

TISCO Financial Group Public Company Limited
and its subsidiaries
Report and interim financial statements
For the three-month and six-month period ended
30 June 2010

Review Report of Independent Auditor

To the Shareholders of TISCO Financial Group Public Company Limited

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

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

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

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

The consolidated statements of income, changes in shareholders' equity and cash flows of TISCO Financial Group Public Company Limited and its subsidiaries, and the separate financial statements of TISCO Financial Group Public Company Limited for the three-month and six-month periods ended 30 June 2009, as presented herein for comparative purposes, formed an integral part of the interim financial statements which were reviewed by the aforementioned auditor who reported, under his report those dated 7 August 2009, that nothing had come to his attention that caused him to believe that those financial statements were not presented fairly, in all material respects, in accordance with generally accepted accounting principles.

Rungnapa Lertsuwankul
Certified Public Accountant (Thailand) No. 3516

Ernst & Young Office Limited
Bangkok: 9 August 2010

TISCO Financial Group Public Company Limited and its subsidiaries

Balance sheets

As at 30 June 2010 and 31 December 2009

(Unit: Thousand Baht)

Note	Consolidated financial statements		Separate financial statements	
	30 June 2010	31 December 2009	30 June 2010	31 December 2009
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets				
Cash	654,874	826,526	50	50
Interbank and money market items				
Domestic				
Interest bearing	7,433,206	10,452,308	176,391	426,405
Non-interest bearing	591,160	2,191,310	-	-
Foreign				
Interest bearing	62,383	64,626	-	-
Total interbank and money market items - net	8,086,749	12,708,244	176,391	426,405
Investments	3.2, 3.3, 3.6			
Current investment - net	3,957,977	2,628,125	-	-
Long-term investment - net	4,727,107	6,809,822	-	-
Investment in subsidiaries - net	-	-	14,883,407	15,369,421
Net investments	8,685,084	9,437,947	14,883,407	15,369,421
Receivable from clearing house	103,635	139,725	-	-
Loans, receivables and accrued interest receivable	3.4, 3.6			
Loans and receivables	128,001,427	113,232,977	1,442,000	1,475,000
Securities and derivatives business receivables	1,291,954	1,016,339	-	-
Total loans and receivables	129,293,381	114,249,316	1,442,000	1,475,000
Accrued interest receivable	111,722	116,857	-	-
Total loans, receivables and accrued interest receivable	129,405,103	114,366,173	1,442,000	1,475,000
Less: Allowance for doubtful accounts	3.5.1, 3.5.2	(3,154,032)	(2,425,265)	-
Less: Allowance for loss on debt restructuring		(18)	(18)	-
Net loans, receivables and accrued interest receivable		126,251,053	111,940,890	1,442,000
Property foreclosed - net		19,769	49,171	-
Land, premises and equipment - net		1,504,341	1,558,671	713,641
Deferred tax assets	3.15	844,229	696,617	126,465
Other assets	3.7	1,326,459	1,446,564	184,966
Total assets		147,476,193	138,804,355	17,526,920
				18,810,601

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

TISCO Financial Group Public Company Limited and its subsidiaries

Balance sheets (continued)

As at 30 June 2010 and 31 December 2009

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 June 2010	31 December 2009	30 June 2010	31 December 2009
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity				
Deposits in Baht	66,771,756	56,808,483	-	-
Interbank and money market items				
Domestic - Interest bearing	6,752,234	6,380,216	10,000	210,000
Liability payable on demand	494,480	345,170	-	-
Borrowings	3.8			
Short-term borrowings	47,239,653	53,698,939	3,391,037	3,989,392
Long-term borrowings	8,275,973	5,429,750	-	-
Total borrowings	55,515,626	59,128,689	3,391,037	3,989,392
Payable to clearing house	429,696	192,815	-	-
Securities and derivative business payables	957,722	958,532	-	-
Accrued interest payable	234,125	263,482	12,460	9,062
Other liabilities	3.9	3,068,302	548,113	296,598
Total liabilities	134,223,941	126,285,639	3,961,610	4,505,052

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

TISCO Financial Group Public Company Limited and its subsidiaries

Balance sheets (continued)

As at 30 June 2010 and 31 December 2009

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2010 (Unaudited but reviewed)	31 December 2009 (Audited)	30 June 2010 (Unaudited but reviewed)	31 December 2009 (Audited)
Shareholders' equity					
Share capital					
Registered		11,002,000	11,002,000	11,002,000	11,002,000
Issued and fully paid-up - registered	4.1				
53,558 preference shares of Baht 10 each (31 December 2009: 698,558 preference shares of Baht 10 each)		535	6,986	535	6,986
727,774,984 ordinary shares of Baht 10 each (31 December 2009: 726,165,221 ordinary shares of Baht 10 each)		7,277,750	7,261,652	7,277,750	7,261,652
		7,278,285	7,268,638	7,278,285	7,268,638
Issued and fully paid-up - awaiting to register					
31 December 2009: 9,208 ordinary shares of Baht 10 each		-	92	-	92
Share premium					
Share premium of preference shares		-	-	471	6,147
Share premium of ordinary shares		-	-	6,012,255	6,002,126
		-	-	6,012,726	6,008,273
		7,278,285	7,268,730	13,291,011	13,277,003
Adjustment from business combination of entities					
under common control under holding restructuring plan	4.1	676,748	672,295	-	-
Revaluation surplus (deficit) on investments	3.11	109,692	(37,793)	-	-
Unrealised losses on cash flow hedges		(13,633)	(21,924)	-	-
Translation adjustment		84,590	86,441	-	-
Retained earnings					
Appropriated-statutory reserve		119,800	119,800	119,800	119,800
Unappropriated		4,915,119	4,342,447	154,499	908,746
Equity attributable to the Company's shareholders		13,170,601	12,429,996	13,565,310	14,305,549
Non-controlling interest - equity attributable to					
minority shareholders of subsidiaries		81,651	88,720	-	-
Total shareholders' equity		13,252,252	12,518,716	13,565,310	14,305,549
Total liabilities and shareholders' equity					
		147,476,193	138,804,355	17,526,920	18,810,601
Off-balance sheet items - contingencies					
	3.19				
Aval to bills and guarantees of loans		95,420	21,651	-	-
Other commitments		2,114,941	2,482,668	-	-

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

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

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

(Unaudited but reviewed)

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

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

	Consolidated financial statements		Separate financial statements	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Interest and dividend income				
Loans	367,312	321,000	8,904	-
Interbank and money market items	39,619	33,944	1,497	1,386
Hire purchase and financial lease income	1,761,472	1,582,573	-	-
Investments	132,491	170,408	-	1,389,535
Total interest and dividend income	2,300,894	2,107,925	10,401	1,390,921
Interest expenses				
Deposits	223,652	287,308	-	-
Interbank and money market items	42,633	48,163	44	27,767
Short-term borrowings	171,660	216,355	14,439	2,312
Long-term borrowings	73,217	72,025	-	-
Total interest expenses	511,162	623,851	14,483	30,079
Net interest and dividend income	1,789,732	1,484,074	(4,082)	1,360,842
Bad debt and doubtful accounts	(417,752)	(353,651)	-	-
Net interest and dividend income after bad debt and doubtful accounts	1,371,980	1,130,423	(4,082)	1,360,842
Non-interest income				
Brokerage fees	135,067	159,117	-	-
Gain (loss) on investments	37,527	1,730	-	(31,582)
Loss on derivatives	-	(7)	-	-
Fees and service income				
Acceptances, aval and guarantees	2,159	2,145	-	-
Insurance services	175,127	139,510	-	-
Fund management	95,334	181,999	-	-
Financial advisory fee	149,581	2,371	-	-
Supporting services	-	-	359,525	301,500
Others	161,247	140,970	82	364
Gain (loss) on exchange	(1,478)	761	-	-
Other income	258,070	89,163	17,248	15,599
Total non-interest income	1,012,634	717,759	376,855	285,881
Total net income	2,384,614	1,848,182	372,773	1,646,723

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

(Unaudited but reviewed)

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

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

	Note	Consolidated financial statements		Separate financial statements	
		2010	2009	2010	2009
Non-interest expenses					
Personnel expenses		726,974	553,786	190,584	146,247
Premises and equipment expenses		171,689	176,990	62,207	26,894
Taxes and duties		36,551	31,281	2	1,151
Fees and service expenses		96,281	72,416	2,365	1,287
Directors' remuneration		1,960	1,845	1,960	1,845
Other expenses		262,947	286,265	15,410	7,169
Total non-interest expenses		1,296,402	1,122,583	272,528	184,593
Income before income tax		1,088,212	725,599	100,245	1,462,130
Income tax expenses		(320,871)	(219,274)	(24,716)	(18,099)
Net income for the period		767,341	506,325	75,529	1,444,031
Net income attributable to					
Equity holders of the parent		762,872	502,147	75,529	1,444,031
Non-controlling interest of the subsidiaries		4,469	4,178		
		767,341	506,325		
Earnings per share					
	3.16				
Basic earnings per share					
Net income attributable to equity holders of the parent		1.05	0.63	0.10	1.93

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

(Unaudited but reviewed)

