136	690	339
Total	15,994	17,330	31,567	34,767

5.21 Other operating expenses

Other operating expenses in the statements of comprehensive income for the three-month and six-month periods ended 30 June 2011 and 2010 consisted of the following:

(Unit: Thousand Baht)

	Consolidated financial statements			
	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	2011	2010	2011	2010
	Mailing expenses	10,942	10,908	24,749
Software amortisation expenses	26,983	23,064	51,537	45,700
Legal expenses	33,355	40,057	65,793	70,730
Transportation expenses	22,595	19,421	46,321	39,653
Others	71,549	64,455	139,740	115,167
Total	165,424	157,905	328,140	293,586

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	2011	2010	2011	2010
	Mailing expenses	72	169	273
Software amortisation expenses	14,285	10,781	27,142	21,352
Transportation expenses	1,459	1,565	2,978	2,737
Others	10,574	10,832	21,589	19,690
Total	26,390	23,347	51,982	43,956

5.22 Income tax expense

Income tax expense of the Company and its subsidiaries for the three-month and six-month periods ended 30 June 2011 and 2010 are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			
	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	2011	2010	2011	2010
Income tax payable on taxable profit for the period	388,959	357,111	798,497	772,957
Add (less): Net increase in deferred tax on temporary differences	(32,633)	(37,197)	(89,303)	(169,780)
Adjustment in respect of income tax expenses of prior year	1,813	957	1,813	(1,696)
Income tax expense	<u>358,139</u>	<u>320,871</u>	<u>711,007</u>	<u>601,481</u>

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	2011	2010	2011	2010
Income tax payable on taxable profit for the period	28,099	26,674	56,119	80,265
Add (less): Net increase in deferred tax on temporary differences	(1,968)	(2,042)	(4,078)	(40,328)
Adjustment in respect of income tax expenses of prior year	108	84	108	84
Income tax expense	<u>26,239</u>	<u>24,716</u>	<u>52,149</u>	<u>40,021</u>

Deferred taxes are recorded directly to shareholders' equity during the three-month and six-month periods ended 30 June 2011 and 2010 as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			
	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	2011	2010	2011	2010
Surplus (deficit) on change in value of investments	41,294	(36,907)	62,546	(62,382)
Loss on changes in fair value of cash flow hedges	(1,160)	(1,575)	(2,320)	(3,553)
Deferred taxes are recorded directly to shareholders' equity	<u>40,134</u>	<u>(38,482)</u>	<u>60,226</u>	<u>(65,935)</u>

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

		(Unit: Thousand Baht)			
		Consolidated financial statements			
		For the three-month periods ended 30 June		For the six-month periods ended 30 June	
		2011	2010	2011	2010
Accounting profit before income tax expenses		1,225,172	1,088,212	2,411,528	2,085,101
Income tax rate of 25% and 30%		375,258	321,296	732,734	615,016
Tax effect of net tax-exempt income and net disallowed expenses		(18,605)	(219)	(22,861)	(1,943)
Utilisation of loss carry forwards		-	(823)	-	(3,176)
Effect of tax rate used for deferred tax		(327)	(340)	(679)	(6,720)
Adjustment in respect of income tax expenses of prior year		1,813	957	1,813	(1,696)
Income tax expense		<u>358,139</u>	<u>320,871</u>	<u>711,007</u>	<u>601,481</u>

		(Unit: Thousand Baht)			
		Separate financial statements			
		For the three-month periods ended 30 June		For the six-month periods ended 30 June	
		2011	2010	2011	2010
Accounting profit before income tax expenses		105,785	100,245	212,268	188,253
Income tax rate of 25% and 30%		26,446	25,061	53,067	47,063
Tax effect of net tax-exempt income and net disallowed expenses		12	(89)	(347)	(406)
Effect of tax rate used for deferred tax		(327)	(340)	(679)	(6,720)
Adjustment in respect of income tax expenses of prior year		108	84	108	84
Income tax expense		<u>26,239</u>	<u>24,716</u>	<u>52,149</u>	<u>40,021</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 statements of comprehensive income for the six-month periods ended	
	30 June	31 December	30 June	30 June
	2011	2010	2011	2010
Allowance for doubtful accounts	852,029	790,476	61,553	224,618
Allowance for impairment of investments	77,356	74,806	2,550	3,004
Allowance for impairment of property foreclosed	98,056	97,923	133	(63,338)
Non-accrual of interest income	192,540	194,903	(2,363)	(4,122)
Depreciation of assets	42,428	39,194	3,234	3,765
Financial leases	10,522	13,910	(3,388)	1,026
Revaluation surplus on investments	(3,961)	(6,133)	-	-
Unrealised gain (loss) on derivatives	9,741	(147)	9,888	(124)
Deferred commissions and direct expenses of incurred at the initiation of hire purchase	(350,358)	(306,473)	(43,885)	(31,627)
Loss on disposal of property foreclosed	14,838	17,202	(2,364)	(8,893)
Deferred income	102,361	67,017	35,344	12,790
Reduction of subsidiaries' share capital	26,794	26,794	-	36,460
Accrued expenses	223,465	223,465	-	-
Employee benefits	44,560	-	2,751	-
Others	41,483	9,566	31,917	4,318
Deferred tax assets	1,381,854	1,242,503	95,370	177,877

(Unaudited but reviewed)

(Unit: Thousand Baht)

