

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

Review Report of Independent Auditor

To the Shareholders of TISCO Financial Group Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of TISCO Financial Group Public Company Limited and its subsidiaries as at 30 September 2011, the related consolidated statements of comprehensive income for the three-month and nine-month periods ended 30 September 2011, the consolidated statements of changes in shareholders' equity and cash flows for the nine-month period ended 30 September 2011, and the separate financial statements of TISCO Financial Group Public Company Limited for the same periods. These financial statements are the responsibility of the Company's management as to their correctness and the completeness of the presentation.

My responsibility is to issue a report on these financial statements based on my reviews.

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

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

The consolidated statements of income for the three-month and nine-month periods ended 30 September 2010, the consolidated statements of changes in shareholders' equity and cash flows for the nine-month period ended 30 September 2010 of TISCO Financial Group Public Company Limited and its subsidiaries, and the separate financial statements of TISCO Financial Group Public Company Limited for the same periods, as presented herein for comparative purposes, formed an integral part of the interim financial statements which were reviewed by the aforementioned auditor who reported, under her report dated 11 November 2010, that nothing had come to her attention that caused her to believe that those financial statements were not presented fairly, in all material respects, in accordance with generally accepted accounting principles.

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

Ratana Jala
Certified Public Accountant (Thailand) No. 3734

Ernst & Young Office Limited
Bangkok: 1 November 2011

TISCO Financial Group Public Company Limited and its subsidiaries

Statements of financial position

As at 30 September 2011 and 31 December 2010

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 September 2011	31 December 2010	30 September 2011	31 December 2010
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Cash		980,219	903,306	50	50
Interbank and money market items - net	5.1	18,749,194	12,545,403	809,041	393,554
Derivatives assets	5.2	11,852	12,800	-	-
Investments - net	5.3, 5.7	4,481,573	6,481,004	-	-
Investments in subsidiaries - net	5.4	-	-	15,020,918	14,879,285
Loans to customers and accrued interest receivables - net	5.5, 5.7				
Loans to customers		199,713,669	164,980,877	883,000	1,281,000
Accrued interest receivable		175,721	133,879	-	-
Total loans to customers and accrued interest receivables		199,889,390	165,114,756	883,000	1,281,000
Less: Deferred revenue		(17,975,296)	(15,248,648)	-	-
Less: Allowance for doubtful accounts	5.6	(4,616,208)	(4,162,022)	-	-
Less: Allowance for loss on debt restructuring		(3)	(3)	-	-
Loans to customers and accrued interest receivables - net		177,297,883	145,704,083	883,000	1,281,000
Property foreclosed - net		27,544	21,397	-	-
Investment property	5.8	1,116	76,999	335,420	357,401
Premises and equipment - net		1,422,968	1,389,875	381,617	348,654
Intangible assets - net		196,784	243,719	68,085	100,354
Deferred tax assets	5.22	1,381,066	1,242,503	187,697	167,865
Securities and derivatives business receivables - net		1,067,725	1,292,529	-	-
Dividend receivable	5.26	-	-	-	1,589,242
Other assets	5.9	1,244,611	1,493,931	109,311	118,377
Total assets		206,862,535	171,407,549	17,795,139	19,235,782

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

TISCO Financial Group Public Company Limited and its subsidiaries

Statements of financial position (continued)

As at 30 September 2011 and 31 December 2010

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>30 September 2011</u>	<u>31 December 2010</u>	<u>30 September 2011</u>	<u>31 December 2010</u>
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity				
Liabilities				
Deposits	37,913,952	48,533,223	-	-
Interbank and money market items - net	12,501,508	10,842,765	-	-
Liability payable on demand	462,015	532,448	-	-
Derivatives liabilities	5.2 142,793	9,363	-	-
Debts issued and borrowings	5.10 134,290,208	90,776,223	2,450,971	3,345,075
Provision for long-term employee benefits	199,341	-	47,641	-
Deferred tax liabilities	5.22 44,361	156,347	-	-
Securities and derivatives business payables	783,562	1,610,686	-	-
Accrued interest payable	1,159,849	462,130	12,334	8,654
Income tax payable	351,872	942,103	14,481	108,574
Other liabilities	5.11 3,527,625	2,685,034	760,886	499,716
Total liabilities	191,377,086	156,550,322	3,286,313	3,962,019

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

TISCO Financial Group Public Company Limited and its subsidiaries

Statements of financial position (continued)

As at 30 September 2011 and 31 December 2010

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 September 2011	31 December 2010	30 September 2011	31 December 2010
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Shareholders' equity					
Share capital					
Registered	6.3				
372,287,914 preference shares of Baht 10 each					
(31 December 2010: 555,548,180 preference shares of Baht 10 each)		3,722,879	5,555,482	3,722,879	5,555,482
727,912,086 ordinary shares of Baht 10 each					
(31 December 2010: 544,651,820 ordinary shares of Baht 10 each)		7,279,121	5,446,518	7,279,121	5,446,518
		<u>11,002,000</u>	<u>11,002,000</u>	<u>11,002,000</u>	<u>11,002,000</u>
Issued and fully paid-up					
33,858 preference shares of Baht 10 each					
(31 December 2010: 35,358 preference shares of Baht 10 each)		339	354	339	354
727,878,228 ordinary shares of Baht 10 each					
(31 December 2010: 727,876,728 shares of Baht 10 each)		7,278,782	7,278,767	7,278,782	7,278,767
		<u>7,279,121</u>	<u>7,279,121</u>	<u>7,279,121</u>	<u>7,279,121</u>
Share premium					
Share premium on preference shares		-	-	298	311
Share premium on ordinary shares		-	-	6,012,817	6,012,804
		<u>-</u>	<u>-</u>	<u>6,013,115</u>	<u>6,013,115</u>
Other components of shareholders' equity		845,243	1,049,546	-	-
Retained earnings					
Appropriated-statutory reserve		212,600	212,600	212,600	212,600
Unappropriated		7,061,865	6,235,417	1,003,990	1,768,927
Equity attributable to owners of the Company		<u>15,398,829</u>	<u>14,776,684</u>	<u>14,508,826</u>	<u>15,273,763</u>
Non-controlling interest of the subsidiaries		86,620	80,543	-	-
Total shareholders' equity		<u>15,485,449</u>	<u>14,857,227</u>	<u>14,508,826</u>	<u>15,273,763</u>
Total liabilities and shareholders' equity					
		<u>206,862,535</u>	<u>171,407,549</u>	<u>17,795,139</u>	<u>19,235,782</u>
		-	-	-	-

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

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

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

(Unaudited but reviewed)