TISCO Financial Group Public Company Limited and its subsidiaries

Income statements

For the six-month periods ended 30 June 2010 and 2009

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

	Note	Consolidated financial statements		Separate financial statements	
		2010	2009	2010	2009
Interest and dividend income					
Loans		685,148	638,215	18,540	-
Interbank and money market items		84,929	102,623	2,420	1,600
Hire purchase and financial lease income		3,467,954	3,138,229	-	-
Investments		318,294	303,895	1,470	1,391,005
Total interest and dividend income		4,556,325	4,182,962	22,430	1,392,605
Interest expenses					
Deposits		418,280	694,259	-	-
Interbank and money market items		91,114	100,193	155	59,007
Short-term borrowings		372,593	518,366	29,805	3,299
Long-term borrowings		137,294	140,972	-	-
Total interest expenses		1,019,281	1,453,790	29,960	62,306
Net interest and dividend income		3,537,044	2,729,172	(7,530)	1,330,299
Bad debts and doubtful accounts		(729,926)	(646,590)	-	-
Net interest and dividend income after bad debts and doubtful accounts		2,807,118	2,082,582	(7,530)	1,330,299
Non-interest income					
Brokerage fees		265,296	226,493	-	-
Gain (loss) on investments	3.12	57,183	(3,428)	(24)	(31,582)
Loss on derivatives		(15)	(83)	-	-
Fees and service income					
Acceptances, aval and guarantees		4,149	3,458	-	-
Insurance services		369,797	297,924	-	-
Fund management		240,749	279,005	-	-
Financial advisory fee		156,706	6,620	-	-
Supporting services	3.17	-	-	698,525	603,000
Others		306,313	261,747	227	535
Gain (loss) on exchange		(1,478)	9,198	-	-
Other income	3.13	406,033	164,505	34,540	28,975
Total non-interest income		1,804,733	1,245,439	733,268	600,928
Total net income		4,611,851	3,328,021	725,738	1,931,227

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

(Unaudited but reviewed)

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

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

	Note	Consolidated financial statements		Separate financial statements	
		2010	2009	2010	2009
Non-interest expenses					
Personnel expenses		1,435,370	961,206	374,546	193,170
Premises and equipment expenses		345,092	343,193	124,082	52,064
Taxes and duties		72,001	60,434	1,394	1,672
Fees and service expenses		193,110	150,616	4,293	6,254
Directors' remuneration		4,180	3,940	4,180	3,940
Other expenses	3.14	476,997	442,711	28,990	10,796
Total non-interest expenses		2,526,750	1,962,100	537,485	267,896
Income before income tax		2,085,101	1,365,921	188,253	1,663,331
Income tax expenses	3.15	(601,481)	(401,694)	(40,021)	(67,160)
Net income for the period		1,483,620	964,227	148,232	1,596,171
Net income attributable to					
Equity holders of the parent		1,475,151	956,116	148,232	1,596,171
Non-controlling interest of the subsidiaries		8,469	8,111		
		<u>1,483,620</u>	<u>964,227</u>		
Earnings per share					
Basic earnings per share	3.16				
Net income attributable to equity holders of the parent		<u>2.03</u>	<u>1.19</u>	<u>0.20</u>	<u>2.08</u>

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

(Unaudited but reviewed)

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Cash flows from operating activities				
Income before income tax expenses	2,085,101	1,365,921	188,253	1,663,331
Adjustments to reconcile net income before income tax expenses to net cash provided by (paid from) operating activities				
Depreciation and amortisation	170,843	130,343	51,388	28,832
Bad debt and doubtful accounts	845,407	863,567	-	-
Allowance for impairment of investments	7,857	11,187	24	31,582
Allowance for impairment of property foreclosed (reversal)	(6,040)	102,857	-	-
Loss (gain) on disposal of investments	(59,000)	15,145	-	-
Unrealised loss (gain) on exchange rate	1,478	(9,198)	-	-
Gain on disposal of equipment	(6,531)	(4,404)	(53)	-
Loss from written-off of equipment	671	-	-	-
Unrealised gain on securities for trading	-	(2,746)	-	-
Gain on disposal of property foreclosed	(167,256)	(14,617)	-	-
Decrease (increase) in other accrued income	40,433	47,582	(21,471)	(471)
Increase in accrued expenses	694,457	118,464	249,236	102,180
Income from operating activities before changes in operating assets and liabilities	3,607,420	2,624,101	467,377	1,825,454
Decrease (increase) in operating assets				
Interbank and money market items	4,621,496	7,415,615	250,013	(215,070)
Investment in securities for trading	1	-	-	-
Receivable from clearing house	36,090	(126,272)	-	-
Loans and receivables	(15,965,453)	(8,510,494)	33,000	-
Securities and derivative business receivables	(275,615)	(240,511)	-	-
Property foreclosed	1,206,060	1,029,121	-	-
Other assets	(447,843)	(73,268)	(82,756)	(53,121)

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

(Unaudited but reviewed)

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
Increase (decrease) in operating liabilities				
Deposits	9,963,274	3,134,766	-	-
Interbank and money market items	372,908	(98,494)	(200,000)	100,000
Liability payable on demand	149,310	(144,719)	-	-
Borrowings	(1,614,530)	(9,471,861)	(598,355)	100,000
Payable to clearing house	236,881	(263,814)	-	-
Securities and derivative business payables	(810)	661,992	-	-
Other liabilities	127,468	(377,471)	12,551	(181,185)
	2,016,657	(4,441,309)	(118,170)	1,576,078
Net interest and dividend income	(3,537,044)	(2,729,172)	7,530	(1,330,299)
Cash received from interest income	4,444,608	4,356,635	20,830	1,564
Cash paid for interest expenses	(1,044,969)	(1,784,236)	(26,562)	(60,980)
Cash paid for corporate income tax	(770,731)	(105,460)	(90,621)	(19,836)
Net cash flows from (used in) operating activities	1,108,521	(4,703,542)	(206,993)	166,527
Cash flows from investing activities				
Cash paid for purchase of investment in securities held for investment	(1,929,129)	(2,220,429)	-	-
Cash received from sales of investment in securities held for investment	2,942,612	5,071,645	-	-
Cash paid for purchase of equipment	(77,837)	(87,348)	(16,086)	(1,623)
Cash received from sales of equipment	8,301	16,532	394	-
Cash received from dividend of subsidiaries	680,211	58,002	625,165	928,741
Cash paid for decrease in ordinary shares	-	-	-	(10)
Cash received from share capital reduction of a subsidiary (Note 4.2)	-	-	500,000	704,800
Cash paid for acquisition of a subsidiary	(1)	(890,321)	(1)	(890,321)
Net cash flows from investing activities	1,624,157	1,948,081	1,109,472	741,587
Cash flows from financing activities				
Dividend paid	(902,479)	(911,243)	(902,479)	(908,064)
Cash received from issue long-term debentures	1,000,000	4,000,000	-	-
Cash paid for redemption of long-term debentures	(3,000,000)	(331,000)	-	-
Net cash flows from (used in) financing activities	(2,902,479)	2,757,757	(902,479)	(908,064)
Translation adjustment	(1,851)	(2,153)	-	-
Net increase (decrease) in cash	(171,652)	143	-	50
Cash at beginning of the period	826,526	595,570	50	-
Cash at end of the period	654,874	595,713	50	50
	-	-	-	-
Supplemental cash flows information				
Non-cash transactions				
Conversion of preference shares to ordinary shares	12,126	79	12,126	79
Issuance securities for swap ordinary shares of TISCO Bank under holding restructuring under common control (Note 4.1)	14,008	-	14,008	-

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

(Unaudited but reviewed)

TISCO Financial Group Public Company Limited and its subsidiaries

Statements of changes in shareholders' equity

For the six-month periods ended 30 June 2010 and 2009

(Unit: Thousand Baht)

Consolidated financial statements										
Equity attributable to the parent's shareholders										
Issued and fully paid-up share capital (Consist of registered part and awaiting to be registered part)	Adjustment from business combination of entities under common control under holding restructuring plan		Revaluation surplus (deficit) on investments	Unrealised losses on cash flow hedges	Translation adjustment	Unappropriated retained earnings	Total equity attributable to the parent's shareholders	Non-controlling interest - equity attributable to minority shareholders of subsidiaries	Total	
	Preference shares	Ordinary shares								
Balance as at 31 December 2008	1,834,272	5,411,802	656,755	(398,992)	-	78,102	3,835,779	11,417,718	118,320	11,536,038
Incomes (expenses) recognised in equity										
Increase in fair value of investments	-	-	-	335,813	-	-	-	335,813	-	335,813
Unrealised losses on cash flow hedges	-	-	-	-	(42,086)	-	-	(42,086)	-	(42,086)
Decrease in translation adjustment	-	-	-	-	-	(2,154)	-	(2,154)	-	(2,154)
Deferred tax recognised in (transferred out) from shareholders' equity	-	-	-	(89,494)	12,626	-	-	(76,868)	-	(76,868)
Incomes (expenses) recognised in equity	-	-	-	246,319	(29,460)	(2,154)	-	214,705	-	214,705
Net income for the period	-	-	-	-	-	-	956,116	956,116	8,111	964,227
Total incomes (expenses) for the period	-	-	-	246,319	(29,460)	(2,154)	956,116	1,170,821	8,111	1,178,932
Dividend paid (Note 4.3)	-	-	-	-	-	-	(1,361,885)	(1,361,885)	-	(1,361,885)
Income tax from unpaid dividend	-	-	-	-	-	-	(40)	(40)	-	(40)
Preference shares converted to ordinary shares	(79)	79	-	-	-	-	-	-	-	-
Decrease ordinary shares	-	(10)	-	-	-	-	-	(10)	-	(10)
Decrease in non-controlling interest of the subsidiaries	-	-	-	-	-	-	-	-	(5,288)	(5,288)
Balance as at 30 June 2009	<u>1,834,193</u>	<u>5,411,871</u>	<u>656,755</u>	<u>(152,673)</u>	<u>(29,460)</u>	<u>75,948</u>	<u>3,429,970</u>	<u>11,226,604</u>	<u>121,143</u>	<u>11,347,747</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 2010 and 2009