Consolidated financial statements				
		Change in deferred tax assets/deferred tax liabilities reported in the statements of comprehensive income for the six-month periods ended		
As at				
30 June	31 December	30 June	30 June	
2011	2010	2011	2010	
Financial leases	104,093	97,211	6,882	24,738
Allowance for doubtful accounts	(408)	(457)	49	19
Loss carried forwards	(75,701)	(74,220)	(1,481)	(18,820)
Allowance for revaluation of other assets	(270)	(270)	-	-
Non-accrual of interest income	(6)	(7)	1	-
Depreciation of assets	(1,211)	(1,593)	382	337
Revaluation surplus on investments	80,492	140,866	-	-
Unrealised losses on cash flow hedges	(489)	(2,809)	-	-
Gain from revaluation of investments in trading securities	6,653	8,081	(1,428)	1,812
Accrued expenses	(8,618)	(8,618)	-	-
Employee benefits	(6,131)	-	(386)	-
Other	211	(1,837)	2,048	11
Deferred tax Liabilities	98,615	156,347	6,067	8,097

(Unit: Thousand Baht)

Separate financial statements				
		Change in deferred tax assets/deferred tax liabilities reported in the statements of comprehensive income for the six-month periods ended		
As at				
30 June	31 December	30 June	30 June	
2011	2010	2011	2010	
Allowance for impairment of investments	27,421	27,416	5	6
Depreciation of assets	20,349	16,591	3,758	3,970
Reduction of subsidiaries' share capital	26,794	26,794	-	36,461
Accrued expenses	96,195	96,195	-	-
Employee benefits	12,320	-	424	-
Other	760	869	(109)	(109)
Deferred tax assets	183,839	167,865	4,078	40,328

5.23 Components of other comprehensive income

(Unit: Thousand Baht)

	Consolidated financial statements			
	For the three-month periods		For the six-month periods	
	ended 30 June		ended 30 June	
	2011	2010	2011	2010
Other comprehensive income				
Gain (loss) on translation adjustment in foreign operations	726	(13)	974	(1,851)
Available-for-sale securities:				
Gain (loss) during the periods	(87,842)	152,301	(158,314)	238,489
Less: Reclassification adjustments for gain included in profit or loss	(55,191)	(27,352)	(55,559)	(28,622)
	(143,033)	124,949	(213,873)	209,867
Cash flow hedges:				
Gain (loss) during the periods	1,121	(2,135)	1,418	(3,837)
Add: Reclassification adjustments for loss included in profit or loss	2,746	7,386	6,315	15,681
	3,867	5,251	7,733	11,844
Other comprehensive income	(138,440)	130,187	(205,166)	219,860
Income tax relating to components of other comprehensive income	40,134	(38,482)	60,226	(65,935)
Other comprehensive income for the periods - net	(98,306)	91,705	(144,940)	153,925

5.24 Income tax effects relating to components of other comprehensive income

(Unit: Thousand Baht)

	Consolidated financial statements					
	For the three-month periods ended 30 June					
	2011			2010		
	Before tax amount	Tax (expense) benefit	Net of tax amount	Before tax amount	Tax (expense) benefit	Net of tax amount
Surplus (deficit) on change in value of investments	(143,033)	41,294	(101,739)	124,949	(36,907)	88,042
Unrealised gain on cash flow hedges	3,867	(1,160)	2,707	5,251	(1,575)	3,676
	(139,166)	40,134	(99,032)	130,200	(38,482)	91,718

(Unaudited but reviewed)

(Unit: Thousand Baht)

Consolidated financial statements						
For the six-month periods ended 30 June						
	2011			2010		
	Before tax amount	Tax (expense) benefit	Net of tax amount	Before tax amount	Tax (expense) benefit	Net of tax amount
Surplus (deficit) on change in value of investments	(213,873)	62,546	(151,327)	209,867	(62,382)	147,485
Unrealised gain on cash flow hedges	7,733	(2,320)	5,413	11,844	(3,553)	8,291
	<u>(206,140)</u>	<u>60,226</u>	<u>(145,914)</u>	<u>221,711</u>	<u>(65,935)</u>	<u>155,776</u>

5.25 Earnings per share

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

(Unit: Thousand Baht)

	Consolidated financial statements			
	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	2011	2010	2011	2010
	Profit for the period attributable to equity holders of the Company (Thousand Baht)	863,197	762,872	1,691,795
Weighted average number of shares (Thousand shares)	727,912	727,486	727,912	727,186
Earnings per share for the periods (Baht/share)	1.19	1.05	2.32	2.03

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	2011	2010	2011	2010
	Profit for the period attributable to equity holders of the Company (Thousand Baht)	79,546	75,529	160,119
Weighted average number of shares (Thousand shares)	727,912	727,486	727,912	727,186
Earnings per share for the periods (Baht/share)	0.11	0.10	0.22	0.20

5.26 Related party transactions

(Unit: Thousand Baht)

	As at 31 December 2010	Increase	Decrease	As at 30 June 2011
<u>Outstanding balance</u>				
(Eliminated in consolidated financial statements)				
Subsidiary companies				
Interbank and money market items (assets):				
TISCO Bank Public Company Limited	393,554	593,161	(683,443)	303,272
Loans:				
Hi-Way Co., Ltd.	1,281,000	143,000	-	1,424,000
Dividend receivable:				
TISCO Bank Public Company Limited	1,019,246	-	(1,019,246)	-
TISCO Securities Co., Ltd.	250,000	-	(250,000)	-
TISCO Asset Management Co., Ltd.	219,998	-	(219,998)	-
Hi-Way Co., Ltd.	99,998	-	(99,998)	-
TISCO Tokyo Leasing Co., Ltd.	-	2,205	(2,205)	-
Other assets:				
TISCO Bank Public Company Limited	74,588	22,302	-	96,890
TISCO Learning Center Co., Ltd.	-	7,784	-	7,784
Borrowings:				
TISCO Leasing Co., Ltd.	118,000	-	(40,000)	78,000
Interest payable:				
TISCO Leasing Co., Ltd.	16	121	-	137
Other liabilities:				
TISCO Bank Public Company Limited	2,344	-	-	2,344
TISCO Securities Co., Ltd.	7,036	-	-	7,036
TISCO Information Technology Co., Ltd.	3,823	-	-	3,823
TISCO Learning Center Co., Ltd.	-	115	-	115