TISCO Financial Group Public Company Limited and its subsidiaries

Statements of comprehensive income

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

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

	Note	Consolidated financial statements		Separate financial statements	
		2011	2010	2011	2010
Interest incomes	5.14	3,311,804	2,407,549	13,425	9,722
Interest expenses	5.15	-1,570,389	-654,148	-27,616	-14,623
Net interest incomes		1,741,415	1,753,401	(14,191)	(4,901)
Fees and service incomes		782,970	805,435	-	-
Fees and service expenses		-54,825	-51,835	(2,588)	(1,979)
Net fees and service incomes	5.16	728,145	753,600	(2,588)	(1,979)
Gains on tradings and foreign exchange transactions	5.17	44,793	5,704	-	-
Gains (losses) on investments	5.18	(5,983)	138,287	-	(5,333)
Dividend income		25,149	22,756	669,790	-
Penalty fee income from loans		54,959	47,655	-	-
Income from business promotion relating to the business		198,721	64,963	-	-
Intercompany supporting fee income	5.26	-	-	343,277	334,420
Other operating incomes	5.20, 5.26	46,572	76,460	15,250	43,875
Total operating incomes		2,833,771	2,862,826	1,011,538	366,082
Other operating expenses					
Employee's expenses		635,431	721,701	142,373	168,622
Directors' remuneration		3,350	2,604	3,110	2,604
Premises and equipment expenses		190,366	170,072	70,432	56,433
Taxes and duties		58,427	41,643	3	1,970
Expenses to business promotion relating to the business		189,820	68,255	-	-
Others	5.21	180,395	151,962	27,048	24,717
Total other operating expenses		1,257,789	1,156,237	242,966	254,346
Bad debt and doubtful accounts and impairment loss					
of debt securities	5.19	301,788	604,482	-	-
Profit before income tax expense		1,274,194	1,102,107	768,572	111,736
Income tax expense	5.22	370,429	368,047	24,336	64,066
Profit for the periods		903,765	734,060	744,236	47,670

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

(Unaudited but reviewed)

TISCO Financial Group Public Company Limited and its subsidiaries**Statements of comprehensive income (continued)****For the three-month periods ended 30 September 2011 and 2010**

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

	Note	Consolidated financial statements		Separate financial statements	
		2011	2010	2011	2010
Other comprehensive income	5.23				
Gains (losses) arising from translating the financial statements of a foreign operation		551	(3,224)	-	-
Investment in available-for-sale securities		(163,096)	179,892	-	-
Actuarial gains or losses arising from post-employment benefits		(23,545)	-	(5,405)	-
Cash flow hedges		71,746	5,689	-	-
Income tax (charge)/credit relating to components of other comprehensive income	5.22, 5.24	34,468	(45,184)	1,621	-
Other comprehensive income for the period - net		(79,876)	137,173	(3,784)	-
Total comprehensive income for the period		823,889	871,233	740,452	47,670
Profit attributable to:					
Equity holders of the Company	5.25	898,926	730,633	744,236	47,670
Non-controlling interests of the subsidiaries		4,839	3,427		
		903,765	734,060		
Total comprehensive income attributable to:					
Equity holders of the Company		825,842	865,775	740,452	47,670
Non-controlling interests of the subsidiaries		(1,953)	5,458		
		823,889	871,233		
Earnings per share - equity shareholds of the Company	5.25				
Basic earnings per share		1.23	1.00	1.02	0.07

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

(Unaudited but reviewed)

TISCO Financial Group Public Company Limited and its subsidiaries

Statements of comprehensive income

For the nine-month periods ended 30 September 2011 and 2010

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

	Note	Consolidated financial statements		Separate financial statements	
		2011	2010	2011	2010
Interest incomes	5.14	9,034,207	6,906,047	41,574	30,682
Interest expenses	5.15	-3,585,808	-1,810,402	-65,908	-44,583
Net interest incomes		5,448,399	5,095,645	(24,334)	(13,901)
Fees and service incomes		2,342,313	2,141,016	-	-
Fees and service expenses		-162,556	-161,125	(7,594)	(5,879)
Net fees and service incomes	5.16	2,179,757	1,979,891	(7,594)	(5,879)
Gains on tradings and foreign exchange transactions	5.17	25,817	15,183	-	-
Gains (losses) on investments	5.18	63,962	190,581	(22)	(5,357)
Dividend income		83,249	80,584	671,995	1,470
Penalty fee income from loans		173,099	140,525	-	-
Income from business promotion relating to the business		414,810	170,276	-	-
Intercompany supporting fee income	5.26	-	-	1,086,014	1,032,945
Other operating incomes	5.20, 5.26	116,754	284,537	46,816	78,642
Total operating incomes		8,505,847	7,957,222	1,772,875	1,087,920
Other operating expenses					
Employee's expenses		2,154,815	2,157,071	501,159	543,168
Directors' remuneration		9,791	6,784	9,071	6,784
Premises and equipment expenses		556,291	511,993	201,329	165,942
Taxes and duties		171,632	113,644	1,446	3,364
Expenses to business promotion relating to the business		437,578	194,897	-	-
Others	5.21	508,536	445,549	79,030	68,672
Total other operating expenses		3,838,643	3,429,938	792,035	787,930
Bad debt and doubtful accounts and impairment loss					
of debt securities	5.19	981,481	1,340,076	-	-
Profit before income tax expense		3,685,723	3,187,208	980,840	299,990
Income tax expense	5.22	1,081,437	969,528	76,485	104,088
Profit for the period		2,604,286	2,217,680	904,355	195,902

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

(Unaudited but reviewed)

TISCO Financial Group Public Company Limited and its subsidiaries**Statements of comprehensive income (continued)****For the nine-month periods ended 30 September 2011 and 2010**

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

	Note	Consolidated financial statements		Separate financial statements	
		2011	2010	2011	2010
Other comprehensive income	5.23				
Gains (losses) arising from translating the financial statements of a foreign operation		1,525	(5,075)	-	-
Investment in available-for-sale securities		(376,969)	389,759	-	-
Actuarial gains or losses arising from post-employment benefits		(23,545)	-	(5,405)	-
Cash flow hedges		79,479	17,533	-	-
Income tax (charge)/credit relating to components of other comprehensive income	5.22, 5.24	94,694	(111,119)	1,621	-
Other comprehensive income for the period - net		(224,816)	291,098	(3,784)	-
Total comprehensive income for the period		2,379,470	2,508,778	900,571	195,902
Profit attributable to:					
Equity holders of the Company	5.25	2,590,721	2,205,784	904,355	195,902
Non-controlling interests of the subsidiaries		13,565	11,896		
		2,604,286	2,217,680		
Total comprehensive income attributable to:					
Equity holders of the Company		2,369,936	2,490,622	900,571	195,902
Non-controlling interests of the subsidiaries		9,534	18,156		
		2,379,470	2,508,778		
Earnings per share - equity shareholds of the Company	5.25				
Basic earnings per share		3.56	3.03	1.24	0.27

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

(Unaudited but reviewed)

TISCO Financial Group Public Company Limited and its subsidiaries**Statements of cash flows****For the nine-month periods ended 30 September 2011 and 2010**

