

## Management Discussion and Analysis For the Second Quarter ended June 30, 2008

(This report discusses principal changes in the unreviewed consolidated financial statement for the second quarter ended June 30, 2008)

### Movement of Money Market and Capital Market

In the second quarter of 2008, global economy was continually affected by U.S. sub-prime crisis. The U.S. Federal Reserve lowered its policy rate 1 more time from 2.25% at the end of the first quarter of 2008 to 2.00% as of 30 June, 2008. However, Bank of Thailand (BoT) still maintained its policy rate (Repo 1-day) at 3.25% under declining domestic purchasing power in line with economic condition and lowered Gross Domestic Product environment. Meanwhile, average 1-year fixed deposit rates of commercial banks picked up from 2.40% at the end of the first quarter to 2.95% at the end of this quarter.

The SET index declined by 48.44 points from March 2008, closed at 768.59 points. The investor's confidence, especially in foreign investor sector, was affected by factors from People's Alliance for Democracy (PAD) gathering, consequence from U.S. sub-prime crisis, and crude oil price on the NYMEX. However, the average daily turnover increased by 1,113.08 million baht to 19,959.32 million baht.

**The Management Discussion and Analysis compares operating performance for the second quarter of 2008 with those of the second quarter of 2007. Meanwhile, financial position is a comparison between the financial positions as of June 30, 2008 and March 31, 2008.**

### Operating Results

In the second quarter of 2008, the Bank and its subsidiaries recorded net profit of 501.28 million baht, increased by 63.50 million baht (14.5% YoY) contributed by an increase in interest and divided income of 22.1% following strong expansion in corporate and retail lending businesses of 18.0% together with an improvement in loan spread from 3.3% to 3.9%. Non-interest income increased by 42.6% following growth in fee income from core business of 25.3%. The increase in fee income was mainly contributed by growth in fee income from bancassurance business of 37.1%, continual growth in advisory and underwriting fee from investment banking business of 167.0%, and growth in asset management fee from asset management business of 4.2%. Furthermore, the

increase of non-interest income was contributed by growth in brokerage income of 22.7% and substantial increase in gain from investment.

As for performance of the first half of 2008, the Bank and its subsidiaries reported a net profit of 930.37 million baht increased by 136.75 million baht or 17.2% compared with the net profit for the first half of 2007 amounting 793.63 million baht. Net interest and dividend income was increased by 29.4% following strong expansion in corporate and retail lending businesses together with an improvement in loan spread from 3.2% to 4.0%. In addition, non-interest income increased by 282.81 million baht (27.9% YoY) as contributed by an increase in fee income from bancassurance business of 75.89 million baht (44.2% YoY), brokerage fee of 45.31 million baht (18.1% YoY), following improved capital market condition in comparison to the first half of 2007. Also, the increase in non-interest income was contributed by an increase in fee income from financial advisory service of 26.51 million baht (207.4% YoY).

Diluted earnings per share for the second quarter and the first half of 2008 were 0.62 baht and 1.15 baht respectively compared with those in the same period in 2007 of 0.54 baht and 0.96 baht respectively. The average return on equity (ROAE) for the second and the first half of 2008 were 16.9% and 15.7% respectively comparing with those in the same period in 2007 of 14.2% and 13.0% respectively.

### **Net Interest and Dividend Income**

Net interest and dividend income for the second quarter was 1,079.97 million baht, increased by 195.29 million baht (22.1% YoY), interest and dividend income was 1,878.13 million baht, decreased by 4.20 million baht (0.2% YoY). Meanwhile, interest expense decreased by 199.48 million baht (20.0% YoY).

Comparing on year-on-year basis, the Bank was able to widen loan spread from 3.3% to 3.9% as the Bank has well-managed its asset and liabilities mix in line with change in interest rate environment. The Bank has pursued the strategy to penetrate in high-yield loan segments under prudent risk management. Meanwhile, cost of fund declined following an increase in retail deposit base through various deposit products corresponding to client's needs with growth in deposits and short-term borrowings of 9.2% .

The Bank and its subsidiaries reported net interest and dividend income after bad debts and doubtful account of 803.02 million baht, increased by 4.05 million baht (0.5% YoY). Bad debts and doubtful account was 276.94 million baht, which is considered normal level in supporting future loan growth, compared to 85.71 million baht YoY. In the second quarter of 2007, the Bank recorded bad debts and doubtful accounts at lower-than-normal level due to excess reserve in relative to

required reserve by the Bank of Thailand. Net interest and dividend income to total income ratio was 44.4%, down from 57.2% YoY.