(Unaudited but reviewed)

	Separate financial statements				(Unit: Thousand Baht)
	For the three-month periods ended 30 June		For the six-month periods ended 30 June		Terms and pricing policy (For the period 2011)
	2011	2010	2011	2010	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	
Transactions occurred during the three-month and six-month periods ended 30 June					
(Eliminated in consolidated financial statements)					
Subsidiary companies					
Risk and financial management fee income, human resources management fee income and office administration fee income	390,327	359,525	742,737	698,525	Determined on the basis of market price and/or in compliance with the criteria specified by the Bank of Thailand
Interest income	17,084	10,401	28,083	20,960	With reference to the terms and prices as offered to other customers
Rental income	15,412	13,135	28,615	26,202	With reference to the terms and prices as offered to other customers
Computer system advisory services expenses	34,250	33,500	68,500	67,000	Determined on the basis of market price and/or in compliance with the criteria specified by the Bank of Thailand
Interest expenses	3,298	-	4,396	21	With reference to the terms and prices as offered to other customers
Training expenses	1,378	-	1,418	-	With reference to the prices as offered from other service provider

Loans to management-level employees (departmental manager upward)

(Unit: Thousand Baht)

	Consolidated financial statements as at	
	30 June 2011	31 December 2010
Loans	145	196

Liabilities payable to directors and management

(Unit: Thousand Baht)

	Consolidated financial statements as at 30 June 2011
Deposits	84,070
Debt issued and borrowings	48,574

Besides the above transactions, the Company has additional related party transaction with its subsidiary, which is presented in Note 6.2 to the financial statements.

Directors and management's remuneration

For the three-month and six-month periods ended 30 June 2011, the Company and its subsidiaries paid directors and management's remuneration totaling Baht 49 million and Baht 94 million, respectively. (The company only: Baht 32 million and Baht 61 million, respectively.) This is composed of monthly remuneration, meeting allowances, salaries, provident fund contributions.

In addition, the Company and its subsidiaries recorded directors' and management's post-employment benefit expenses for the three-month and six-month periods ended 30 June 2011 totaling Baht 1.1 million and Baht 2.2 million, respectively. (The Company only: Baht 0.7 million and Baht 1.4 million, respectively.)

5.27 Financial information by segment

5.27.1 Financial position and results of operations classified by domestic and foreign operations, are as follow:

(Unit: Million Baht)

	Consolidated financial statements			
	30 June 2011			
	Domestic operations	Foreign operations	Elimination	Total
Total assets	216,300	56	(17,935)	198,421
Interbank and money market items (assets)	17,750	56	(924)	16,882
Investments - net	4,421	-	-	4,421
Loans to customers and accrued interest receivables - net	172,325	-	(1,802)	170,523
Deposits	35,111	-	(93)	35,018
Interbank and money market items (liabilities)	14,105	-	(727)	13,378
Debt issued and borrowings	130,177	-	(1,906)	128,271

(Unaudited but reviewed)

(Unit: Million Baht)

Consolidated financial statements				
31 December 2010				
	Domestic	Foreign		
	operations	operations	Elimination	Total
Total assets	190,630	58	(19,280)	171,408
Interbank and money market items (assets)	13,559	56	(1,070)	12,545
Investments - net	6,484	-	(3)	6,481
Loans to customers and accrued interest				
receivables - net	147,203	-	(1,499)	145,704
Deposits	48,606	-	(73)	48,533
Interbank and money market items (liabilities)	11,513	-	(670)	10,843
Debt issued and borrowings	92,602	-	(1,826)	90,776

(Unit: Million Baht)

Consolidated financial statements				
For the three-month period ended				
30 June 2011				
	Domestic	Foreign		
	operations	operations	Elimination	Total
Interest income	3,033	-	(23)	3,010
Interest expenses	(1,157)	-	22	(1,135)
Interest income - net	1,876	-	(1)	1,875
Net fee and service income	818	-	(104)	714
Other operating income	761	-	(451)	310
Total operating income	3,455	-	(556)	2,899
Other operating expenses	(1,857)	(2)	513	(1,346)
Bad debt, doubtful accounts and impairment				
loss of debt securities	(328)	-	-	(328)
Income tax expense	(358)	-	-	(358)
Non-controlling interest	-	-	(4)	(4)
Profit for the period - equity holders				
of the Company	912	(2)	(47)	863

(Unaudited but reviewed)

(Unit: Million Baht)

Consolidated financial statements

For the six-month period ended

30 June 2011

	Domestic operations	Foreign operations	Elimination	Total
Interest income	5,758	-	(36)	5,722
Interest expenses	(2,051)	-	36	(2,015)
Interest income - net	3,707	-	-	3,707
Net fee and service income	1,646	-	(194)	1,452
Other operating income	1,352	-	(839)	513
Total operating income	6,705	-	(1,033)	5,672
Other operating expenses	(3,551)	(2)	972	(2,581)
Bad debt, doubtful accounts and impairment loss of debt securities	(680)	-	-	(680)
Income tax expense	(711)	-	-	(711)
Non-controlling interest	-	-	(8)	(8)
Profit for the period - equity holders of the Company	1,763	(2)	(69)	1,692