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2011	2010	2011	2010
Cash flows from operating activities					
Profit before income tax		3,685,723	3,187,208	980,840	299,990
Adjustments to reconcile profit before income tax					
to net cash provided by (paid from) operating activities:					
Depreciation and amortisation		276,259	258,176	111,714	79,317
Bad debts and doubtful accounts		1,521,547	1,603,850	-	-
(Reversal) allowance for impairment of investments		(5,123)	8,348	22	5,357
Allowance for impairment of property foreclosed		152	98	-	-
Gain on sale of investments		(60,628)	(187,431)	-	-
Unrealised loss on foreign exchange transactions and trading derivatives		(30,152)	(445)	-	-
Gain on disposal of equipment		(7,694)	(39,493)	(23)	(26,686)
Loss from written-off of equipment		279	682	-	-
Unrealised loss (gain) from trading securities		12,448	(7,505)	-	-
Gain on disposal of property foreclosed		(55,085)	(189,240)	-	-
Provision for long-term employee benefits		17,204	-	2,585	-
Decrease (increase) in other accrued incomes		14,062	(49,784)	6,145	(93,755)
Increase in accrued expenses		629,496	897,152	263,293	336,782
Net interest income		(5,448,399)	(5,095,645)	24,335	13,901
Dividend income		(83,249)	(80,584)	(671,995)	(1,470)
Cash received on interest income		8,800,393	6,826,632	41,175	30,669
Cash paid on interest expenses		(2,769,457)	(1,399,962)	(62,228)	-42,599
Cash received on dividend income		83,249	80,584	2,261,238	625,165
Cash paid on income tax expense		(1,777,468)	(1,522,970)	(176,910)	-158,272
Profit from operating activities before changes					
in operating assets and liabilities		4,803,557	4,289,671	2,780,191	1,068,399
Decrease (increase) in operating assets					
Interbank and money market items		(6,029,012)	5,534,311	(415,487)	243,938
Investment in trading securities		-	-	-	-
Loans to customers		(33,884,959)	(28,518,068)	398,000	19,000
Securities and derivative business receivables		226,236	(645,513)	-	-
Property foreclosed		923,080	1,503,746	-	-
Intangible assets		(36,496)	(71,543)	(10,261)	(50,698)
Other assets		253,372	459,068	3,352	(42,605)

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

(Unaudited but reviewed)

TISCO Financial Group Public Company Limited and its subsidiaries

Statements of cash flows (continued)

For the nine-month periods ended 30 September 2011 and 2010

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2011	2010	2011	2010
Increase (decrease) in operating liabilities					
Deposits		(10,619,271)	1,662,787	-	-
Interbank and money market items		1,659,865	1,094,391	-	(210,000)
Liability payable on demand		(70,433)	257,298	-	-
Payable to clearing house		310,285	135,580	-	-
Securities and derivative business payables		(827,125)	488,502	-	-
Other liabilities		(40,843)	92,510	(2,122)	6,121
Net cash flows from (used in) operating activities		(43,331,744)	(13,717,260)	2,753,673	1,034,155
Cash flows from investing activities					
Cash paid for purchase of investment in securities held for investment		(1,928,836)	(3,043,577)	-	(1)
Cash received from disposal of investment in securities held for investment		3,607,966	6,552,569	-	-
Cash paid for purchase of equipment		(157,631)	(170,574)	(80,328)	(74,051)
Cash received from disposal of equipment		9,383	74,976	150	59,941
Cash paid for acquisition of a subsidiaries	1.2	-	(1)	(141,655)	-
Cash received from share capital reduction of a subsidiaries		-	-	-	500,000
Net cash flows from (used in) investing activities		1,530,882	3,413,393	(221,833)	485,889
Cash flows from financing activities					
Borrowings		43,513,986	13,154,905	(894,104)	(617,565)
Cash received from issuance of long-term debentures		-	1,000,000	-	-
Cash paid for the redemption of long-term debentures		-	(3,000,000)	-	-
Dividend paid		(1,637,736)	(902,479)	(1,637,736)	(902,479)
Net cash flows from (used in) financing activities		41,876,250	10,252,426	(2,531,840)	(1,520,044)
Translation adjustment		1,525	(5,075)	-	-
Net increase (decrease) in cash		76,913	(56,516)	-	-
Cash at beginning of the period		903,306	826,526	50	50
Cash at end of the period		980,219	770,010	50	50
		-	-	-	-
Supplemental cash flows information					
Non-cash transactions					
Conversion of preference shares to ordinary shares		28	12,324	28	12,323
Issuance securities for swap ordinary shares of TISCO Bank					
under holding restructuring under common control		-	14,008	-	14,008
Transfer of properties foreclosed form receivables					
for debt settlement		3,382	-	-	-
Transfer investment property to premises and equipment	5.8	84,841	-	-	-

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

(Unaudited but reviewed)

TISCO Financial Group Public Company Limited and its subsidiaries

Statements of changes in shareholders' equity

For the nine-month periods ended 30 September 2011 and 2010

(Unit: Thousand Baht)

	Consolidated financial statements											
	Equity attributable to owner of the Company											Total
	Other components of shareholders equity				Other comprehensive income			Adjustment from business combination		Total equity attributable to owner of the Company	Equity attributable to non-controlling interests of the subsidiaries	
	Issued and fully paid-up share capital		of available-for-sale	Translation	Surplus (deficit) on change in value	of entities under common control under holding	Total other components of shareholders' equity	Retained earnings				
Preference shares	Ordinary shares	investments	Cash flow hedges	adjustment	restructuring plan	equity	Appropriated	Unappropriated	the Company	the subsidiaries		
Balance as at 31 December 2009	6,986	7,261,744	(37,793)	(10,743)	86,441	672,295	710,200	119,800	4,342,447	12,441,177	77,539	12,518,716
Dividend paid	-	-	-	-	-	-	-	-	(902,479)	(902,479)	-	(902,479)
Total comprehensive income for the period	-	-	283,899	6,014	(5,075)	-	284,838	-	2,205,784	2,490,622	18,156	2,508,778
Preference shares converted to ordinary shares	(6,556)	6,556	-	-	-	-	-	-	-	-	-	-
Adjustment from business combination of entities under common control under holding restructuring plan	-	9,555	-	-	-	4,453	4,453	-	-	14,008	(14,008)	-
Decrease in non-controlling interests of the subsidiaries	-	-	-	-	-	-	-	-	-	-	(1,530)	(1,530)
Balance as at 30 September 2010	<u>430</u>	<u>7,277,855</u>	<u>246,106</u>	<u>(4,729)</u>	<u>81,366</u>	<u>676,748</u>	<u>999,491</u>	<u>119,800</u>	<u>5,645,752</u>	<u>14,043,328</u>	<u>80,157</u>	<u>14,123,485</u>
Balance as at 31 December 2010	354	7,278,767	292,656	(3,211)	80,835	679,266	1,049,546	212,600	6,235,417	14,776,684	80,543	14,857,227
Cumulative effect of the change in accounting policy for employee benefit (Note 2)	-	-	-	-	-	-	-	-	(110,039)	(110,039)	(1,053)	(111,092)
Dividend paid	-	-	-	-	-	-	-	-	(1,637,752)	(1,637,752)	-	(1,637,752)
Total comprehensive income for the period	-	-	(265,494)	59,666	1,525	-	(204,303)	-	2,574,239	2,369,936	9,534	2,379,470
Preference shares converted to ordinary shares	(15)	15	-	-	-	-	-	-	-	-	-	-
Decrease in non-controlling interests of the subsidiaries	-	-	-	-	-	-	-	-	-	-	(2,404)	(2,404)
Balance as at 30 September 2011	<u>339</u>	<u>7,278,782</u>	<u>27,162</u>	<u>56,455</u>	<u>82,360</u>	<u>679,266</u>	<u>845,243</u>	<u>212,600</u>	<u>7,061,865</u>	<u>15,398,829</u>	<u>86,620</u>	<u>15,485,449</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 nine-month periods ended 30 September 2011 and 2010

(Unit: Thousand Baht)