(Unit: Thousand Baht)

Consolidated financial statements											
Equity attributable to the parent's shareholders											
Issued and fully paid-up share capital (Consist of registered part and awaiting to be registered part)	Adjustment from business combination of entities under common control under holding restructuring plan		Revaluation surplus (deficit) on investments	Unrealised losses on cash flow hedges	Translation adjustment	Statutory reserve	Unappropriated retained earnings	Total equity attributable to the parent's shareholders	Non-controlling interest - equity attributable to minority shareholders of subsidiaries	Total	
	Preference shares	Ordinary shares									
Balance as at 31 December 2009	6,986	7,261,744	672,295	(37,793)	(21,924)	86,441	119,800	4,342,447	12,429,996	88,720	12,518,716
Incomes (expenses) recognised in equity											
Increase in fair value of investments	-	-	-	209,867	-	-	-	-	209,867	-	209,867
Decrease on revaluation of cash flow hedges	-	-	-	-	11,844	-	-	-	11,844	-	11,844
Decrease in translation adjustment	-	-	-	-	-	(1,851)	-	-	(1,851)	-	(1,851)
Deferred tax recognised in (transferred out) from shareholders' equity	-	-	-	(62,382)	(3,553)	-	-	-	(65,935)	-	(65,935)
Incomes (expenses) recognised in equity	-	-	-	147,485	8,291	(1,851)	-	-	153,925	-	153,925
Net income for the period	-	-	-	-	-	-	-	1,475,151	1,475,151	8,469	1,483,620
Total incomes (expenses) for the period	-	-	-	147,485	8,291	(1,851)	-	1,475,151	1,629,076	8,469	1,637,545
Dividend paid (Note 4.3)	-	-	-	-	-	-	-	(902,479)	(902,479)	-	(902,479)
Preference shares converted to ordinary shares	(6,451)	6,451	-	-	-	-	-	-	-	-	-
Adjustment from business combination of entities under common control under holding restructuring plan (Note 4.1)	-	9,555	4,453	-	-	-	-	-	14,008	(14,008)	-
Decrease in non-controlling interest of the subsidiaries	-	-	-	-	-	-	-	-	-	(1,530)	(1,530)
Balance as at 30 June 2010	535	7,277,750	676,748	109,692	(13,633)	84,590	119,800	4,915,119	13,170,601	81,651	13,252,252

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 2010 and 2009

(Unit: Thousand Baht)

	Separate financial statements								Total
	Issued and fully paid-up share capital - registered		Issued and fully paid-up share capital awaiting for registered		Share premium		Statutory reserve	Unappropriated retained earnings (deficit)	
	Preference shares	Ordinary shares	Preference shares	Ordinary shares	Preference shares	Ordinary shares			
Balance as at 31 December 2008	-	10	1,834,272	5,411,792	1,614,160	4,383,551	-	(3,820)	13,239,965
Decrease ordinary shares	-	(10)	-	-	-	-	-	-	(10)
Net income for the period	-	-	-	-	-	-	-	1,596,171	1,596,171
Dividend paid (Note 4.3)	-	-	-	-	-	-	-	(1,361,885)	(1,361,885)
Income tax from unpaid dividend	-	-	-	-	-	-	-	(39)	(39)
Preference shares converted to ordinary shares	(79)	79	-	-	-	-	-	-	-
Registered the issuance of preference shares and ordinary shares to the shareholders under common control under holding restructuring plan	1,834,272	5,411,792	(1,834,272)	(5,411,792)	-	-	-	-	-
Balance as at 30 June 2009	1,834,193	5,411,871	-	-	1,614,160	4,383,551	-	230,427	13,474,202
Balance as at 31 December 2009	6,986	7,261,652	-	92	6,147	6,002,126	119,800	908,746	14,305,549
Net income for the period	-	-	-	-	-	-	-	148,232	148,232
Dividend paid (Note 4.3)	-	-	-	-	-	-	-	(902,479)	(902,479)
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 (Note 4.1)	-	9,555	-	-	-	4,453	-	-	14,008
Registered the issuance of ordinary shares to the shareholders under common control under holding restructuring plan	-	92	-	(92)	-	-	-	-	-
Balance as at 30 June 2010	535	7,277,750	-	-	471	6,012,255	119,800	154,499	13,565,310

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 2010 and 2009

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

1.1 Basis of preparation of interim financial statements

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

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

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

1.2 Basis of preparation of consolidated financial statements

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

1.3 Adoption of new accounting standards

The Federation of Accounting Professions has issued Notification, regarding new accounting standards and financial reporting standards. These are not effective for the current year, except Framework for the Preparation and Presentation of Financial Statements, which is immediately effective.

	<u>Effective date</u>
Accounting standards relevant to the Group:	
Framework for the Preparation and Presentation of Financial Statements (revised 2009)	Immediately effective
TAS 1 (revised 2009) Presentation of Financial Statements	1 January 2011
TAS 7 (revised 2009) Statement of Cash Flows	1 January 2011
TAS 8 (revised 2009) Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2011
TAS 10 (revised 2009) Events after the Reporting Period	1 January 2011
TAS 12 Income Taxes	1 January 2013
TAS 17 (revised 2009) Leases	1 January 2011
TAS 23 (revised 2009) Borrowing Costs	1 January 2011
TAS 24 (revised 2009) Related Party Disclosures	1 January 2011
TAS 27 (revised 2009) Consolidated and Separate Financial Statements	1 January 2011
TAS 33 (revised 2009) Earnings per Share	1 January 2011
TAS 34 (revised 2009) Interim Financial Reporting	1 January 2011
TAS 36 (revised 2009) Impairment of Assets	1 January 2011
TAS 37 (revised 2009) Provisions, Contingent Liabilities and Contingent Assets	1 January 2011
TAS 38 (revised 2009) Intangible Assets	1 January 2011
TAS 40 (revised 2009) Investment Property	1 January 2011
TFRS 5 (revised 2009) Non-current Assets Held for Sale and Discontinued Operations	1 January 2011

		<u>Effective date</u>
Accounting standards not relevant to the Group:		
TAS 2 (revised 2009)	Inventories	1 January 2011
TAS 11 (revised 2009)	Construction Contracts	1 January 2011
TAS 20 (revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance	1 January 2013
TAS 28 (revised 2009)	Investments in Associates	1 January 2011
TAS 29	Financial Reporting in Hyperinflationary Economies	1 January 2011
TAS 31 (revised 2009)	Interests in Joint Ventures	1 January 2011
TFRS 6	Exploration for and Evaluation of Mineral Resources	1 January 2011

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

1.4 Significant accounting policies

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

2. General information

2.1 The Company's information

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

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

2.2 Related party transactions

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

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

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

3. Details of financial statements

3.1 Interbank and money market items (assets)

(Unit: Million Baht)

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

3.2 Investments

(Unit: Thousand Baht)

	Consolidated financial statements as at			
	30 June 2010		31 December 2009	
	Cost / Book value	Fair value	Cost / Book value	Fair value
Current investments				
Trading securities				
Equity securities:				
Domestic marketable equity securities	3,754	25,993	3,752	19,951
Add (less): Allowance for changes in value	22,239		16,199	
Net equity securities	25,993		19,951	
Total trading securities	25,993		19,951	
Available-for-sales securities				
Debt securities:				
Government and state enterprise securities	1,534,044	1,536,760	849,832	850,763
Debt securities of private sector	1,970,681	2,027,533	1,678,120	1,687,053
Foreign debt securities	164,543	161,409	-	-
Total	3,669,268	3,725,702	2,527,952	2,537,816
Add (less): Allowance for changes in value	57,473		11,324	
Difference from exchange rate	421		-	
Less: Allowance for impairment	(1,460)		(1,460)	
Debt securities - net	3,725,702		2,537,816	
Equity securities:				
Domestic marketable equity securities	-	-	30	30
Unit trust	40,134	40,536	70,000	70,326
Total	40,134	40,536	70,030	70,356
Add (less): Allowance for changes in value	402		326	
Net equity securities	40,536		70,356	
Total available-for-sales securities	3,766,238		2,608,172	
Held-to-maturity debt securities - due within 1 year				
Debt securities:				
Government and state enterprise securities	165,744		-	
Debt securities of private sector	2		2	
Total held-to-maturity debt securities - due within 1 year	165,746		2	
Net current investments	3,957,977		2,628,125	

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated financial statements as at			
	30 June 2010		31 December 2009	
	Cost / Book value	Fair value	Cost / Book value	Fair value
<u>Long-term investments</u>				
Available-for-sales securities				
Equity securities:				
Domestic marketable equity securities	934,124	1,096,249	908,725	963,868
Add (less): Allowance for changes in value	162,125		55,143	
Net equity securities	1,096,249		963,868	
Total available-for-sales securities	1,096,249		963,868	
Held-to-maturity debt securities				
Debt securities:				
Government and state enterprise securities	-		698,561	
Total held-to-maturity debt securities	-		698,561	
Other investments				
Equity securities:				
Domestic non-marketable equity securities	701,404		706,832	
Investments in receivables	3,013,684		4,517,004	
Total	3,715,088		5,223,836	
Less: Allowance for impairment	(84,230)		(76,443)	
Total other investments	3,630,858		5,147,393	
Net long-term investments	4,727,107		6,809,822	
Net investments	8,685,084		9,437,947	

(Unit: Thousand Baht)

	Separate financial statements as at	
	30 June 2010	31 December 2009
	<u>Investment in subsidiaries</u>	
Investments in subsidiaries (cost method)	14,987,724	15,473,714
Less: Allowance for impairment	(104,317)	(104,293)
Total Investments in subsidiaries	14,883,407	15,369,421

3.2.1 Investments subject to restriction

(Unit: Million Baht)

Type of investment	Consolidated financial statements		Type of restriction
	as at		
	30 June 2010	31 December 2009	
Government debt securities	2	1	Pledged for electricity usage

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

(Unit: Thousand Baht)

	Consolidated financial statements		
	as at 30 June 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.