(Unit: Million Baht)

Consolidated financial statements

For the three-month period ended

30 June 2010

	Domestic operations	Foreign operations	Elimination	Total
Interest income	2,302	-	(11)	2,291
Interest expenses	(596)	-	12	(584)
Interest income - net	1,706	-	1	1,707
Net fee and service income	751	-	(86)	665
Other operating income	681	-	(374)	307
Total operating income	3,138	-	(459)	2,679
Other operating expenses	(1,631)	(2)	463	(1,170)
Bad debt, doubtful accounts and impairment loss of debt securities	(419)	-	(2)	(421)
Income tax expense	(321)	-	-	(321)
Non-controlling interest	-	-	(4)	(4)
Profit for the period - equity holders of the Company	767	(2)	(2)	763

(Unaudited but reviewed)

(Unit: Million Baht)

Consolidated financial statements				
For the six-month period ended				
30 June 2010				
	Domestic operations	Foreign operations	Elimination	Total
Interest income	4,519	-	(21)	4,498
Interest expenses	(1,179)	-	23	(1,156)
Interest income - net	3,340	-	2	3,342
Net fee and service income	1,399	-	(173)	1,226
Other operating income	1,251	-	(725)	526
Total operating income	5,990	-	(896)	5,094
Other operating expenses	(3,176)	(2)	904	(2,274)
Bad debt, doubtful accounts and impairment loss of debt securities	(734)	-	(2)	(736)
Income tax expense	(601)	-	-	(601)
Non-controlling interest	-	-	(8)	(8)
Profit for the period - equity holders of the Company	1,479	(2)	(2)	1,475

5.27.2 Financial positions and results of operation classified by business type

(Unit: Million Baht)

As at										
	Bank business/financial									
	service business		Securities business		Other business		Elimination		Total	
	30 June 2011	31 December 2010	30 June 2011	31 December 2010	30 June 2011	31 December 2010	30 June 2011	31 December 2010	30 June 2011	31 December 2010
Total assets	194,769	167,177	3,567	4,187	18,020	19,324	(17,935)	(19,280)	198,421	171,408
Interbank and money										
market items (assets)	16,787	12,478	623	706	396	431	(924)	(1,070)	16,882	12,545
Investment - net	3,280	4,972	1,141	1,512	-	-	-	(3)	4,421	6,481
Loans to customers and										
accrued interest										
receivable - net	170,901	145,922	-	-	1,424	1,281	(1,802)	(1,499)	170,523	145,704
Deposits	35,111	48,606	-	-	-	-	(93)	(73)	35,018	48,533
Interbank and money										
market items										
(liabilities)	14,105	11,513	-	-	-	-	(727)	(670)	13,378	10,843
Debt issued and										
borrowings	126,840	89,257	-	-	3,337	3,345	(1,906)	(1,826)	128,271	90,776

(Unaudited but reviewed)

(Unit: Million Baht)

For the three-month periods ended 30 June

	Bank business/financial									
	service business		Securities business		Other business		Elimination		Total	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Interest income	3,002	2,288	13	4	18	10	(23)	(11)	3,010	2,291
Interest expenses	(1,128)	(579)	(6)	(3)	(23)	(14)	22	12	(1,135)	(584)
Interest income - net	1,874	1,709	7	1	(5)	(4)	(1)	1	1,875	1,707
Net fee and service expense	412	274	305	393	101	84	(104)	(86)	714	665
Other operating income	303	266	52	38	406	377	(451)	(374)	310	307
Total operating income	2,589	2,249	364	432	502	457	(556)	(459)	2,899	2,679
Other operating expenses	(1,211)	(1,048)	(260)	(235)	(388)	(350)	513	463	(1,346)	(1,170)
Bad debt, doubtful accounts and impairment loss of										
debt securities	(328)	(419)	-	-	-	-	-	(2)	(328)	(421)
Income tax expense	(299)	(235)	(32)	(60)	(27)	(26)	-	-	(358)	(321)
Non-controlling interest	-	-	-	-	-	-	(4)	(4)	(4)	(4)
Profit for the period - equity holders of the Company	751	547	72	137	87	81	(47)	(2)	863	763

(Unit: Million Baht)

For the six-month periods ended 30 June

	Bank business/financial									
	service business		Securities business		Other business		Elimination		Total	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Interest income	5,705	4,488	24	10	29	21	(36)	(21)	5,722	4,498
Interest expenses	(2,003)	(1,144)	(10)	(5)	(38)	(30)	36	23	(2,015)	(1,156)
Interest income - net	3,702	3,344	14	5	(9)	(9)	-	2	3,707	3,342
Net fee and service expense	787	576	670	654	189	169	(194)	(173)	1,452	1,226
Other operating income	508	467	67	49	777	735	(839)	(725)	513	526
Total operating income	4,997	4,387	751	708	957	895	(1,033)	(896)	5,672	5,094
Other operating expenses	(2,322)	(2,045)	(504)	(442)	(727)	(691)	972	904	(2,581)	(2,274)
Bad debt, doubtful accounts and impairment loss of										
debt securities	(680)	(734)	-	-	-	-	-	(2)	(680)	(736)
Income tax expense	(582)	(479)	(73)	(81)	(56)	(41)	-	-	(711)	(601)
Non-controlling interest	-	-	-	-	-	-	(8)	(8)	(8)	(8)
Profit for the period - equity holders of the Company	1,413	1,129	174	185	174	163	(69)	(2)	1,692	1,475