	Separate financial statements								
	Issued and fully		Issued and fully paid-up share capital				Retained earnings		Total
	paid-up share capital - registered		awaiting for registered		Share premium		Appropriated	Unappropriated	
	Preference shares	Ordinary shares	Preference shares	Ordinary shares	Preference shares	Ordinary shares			
Balance as at 31 December 2009	6,986	7,261,652	-	92	6,147	6,002,126	119,800	908,746	
Dividend paid	-	-	-	-	-	-	-	(902,479)	(902,479)
Total comprehensive income for the period	-	-	-	-	-	-	-	195,902	195,902
Preference shares converted to ordinary shares	(6,556)	6,556	-	-	(5,768)	5,768	-	-	-
Issuance of ordinary shares to the shareholders under common control under holding restructuring plan	-	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 September 2010	<u>430</u>	<u>7,277,855</u>	<u>-</u>	<u>-</u>	<u>379</u>	<u>6,012,347</u>	<u>119,800</u>	<u>202,169</u>	<u>13,612,980</u>
Balance as at 31 December 2010	354	7,278,767	-	-	311	6,012,804	212,600	1,768,927	15,273,763
Cumulative effect of the change in accounting policy for employee benefit (Note 2)	-	-	-	-	-	-	-	(27,756)	(27,756)
Dividend paid	-	-	-	-	-	-	-	(1,637,752)	(1,637,752)
Total comprehensive income for the period	-	-	-	-	-	-	-	900,571	900,571
Preference shares converted to ordinary shares	(15)	15	-	-	(13)	13	-	-	-
Balance as at 30 September 2011	<u>339</u>	<u>7,278,782</u>	<u>-</u>	<u>-</u>	<u>298</u>	<u>6,012,817</u>	<u>212,600</u>	<u>1,003,990</u>	<u>14,508,826</u>

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

TISCO Financial Group Public Company Limited and its subsidiaries

Notes to interim financial statements

For the three-month and nine-month periods ended 30 September 2011 and 2010

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

1.1 Basis of preparation of interim financial statements

These interim financial statements are prepared in accordance with Accounting Standard No. 34 (revised 2009) "Interim Financial Reporting", with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, comprehensive income, changes in shareholders' equity and cash flows in accordance with the Bank of Thailand ("BOT")'s Notification No. Sor Nor Sor. 11/2553 regarding "Preparation and Announcement of Financial Statements of Commercial Banks and Parent Companies of Financial Holding Groups", dated 3 December 2010, which is effective for fiscal years beginning on or after 1 January 2011.

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

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

1.2 Basis of preparation of consolidated financial statements

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

- a) In February 2011, the Company invested in 49,997 ordinary shares of TISCO Learning Center Co., Ltd. at a price of Baht 100 per share, for a total of Baht 5 million. The Company holds 99.99 percent of shares. Such company registered its incorporations with the Ministry of Commerce on 1 February 2011.
- b) In March 2011, TISCO Securities Company Limited, the Company's subsidiary, invested in 9,997 ordinary shares of TISCO Investment Advisory Co., Ltd. at a price of Baht 100 per share, for a total of Baht 1 million. The Company's investment represents 99.9 percent of the registered capital of such company, which registered its incorporation with the Ministry of Commerce on 18 March 2011.

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

1.3 Application of new accounting standards during the period

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

Accounting standards:

TAS 1 (revised 2009)	Presentation of Financial Statements
TAS 2 (revised 2009)	Inventories
TAS 7 (revised 2009)	Statement of Cash Flows
TAS 8 (revised 2009)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2009)	Events after the Reporting Period
TAS 11 (revised 2009)	Construction Contracts
TAS 12	Corporate Income Tax
TAS 16 (revised 2009)	Property, Plant and Equipment
TAS 17 (revised 2009)	Leases
TAS 18 (revised 2009)	Revenue
TAS 19	Employee Benefits
TAS 23 (revised 2009)	Borrowing Costs
TAS 24 (revised 2009)	Related Party Disclosures
TAS 26	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2009)	Consolidated and Separate Financial Statements
TAS 28 (revised 2009)	Investments in Associates
TAS 29	Financial Reporting in Hyperinflationary Economies
TAS 31 (revised 2009)	Interests in Joint Ventures
TAS 33 (revised 2009)	Earnings per Share
TAS 34 (revised 2009)	Interim Financial Reporting
TAS 36 (revised 2009)	Impairment of Assets
TAS 37 (revised 2009)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2009)	Intangible Assets
TAS 40 (revised 2009)	Investment Property

Financial reporting standards:

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

Financial Reporting Standard Interpretations:

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

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

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

1.4 Significant accounting policies

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

Employee benefits

Post-employment benefits (Defined contribution plans)

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

Post-employment benefits (Defined benefit plans)

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

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

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

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

Investment properties

The Company and its subsidiaries record initial value of investment properties at costs, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and allowance for loss on impairment.

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

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

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

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

TAS 19 Employee Benefits

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

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

In addition, the change in such accounting policy has the effect of decreasing the profit of the Company and its subsidiaries for the three-month and nine-month periods ended 30 September 2011 by Baht 6 million (0.008 Baht per share) and Baht 17 million (0.024 Baht per share), respectively (The Company only: decreasing the profit by Baht 1 million (0.002 Baht per share)) and Baht 3 million (0.004 Baht per share), respectively.

TAS 40 Investment property

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

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

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

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

Accounting Standard Interpretations:

SIC 10 Government Assistance - No Specific Relation to Operating Activities

4. General information

4.1 The Company's information

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

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

4.2 Related party transactions

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

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

The Company and its subsidiaries have neither granted credit, nor made any commitments to management-level employees (departmental managers upward), and have not granted credit to companies of which at least 10 percent of the common shares of paid up capital are held by the Company, the Company's directors or management-level employees, with the exception of loans to related party and loans to employees under the employee welfare scheme, as mentioned in Note 5.26 to the financial statements.

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

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

5. Supplemental information

5.1 Interbank and money market items - net (assets)

(Unit: Million Baht)

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

5.2 Derivatives

5.2.1 Trading derivative

(Unit: Thousand Baht)

Type of risk	Consolidated financial statements					
	30 September 2011			31 December 2010		
	Fair value		Notional amount	Fair value		Notional amount
	Assets	Liabilities		Assets	Liabilities	
Exchange rate	-	81,508	3,116,735	11,190	-	180,908
Interest rate	7,075	-	3,032,000	1,610	-	300,000
Total	7,075	81,508	6,148,735	12,800	-	480,908

All counter parties of these derivative transactions are financial institutions.

5.2.2 Hedging derivatives

(Unit: Thousand Baht)

Type of risk	Consolidated financial statements as at					
	30 September 2011			31 December 2010		
	Fair value		Notional amount	Fair value		Notional amount
	Assets	Liabilities		Assets	Liabilities	
Exchange rate	4,237	60,599	4,972,438	-	-	-
Interest rate	540	686	375,625	-	9,363	326,491
Total	4,777	61,285	5,348,063	-	9,363	326,491

All counter parties of these derivative transactions are financial institutions.