### **Non-interest Income**

Non-interest income for the second quarter of 2008 was 729.29 million baht, increased by 218.03 million baht (42.6% YoY), mainly as a result of an increase in brokerage fee of 29.73 million baht (22.7% YoY), and trading gain from securities investment of 77.65 million baht (210.9% YoY). In addition, fee and service income increased by 72.42 million baht (25.3% YoY) as mainly contributed by higher fee income from bancassurance business of 33.65 million baht (37.1% YoY), higher fee income from financial advisory service of 13.46 million baht (167.0% YoY), and higher fee income from asset management business of 4.63 million baht (4.2% YoY).

### **Non-interest Expenses**

Non-interest expenses for this quarter were 859.70 million baht, increased by 146.62 million baht (20.6% YoY). The increase was due to higher personnel expenses associated with higher income, and premises and equipment expenses from the investment in information technology and infrastructure in supporting increased business volume and service coverage.

### **Corporate Income Tax**

In the second quarter of 2008, the corporate income tax was 171.33 million baht, equivalent to the effective tax rate of 25.5%, compared to 26.7% YoY.

## **Financial Status**

### **Assets**

The Bank and its subsidiaries' total assets as of June 30, 2008 were 109,876.76 million baht, increased by 859.63 million baht (0.8% QoQ) following strong loan growth from 90,261.34 million baht to 95,267.76 million baht (5.5% QoQ).

### **Liabilities**

Total liabilities as of June 30, 2008 were 98,564.84 million baht, increased by 2,151.76 million baht (2.2% QoQ) following an increase in deposit and short-term borrowing of 1,284.54 million baht (1.5% QoQ).

### **Shareholders' Equity**

Shareholder's equity as of June 30, 2008 were 11,311.93 million baht, decreased by 1,292.13 million baht (10.3% QoQ) as the Bank paid annual dividends at 2.80 baht per preferred share and 1.80 baht per common share in May 2008. Total dividend payment was 1,494.12 million baht with dividend payout ratio of 90.5 resulting in unappropriated retained earnings of 3,105.74 million baht decreasing from 4,095.53 million baht (24.2% QoQ). Book value per share (BVPS) as of June 30, 2008 was 15.54 baht, down from 17.31 baht (QoQ). In the second quarter of 2008, the Bank had paid-up shares amounting 728.16 million shares, comprising 544.62 million common shares and 183.54 million preference shares.

## **Business Segment Performance**

### **(1) Banking Business**

#### **Loans**

Total consolidated loans and receivables were 95,267.76 million baht, up by 5,006.42 million baht (5.5% QoQ), following growth in corporate and retail loan. The composition of loan portfolio was 76.5% of retail loans, 18.4% of corporate loans, and 5.1% of other loans.

**Retail lending** portfolio consisted of 97.5% car, motorcycle, and other hire purchase and 2.5% mortgage loans. The outstanding hire purchase loans equaled 71,063.22 million baht, rose by 3,319.32 million baht (4.9% QoQ). Car hire purchase new business volume amounted 10,611.56 million baht, increased by 2,455.86 million baht (30.1% YoY). The domestic car sales in the first 5 months of 2008 reported at 270,175 units increased from 239,292 units (12.9% YoY), resulting in car penetration rate of 10.0%, comparing with average penetration rate of 9.4% in 2007.

**Corporate lending** portfolio of the Bank and its subsidiaries totaled 17,510.86 million baht, up by 1,197.55 million baht (7.3% QoQ), mainly due to an increase in loans to public utilities and services, real estate and construction industry, and agricultural and mining.

#### **Deposit and Short-Term Borrowings**

Total deposit and short-term borrowings totaled 85,172.90 million baht, increased by 1,284.54 million baht (1.5% QoQ). The portion of saving accounts and current accounts contributed to 6.7% of total deposits and short-term borrowings, decreased from 13.1% (QoQ).

#### **Loans to Deposits and Short-term Borrowings Ratio**

The loans to deposits and short-term borrowings ratio increased from 111.9% to 107.6% (QoQ) as a result of active fund raising in support of future loan growth.