5.28 Commitments and contingent liabilities

5.28.1 Avals, guarantees and commitments

(Unit: Thousand Baht)

Consolidated financial statements
as at

	30 June 2011	31 December 2010
Avals	134,664	194,136
Other guarantees	4,353,157	888,386
Undrawn client overdraft facilities	31,344	33,273
Interest rate swap agreements (Note 5.29.5)	3,455,630	626,491
Cross currency swap agreements (Note 5.29.5)	7,917,352	180,908
	<u>15,892,147</u>	<u>1,923,194</u>

5.28.2 Litigation

As at 30 June 2011, the subsidiary has been sued for compensation totaling approximately Baht 170 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 184 million as at 30 June 2011). 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.

5.28.3 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 June 2011, future minimum lease payments required under these non-cancellable operating leases contracts were as follows:

Payable within:	<u>Million Baht</u>
Less than 1 year	70
1 to 5 years	69
More than 5 years	1

5.29 Financial instruments

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

5.29.1 Credit risk

TISCO Group is exposed to credit risk primarily with respect to loans to customers and 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 statements of financial position.

Quality of risk from provision of hire purchase receivables of 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 is as follows:

(Unit: Million Baht)

	As at	
	30 June 2011	31 December 2010
Neither past due nor impaired		
Very high grade	77,295	70,228
High grade	36,905	30,510
Medium grade	5,241	3,830
Sub total	119,441	104,568
Hire purchase receivables - overdue 31 - 90 days	6,477	6,360
Hire purchase receivables - overdue more than 90 days	1,641	1,460
Total	127,559	112,388

5.29.2 Market risk

5.29.2.1 Market risk - Marketable portfolio

The following table shows the VaR calculation for marketable portfolio position at the financial statements date. The VaR that the Group measures is an estimate, using a confidence level of 99%, of 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 June 2011	31 December 2010
Marketable financial assets		
Equity securities	546	443
Debts securities	18	24
Foreign currencies	7	7

5.29.2.2 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 financial statements date. In making such assessment, changes in interest rates are applied prospectively and normal increases in assets and liabilities are not taken into account as presented below.

	(Unit: Million Baht)	
	Increase (decrease) in sensitivity of net interest income	
	as at	
	30 June 2011	31 December 2010
Change in interest rate		
Increase 1 percent	(493.16)	(268.42)
Decrease 1 percent	493.16	268.42

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.

5.29.2.3 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 June 2011				
Outstanding balances of financial instruments				
<u>Transactions</u>	<u>Floating interest rate</u>	<u>Fixed interest rate</u>	<u>Without interest</u>	<u>Total</u>
<u>Financial assets</u>				
Cash	-	-	849	849
Interbank and money market items	99	16,160	623	16,882
Derivatives assets	-	-	5	5
Investments - net	-	2,749	1,672	4,421
Loans to customers ⁽¹⁾	9,838	163,522	1,768	175,128
Securities and derivatives business receivables	-	-	1,436	1,436
Receivables to clearing house	-	-	36	36
	<u>9,937</u>	<u>182,431</u>	<u>6,389</u>	<u>198,757</u>
<u>Financial liabilities</u>				
Deposits	19,980	14,853	185	35,018
Interbank and money market items	1,800	11,574	4	13,378
Liabilities payable on demand	-	-	590	590
Derivatives liabilities	-	-	128	128
Debt issued and borrowings	-	128,271	-	128,271
Securities and derivatives business payables	-	-	883	883
Payable to clearing house	-	-	582	582
	<u>21,780</u>	<u>154,698</u>	<u>2,372</u>	<u>178,850</u>

⁽¹⁾ The outstanding balances of loans to customers which have floating rates and fixed interest rates include loans on which interest recognition has been ceased.

(Unaudited but reviewed)

(Unit: Million Baht)

Separate financial statements

as at 30 June 2011

<u>Transactions</u>	Outstanding balances of financial instruments			
	Floating interest rate	Fixed interest rate	Without interest	Total
Financial assets				
Interbank and money market items	4	299	-	303
Investments in subsidiaries - net	-	-	15,021	15,021
Loans to customers ⁽¹⁾	-	1,424	-	1,424
	<u>4</u>	<u>1,723</u>	<u>15,021</u>	<u>16,748</u>
Financial liabilities				
Debt issued and borrowings	-	3,337	-	3,337
	<u>-</u>	<u>3,337</u>	<u>-</u>	<u>3,337</u>

⁽¹⁾ The outstanding balances of loans to customers which have floating rates and fixed interest rates include loans on which interest recognition has been ceased.

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

(Unit: Million Baht)

<u>Transactions</u>	Consolidated financial statements as at 30 June 2011						
	Repricing or maturity date					Total	Interest rates (%)
	At call	0 - 3 months	3 - 12 months	1 - 5 years	Over 5 years		
Financial assets							
Interbank and money market items	80	12,272	3,808	-	-	16,160	2.2093
Investments - net	24	41	712	1,969	3	2,749	5.8902
Loans to customers	10,680	17,478	33,434	98,420	3,510	163,522	6.8717
	<u>10,784</u>	<u>29,791</u>	<u>37,954</u>	<u>100,389</u>	<u>3,513</u>	<u>182,431</u>	
Financial liabilities							
Deposits	645	11,377	2,526	305	-	14,853	2.8632
Interbank and money market items	1,161	6,153	1,558	2,702	-	11,574	3.1454
Debt issued and borrowings	1,541	97,500	16,903	6,327	6,000	128,271	3.0895
	<u>3,347</u>	<u>115,030</u>	<u>20,987</u>	<u>9,334</u>	<u>6,000</u>	<u>154,698</u>	