(Unaudited but reviewed)

5.3 Investments

(Unit: Thousand Baht)

	Consolidated financial statements as at	
	30 September 2011	31 December 2010
Trading securities - fair value		
Domestic marketable equity securities	3,752	3,752
Add: Allowance for changes in value	16,748	29,195
Total trading securities	20,500	32,947
Available-for-sales securities - fair value		
Government and state enterprise securities	1,079,373	1,419,765
Debt securities of private sector	831,460	841,460
Foreign debt securities	195,917	196,430
Domestic marketable equity securities	809,401	872,709
Other securities - unit trusts	30,133	40,133
Add: Allowance for changes in value	107,301	476,545
Less: Allowance for impairment	(1,460)	(1,460)
Total available-for-sales securities	3,052,125	3,845,582
Held-to-maturity debt securities - cost/amortised cost		
Government and state enterprise securities	-	87,975
Debt securities of private sector	2	2
Investment in receivables	886,363	1,906,753
Less: Allowance for impairment	(21,467)	(23,256)
Total held-to-maturity debt securities	864,898	1,971,474
Other investments - cost		
Domestic non-marketable equity securities	608,263	698,548
Less: Allowance for impairment	(64,213)	(67,547)
Total other investments	544,050	631,001
Investments - net	4,481,573	6,481,004

5.3.1 Investments subject to restriction

(Unit: Million Baht)

Type of investment	Consolidated financial statements		Type of restriction
	as at		
	30 September 2011	31 December 2010	
Government debt securities	2	2	Pledged for electricity usage
Government debt securities	501	-	Pledged for the use of credit balance on clearing position

(Unaudited but reviewed)

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

(Unit: Thousand Baht)

Consolidated financial statements
as at 30 September 2011

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

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

(Unit: Thousand Baht)

Consolidated financial statements
as at 31 December 2010

	Allowance for changes in value ⁽¹⁾		
	Cost	Fair value	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.

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

(Unit: Thousand Baht)

Securities' name	Consolidated financial statements as at					
	30 September 2011			31 December 2010		
	Book value	Unpaid amounts	Percentage of holding	Book value	Unpaid amounts	Percentage of holding
						%
Insurance:						
AXA Insurance Plc.	53,169	-	10	53,169	-	10
Services:						
TISCO Securities Hong Kong Limited (in the process of liquidation)	47,127	-	100	49,315	-	100
Jiji Press (Thailand) Co., Ltd.	814	300	10	814	300	10
K. Line (Thailand) Co., Ltd.	37,335	-	10	37,335	-	10
Leasing and hire purchase:						
TISCO Leasing Co., Ltd.	-	-	-	85,998	-	99.99
Trading import and export:						
Shin Thai Enterprises Co., Ltd.	4,019	-	10	4,592	-	10
PDTL Trading Co., Ltd.	8,703	-	10	9,270	-	10
Wattana Inter-Trade Co., Ltd.	5,382	-	10	3,957	-	10
Real estate:						
Prosperity Industrial Estate Co., Ltd.	45,095	-	10	45,095	-	10
UMI Property Co., Ltd.	6,843	-	10	7,454	-	10
Industrial:						
Siam Art Ceramic Co., Ltd.	17,028	-	10	16,588	-	10

5.4 Investments in subsidiaries

(Unit: Million Baht)

Company's name	Nature of Business	Separate financial statements								
		Type of shares		Percentage of shares held by the Company as at		Investment value - cost method as at		Dividend received for the nine-month periods ended		
		30 September	31 December	30 September	31 December	30 September	31 December	30 September	30 September	
		2011	2010	2011	2010	2011	2010	2011	2010	
Subsidiaries directly held by the Company					%	%				
TISCO Bank Public Company Limited	Banking	Ordinary shares	Ordinary shares	99.98	99.98	13,294	13,294	670	-	
TISCO Securities Co., Ltd.	Securities business	Ordinary shares	Ordinary shares	99.99	99.99	1,075	1,075	-	-	
TISCO Asset Management Co., Ltd.	Asset management	Ordinary shares	Ordinary shares	99.99	99.99	110	110	-	-	
Hi-Way Co., Ltd.	Hire purchase	Preference shares	Preference shares	99.99	99.99	3	3	-	-	
		Ordinary shares	Ordinary shares	99.99	99.99	270	270	-	-	
TISCO Information Technology Co., Ltd.	Services	Ordinary shares	Ordinary shares	99.99	99.99	22	22	-	-	
TISCO Leasing Co., Ltd.	Leasing	Ordinary shares	Ordinary shares	99.99	-	137	-	-	-	
TISCO Tokyo Leasing Co., Ltd.	Leasing	Ordinary shares	Ordinary shares	49.00	49.00	73	73	2	1	
Primus Leasing Co., Ltd. (in the process of liquidation)	Hire purchase	Ordinary shares	Ordinary shares	99.99	99.99	142	142	-	-	
TISCO Learning Center Co., Ltd.	Services	Ordinary shares	Ordinary shares	99.99	-	5	-	-	-	
						15,131	14,989	672	1	
Less: Allowance for impairment						(110)	(110)			
Investment in subsidiaries - net						15,021	14,879			

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

5.5 Loans to customers and accrued interest receivable**5.5.1 Classified by loan type**

(Unit: Thousand Baht)

Consolidated financial statements
as at

	30 September 2011	31 December 2010
Loans to customers		
Loans	43,153,018	32,788,168
Hire purchase receivables	152,773,077	129,188,567
Financial lease receivables	3,990,569	3,112,688
Less: Deferred revenue	(17,975,296)	(15,248,648)
Advances received from financial lease receivables	(202,995)	(108,546)
Total loans to customers	181,738,373	149,732,229
Add: Accrued interest receivable	175,721	133,879
Less: Allowance for doubtful accounts		
BOT's minimum requirement provision		
- Individual	(640,203)	(682,402)
- Collective	(1,356,798)	(1,128,795)
Excess over BOT's minimum requirement provision	(2,619,207)	(2,350,825)
	(4,616,208)	(4,162,022)
Less: Allowance for loss on debt restructuring	(3)	(3)
Loans to customers and accrued interest receivable - net	177,297,883	145,704,083

(Unit: Thousand Baht)

Separate financial statements
as at

	30 September 2011	31 December 2010
Loans to customers		
Loans	883,000	1,281,000
Add: Accrued interest receivable	-	-
Loans to customers and accrued interest receivable - net	883,000	1,281,000

5.5.2 Classified by currency and residency of debtors

(Unit: Thousand Baht)

	Consolidated financial statements as at					
	30 September 2011			31 December 2010		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	178,621,633	-	178,621,633	149,732,229	-	149,732,229
US Dollars	-	3,116,740	3,116,740	-	-	-
Total loans to customers from deferred revenue -net	<u>178,621,633</u>	<u>3,116,740</u>	<u>181,738,373</u>	<u>149,732,229</u>	<u>-</u>	<u>149,732,229</u>

(Unit: Thousand Baht)

	Separate financial statements as at					
	30 September 2011			31 December 2010		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	883,000	-	883,000	1,281,000	-	1,281,000
Total loans to customers from deferred revenue -net	<u>883,000</u>	<u>-</u>	<u>883,000</u>	<u>1,281,000</u>	<u>-</u>	<u>1,281,000</u>

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

(Unit: Million Baht)

	30 September 2011			31 December 2010		
	Loans to customers and accrued interest receivable	Balance net of collateral	Allowance provided in the accounts ⁽¹⁾	Loans to customers and accrued interest receivable	Balance net of collateral	Allowance provided in the accounts ⁽¹⁾
	BOT's minimum requirement provision					
Pass	167,480	153,774	1,069	136,253	122,958	794
Special mention	7,086	6,967	66	6,692	6,547	59
Sub-standard	903	894	222	788	768	178
Doubtful	207	178	54	267	239	51
Doubtful of loss	899	532	316	1,304	789	426
Provision in excess of BOT's minimum rates required ⁽²⁾	-	-	2,619	-	-	2,351
Total	<u>176,575</u>	<u>162,345</u>	<u>4,346</u>	<u>145,304</u>	<u>131,301</u>	<u>3,859</u>

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

⁽²⁾ Allowance for doubtful accounts is determined based on long-term average value of business risk in order to provide a reserve for counter cyclical business factors including economic factors, and other risk that may affect the quality of assets.