### **Non-Performing Loans (NPLs) and Loan Loss Provision**

As of June 30, 2008, non-performing loans (NPLs) to total loans ratio was 4.1%, which considered at the same level as previous quarter at 4.0% (QoQ). Meanwhile, the NPL to total retail loans and NPL to total commercial loans were 2.5% and 7.6% respectively, in which the entire commercial NPL amount was occurred during the economic crisis. NPLs of the Bank and its subsidiaries were 3,957.28 million baht (Bank's NPLs was 3,451.00 million baht and subsidiaries' NPLs was 506.27 million baht), increased by 317.12 million bath (8.7% QoQ) which is considered normal following strong loan growth.

The Bank and its subsidiaries' allowance for doubtful accounts and revaluation allowance for debt restructured totaled 2,887.78 million baht, the ratio of the allowance to NPLs was 73.0%. The Bank's allowance was 2,574.63 million baht, consisting of specific reserve of 2,296.85 million baht and general reserve of 277.78 million baht. The Bank's allowance exceeded the minimum requirement of the Bank of Thailand (BoT), which was 2,228.56 million baht.

### **(2) Securities Business**

At the end of the second quarter, the SET index ended at 768.59 points, decreased from 817.03 points at the end of the first quarter, with average daily turnover of 19,959.32 million baht, increased from 15,112.76 million baht (YoY) following more active investment climate as supported by local and foreign investors.

Average daily turnover of TISCO Securities Co., Ltd. was 1,103.68 million baht, increased from 909.75 million baht (YoY). Average market share decreased from 2.98% to 2.73% (YoY), mainly due to a decrease in market share of local institutional investor sector from 5.58% to 4.77% as overall institutional investors had lower trading volume comparing to total trading volume in the market. In addition, the majority of TISCO's client emphasized on long-term investment and seldom traded on regular basis. However, TISCO's market share was continuously improved over this quarter, ending at 3.21% in June 2008. In terms of revenue, brokerage commission income increased to 160.99 million baht from 131.26 million baht (YoY). Meanwhile, TISCO brokerage volume comprised of 33.6% of foreign institutions, 18.0% of local institutions, and 48.3% of retail customers.

Fee income from investment banking business continuously improved since the second quarter of 2007 after realigning business strategy to be in line with current capital market situation. Investment banking fee significantly increased by 13.46 million baht to 21.52 million baht YoY.

### **(3) Asset Management Business**

Fee income from asset management totaled 115.27 million baht, increased by 4.63 million baht (4.2% YoY). The asset management fee comprised of basic fee of 117.66 million baht, increased by 10.88 million baht (10.2% QoQ) in line with growing asset under management and a reverse of performance and incentive fee which is relating to stock market condition of 0.36 million baht. As of 30 June, 2008, TISCO Asset Management Co., Ltd. had assets under management of 113,535.61 million baht, increased by 1,255.80 million baht (1.1% QoQ). The composition of total asset under management was 56.7% of provident fund, 27.0% of private fund, and 16.3% of mutual fund. In this quarter, there were 100 new corporate clients joined TISCO pooled funds. In addition, mutual fund business successfully launched Foreign Investment Funds (FIF), which were well-responded from investors. Those FIFs were TISCO Korean Bond Fund #2 and TISCO Asia Pacific ex Japan Trigger 15%#2.

Total market share of TISCO Asset Management Co., Ltd. as of May 31, 2008 was 5.6%, ranking 8<sup>th</sup> in the market. Provident fund business has stepped up to be the 1<sup>st</sup> in the market since January 2008 onwards with market share of 14.2%. The market share of private fund was 17.6%, ranking 2<sup>nd</sup> in the market. For mutual fund, the market share was 1.3%, ranking 16<sup>th</sup> in the market which was up from 17<sup>th</sup> ranking in December 2007 with market share of 0.9% following aggressive business strategy.

In addition, TISCO Asset Management has been well-known for exceptional fund performance, particularly equity funds i.e. TISCO Equity Dividend Fund and TISCO Equity Growth Fund, which had year-to-date fund performance ranked 1<sup>st</sup> and 3<sup>rd</sup> among Top 10 Equity fund performance as of 31 May, 2008, respectively. TISCO also had an outstanding fund performance in flexible fund i.e. TISCO Flexible Fund, TISCO Extra Return Fund#6, and TISCO Balanced Growth Fund, which had year-to-date fund performance ranked 3<sup>rd</sup>, 8<sup>th</sup>, and 10<sup>th</sup> among Top 10 Flexible fund performance as of 30 April, 2008, respectively. Additionally, TISCO was very successful with an FIF, TISCO Asia Pacific ex Japan Trigger 15%, which was able to reach target within 3 months.