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

(Unit: Thousand Baht)

Security's name	As at					
	30 June 2010			31 December 2009		
	Net Book Value	Cost	Percentage of Holding	Net Book Value	Cost	Percentage of Holding
The Krung Thai Capital Protection Fixed 6 months Fund 4	20,271	20,000	29.18 %	20,187	20,000	46.84 %

3.3 Investments in subsidiaries

(Unit: Million Baht)

		Separate financial statements							
Company's name	Nature of Business	Paid-up share capital		Percentage of shares held by the Company		Cost		Dividend received for the six-month periods ended	
		as at		as at		as at		30 June	30 June
		30 June 2010	31 December 2009	30 June 2010	31 December 2009	30 June 2010	31 December 2009	2010	2009
Subsidiaries directly held by the Company				%	%				
TISCO Bank Public Company Limited	Banking	7,282	7,282	99.97	99.84	13,293	13,279	-	1,021
TISCO Securities Co., Ltd.	Securities business	1,000	1,500	99.99	99.99	1,075	1,575	-	121
TISCO Asset Management Co., Ltd.	Asset management	100	100	99.99	99.99	110	110	-	192
Hi-Way Co., Ltd.	Hire purchase	100	100	99.99	99.99	273	273	-	55
TISCO Information Technology Co., Ltd.	Services	20	20	99.99	99.99	22	22	-	-
TISCO Tokyo Leasing Co., Ltd.	Leasing	60	60	49.00	49.00	73	73	1	1
Primus Leasing Co., Ltd. (in the process of liquidation)	Hire purchase	3	3	99.99	99.99	37	37	-	-
Investment in subsidiaries - net						14,883	15,369	1	1,390

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

(Unit: Million Baht)

	Paid-up share capital	Cost
Acquisition of investment	752	890
Capital returns from the reduction of a subsidiary's share capital	(749)	(749)
Cost	3	141
Less: Allowance for investment		(104)
Investment - net		37

3.3.2 In March 2010, the Company received the return of capital from the reduction of registered share capital of TISCO Securities Company Limited amounting to Baht 500 million as mentioned in the note 4.2.2 to financial statements.

3.4 Loans, receivables and accrued interest receivable

3.4.1 Classified by type of loan and receivable

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	as at	
	30 June 2010	31 December 2009
<u>Loans and receivables</u>		
Loans	22,340,223	18,337,649
Hire purchase and financial lease receivables		
Hire purchase and financial lease receivables	119,830,127	108,171,429
Add (less): Unearned income	(15,026,590)	(14,048,916)
: Deferred commissions and direct expenses incurred at the initiation of hire purchase	925,913	824,829
: Advances received from financial lease receivables	(68,246)	(52,014)
Net hire purchase and financial lease receivables	105,661,204	94,895,328
Total loans and receivables	128,001,427	113,232,977
Add: Accrued interest receivable	111,722	116,857
Less: Allowance for doubtful accounts	(3,152,600)	(2,423,833)
Less: Allowance for loss on debt restructuring	(18)	(18)
Net loans, receivables and accrued interest receivable	124,960,531	110,925,983
<u>Securities and derivatives business receivables</u>		
Securities business receivable:		
Customers' cash accounts	1,290,266	1,014,639
Other receivables - installment receivables	1,432	1,432
Total securities business receivables	1,291,698	1,016,071
Derivatives business receivables	256	268
Total securities and derivatives business receivables	1,291,954	1,016,339
Less: Allowance for doubtful accounts	(1,432)	(1,432)
Securities and derivatives business receivables - net	1,290,522	1,014,907
Net loans, receivables and accrued interest receivable	126,251,053	111,940,890

	(Unit: Thousand Baht)	
	Separate financial statements	
	as at	
	30 June 2010	31 December 2009
<u>Loans and receivables</u>		
Loans	1,442,000	1,475,000
Add: Accrued interest receivable	-	-
Net loans and accrued interest receivable	1,442,000	1,475,000

(Unaudited but reviewed)

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

(Unit: Million Baht)

TISCO Bank	Amounts calculated under BOT's guidelines ⁽²⁾		Amounts calculated under TISCO Bank's policy	
	as at		as at	
	30 June 2010	31 December 2009	30 June 2010	31 December 2009
Loans and receivables for which the recognition of interest income has ceased ⁽¹⁾	3,568	4,084	3,978	4,262

⁽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 2010	31 December 2009
	Securities business loans and receivables, hire purchase receivables, financial lease receivables and other loans and receivables for which the recognition of interest income has ceased	321

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

(Unit: Million Baht)

	Consolidated financial statements as at	
	30 June 2010	31 December 2009
	Unearned interest income ⁽¹⁾	14,284

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

(Unaudited but reviewed)

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

	(Unit: Million Baht)
	As at 30 June 2010
Restructured loans and receivables ⁽¹⁾	274
Loans and receivables which are being restructured	111

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

3.4.5 Troubled debt restructuring of a subsidiary company operating banking business

- Debt restructuring during the period

	For the six-month periods	
	ended 30 June	
	2010	2009
Debtors restructured during the period		
Number of debtors restructured by modification of terms (numbers)	257	466
Loan balances before restructuring (million Baht)	162	479
Loss on troubled debt restructuring (million Baht)	-	-
Average contract period of debt restructuring (years)		
Hire purchase receivables	4	4
Mortgage loan receivables	2	1
Corporate loan receivables	-	9
Interest income on restructured receivables (million Baht)	31	21
Receipt of principal and interest (million Baht)	208	124

- The balance of the restructured debts

	(Unit: Million Baht)	
	As at	
	30 June 2010	31 December 2009
The balance of the restructured debts	1,702	1,737

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

3.5.1 Allowance for doubtful accounts - classified by the receivables classification

(Unit: Thousand Baht)

Consolidated financial statements as at 30 June 2010							
	Pass	Special- mentioned	Sub-standard	Doubtful	Doubtful of loss	General reserve	Total
Balance - beginning of period	732,736	97,122	229,552	113,804	524,204	727,847	2,425,265
Increase (decrease) in allowance for doubtful accounts during the period	50,512	4,581	141,373	267,405	35,756	557,428	1,057,055
Transfer from allowance for declining in value of property foreclosed	-	-	-	-	-	211,125	211,125
Bad debt written-off	(196)	(7,931)	(162,905)	(273,911)	(94,470)	-	(539,413)
Balance - end of period	783,052	93,772	208,020	107,298	465,490	1,496,400	3,154,032

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

(Unit: Thousand Baht)

Consolidated financial statements as at 30 June 2010				
	Individual impairment	Collective impairment	General reserve	Total
Balance - beginning of period	520,672	1,176,746	727,847	2,425,265
Increase (decrease) in allowance for doubtful accounts during the period	(3,406)	503,033	557,428	1,057,055
Transfer from allowance for declining in value of property foreclosed	-	-	211,125	211,125
Bad debt written-off	(25,190)	(514,223)	-	(539,413)
Balance - end of period	492,076	1,165,556	1,496,400	3,154,032

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

(Unit: Million Baht)

Allowance for doubtful accounts / allowance for loss on debt restructuring	As at	
	30 June 2010	31 December 2009
	Amount to be provided under BOT's guidelines	1,317
Amount already recorded by TISCO Bank	2,837	2,088
Amount in excess of the required amount under BOT's guidelines	1,520	761

(Unaudited but reviewed)

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

(Unit: Million Baht)

	As at	
	30 June	31 December
	2010	2009
Non-performing loans and receivables	2,320	2,461
Allowance for doubtful accounts	641	704

3.6 Classification of assets

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

(Unit: Million Baht)

	Cost		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
	2010	2009	2010	2009	2010	2009
Debt instruments - debentures ⁽²⁾	1	1	-	-	1	1
Equity instruments - ordinary shares ⁽³⁾	6	6	-	-	6	6

⁽¹⁾ Allowance for possible losses 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.