	Percentage of allowance for doubtful accounts set up			
	Hire purchase receivables ⁽¹⁾		Other loans	
	30 September	31 December	30 September	31 December
	2011	2010	2011	2010
Pass	0.64	0.60	1	1
Special mention	0.64	0.60	2	2
Sub-standard	20.44	20.31	100	100
Doubtful	20.44	20.31	100	100
Doubtful of loss	20.44	20.31	100	100

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

5.5.4 Hire purchase and financial lease receivables

As at 30 September 2011, net receivables of the subsidiaries under hire purchase and financial lease agreements amount to Baht 138,775 million (31 December 2010: Baht 117,133 million) and mostly comprise hire purchase agreements for cars, machine and equipment for business operation. The terms of the agreements are generally between 1 to 7 years and under most agreements interest is charged at a fixed rate as specified in agreements.

(Unit: Million Baht)

Consolidated financial statements as at 30 September 2011					
Amounts of installments due under the long-term lease agreements					
	Less than	1 - 5 years	Over 5 years	Non performing	Total
	1 year			loans	
Gross investment in the agreements	49,168	101,448	3,356	2,792	156,764
Less: Deferred revenue*	(7,167)	(9,297)	(92)	(1,230)	(17,786)
Advances received from financial lease receivables	(15)	(187)	(1)	-	(203)
Present value of minimum lease pay from agreements	41,986	91,964	3,263	1,562	138,775
Allowance for doubtful accounts					(1,392)
Net hire purchase and financial lease receivables					137,383

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

(Unaudited but reviewed)

(Unit: Million Baht)

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

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

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

(Unit: Million Baht)

TISCO Bank	Amounts calculated under BOT's guidelines ⁽²⁾		Amounts calculated under TISCO Bank's policy	
	as at		as at	
	30 September 2011	31 December 2010	30 September 2011	31 December 2010
Loans to customers for which the recognition of interest income has ceased ⁽¹⁾	2,000	3,618	2,440	3,941

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

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

(Unit: Million Baht)

Other subsidiaries	As at	
	30 September 2011	31 December 2010
	Hire purchase receivables, financial lease receivables and other loans and receivables for which the recognition of interest income has ceased	265

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

(Unit: Million Baht)

Consolidated financial statements
as at

	30 September 2011	31 December 2010
Deferred revenue ⁽¹⁾	17,975	15,248

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

5.5.7 Troubled debt restructuring of a subsidiary company operating banking business

For the nine-month periods
ended 30 September

	2011	2010
Debtors restructured during the period		
Number of debtors restructured by modification of terms (number)	210	379
Loan balances before restructuring (million Baht)	590	222
Loan balances after restructuring (million Baht)	590	222
Loss on troubled debt restructuring (million Baht)	-	-
Average contract period of debt restructuring (years)		
Hire purchase receivables	4	4
Mortgage loan receivables	3	3
Corporate loan receivables	2	-

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

For the nine-month periods
ended 30 September

	2011	2010
Interest income on restructured receivables (million Baht)	48	45
Receipt of principal and interest (million Baht)	509	297

(Unaudited but reviewed)

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

(Unit: Million Baht)

	As at			
	30 September 2011		31 December 2010	
	Number of debts	Outstanding balance	Number of debts	Outstanding balance
The balance of the restructured debts	1,427	1,424	1,289	1,711

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

5.6.1 Allowance for doubtful accounts – classified by the receivables classification

(Unit: Thousand Baht)

Consolidated financial statements as at 30 September 2011

	Pass	Special mentioned	Sub-Standard	Doubtful	Doubtful of loss	Reserve for counter cyclical business factors*	Total
Balance - beginning of period	934,963	92,619	237,767	88,718	457,130	2,350,825	4,162,022
Increase (decrease) in allowance for doubtful accounts during the period	263,432	15,152	354,198	492,774	140,896	255,095	1,521,547
Transfer from allowance for declining in value of property foreclosed	-	-	-	-	-	13,287	13,287
Bad debt written-off	(1,851)	(14,071)	(314,350)	(495,188)	(255,188)	-	(1,080,648)
Balance - end of period	1,196,544	93,700	277,615	86,304	342,838	2,619,207	4,616,208

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

(Unit: Thousand Baht)

Consolidated financial statements as at 31 December 2010

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

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

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

(Unit: Thousand Baht)

Consolidated financial statements as at 30 September 2011

	Individual impairment	Collective impairment	Reserve for counter cyclical business factors*	Total
Balance - beginning of period	565,586	1,245,611	2,350,825	4,162,022
Increase (decrease) in allowance for doubtful accounts during the period	75,603	1,190,849	255,095	1,521,547
Transfer from allowance for declining in value of property foreclosed	-	-	13,287	13,287
Bad debt written-off	(986)	(1,079,662)	-	(1,080,648)
Balance - end of period	<u>640,203</u>	<u>1,356,798</u>	<u>2,619,207</u>	<u>4,616,208</u>

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

(Unit: Thousand Baht)

Consolidated financial statements as at 31 December 2010

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

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

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

(Unit: Million Baht)

Allowance for doubtful accounts / allowance for loss on debt restructuring ⁽¹⁾	As at	
	30 September	31 December
	2011	2010
Amount to be provided under BOT's guidelines	1,704	1,485
Amount already recorded by TISCO Bank	4,346	3,859
Amount in excess of the required amount under BOT's guidelines	2,619	2,351

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

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

(Unit: Million Baht)

	As at	
	30 September	31 December
	2011	2010
Non-performing loans to customers	2,009	2,359
Allowance for doubtful accounts	593	655

5.7 Classification of assets

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

(Unit: Million Baht)

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

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

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

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

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

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

(Unit: Million Baht)

	Loans and receivables ⁽¹⁾		Investments in securities		Investments in transferred receivables		Property foreclosed		Total	
	30	31	30	31	30	31	30	31	30	31
	September	December	September	December	September	December	September	December	September	December
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Pass	180,206	139,279	-	-	-	-	-	-	180,206	139,279
Special mentioned	7,002	6,611	-	-	-	-	-	-	7,002	6,611
Sub-standard	903	788	-	-	-	-	-	-	903	788
Doubtful	207	267	-	-	-	-	-	-	207	267
Doubtful of loss	899	1,304	88	87	21	23	50	61	1,058	1,475
Total	189,217	148,249	88	87	21	23	50	61	189,376	148,420

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

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

(Unit: Million Baht)

	Debt balance		Debt balance		Percentage of allowance for		Allowance for doubtful accounts	
	as at		after net of collateral value		doubtful account set up ⁽²⁾		as at	
	30	31	30	31	30	31	30	31
	September	December	September	December	September	December	September	December
	2011	2010	2011	2010	2011	2010	2011	2010
Hire purchase receivables⁽¹⁾								
Pass	125,249	104,568	125,249	104,568	0.64	0.60	783	610
Special mentioned	6,660	6,360	6,660	6,360	0.64	0.60	59	55
Sub-standard	846	747	846	747	20.44	20.31	174	157
Doubtful	158	234	158	234	20.44	20.31	34	46
Doubtful of loss	295	479	295	479	20.44	20.31	57	94
Total	133,208	112,388	133,208	112,388			1,107	962

⁽¹⁾ The subsidiary company operating banking business does not deduct the collateral value from the outstanding loan balance for calculation allowance for doubtful accounts for hire purchase receivables.