## Risk Management

In the second quarter of 2008, the integrated risk capital mainly comprising of credit risk capital stood at 9,100.70 million Baht, increasing by 1,543.08 million baht or 20.42% owing to loan growth as well as the shift up of market yield curve during the quarter. However, the capital surplus remained strong at 20.96% compared with total capital of 11,311.93 million baht, reflecting a continuously robust capital position to support future business expansion.

Additionally, the credit risk capital rose by 438.32 million baht to 4,750.52 million baht following the expansion of loan portfolio especially hire purchase business which increased by 3,319.33 million baht or 4.9% to 71,063.22 million baht, while its NPL also increased from 2.0% in the first quarter to 2.3% of hire purchase loan. As for market risk capital, increased to 3,539.92 million baht, as the overall interest rate risk increased primarily resulting from the hike of market yield curve as well as higher volatilities of interest rates.

In terms of regulatory capital requirement of the Bank of Thailand and the Securities and Exchange Commission, the capital level was still in strong position and sufficient to support future asset growth. With strong loan growth of 5.6% (QoQ) and a decrease of capital fund resulting from an unrealized loss in investment for the first half of year 2008, the capital adequacy ratio (BIS ratio) stood at 10.20% with Tier-I capital adequacy ratio stood at 10.44%. Nevertheless, the ratios remained higher than the 8.50% and 4.25% required by the Bank of Thailand. Meanwhile, the net capital rule (NCR) of TISCO Securities Co., Ltd. remained strong at 127.06%, greatly higher than the minimum required ratio by the SEC of 7.00%.

## The Progress on Holding Company Restructuring Plan

The Shareholders' Meeting approved the company restructuring plan on April 25, 2008 as detailed below;

- 1) The 2008 Annual Shareholders' Meeting was called on April 25, 2008 to approve holding company restructuring, the disposition of shares in subsidiaries, and the listing of Holding Company on the Stock Exchange of Thailand with  $\frac{3}{4}$  vote of shareholders who attend the meeting and have the right to vote. The meeting approved the captioned issue with the vote of the shareholders who attend the meeting and had the right to vote for 97.48 percent.
- 2) The Shareholders' Extra-Ordinary General Meeting No.1/2008 was called on April 25, 2008 to approve the delisting of TISCO Bank from the Stock Exchange of Thailand in

accordance with the holding company restructuring plan whereby Holding Company will list its shares on the Stock Exchange of Thailand in place of shares of TISCO Bank with  $\frac{3}{4}$  vote of total paid-up shares with no objection by more than 10 percent of total paid-up shares. The meeting approved the captioned issue with the vote of 81.56 percent of total paid-up shares with no objection from any shareholder.

In the restructuring process, TISCO Bank was in process of setting up financial group under Holding Company Restructuring plan in accordance with the Financial Institution Act which is going to be effective in August 2008. The new Financial Group to be set up will differ from the previous plan in that TISCO Global Securities Limited will no longer be part of the Financial Group as the company is currently in the liquidation process.