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

(Unit: Million Baht)

	Debt balance		Debt balance after		Allowance for doubtful accounts			
	as at		net of collateral		Amounts to be provided under		Amounts already set up	
					BOT's guidelines		by TISCO Bank	
	30 June	31 December	30 June	31 December	30 June	31 December	30 June	31 December
	2010	2009	2010	2009	2010	2009	2010	2009
<u>Loans and receivables</u> ⁽¹⁾⁽²⁾⁽³⁾								
Pass	120,015	109,926	103,929	89,825	641	594	642	595
Special mentioned	6,588	6,615	6,529	6,560	57	59	58	61
Substandard	684	774	661	745	144	162	144	162
Doubtful	326	354	292	309	69	71	70	71
Doubtful of loss	1,310	1,333	768	736	406	441	427	471
Total	128,923	119,002	112,179	98,175	1,317	1,327	1,341	1,360
General reserve							1,496	728
Total							2,837	2,088
<u>Investments in securities</u>								
Doubtful of loss								
Debt instruments	5	2	5	2	5	2	5	2
Equity instruments	80	67	80	67	80	67	80	67
Total	85	69	85	69	85	69	85	69
<u>Investments in receivables</u>								
Doubtful of loss	15	12	15	12	15	12	15	12
<u>Properties foreclosed</u>								
Doubtful of loss	61	61	61	61	61	61	326	537
Total classified assets	129,084	119,144	112,340	98,317	1,478	1,469	3,263	2,706

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

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

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

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

(Unit: Million Baht)

	Debt balance		Debt balance		Percentage of allowance for		Allowance for doubtful accounts	
	as at		after net of collateral value		doubtful accounts set up ⁽²⁾		as at	
	30 June 2010	31 December 2009	30 June 2010	31 December 2009	30 June 2010	31 December 2009	30 June 2010	31 December 2009
Hire purchase receivables⁽¹⁾								
Pass	93,453	82,924	93,453	82,924	0.59	0.65	536	525
Special mentioned	6,396	6,440	6,396	6,440	0.59	0.65	54	57
Substandard	649	730	649	730	19.73	19.57	132	147
Doubtful	278	294	278	294	19.73	19.57	55	57
Doubtful of loss	445	362	445	362	19.73	19.57	84	67
Total	101,221	90,750	101,221	90,750			861	853

⁽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.

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

	Number of debtors		Debt balance		Collateral value		Allowance for doubtful accounts provided in the accounts	
	as at		as at		as at		as at	
	30 June 2010	31 December 2009	30 June 2010	31 December 2009	30 June 2010	31 December 2009	30 June 2010	31 December 2009
				Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
1. Listed companies vulnerable to delisting from the SET	-	-	-	-	-	-	-	-
2. Non-listed companies with similar operating results and financial positions to listed companies vulnerable to delisting from the SET	2	2	272	274	148	156	143	144
3. Listed companies whose shares have been suspended from trading	-	-	-	-	-	-	-	-
4. Listed companies under rehabilitation	1	1	58	78	2	10	58	72
5. Companies which have loan settlement problems or have defaulted on payment of debts	-	1	-	3	-	-	-	3
6. Companies whose auditor's report cited going concern issues	-	-	-	-	-	-	-	-
Total	3	4	330	355	150	166	201	219

(Unaudited but reviewed)

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

(Unit: Million Baht)

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

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

(Unit: Million Baht)

	Debt balance		Allowance for		Debt balance - net	
	as at		doubtful account		as at	
	30 June	31 December	30 June	31 December	30 June	31 December
	2010	2009	2010	2009	2010	2009
Current	3,475	3,182	113	110	3,362	3,072
Overdue						
1 month	289	276	29	28	260	248
2 - 3 months	346	344	36	37	310	307
4 - 6 months	156	157	64	67	92	90
7 - 12 months	89	99	37	42	52	57
Over 12 months	53	63	22	27	31	36
Debtors under litigation	<u>21</u>	<u>24</u>	<u>15</u>	<u>24</u>	<u>6</u>	<u>-</u>
Total	<u>4,429</u>	<u>4,145</u>	<u>316</u>	<u>335</u>	<u>4,113</u>	<u>3,810</u>

(Unaudited but reviewed)

3.7 Other assets

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	as at		as at	
	30 June 2010	31 December 2009	30 June 2010	31 December 2009
Value added tax - net	413,932	314,499	5,830	5,134
Accrued interest and dividend receivable from investments	42,545	44,178	-	-
Fee and charges receivable	115,785	153,495	21,747	276
Prepaid income tax	39,944	47,501	-	-
Deferred computer system development cost - net	254,151	249,103	102,491	87,189
Deposits	34,388	31,427	4,075	4,065
Other receivables	173,622	421,599	388	-
Dividend receivable from subsidiaries	-	-	-	623,695
Other assets	252,092	184,762	50,435	5,297
Total other assets	1,326,459	1,446,564	184,966	725,656

3.8 Borrowings

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	as at		as at	
	30 June 2010	31 December 2009	30 June 2010	31 December 2009
<u>Domestic borrowings</u>				
Subordinated unsecured debentures	5,000,000	4,000,000	-	-
Unsubordinated unsecured debentures	1,000,000	4,000,000	-	-
Bills of exchange	49,515,626	51,128,689	3,391,037	3,989,392
Total	55,515,626	59,128,689	3,391,037	3,989,392

3.8.1 Subordinated unsecured debentures

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

3.8.2 Unsubordinated unsecured debentures

Year	Issuer	Type of debenture	Units		Face value per unit (Baht)	Balance as at (Million Baht)		Maturity in the year	Interest rate	
			30 June 2010	31 December 2009		30 June 2010	31 December 2009			
			2007	TISCO Bank		Unsubordinated and unsecured long-term debentures	-			3 million
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>4,000</u>		

3.8.3 Bills of exchange

Bills of exchange bear fixed interest rates and float interest rates between 0.75 and 3.5 percent per annum and mature between 2010 and 2012.

3.9 Other liabilities

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	as at		as at	
	30 June 2010	31 December 2009	30 June 2010	31 December 2009
Corporate income tax payable	711,518	704,302	58,402	68,672
Withholding income tax and other tax payable	100,882	229,031	23,621	30,019
Accrued insurance premium	279,768	290,294	-	-
Deferred tax liabilities	59,491	15,724	-	-
Deferred income	204,189	175,261	-	-
Accrued expenses	1,230,798	395,168	449,493	182,971
Other liabilities	481,656	398,472	16,597	14,936
Total other liabilities	3,068,302	2,208,252	548,113	296,598

3.10 Capital funds

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

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

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

(Unaudited but reviewed)

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

(Unit: Thousand Baht)

As at

	30 June 2010	31 December 2009
<u>Tier I</u>		
Issued and fully paid up share capital	7,281,523	7,281,523
Premium on share capital	130,451	130,451
Statutory reserve	614,900	547,000
Retained earnings - unappropriated	3,196,595	3,050,225
Less: Deferred tax assets	(633,931)	(482,797)
Shortage provision according to IRB	-	(420,199)
Total Tier I	<u>10,589,538</u>	<u>10,106,203</u>
<u>Tier II</u>		
Subordinated long-term debentures	5,000,000	4,000,000
Reserve for loans classified as pass	458,533	71,892
Add (less): Surplus (shortage) provision according to IRB	81,028	(420,199)
Total Tier II	<u>5,539,561</u>	<u>3,651,693</u>
Total capital fund	<u><u>16,129,099</u></u>	<u><u>13,757,896</u></u>

As at

Capital ratios	30 June 2010		31 December 2009	
	TISCO Bank	Requirement	TISCO Bank	Requirement
Tier I capital to risk assets	13.46% ⁽¹⁾	4.25%	14.46% ⁽¹⁾	4.25%
Total capital to risk assets	16.62% ⁽²⁾	8.50%	16.96% ⁽²⁾	8.50%

⁽¹⁾ Before Capital Floor

⁽²⁾ After Capital Floor

In addition, TISCO Bank disclosed capital maintenance information under the Notification of the Bank of Thailand No. SorNorSor. 25/2552 regarding "Public Disclosure of Capital Maintenance for Commercial Banks" dated 14 December 2009 as follows:

Information as at

	30 June 2010	31 December 2009
Location of disclosure	TISCO Bank's website	TISCO Bank's website
Date of disclosure	Within 31 October 2010	On 30 April 2010

(Unaudited but reviewed)

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

(Unit: Thousand Baht)

	Consolidated financial statements	
	as at	
	30 June 2010	31 December 2009
Balance - beginning of period	(16,602)	(496,329)
Increase (decrease) from changes in the value of investment during the period	209,867	479,727
	193,265	(16,602)
Less: The effect of deferred tax assets / liabilities	(83,573)	(21,191)
Balance - end of period	109,692	(37,793)

3.12 Gain (loss) on investments

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	for the six-month periods ended 30 June		for the six-month periods ended 30 June	
	2010	2009	2010	2009
Loss on impairment of investments	(7,857)	(7,954)	(24)	(31,582)
Unrealised gain on investments	6,040	-	-	-
Realised gain on investments	59,000	4,526	-	-
Total	57,183	(3,428)	(24)	(31,582)

3.13 Other income

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	for the six-month periods ended 30 June		for the six-month periods ended 30 June	
	2010	2009	2010	2009
Penalty fee income from loans	92,870	93,702	-	-
Gain on disposal of property foreclosed	167,256	14,617	-	-
Income from business promotion relating to business	105,314	-	-	-
Rental income	17,561	24,034	34,429	28,915
Others	23,032	32,152	111	60
Total	406,033	164,505	34,540	28,975

(Unaudited but reviewed)

3.14 Other expenses

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	for the six-month periods ended 30 June		for the six-month periods ended 30 June	
2010	2009	2010	2009	
Contributions to Deposit Protection Agency	136,560	98,734	-	-
Allowance for impairment of property foreclosed	-	102,857	-	-
Mailing expenses	22,336	21,400	177	204
Loan losses from court - ordered execution	12,885	28,018	-	-
Transportation expenses	41,759	32,815	3,434	2,322
Advertising and promotion expenses	161,049	54,051	6	1,221
Others	102,408	104,836	25,373	7,049
Total	<u>476,997</u>	<u>442,711</u>	<u>28,990</u>	<u>10,796</u>