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

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

	Number of debtors		Debt balance		Collateral value		Allowance for doubtful accounts provided in the accounts	
	as at		as at		as at		as at	
	30 September 2011	31 December 2010	30 September 2011	31 December 2010	30 September 2011	31 December 2010	30 September 2011	31 December 2010
				Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
1. Listed companies vulnerable to delisting from the SET	-	-	-	-	-	-	-	-
2. Non-listed companies with similar operating results and financial positions to listed companies vulnerable to delisting from the SET	1	1	249	254	145	148	124	127
3. Listed companies under rehabilitation	-	-	-	-	-	-	-	-
4. Companies which have loan settlement problems or have defaulted on payment of debts	2	2	138	349	125	269	13	80
5. Companies whose auditor's report cited going concern issues	3	3	468	506	415	453	53	53
Total	6	6	855	1,109	685	870	190	260

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

	Securities business receivables and accrued interest		Allowance for doubtful accounts as required by SEC		Allowance for doubtful accounts provided in the accounts	
	as at		as at		as at	
	30 September 2011	31 December 2010	30 September 2011	31 December 2010	30 September 2011	31 December 2010
Doubtful	1	1	1	1	1	1

(Unit: Million Baht)

(Unaudited but reviewed)

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

(Unit: Million Baht)

	Debt balance		Allowance for doubtful account		Debt balance - net	
	as at		as at		as at	
	30 September 2011	31 December 2010	30 September 2011	31 December 2010	30 September 2011	31 December 2010
Current	4,457	3,740	105	113	4,352	3,627
Overdue						
1 month	279	274	24	27	255	247
2 - 3 months	325	334	27	33	298	301
4 - 6 months	137	146	55	60	82	86
7 - 12 months	81	92	32	38	49	54
Over 12 months	27	37	11	15	16	22
Debtors under litigation	18	19	14	14	4	5
Total	5,324	4,642	268	300	5,056	4,342

5.8 Investment property

(Unit: Thousand Baht)

	Consolidated	Separate financial
	financial statements	statements
	Building and office	Building and office
	condominium	condominium
Cost:		
31 December 2010	97,699	416,177
Transfer to operating assets	(84,841)	-
30 September 2011	12,858	416,177
Accumulated depreciation:		
31 December 2010	20,700	58,776
Depreciation for the period	1,248	21,981
Transfer to operating assets	(10,206)	-
30 September 2011	11,742	80,757
Net book value:		
31 December 2010	76,999	357,401
30 September 2011	1,116	335,420
Depreciation for the nine-month periods ended		
30 September		
2010	4,016	21,845
2011	1,248	21,981

(Unaudited but reviewed)

5.9 Other assets

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	as at		as at	
	30 September 2011	31 December 2010	30 September 2011	31 December 2010
Receivable from clearing house	41,976	342,549	-	-
Value added tax - net	395,900	353,181	1,076	1,410
Accrued interest receivable	21,108	18,370	-	-
Fee and charges receivable	157,197	171,259	68,688	74,834
Prepaid income tax	15,031	34,690	-	-
Deposits	37,048	34,978	4,259	4,075
Other receivables	297,176	228,758	-	8
Other assets	279,175	310,146	35,288	38,050
Total other assets	1,244,611	1,493,931	109,311	118,377

5.10 Debt issued and borrowings

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	as at		as at	
	30 September 2011	31 December 2010	30 September 2011	31 December 2010
<u>Domestic borrowings</u>				
Subordinated unsecured debentures	6,000,000	6,000,000	-	-
Unsubordinated unsecured debentures	1,000,000	1,000,000	-	-
Bills of exchange	127,289,174	83,773,847	2,450,971	3,345,075
Promissory notes	1,034	2,376	-	-
Total	134,290,208	90,776,223	2,450,971	3,345,075

5.10.1 Subordinated unsecured debentures

Year	Issuer	Type of debenture	Units		Face value per unit (Baht)	Balance in consolidated financial statements as at (Million Baht)		Maturity in the year	Interest rate
			30 September	31 December		30 September	31 December		
			2011	2010		2011	2010		
2009	TISCO Bank	Subordinated and unsecured long-term debentures	2 million	2 million	1,000	2,000	2,000	2019	5.5 percent per annum in the first to third years, 6.0 percent per annum in the fourth to seventh years and 6.5 percent per annum in the eighth to tenth years.
2009	TISCO Bank	Subordinated and unsecured long-term debentures	2 million	2 million	1,000	2,000	2,000	2019	5.0 percent per annum in the first to third years, 5.5 percent per annum in the fourth to seventh years and 6.0 percent per annum in the eighth to tenth years.
2010	TISCO Bank	Subordinated and unsecured long-term debentures	1 million	1 million	1,000	1,000	1,000	2020	5.0 percent per annum in the first to tenth years.
2010	TISCO Bank	Subordinated and unsecured long-term debentures	1 million	1 million	1,000	1,000	1,000	2020	4.8 percent per annum in the first to tenth years.
Total							<u>6,000</u>	<u>6,000</u>	

5.10.2 Unsubordinated unsecured debentures

Year	Issuer	Type of debenture	Units		Face value per unit (Baht)	Balance as at (Million Baht)		Maturity in the year	Interest rate
			30 September	31 December		30 September	31 December		
			2011	2010		2011	2010		
2007	TISCO Bank	Unsubordinated and unsecured long-term debentures	1 million	1 million	1,000	1,000	1,000	2012	4.04 percent per annum.
Total							<u>1,000</u>	<u>1,000</u>	

5.10.3 Bills of exchange

Bills of exchange comprised of the fixed interest rates bearing and float interest rate bearing, which will gradually mature in 2011 to 2014. The interest rates of the fixed interest rates bearing bills of exchange are between 1.05 and 4.50 percent per annum.

5.11 Other liabilities

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	as at		as at	
	30 September 2011	31 December 2010	30 September 2011	31 December 2010
Payable to clearing housing	328,900	18,615	-	-
Withholding income tax and other tax payable	65,266	165,152	7,735	47,571
Accrued insurance premium	328,224	373,622	-	-
Deferred income	503,451	235,537	-	-
Accrued expenses	1,877,345	1,148,128	739,895	436,766
Other liabilities	424,439	743,980	13,256	15,379
Total other liabilities	3,527,625	2,685,034	760,886	499,716

5.12 Capital funds

5.12.1 The primary objectives of the Group's capital management are to maintain its ability to continue as a going concern and to maintain capital adequacy ratio, cash liquidity and other in accordance with the regulations of Bank of Thailand or relevant regulatory agencies.

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

Regarding to Capital fund as of 30 September 2011 and 31 December 2010 under Basel II framework, TISCO Bank has allocated the additional reserve from classification as part of regulatory capital fund. The reserve has been classified to Tier 1 capital and Tier 2 capital based on pro rata method under BOT's regulation.