**Table 1: Consolidated Revenue Structure**

Type of Revenue	2Q08		2Q07		% Change
	Amount (Bt. million)	%	Amount (Bt. Million)	%	
Interest and dividend income					
Interest on loans	273.00	15.1	310.66	22.3	(12.1)
Interest on interbank and money market items.	82.96	4.6	198.55	14.2	(58.2)
Hire purchase and financial lease income	1,412.62	78.1	1,260.23	90.3	12.1
Investments	109.56	6.1	112.89	8.1	(2.9)
<b>Total interest and dividend income</b>	<b>1,878.13</b>	<b>103.8</b>	<b>1,882.33</b>	<b>134.8</b>	<b>(0.2)</b>
Interest expenses	(798.17)	(44.1)	(997.65)	(71.5)	(20.0)
<b>Net interest and dividend income</b>	<b>1,079.97</b>	<b>59.7</b>	<b>884.68</b>	<b>63.4</b>	<b>22.1</b>
Non-interest income					
Brokerage Fees	160.99	8.9	131.26	9.4	22.7
Gain on securities	114.48	6.3	36.82	2.6	210.9
Fees and services income	358.92	19.8	286.50	20.5	25.3
Others	94.91	5.2	56.68	4.1	67.5
<b>Total non-interest income</b>	<b>729.29</b>	<b>40.3</b>	<b>511.26</b>	<b>36.6</b>	<b>42.6</b>
<b>Total income before bad debts and doubtful accounts</b>	<b>1,809.26</b>	<b>100.0</b>	<b>1,395.94</b>	<b>100.0</b>	<b>29.6</b>
Bad debt and doubtful accounts	(276.94)		(85.71)		223.1
Bad debt written back revenue	0.00		0.00		0.0
<b>Total income – net of bad debts and doubtful accounts</b>	<b>1,532.31</b>		<b>1,310.23</b>		<b>17.0</b>
Non-interest expenses	(859.70)		(713.08)		20.6
<b>Profit before income tax and minority interest</b>	<b>672.61</b>		<b>597.15</b>		<b>12.6</b>
Corporate income tax	(171.33)		(159.36)		7.5
Minority interest in net earnings in subsidiary company	0.00		0.00		0.0
<b>Net Profit</b>	<b>501.28</b>		<b>437.79</b>		<b>14.5</b>

**Table2: Interest Spread**

%	2Q08	1Q08	2Q07
Yield on Loans	7.3	7.5	7.6
Cost of fund	3.4	3.5	4.3
<b>Loan spread</b>	<b>3.9</b>	<b>4.0</b>	<b>3.3</b>

**Table 3: Assets Breakdown**

Assets	June 30, 2008		March 31, 2008		% Change
	Amount (Bt. million)	%	Amount (Bt. million)	%	
Cash	399.82	0.4	359.33	0.3	11.3
Interbank and Money Market Items	5,148.66	4.7	8,799.49	8.1	(41.5)
Securities purchased under resale agreements	0.00	0.0	0.00	0.0	0.0
Fixed income	3,800.40	3.5	3,669.50	3.4	3.6
Equity	2,963.73	2.7	3,626.54	3.3	(18.3)
Corporate Loans	17,510.86	15.9	16,313.31	15.0	7.3
Retail Loans	72,861.01	66.3	69,569.07	63.8	4.7
Other Loans	4,895.89	4.5	4,378.96	4.0	11.8
Allowance for doubtful accounts and for loss on debt restructuring	(2,887.78)	(2.6)	(2,892.73)	(2.7)	(0.2)
Other Assets	<b>5,184.18</b>	<b>4.7</b>	<b>5,193.67</b>	<b>4.8</b>	<b>(0.2)</b>
<b>Total – The Bank and Subsidiaries</b>	<b>109,876.76</b>	<b>100.0</b>	<b>109,017.13</b>	<b>100.0</b>	<b>0.8</b>

**Table 4: Liabilities Breakdown by Area**

Type of Borrowings	June 30, 2008		March 31, 2008		% Change
	Amount (Bt. million)	%	Amount (Bt. million)	%	
Deposits and short-term borrowings	85,172.90	86.4	83,888.36	87.0	1.5
Interbank and money market items	5,130.60	5.2	3,897.26	4.0	31.6
Long-term borrowings	4,425.09	4.5	4,692.43	4.9	(5.7)
Others	3,836.25	3.9	3,935.04	4.1	(2.5)
<b>Total – The Bank and Subsidiaries</b>	<b>98,564.84</b>	<b>100.0</b>	<b>96,413.08</b>	<b>100.0</b>	<b>2.2</b>

**Table 5: Loans and Receivables Breakdown**

Type of Business	June 30, 2008		March 31, 2008		% Change
	Amount (Bt. million)	%	Amount (Bt. million)	%	
Manufacturing and commerce	7,206.25	7.6	7,457.01	8.3	(3.4)
Real estate and construction	7,243.51	7.6	5,482.92	6.1	32.1
Public utilities and services	2,948.06	3.1	3,260.08	3.6	(9.6)
Agriculture and mining	113.04	0.1	113.29	0.1	(0.2)
<b>Commercial Lending</b>	<b>17,510.86</b>	<b>18.4</b>	<b>16,313.31</b>	<b>18.1</b>	<b>7.3</b>
Hire purchase	71,063.22	74.6	67,743.89	75.1	4.9
Housing	1,797.79	1.9	1,825.17	2.0	(1.5)
<b>Retail Lending</b>	<b>72,861.01</b>	<b>76.5</b>	<b>69,569.07</b>	<b>77.1</b>	<b>4.7</b>
<i>Others</i>	4,895.89	5.1	4,378.96	4.9	11.8
<b>Total – The Bank and Subsidiaries</b>	<b>95,267.76</b>	<b>100.0</b>	<b>90,261.34</b>	<b>100.0</b>	<b>5.5</b>