3.15 Income tax expenses

Income tax expenses of company and its subsidiaries for the six-month periods ended 30 June 2010 and 2009 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	for the six-month periods ended 30 June		for the six-month periods ended 30 June	
2010	2009	2010	2009	
Income tax payable on taxable profit for the period	772,957	471,444	80,265	104,871
Add (less): Net decrease (increase) in deferred tax on temporary differences	(169,780)	(69,523)	(40,328)	(37,672)
Adjustment in respect of current income tax of prior period	(1,696)	(227)	84	(39)
Income tax expenses - net	<u>601,481</u>	<u>401,694</u>	<u>40,021</u>	<u>67,160</u>

(Unaudited but reviewed)

Deferred taxes are recorded directly to equity during the six-month periods end 30 June 2010 and 2009 as follow:

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>	
	for the six-month periods	
	ended 30 June	
	2010	2009
Revaluation surplus on investments	62,382	89,494
Gain (loss) on revaluation of cash flow hedges	3,553	(12,626)
Deferred taxes are recorded directly to equity	<u>65,935</u>	<u>76,868</u>

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

(Unit: Thousand Baht)

	<u>Consolidated</u>		<u>Separate</u>	
	financial statements		financial statements	
	for the six-month periods		for the six-month periods	
	ended 30 June		ended 30 June	
	2010	2009	2010	2009
Accounting profit before income tax expenses	<u>2,085,101</u>	<u>1,365,921</u>	<u>188,253</u>	<u>1,663,331</u>
Income tax rate of 25% and 30%	615,016	402,915	47,063	415,833
Effect of net revenue not subject to tax	(1,943)	(3,441)	(406)	(347,939)
Written-off deferred tax assets	-	4,188	-	-
Utilisation of loss carry forwards	(3,176)	(1,046)	-	-
Effect of tax rate used for deferred tax	(6,720)	(695)	(6,720)	(695)
Adjustment in respect of current income tax of prior period	<u>(1,696)</u>	<u>(227)</u>	<u>84</u>	<u>(39)</u>
Income tax expense reported in the income statements	<u>601,481</u>	<u>401,694</u>	<u>40,021</u>	<u>67,160</u>

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

(Unit: Thousand Baht)

	Consolidated financial statements			
	As at		Change in deferred tax assets/deferred tax liabilities reported in the income statements for the six-month periods ended	
	30 June	31 December	30 June	30 June
	2010	2009	2010	2009
Allowance for doubtful accounts (general reserve)	540,196	315,578	224,618	11,678
Allowance for doubtful accounts (VAT receivable)	-	-	-	(1,214)
Allowance for impairment of investments	69,757	66,753	3,004	(4,250)
Allowance for impairment of property foreclosed	97,845	161,183	(63,338)	30,556
Non-accrual of interest income	198,523	202,645	(4,122)	613
Depreciation of assets	34,979	31,214	3,765	(1,747)
Financial leases	20,585	19,559	1,026	8,259
Revaluation surplus on investments	(33,662)	(3,397)	-	-
Unrealised gain on derivatives	(145)	(21)	(124)	268
Deferred commissions and direct expenses of incurred at the initiation of hire purchase	(277,029)	(245,402)	(31,627)	(18,734)
Loss on disposal of property foreclosed	13,936	22,829	(8,893)	280
Deferred subsidised income	54,934	42,144	12,790	11,455
Reduction of subsidiaries' share capital	63,254	26,794	36,460	25,607
Loss carried forwards	-	-	-	5,589
Accrued expenses	56,618	56,618	-	-
Others	4,438	120	4,318	1,163
Deferred tax assets	844,229	696,617	177,877	69,523
Financial leases	71,896	47,158	24,738	-
Allowance for doubtful accounts	(494)	(513)	19	-
Loss carried forwards	(53,668)	(34,848)	(18,820)	-
Allowance for revaluation of other assets	(270)	(270)	-	-
Non-accrual of interest income	(7)	(7)	-	-
Deprecation of assets	(1,951)	(2,289)	338	-
Revaluation surplus on investments	49,911	17,793	-	-
Unrealised losses on cash flow hedges	(5,843)	(9,396)	-	-
Gain from revaluation of investments in trading securities	5,994	4,182	1,812	-
Accrued expenses	(4,123)	(4,123)	-	-
Other	(1,954)	(1,963)	1,233	-
Deferred tax Liabilities	59,491	15,724	9,320	-

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements			
	As at		Change in deferred tax assets/deferred tax liabilities reported in the income statements for the six-month periods ended	
	30 June	31 December	30 June	30 June
	2010	2009	2010	2009
Allowance for impairment of investments	26,079	26,073	6	7,896
Depreciation of assets	12,465	8,495	3,970	4,279
Reduction of subsidiaries' share capital	63,254	26,794	36,460	25,607
Accrued expenses	24,883	24,775	108	-
Others	(216)	-	(216)	(110)
Deferred tax assets	126,465	86,137	40,328	37,672

3.16 Earnings per share

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

	Consolidated financial statements					
	For the three-month periods ended 30 June					
	Net income		Weighted average number of ordinary shares		Earnings per share	
	2010	2009	2010	2009	2010 ⁽¹⁾	2009 ⁽²⁾
Thousand Baht	Thousand Baht	Thousand shares	Thousand shares	Baht	Baht	
Basic earnings per share						
Net income attributable to equity holders of the parent	762,872	502,147				
Less: Dividend paid to preference shares in preference to the ordinary shares for the period ⁽³⁾	-	(45,829)				
	762,872	456,318	727,486	724,606	1.05	0.63
Effect of dilutive potential ordinary shares						
Warrants to purchase preference shares	-	-	-	-		
Diluted earnings per share						
Net income of ordinary shareholders assuming the conversion to ordinary shares	762,872	456,318	727,486	724,606	1.05	0.63

Consolidated financial statements						
For the six-month periods ended 30 June						
	Net income		Weighted average number of ordinary shares		Earnings per share	
	2010	2009	2010	2009	2010 ⁽¹⁾	2009 ⁽²⁾
	Thousand Baht	Thousand Baht	Thousand shares	Thousand shares	Baht	Baht
Basic earnings per share						
Net income attributable to equity holders of the parent	1,475,151	956,116				
Less: Dividend paid to preference shares in preference to the ordinary shares for the period ⁽³⁾	-	(91,704)				
	<u>1,475,151</u>	<u>864,412</u>	727,186	724,606	2.03	1.19
Effect of dilutive potential ordinary shares						
Warrants to purchase preference shares	-	-	-	-		
Diluted earnings per share						
Net income of ordinary shareholders assuming the conversion to ordinary shares	<u>1,475,151</u>	<u>864,412</u>	<u>727,186</u>	<u>724,606</u>	<u>2.03</u>	<u>1.19</u>
Separate financial statements						
For the three-month periods ended 30 June						
	Net income		Weighted average number of ordinary shares		Earnings per share	
	2010	2009	2010	2009	2010 ⁽¹⁾	2009 ⁽²⁾
	Thousand Baht	Thousand Baht	Thousand shares	Thousand shares	Baht	Baht
Basic earnings per share						
Net income attributable to equity holders of the parent	75,529	1,444,031				
Less: Dividend paid to preference shares in preference to the ordinary shares for the period ⁽³⁾	-	(45,829)				
	<u>75,529</u>	<u>1,398,202</u>	727,486	724,606	0.10	1.93
Effect of dilutive potential ordinary shares						
Warrants to purchase preference shares	-	-	-	-		
Diluted earnings per share						
Net income of ordinary shareholders assuming the conversion to ordinary shares	<u>75,529</u>	<u>1,398,202</u>	<u>727,486</u>	<u>724,606</u>	<u>0.10</u>	<u>1.93</u>

Separate financial statements					
For the six-month periods ended 30 June					
Net income		Weighted average number of ordinary shares		Earnings per share	
2010	2009	2010	2009	2010 ⁽¹⁾	2009 ⁽²⁾
Thousand Baht	Thousand Baht	Thousand shares	Thousand shares	Baht	Baht
Basic earnings per share					
Net income attributable to equity holders					
of the parent					
148,232	1,596,171				
Less: Dividend paid to preference shares in preference to the ordinary shares for the period ⁽³⁾					
-	(91,704)				
148,232	1,504,467	727,186	724,606	0.20	2.08
Effect of dilutive potential ordinary shares					
Warrants to purchase preference shares					
-	-	-	-		
Diluted earnings per share					
Net income of ordinary shareholders assuming the conversion to ordinary shares					
148,232	1,504,467	727,186	724,606	0.20	2.08

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

⁽²⁾ The number of potential original shares that the Company may have to issue for warrants to purchase preference share had not been taken into account because the exercise price of the warrants was higher than the fair value of the Company's preference shares.

⁽³⁾ Dividend paid to preference shares in preference to the ordinary shares for the period is calculated from the rights and benefits that the holders of preference shares receive dividend for each of the year that the Company pays dividend prior to the holders of ordinary shares at the rate of Baht 1 per share on a time proportion basis. However, since 30 June 2009, the rights and benefits of the preference shareholders have been equal to those of the ordinary shareholders.