(Unit: Million Baht)

Separate financial statements as at 30 June 2011

Transactions	Repricing or maturity date					Total	Interest rates (%)
	At call	0 - 3 months	3 - 12 months	1 - 5 years	Over 5 years		
Financial assets							
Interbank and money market items	299	-	-	-	-	299	2.2500
Loans to customers	1,424	-	-	-	-	1,424	3.2500
	<u>1,723</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,723</u>	
Financial liabilities							
Debt issued and borrowings	-	3,325	12	-	-	3,337	3.1860
	<u>-</u>	<u>3,325</u>	<u>12</u>	<u>-</u>	<u>-</u>	<u>3,337</u>	

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

5.29.3 Liquidity risk

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

Liquidity risk management framework

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

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

Additionally, the subsidiary operating banking business has set stress testing scenarios for liquidity risk where the scenarios are cover the subsidiary's specific scenario and Industry Based scenario which cause unusual cash outflow from the subsidiary.

The main sources of fund came from deposit and bill of exchange. In the past, there is high rollover rate for both matured deposit and bill of exchange. Besides, the subsidiary also issued subordinated debenture as part of source of fund. On the use of fund, the majority of funds are used in lending business while a proportion of fund is maintained as liquidity reserve assets as cushion against liquidity risk. Moreover, the subsidiary provide credit line to other companies under TISCO Financial Group to support liquidity position if required.

5.29.3.1 Remaining contractual maturity of liabilities.

(Unit: Million Baht)

	As at 30 June 2011			
	Remaining days			Total
	Less than 3 months	3 - 12 months	More than 1 year	
Liabilities	139,995	20,825	15,102	175,922

The matured liabilities, both deposit and bill of exchange, are generally rollover with 90% average rollover rate. By taking into account high rollover rate, the cash outflow at maturity will be lower than those presented by contractual maturity. On the other hand, the liabilities with remaining maturity less than three months comprised current deposit and saving deposit. Both current deposit and saving deposit are considered to be more stable than term deposit or bill of exchange in term of cash outflow.

5.29.3.2 Volume and composition of highly liquid assets, and internal ratio.

	(Unit: Million Baht)
	As at
	30 June 2011
Composition of highly liquid assets	
Cash	849
Interbank and money market - net	16,673
Investments - net	1,608
Total liquid assets ⁽¹⁾	19,130
Liquid asset requirement ⁽¹⁾	2,121

⁽¹⁾ Highly liquid assets and liquid asset requirement are based on internal measurement.

The subsidiary operating banking business has a policy in maintaining the highly liquid assets higher than internal liquid asset requirement. As of 30 June 2011, the subsidiary has highly liquid assets at Baht 19,130 million, which higher than internal liquid asset requirement of Baht 2,121 million. In addition of liquid assets, the subsidiary has contingency credit line, operating cash inflow from business, and available credit line from other financial institutions which is available to support uncertain liquidity requirement.

5.29.3.3 Counting from the financial statement date, as at 30 June 2011, the period to the maturity dates of financial instruments are as follows:

(Unit: Million Baht)

Consolidated financial statements as at 30 June 2011								
Transactions	At call	0 - 3 Months	3 - 12 months	1 - 5 years	Over 5 years	Unspecified	Non	Total
							performing Loans*	
Financial assets								
Cash	849	-	-	-	-	-	-	849
Interbank and money market items	801	12,272	3,809	-	-	-	-	16,882
Derivatives assets	-	-	1	3	1	-	-	5
Investments - net	24	41	712	1,969	3	1,672	-	4,421
Loans to customers	13,809	17,108	34,185	100,708	5,482	-	3,836	175,128
Securities and derivative business								
receivables	-	1,436	-	-	-	-	-	1,436
Receivable from clearing house	-	36	-	-	-	-	-	36
	<u>15,483</u>	<u>30,893</u>	<u>38,707</u>	<u>102,680</u>	<u>5,486</u>	<u>1,672</u>	<u>3,836</u>	<u>198,757</u>
Financial liabilities								
Deposits	20,810	11,377	2,526	305	-	-	-	35,018
Interbank and money market items	1,283	6,351	2,051	3,693	-	-	-	13,378
Liabilities payable on demand	590	-	-	-	-	-	-	590
Derivatives liabilities	-	-	93	35	-	-	-	128
Debt issued and borrowings	1,540	97,500	16,904	6,327	6,000	-	-	128,271
Securities and derivative business								
payables	-	883	-	-	-	-	-	883
Payable to clearing house	-	582	-	-	-	-	-	582
	<u>24,223</u>	<u>116,693</u>	<u>21,574</u>	<u>10,360</u>	<u>6,000</u>	<u>-</u>	<u>-</u>	<u>178,850</u>
Contingent liabilities								
Aval to bills and guarantees of loans	12	344	65	-	-	4,067	-	4,488
Other commitments	-	109	3,628	7,636	-	31	-	11,404

* Non performing loan according to the BOT's guidelines.