**Table 6: Deposits Structure**

Type of Deposits	June 30, 2008		March 31, 2008		% Change
	Amount (Bt. million)	%	Amount (Bt. million)	%	
Current accounts	2,775.64	3.3	6,662.65	7.9	(58.3)
Saving accounts	2,896.38	3.4	4,355.95	5.2	(33.5)
Fixed accounts	4,148.61	4.9	4,214.25	5.0	(1.6)
Certificates of deposit/negotiable certificates of deposit	26,278.38	30.9	45,049.10	53.7	(41.7)
Promissory notes and Bill of exchange	596.89	0.7	1,364.67	1.6	(56.3)
<b>Total deposits</b>	<b>36,695.90</b>	<b>43.1</b>	<b>61,646.62</b>	<b>73.5</b>	<b>(40.5)</b>
<b>Short-term borrowings</b>	<b>48,477.01</b>	<b>56.9</b>	<b>22,241.75</b>	<b>26.5</b>	<b>118.0</b>
<b>Total</b>	<b>85,172.90</b>	<b>100.0</b>	<b>83,888.36</b>	<b>100.0</b>	<b>1.5</b>

**Table 7: NPL Breakdown by Area**

Type of Business	June 30, 2008			March 31, 2008			% Change
	% NPL	Amount (Bt. million)	%	% NPL	Amount (Bt. million)	%	
Manufacturing and commerce	7.5	538.10	13.6	6.0	449.40	12.3	19.7
Real estate and construction	10.0	722.55	18.3	12.6	692.36	19.0	4.4
Public utilities and services	2.1	60.96	1.5	0.8	26.25	0.7	132.3
Agriculture and mining	1.0	1.14	0.0	0.0	0.00	0.0	0.0
<b>Commercial Lending</b>	<b>7.6</b>	<b>1,322.74</b>	<b>33.4</b>	<b>7.2</b>	<b>1,168.01</b>	<b>32.1</b>	<b>13.2</b>
Hire purchase	2.3	1,625.47	41.1	2.0	1,336.93	36.7	21.6
Housing	12.1	217.90	5.5	11.6	211.14	5.8	3.2
<b>Retail Lending</b>	<b>2.5</b>	<b>1,843.37</b>	<b>46.6</b>	<b>2.2</b>	<b>1,548.07</b>	<b>42.5</b>	<b>19.1</b>
<b>Others</b>	<b>13.7</b>	<b>791.17</b>	<b>20.0</b>	<b>18.6</b>	<b>924.08</b>	<b>25.4</b>	<b>(14.4)</b>
<b>Total – The Bank and Subsidiaries</b>	<b>4.1</b>	<b>3,957.28</b>	<b>100.0</b>	<b>4.0</b>	<b>3,640.16</b>	<b>100.0</b>	<b>8.7</b>

**Table 8: Assets under Management Breakdown by Type of Fund**

Type of Fund	June 30, 2008		March 31, 2008		% Change
	Amount (Bt. million)	%	Amount (Bt. million)	%	
Provident Fund	64,366.96	56.7	64,394.25	57.4	(0.0)
Private Fund	30,647.09	27.0	31,659.59	28.2	(3.2)
Mutual Fund	18,521.56	16.3	16,225.97	14.5	<b>14.1</b>
<b>Total</b>	<b>113,535.61</b>	<b>100.0</b>	<b>112,279.81</b>	<b>100.0</b>	<b>1.1</b>

**Table 9: Average Duration Mismatch of Assets and Liabilities and Its Impact**

Type of Fund	Duration (years)		1-Y Net interest income change to 1% interest rate increase (MB)	
	2Q08	1Q08	2Q08	1Q08
	Assets	1.41	1.38	348.42
Liabilities	0.36	0.49	(648.77)	(514.73)
Net Gap	1.05	0.89	(300.35)	(144.69)

Note : \* Exclude saving and current account