3.17 Related party transactions

(Unit: Thousand Baht)

	Balance - beginning of period	Increase	Decrease	Balance - end of period
Outstanding balance as at 30 June 2010				
(Eliminated in consolidated financial statements)				
Subsidiary companies				
Interbank and money market items (assets):				
TISCO Bank Public Company Limited	426,405	373,342	(623,356)	176,391
Loans:				
Hi-Way Co., Ltd.	1,475,000	-	(33,000)	1,442,000
Dividend receivable:				
TISCO Bank Public Company Limited	436,196	-	(436,196)	-
TISCO Securities Co., Ltd.	34,500	-	(34,500)	-
TISCO Asset Management Co., Ltd.	152,999	-	(152,999)	-
TISCO Tokyo Leasing Co., Ltd.	-	1,470	(1,470)	-
Other assets:				
TISCO Bank Public Company Limited	-	20,525	-	20,525
Interbank and money market items (liabilities):				
TISCO Securities Co., Ltd.	200,000	-	(200,000)	-
Borrowings:				
TISCO Information Technology Co., Ltd.	-	10,000	(10,000)	-
Interest payable:				
TISCO Securities Co., Ltd.	48	-	(48)	-
Other liabilities:				
TISCO Bank Public Company Limited	-	2,344	-	2,344
TISCO Securities Co., Ltd.	7,842	75	(881)	7,036
TISCO Information Technology Co., Ltd.	3,768	-	-	3,768

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements		Terms and pricing policy
	<u>2010</u>	<u>2009</u>	(For the period 2010)
<u>Transactions occurred during the three-month periods ended 30 June</u>			
(Eliminated in consolidated financial statements)			
Subsidiary companies			
Risk and financial management fee income, human resources management fee income and office administration fee income	359,525	301,500	Determined on the basis of market price and/or in compliance with the criteria specified by the Bank of Thailand
Interest income	10,401	1,365	With reference to the terms and prices as offered to other customers
Rental income	13,135	11,520	With reference to the terms and prices as offered to other customers
Computer system advisory services expenses	33,500	3,750	Determined on the basis of market price and/or in compliance with the criteria specified by the Bank of Thailand
Interest expenses	-	30,079	With reference to the terms and prices as offered to other customers
Other expenses	121	-	With reference to the terms and prices as offered to other customers

(Unit: Thousand Baht)

	Separate financial statements		Terms and pricing policy
	<u>2010</u>	<u>2009</u>	(For the period 2010)
<u>Transactions occurred during the six-month periods ended 30 June</u>			
(Eliminated in consolidated financial statements)			
Subsidiary companies			
Risk and financial management fee income, human resources management fee income and office administration fee income	698,525	603,000	Determined on the basis of market price and/or in compliance with the criteria specified by the Bank of Thailand
Interest income	20,960	1,484	With reference to the terms and prices as offered to other customers
Rental income	26,202	22,309	With reference to the terms and prices as offered to other customers
Computer system advisory services expenses	67,000	7,500	Determined on the basis of market price and/or in compliance with the criteria specified by the Bank of Thailand
Interest expenses	21	62,306	With reference to the terms and prices as offered to other customers
Other expenses	196	3,000	With reference to the terms and prices as offered to other customers

(Unaudited but reviewed)

Loans to management-level employees (departmental manager upward)

(Unit: Thousand Baht)

	Consolidated financial statements	
	as at	
	30 June 2010	31 December 2009
Loans	247	1,949

3.18 Financial information by segment

3.18.1 Financial information by business segment

(Unit: Million Baht)

	For the three-month periods ended 30 June									
	Bank		Securities				Elimination		Total	
	business/financial		business		Other business					
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Net interest and dividend										
income after bad debt and										
doubtful accounts	1,372	1,145	3	6	(4)	1,361	1	(1,382)	1,372	1,130
Non-interest income	547	354	464	410	463	356	(462)	(402)	1,012	718
Non-interest expenses	(1,138)	(1,003)	(269)	(225)	(352)	(253)	463	358	(1,296)	(1,123)
Income tax expenses	(235)	(144)	(60)	(57)	(26)	(18)	-	-	(321)	(219)
Non-controlling interests of										
the subsidiaries	-	-	-	-	-	-	(4)	(4)	(4)	(4)
Net income for the period	546	352	138	134	81	1,446	(2)	(1,430)	763	502

(Unit: Million Baht)

	For the six-month periods ended 30 June									
	Bank		Securities				Elimination		Total	
	business/financial		business		Other business					
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Net interest and dividend										
income after bad debt and										
doubtful accounts	2,795	2,022	19	24	(8)	1,331	1	(1,294)	2,807	2,083
Non-interest income	1,026	789	773	613	906	740	(900)	(897)	1,805	1,245
Non-interest expenses	(2,213)	(1,956)	(525)	(420)	(696)	(404)	907	818	(2,527)	(1,962)
Income tax expenses	(479)	(269)	(81)	(66)	(41)	(67)	-	-	(601)	(402)
Non-controlling interests of										
the subsidiaries	-	-	-	-	-	-	(9)	(8)	(9)	(8)
Net income for the period	1,129	586	186	151	161	1,600	(1)	(1,381)	1,475	956

(Unaudited but reviewed)

(Unit: Million Baht)

	As at									
	Bank business/financial		Securities business		Other business		Elimination		Total	
	service business									
	30 June 2010	31 December 2009	30 June 2010	31 December 2009	30 June 2010	31 December 2009	30 June 2010	31 December 2009	30 June 2010	31 December 2009
Investments	7,572	8,438	1,172	1,063	14,883	15,369	(14,942)	(15,432)	8,685	9,438
Loans, receivables and accrued interest receivable - net	125,011	110,941	1,290	1,015	1,442	1,475	(1,492)	(1,490)	126,251	111,941
Other assets	10,933	15,523	863	1,312	1,293	2,041	(549)	(1,451)	12,540	17,425
Total assets	<u>143,516</u>	<u>134,902</u>	<u>3,325</u>	<u>3,390</u>	<u>17,618</u>	<u>18,885</u>	<u>(16,983)</u>	<u>(18,373)</u>	<u>147,476</u>	<u>138,804</u>

3.18.2 Significant operating results by domestic and foreign activities

(Unit: Million Baht)

	For the three-month periods ended 30 June							
	2010				2009			
	Domestic	Foreign	Elimination	Total	Domestic	Foreign	Elimination	Total
Net interest and dividend income after bad debt and doubtful accounts	1,371	-	1	1,372	2,512	-	(1,382)	1,130
Non-interest income	1,474	-	(462)	1,012	1,120	-	(402)	718
Non-interest expenses	(1,758)	(1)	463	(1,296)	(1,479)	(2)	358	(1,123)
Income tax expenses	(321)	-	-	(321)	(219)	-	-	(219)
Non-controlling interests of the subsidiaries	-	-	(4)	(4)	-	-	(4)	(4)
Net income for the period	<u>766</u>	<u>(1)</u>	<u>(2)</u>	<u>763</u>	<u>1,934</u>	<u>(2)</u>	<u>(1,430)</u>	<u>502</u>

(Unit: Million Baht)

	For the six-month periods ended 30 June							
	2010				2009			
	Domestic	Foreign	Elimination	Total	Domestic	Foreign	Elimination	Total
Net interest and dividend income after bad debt and doubtful accounts	2,806	-	1	2,807	3,377	-	(1,294)	2,083
Non-interest income	2,705	-	(900)	1,805	2,142	-	(897)	1,245
Non-interest expenses	(3,431)	(3)	907	(2,527)	(2,777)	(3)	818	(1,962)
Income tax expenses	(601)	-	-	(601)	(402)	-	-	(402)
Non-controlling interests of the subsidiaries	-	-	(9)	(9)	-	-	(8)	(8)
Net income for the period	<u>1,479</u>	<u>(3)</u>	<u>(1)</u>	<u>1,475</u>	<u>2,340</u>	<u>(3)</u>	<u>(1,381)</u>	<u>956</u>

3.19 Commitments and contingent liabilities

3.19.1 Avals, guarantees and commitments

(Unit: Thousand Baht)

Consolidated financial statements
as at

	30 June 2010	31 December 2009
Avals	95,420	21,651
Other guarantees	1,020,952	928,884
Undrawn client overdraft facilities	38,256	8,052
Obligations covering principal under interest rate swap agreements (Note 3.20.5)	861,069	1,545,732
Obligations for cross currency swap agreements (Note 3.20.5)	194,664	-
	<u>2,210,361</u>	<u>2,504,319</u>

3.19.2 Litigation

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

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

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

3.19.3 Other commitments

- a) The subsidiary company operating banking business has commitments in relation to computer service agreements, whereby it is to pay both fixed fees and service fees which vary according to the quantity and type of services, as stipulated in the agreements.
- b) The subsidiary companies have entered into several lease agreements in respect of the lease of office building and branch office. The terms of the agreements are generally between 3 and 10 years.