(Unit: Million Baht)

Separate financial statements as at 30 June 2011								
Transactions	At call	0 - 3 Months	3 - 12 months	1 - 5 years	Over 5 years	Unspecified	Non	Total
							performing Loans*	
Financial assets								
Interbank and money market items	303	-	-	-	-	-	-	303
Investment in subsidiaries - net	-	-	-	-	-	15,021	-	15,021
Loans to customers	1,424	-	-	-	-	-	-	1,424
	<u>1,727</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,021</u>	<u>-</u>	<u>16,748</u>
Financial liabilities								
Debt issued and borrowings	-	3,325	12	-	-	-	-	3,337
	<u>-</u>	<u>3,325</u>	<u>12</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,337</u>

* Non performing loan according to the BOT's guidelines.

5.29.4 Foreign exchange risk

The status of the subsidiaries' foreign currency balances as at 30 June 2011 are as follows:

TISCO Bank Public Company Limited

- a) Investment in a subsidiary company indirectly owned by the Company amounting to HKD 20 million (under the cost method net allowance for impairment equivalent to Baht 48 million).
- b) Investment in foreign debt securities held by the subsidiary operating banking business amounting to USD 6 million (amortised cost amounting to Baht 196 million), of which entered into cross currency swap agreements to hedge risk on the whole amount, as mentioned in Note 5.29.5 to the financial statements.
- c) Loans in foreign currency amounting to USD 100 million (equivalent to Baht 3,075 million as at 30 June 2011), of which entered into cross currency swap agreements to hedge risk on the whole amount, as mentioned in Note 5.29.5 to the financial statements.
- d) Certificates of deposit in foreign currency amounting to CNY 800 million (equivalent to Baht 3,812 million as at 30 June 2011), of which entered to cross currency swap agreement to hedge risk on whole amount, as mentions in Note 5.29.5 to the financial statements.

TISCO Tokyo Leasing Company Limited

- e) Borrowing in foreign country amounting to USD 27 million (amortised cost amounting to Baht 836 million), of which entered into cross currency swap agreements to hedge risk on the whole amount, as mentioned in Note 5.29.5 to the financial statements.

5.29.5 Derivatives

The subsidiaries have a policy to enter into transactions involving financial derivative instruments, for trading and hedging risks.

As at 30 June 2011, 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 assets and liabilities, as follows:

(Unit: Million Baht)

Maturity	Notional amount	Fair value gain (loss)
2012	300	1
2016	3,032	(33)

a.2) Cross currency swap agreement

The subsidiary operating banking business entered into cross currency swap agreements to manage the risk associated with certificates of deposit in foreign currency, investments in foreign debt securities, and loans in foreign currency, as follows:

(Unit: Million Baht)

Maturity	Number of contracts	Notional amount	Fair value gain (loss)
2012	5	6,906	(92)
2013	4	184	2

The subsidiary operating leasing business entered into cross currency swap agreements to manage the risk associated with its interest-bearing financial liabilities, as follows:

(Unit: Million Baht)

Maturity	Number of contracts	Notional amount	Fair value gain (loss)
2014	4	651	(1)
2016	1	76	1
2019	1	100	1

(Unaudited but reviewed)

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, which are presented below:

(Unit: Million Baht)

Maturity	Notional amount	Fair value gain (loss)
2011	45	(1)
2012	79	(1)

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

(Unit: Million Baht)

	Less than 1 year	1 - 4 years
Interest expenses	2	-

The net loss on cash flow hedges transferred from shareholders' equity to the income statement for the three-month and six-month periods ended 30 June 2011 and 2010, which arose from interest payment under interest rate swap contracts used to hedge cash flows are as follows:

(Unit: Million Baht)

	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	2011	2010	2011	2010
Interest expenses	3	7	6	16

5.29.6 Fair value of financial instruments

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

(Unit: Million Baht)

<u>Transactions</u>	As at			
	30 June 2011		31 December 2010	
	<u>Book value</u>	<u>Fair value</u>	<u>Book value</u>	<u>Fair value</u>
<u>Financial assets</u>				
Cash	849	849	903	903
Interbank and money market items - net	16,882	16,882	12,545	12,545
Investments - net	4,421	4,421	6,481	6,481
Loans to customers and accrued interest receivable - net	170,523	174,885	145,704	150,881
Receivable from clearing house	36	36	343	343
<u>Financial liabilities</u>				
Deposits	35,018	35,018	48,536	48,536
Interbank and money market items - net	13,378	13,378	10,843	10,843
Liabilities payable on demand	590	590	532	532
Debt issued and borrowings	128,271	127,006	90,774	90,861
Securities and derivative business payables	886	886	1,611	1,611
Payable to clearing house	582	582	19	19

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, after adjusting for loan loss reserve.

6. Significant events during the period and other information

6.1 Registration of the establishment of a subsidiary company

A resolution passed by the Executive Board of TISCO Financial Group Public Company Limited No.10/2010, on 18 November 2010, approved the incorporation of TISCO Learning Center Company Limited, with a registered share capital of Baht 5 million (50,000 ordinary shares of Baht 100 each) and the Company to hold 100% of shares. On 1 February 2011, the Company registered the establishment of this company with the Ministry of Commerce.

A resolution passed by the Board of TISCO Securities Company Limited No.2/2011, on 28 February 2011, approved the incorporation of TISCO Investment Advisory Company Limited, with a registered share capital of Baht 1 million (10,000 ordinary shares of Baht 100 each) and the Company to hold 100% of shares. On 18 March 2011, the Company registered the establishment of this company with the Ministry of Commerce.

6.2 Holding restructuring of the subsidiary

On 21 April 2011, the 2011 Annual General Meeting of Shareholders of the Company passed approved the acquisition of TISCO Leasing Company Limited from TISCO Bank Public Company Limited at a price equal to the book value as at 31 December 2010, net of the dividend payments made from the retained earnings of TISCO Leasing Company Limited up to the end of the year 2010. In this regard, the Company purchased investment in those company form TISCO Bank Public Company Limited and already paid amounting of Baht 137 million on 27 June 2011.

6.3 Change in the Company's registered capital

On 21 April 2011, the 2011 Annual General Meeting of Shareholders of the Company passed approved an amendment item No.4 "registered capital" in the Company's memorandum of association, to accord with the Company's fully paid-up registered capital. The Company's issued and fully paid-up registered capital is Baht 11,002 million, which consists of 727,912,086 ordinary shares of Baht 10 each and 372,287,914 preference shares of Baht 10 each. On 26 June 2011, the Company registered the amendment with the Ministry of Commerce.

(Unaudited but reviewed)

6.4 Dividend payment

	<u>Approved by</u>	<u>Dividend per share</u>		<u>Amounts of dividend paid</u>	<u>Dividend payment period</u>
		<u>Preference share</u>	<u>Ordinary share</u>		
		(Baht per share)	(Baht per share)	(Million Baht)	
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>	
Annual dividends for 2010	The 2011 Annual General Meeting of the Shareholders on 21 April 2011	2.25	2.25	1,638	May 2011
Total dividend payment in year 2011				<u>1,638</u>	

7. Reclassification

The Company has reclassified certain amounts in the financial statements as at 31 December 2010 and for the three-month and six-month periods ended 30 June 2010 to conform to the current period's classifications, which are in accordance with the format stipulated by the BOT under its Notification No. Sor Nor Sor. 11/2553 regarding "Preparation and Announcement of Financial Statements of Commercial Banks and Parent Companies of Financial Holding Groups", which is effective for fiscal years beginning on or after 1 January 2011, and comply with new accounting standards, as mentioned in Note 2 to the financial statements. These reclassifications have no effect to previously reported profit and shareholders' equity. Reclassifications are as follows:

(Unit: Million Baht)

	As at 31 December 2010			
	Consolidated		Separate	
	financial statements		financial statements	
	After	As previously	After	As previously
reclassification	report	reclassification	report	
Statements of financial position				
Derivatives assets	13	-	-	-
Investments - net	6,481	6,481	-	14,879
Investments in subsidiaries - net	-	-	14,879	-
Receivable from clearing house	-	343	-	-
Loans to customers and accrued interest				
receivables - net	145,704	146,997	1,281	1,281
Investment property	77	-	357	-
Land, premises and equipment - net	1,390	1,467	349	706
Intangible assets - net	244	-	100	-
Securities and derivative business receivable	1,293	-	-	-
Other assets	1,494	1,408	119	219
Derivatives liabilities	9	-	-	-
Payable to clearing house	-	18	-	-
Deferred tax liabilities	156	-	-	-
Accrued expense	-	1,148	-	437
Other liabilities	2,685	1,684	500	63
Other components of shareholders' equity	1,049	-	-	-
Adjustment from business combination of				
entities under common control under holding				
restructuring plan	-	679	-	-
Revaluation surplus on investments	-	293	-	-
Unrealised losses on cash flow hedges	-	(7)	-	-
Translation adjustment	-	81	-	-
Non-controlling interest	81	-	-	-
Non controlling interest - equity attributable to				
minority shareholders of subsidiaries	-	84	-	-

(Unaudited but reviewed)

(Unit: Million Baht)

For the three-month period ended 30 June 2010

	Consolidated		Separate	
	financial statements		financial statements	
	After	As previously	After	As previously
	reclassification	report	reclassification	report
Statements of comprehensive income				
Interest income	2,292	-	10	-
Interest and dividend income	-	2,301	-	10
Interest expense	584	511	14	14
Fee and service income	711	584	-	360
Brokerage fees	-	135	-	-
Fee and service expense	48	-	4	-
Gains on trading and foreign exchange transactions	8	-	-	-
Loss on exchange	-	1	-	-
Gain on investments	31	38	-	-
Dividend income	9	-	-	-
Penalty fee income from loans	46	-	-	-
Income from business promotion relating to the business	55	-	-	-
Intercompany supporting fee income	-	-	360	-
Other operating income	158	-	17	-
Other income	-	258	-	17
Other operating expense	1,168	-	269	-
Non-interest expense	-	1,296	-	273
Bad debts, doubtful accounts and impairment loss of debt securities	420	-	-	-
Bad debts and doubtful accounts	-	418	-	-

(Unaudited but reviewed)

(Unit: Million Baht)

For the six-month period ended 30 June 2010

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	After	As previously	After	As previously
	reclassification	report	reclassification	report
Statements of comprehensive income				
Interest income	4,498	-	21	-
Interest and dividend income	-	4,556	-	22
Interest expense	1,156	1,019	30	30
Fee and service income	1,336	1,077	-	698
Brokerage fees	-	265	-	-
Fee and service expense	109	-	4	-
Gains on trading and foreign exchange transactions	9	-	-	-
Loss on exchange	-	1	-	-
Gain on investments	52	57	-	-
Dividend income	58	-	1	-
Penalty fee income from loans	93	-	-	-
Income from business promotion relating to the business	105	-	-	-
Intercompany supporting fee income	-	-	699	-
Other operating income	208	-	35	-
Other income	-	406	-	35
Other operating expense	2,274	-	534	-
Non-interest expense	-	2,527	-	537
Bad debts, doubtful accounts and impairment loss of debt securities	736	-	-	-
Bad debts and doubtful accounts	-	730	-	-

8. Approval of interim financial statements

These interim financial statements were approved by the Company's Audit Committee on 8 August 2011.