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

	<u>Million Baht</u>
Payable within:	
Less than 1 year	69
1 to 5 years	56
More than 5 years	7

3.20 Financial instruments

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

3.20.1 Credit risk

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

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

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

(Unaudited but reviewed)

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

	(Unit: Million Baht)	
	As at	
	30 June 2010	31 December 2009
Neither past due nor impaired		
Very high grade	63,922	57,448
High grade	26,434	22,443
Medium grade	3,097	3,033
Sub total	93,453	82,924
Hire purchase receivables - overdue 31 - 90 days	6,396	6,440
Hire purchase receivables - overdue more than 90 days	1,372	1,386
Total	101,221	90,750

3.20.2 Market risk

3.20.2.1 Market risk - Marketable portfolio

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

	(Unit: Million Baht)	
	Market risk	
	as at	
	30 June 2010	31 December 2009
Marketable financial assets		
Equity securities	536	573
Debts securities	159	95
Foreign currencies	5	10

3.20.2.2 Market risk sensitivity - Interest bearing assets and liabilities

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

	(Unit: Million Baht)	
	Increase (decrease) in sensitivity of net interest income	
	as at	
	30 June 2010	31 December 2009
Change in interest rate		
Increase 1 percent	(164.44)	(305.10)
Decrease 1 percent	164.44	305.10

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

3.20.2.3 Interest rate risk

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

(Unit: Million Baht)

Consolidated financial statements				
as at 30 June 2010				
Outstanding balances of financial instruments				
<u>Transactions</u>	Floating interest rate	Fixed interest rate	Without interest	Total
<u>Financial assets</u>				
Cash	-	-	655	655
Interbank and money market items	116	7,380	591	8,087
Investments - net	101	6,785	1,799	8,685
Receivable from clearing house	-	-	104	104
Loans and receivables	8,389	118,752	2,264	129,405
	<u>8,606</u>	<u>132,917</u>	<u>5,413</u>	<u>146,936</u>
<u>Financial liabilities</u>				
Deposits	43,342	23,234	196	66,772
Interbank and money market items	1,394	5,358	-	6,752
Liabilities payable on demand	-	-	494	494
Borrowings	-	55,516	-	55,516
Payable to clearing house	-	-	430	430
Securities and derivative business payables	3	-	955	958
	<u>44,739</u>	<u>84,108</u>	<u>2,075</u>	<u>130,922</u>

(Unit: Million Baht)

Separate financial statements				
as at 30 June 2010				
Outstanding balances of financial instruments				
<u>Transactions</u>	Floating interest rate	Fixed interest rate	Without interest	Total
<u>Financial assets</u>				
Interbank and money market items	9	167	-	176
Investments - net	-	-	14,884	14,884
Loans and receivables	-	1,442	-	1,442
	<u>9</u>	<u>1,609</u>	<u>14,884</u>	<u>16,502</u>
<u>Financial liabilities</u>				
Interbank and money market items	-	10	-	10
Borrowings	-	3,391	-	3,391
	<u>-</u>	<u>3,401</u>	<u>-</u>	<u>3,401</u>

(Unaudited but reviewed)

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

(Unit: Million Baht)

Consolidated financial statements as at 30 June 2010							
<u>Transactions</u>	Repricing or maturity date					Total	Interest rates (%)
	At call	0 - 3 months	3 - 12 months	1 - 5 years	Over 5 years		
	Financial assets						
Interbank and money market items	13	7,367	-	-	-	7,380	0.8971
Investments - net	44	748	1,714	3,779	500	6,785	5.6323
Loans and receivables	2,870	10,091	28,271	75,477	2,043	118,752	7.3467
	<u>2,927</u>	<u>18,206</u>	<u>29,985</u>	<u>79,256</u>	<u>2,543</u>	<u>132,917</u>	
Financial liabilities							
Deposits	3,455	14,248	5,089	442	-	23,234	1.3834
Interbank and money market items	952	2,903	72	1,431	-	5,358	2.2171
Borrowings	3,733	25,689	17,818	3,276	5,000	55,516	1.9211
	<u>8,140</u>	<u>42,840</u>	<u>22,979</u>	<u>5,149</u>	<u>5,000</u>	<u>84,108</u>	

(Unit: Million Baht)

Separate financial statements as at 30 June 2010							
<u>Transactions</u>	Repricing or maturity date					Total	Interest rates (%)
	At call	0 - 3 months	3 - 12 months	1 - 5 years	Over 5 years		
	Financial assets						
Interbank and money market items	167	-	-	-	-	167	1.0000
Loans and receivables	1,442	-	-	-	-	1,442	2.5000
	<u>1,609</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,609</u>	
Financial liabilities							
Interbank and money market items	-	10	-	-	-	10	1.7500
Borrowings	-	2,659	732	-	-	3,391	1.6795
	<u>-</u>	<u>2,669</u>	<u>732</u>	<u>-</u>	<u>-</u>	<u>3,401</u>	

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

3.20.3 Liquidity risk

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

(Unit: Million Baht)

Consolidated financial statements as at 30 June 2010								
Transactions	At call	0 - 3 months	3 - 12 months	1 - 5 years	Over 5 years	Unspecified	Non	Total
							performing loans	
Financial assets								
Cash	655	-	-	-	-	-	-	655
Interbank and money market items	720	7,367	-	-	-	-	-	8,087
Investments - net	44	748	1,815	3,779	500	1,799	-	8,685
Receivable from clearing house	-	104	-	-	-	-	-	104
Loans and receivables	2,787	10,339	29,958	78,887	3,545	-	3,889	129,405
	<u>4,206</u>	<u>18,558</u>	<u>31,773</u>	<u>82,666</u>	<u>4,045</u>	<u>1,799</u>	<u>3,889</u>	<u>146,936</u>
Financial liabilities								
Deposits	46,993	14,248	5,089	442	-	-	-	66,772
Interbank and money market items	957	3,097	550	2,148	-	-	-	6,752
Liabilities payable on demand	494	-	-	-	-	-	-	494
Borrowings	3,733	25,689	17,818	3,276	5,000	-	-	55,516
Payable to clearing house	-	430	-	-	-	-	-	430
Securities and derivative business payables	3	955	-	-	-	-	-	958
	<u>52,180</u>	<u>44,419</u>	<u>23,457</u>	<u>5,866</u>	<u>5,000</u>	<u>-</u>	<u>-</u>	<u>130,922</u>
Off-balance sheet items								
Aval to bills and guarantees of loans	-	17	78	-	-	-	-	95
Other commitments	1	557	349	639	-	569	-	2,115

(Unit: Million Baht)

Separate financial statements as at 30 June 2010								
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	176	-	-	-	-	-	-	176
Investments - net	-	-	-	-	-	14,884	-	14,884
Loans and receivables	1,442	-	-	-	-	-	-	1,442
	<u>1,618</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,884</u>	<u>-</u>	<u>16,502</u>
Financial liabilities								
Interbank and money market items	-	10	-	-	-	-	-	10
Borrowings	-	2,659	732	-	-	-	-	3,391
	<u>-</u>	<u>2,669</u>	<u>732</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,401</u>

3.20.4 Foreign exchange risk

As at 30 June 2010, the Company and its subsidiaries had the significant financial instruments in foreign currencies are as follows:

- a) Investment in a subsidiary company indirectly owned by the Company amounting to HKD 20 million (under the cost method equivalent to Baht 66 million).
- b) Investment in foreign debt securities held by the subsidiary operating banking business amounting to USD 5 million (amortised cost amounting to Baht 165 million), of which entered into cross currency swap agreements to hedge risk on the whole amount, as mentioned in Note 3.20.5 to the financial statements.

3.20.5 Derivatives

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

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

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

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

(Unit: Million Baht)

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

- a.2) Cross currency swap agreement

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

(Unit: Million Baht)

Maturity	Number of contracts	Notional amount	Fair value gain (loss)
2013	4	195	(2)

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

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

		(Unit: Million Baht)
Maturity	Notional amount	Fair value gain (loss)
2013	561	(19)

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

		(Unit: Million Baht)
	Less than 1 year	1 - 4 years
Interest expenses	9	2

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

	(Unit: Million Baht)
	For the six-month period ended 30 June 2010
Interest expenses	16

3.20.6 Fair value of financial instruments

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

(Unit: Million Baht)

<u>Transactions</u>	As at			
	30 June 2010		31 December 2009	
	Carrying amount	Fair value	Carrying amount	Fair value
<u>Financial assets</u>				
Cash	655	655	827	827
Interbank and money market items	8,087	8,087	12,708	12,708
Investments - net	8,685	8,685	9,438	9,438
Receivable from clearing house	104	104	140	140
Loans and receivables	126,251	130,377	111,941	115,320
<u>Financial liabilities</u>				
Deposits	66,772	66,772	56,808	56,808
Interbank and money market items	6,752	6,752	6,380	6,380
Liabilities payable on demand	494	494	345	345
Borrowings	55,516	55,790	59,129	59,070
Payable to clearing house	430	430	193	193
Securities and derivative business payables	958	958	959	959

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

4. Significant events during the period and other information

4.1 Holding restructuring

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

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

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

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

4.2 Significant events of subsidiaries

4.2.1 Investment in securities

Reclassification of investment

In June 2010, TISCO Bank made a transfer of investment portfolio from long-term held-to-maturity debt securities to short-term available-for-sale securities, based on fair value at the transfer date. The amortised cost of transferable debt securities was approximately of Baht 531 million. TISCO Bank recorded the difference between the amortised cost and fair value of debt securities as unrealized gain on transfer of investment portfolio amounting to Baht 55 million and presented it under shareholders' equity in the balance sheet.

Obligations from purchase and sale of investments

As at 30 June 2010, TISCO Bank had obligations amounting to Baht 32 million from the purchase of debt securities and Baht 529 million from the sales of debt securities.

4.2.2 Reduction of its subsidiaries' registered share capital

2010

TISCO Securities Company Limited

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

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

2009Primus Leasing Company Limited

A resolution passed by the Annual General Meeting of the Shareholders of Primus Leasing Company Limited, on 27 March 2009, approved a decrease in that company's registered share capital from Baht 752 million (7,518,000 ordinary shares of Baht 100 each) to Baht 188 million (1,879,500 ordinary shares of Baht 100 each). On 4 May 2009, the company registered the decrease in its registered share capital with the Ministry of Commerce.

A resolution passed by the Extraordinary General Meeting of the Shareholders of Primus Leasing Company Limited No.3/2009, on 21 May 2009, approved a decrease in that company's registered share capital from Baht 188 million (1,879,500 ordinary shares of Baht 100 each) to Baht 47 million (470,000 ordinary shares of Baht 100 each). On 23 June 2009, the company registered the decrease in its registered share capital with the Ministry of Commerce.

4.2 Dividend payment

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

5. Approval of interim financial statements

These interim financial statements were approved by the Company's Audit Committee on 9 August 2010.