Capital funds of TISCO Bank are as follows:

(Unit: Thousand Baht)

As at

	30 September 2011	31 December 2010
<u>Tier I</u>		
Issued and fully paid up share capital	7,281,522	7,281,522
Premium on share capital	130,451	130,451
Statutory reserve	714,600	614,900
Retained earnings - unappropriated	4,691,630	3,196,596
Less: Deferred tax assets	(1,078,013)	(960,966)
Total Tier I	<u>11,740,190</u>	<u>10,262,503</u>
<u>Tier II</u>		
Subordinated long-term debentures	5,870,095	5,131,251
Reserve for loans classified as pass	791,194	552,695
Add: Excess provision according to IRB	151,503	280,332
Total Tier II	<u>6,812,792</u>	<u>5,964,278</u>
Total capital fund	<u><u>18,552,982</u></u>	<u><u>16,226,781</u></u>

As at

Capital ratios	30 September 2011		31 December 2010	
	TISCO Bank	Requirement	TISCO Bank	Requirement
Tier I capital to risk assets	9.88% ⁽¹⁾	4.25%	11.29% ⁽¹⁾	4.25%
Total capital to risk assets	14.00% ⁽²⁾	8.50%	15.23% ⁽²⁾	8.50%

⁽¹⁾ Before Capital Floor

⁽²⁾ After Capital Floor

5.12.3 To comply with the Notification of the Bank of Thailand No. Sor Nor Sor. 6/2553 regarding "Consolidated Supervision" dated 18 June 2010, the Company has disclosed capital maintenance information of financial business group as at 30 June 2011 on its website on 31 October 2011.

5.13 Surplus on changes in the value of investments

(Unit: Thousand Baht)

Consolidated financial statements		
as at		
	30 September 2011	31 December 2010
Balance - beginning of period	439,655	(16,602)
Increase (decrease) from changes in the value of securities during the period	(376,969)	456,257
	62,686	439,655
Less: The effect of deferred tax assets / liabilities	(35,524)	(146,999)
Balance - end of period	27,162	292,656

5.14 Interest incomes

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

(Unit: Thousand Baht)

Consolidated financial statements				
	For the three-month		For the nine-month	
	periods ended 30 September		periods ended 30 September	
	2011	2010	2011	2010
Interbank and money market items	178,961	47,855	369,512	132,784
Investments in debt securities	54,232	96,067	182,172	356,533
Loans to customers	923,437	437,256	2,319,969	1,122,405
Hire purchase and financial lease	2,155,174	1,826,371	6,162,554	5,294,325
Total interest income	3,311,804	2,407,549	9,034,207	6,906,047

(Unit: Thousand Baht)

Separate financial statements				
	For the three-month		For the nine-month	
	periods ended 30 September		periods ended 30 September	
	2011	2010	2011	2010
Interbank and money market items	3,173	640	12,104	3,060
Loans to customers	10,252	9,082	29,470	27,622
Total interest income	13,425	9,722	41,574	30,682

5.15 Interest expenses

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

(Unit: Thousand Baht)

	Consolidated financial statements			
	For the three-month		For the nine-month	
	periods ended 30 September		periods ended 30 September	
	2011	2010	2011	2010
Deposits	238,378	209,440	581,779	627,720
Interbank and money market items	90,008	57,033	220,727	143,879
Contribution fee to the Deposit Protection Agency	37,480	65,390	124,005	201,950
Issued debt instruments				
- Subordinated debentures	77,633	65,157	230,367	175,836
- Unsubordinated debentures	10,183	10,560	30,217	74,977
Borrowings	1,116,707	246,568	2,398,713	586,040
Total interest expenses	1,570,389	654,148	3,585,808	1,810,402

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month		For the nine-month	
	periods ended 30 September		periods ended 30 September	
	2011	2010	2011	2010
Interbank and money market items	-	34	-	189
Borrowings	27,616	14,589	65,908	44,394
Total interest expenses	27,616	14,623	65,908	44,583

5.16 Fees and services income - net

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

(Unit: Thousand Baht)

	Consolidated financial statements			
	For the three-month		For the nine-month	
	periods ended 30 September	periods ended 30 September	periods ended 30 September	periods ended 30 September
	2011	2010	2011	2010
Fees and service incomes				
- Acceptance, aval and guarantees	9,538	3,830	18,480	7,979
- Insurance service	288,174	174,991	839,960	540,377
- Brokerage fees	190,492	212,769	545,959	478,065
- Fund management	138,318	197,849	414,036	438,597
- Financial advisory fees	7,750	4,250	25,916	162,026
- Others	148,698	211,746	497,962	513,972
Total fees and service incomes	782,970	805,435	2,342,313	2,141,016
Fees and service expenses				
- Information service expense	(19,554)	(18,521)	(49,500)	(50,689)
- Others	(35,271)	(33,314)	(113,056)	(110,436)
Total fees and service expense	(54,825)	(51,835)	(162,556)	(161,125)
Fees and service income - net	728,145	753,600	2,179,757	1,979,891

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month		For the nine-month	
	periods ended 30 September	periods ended 30 September	periods ended 30 September	periods ended 30 September
	2011	2010	2011	2010
Fees and service incomes	-	-	-	-
Fees and service expenses				
- Others	(2,588)	(1,979)	(7,594)	(5,879)
Total fees and service expenses	(2,588)	(1,979)	(7,594)	(5,879)
Fees and service income - net	(2,588)	(1,979)	(7,594)	(5,879)

5.17 Gains on trading and foreign exchange transactions

Gains on trading and foreign exchange transactions in the statements of comprehensive income for the three-month and nine-month periods ended 30 September 2011 and 2010 consisted of the following:

(Unit: Thousand Baht)

	Consolidated financial statements			
	For the three-month		For the nine-month	
	periods ended 30 September		periods ended 30 September	
	2011	2010	2011	2010
Gains (losses) on trading and foreign exchange transactions				
- Foreign currencies and derivatives on foreign exchange	9,036	1,772	22,495	294
- Derivatives on interest rates	40,616	(263)	7,657	151
- Debt securities	2,833	2,731	8,124	7,248
- Equity securities	(7,688)	1,464	(12,448)	7,505
- Others	(4)	-	(11)	(15)
Total	44,793	5,704	25,817	15,183

5.18 Gains (losses) on investments

Gains (losses) on investments in the statements of comprehensive income for the three-month and nine-month periods ended 30 September 2011 and 2010 consisted of the following:

(Unit: Thousand Baht)

	Consolidated financial statements			
	For the three-month		For the nine-month	
	periods ended 30 September		periods ended 30 September	
	2011	2010	2011	2010
Gains (loss) on disposal				
- Available-for-sale securities	(61)	126,020	55,500	154,641
- Held-to-maturity securities	31	(122)	157	(427)
- General investments	(9,904)	7,051	4,971	33,217
Total	(9,934)	132,949	60,628	187,431
Reversal from loss on impairment				
- General investments	3,951	5,338	3,334	3,150
Total	3,951	5,338	3,334	3,150
Gains (loss) on investments - net	(5,983)	138,287	63,962	190,581

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month		For the nine-month	
	periods ended 30 September	periods ended 30 September	periods ended 30 September	periods ended 30 September
	2011	2010	2011	2010
Loss on impairment				
- Investments in subsidiaries	-	(5,333)	(22)	(5,357)
Losses on investments	-	(5,333)	(22)	(5,357)

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

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

(Unit: Thousand Baht)

	Consolidated financial statements			
	For the three-month		For the nine-month	
	periods ended 30 September	periods ended 30 September	periods ended 30 September	periods ended 30 September
	2011	2010	2011	2010
Interbank and money market items	-	11,000	-	15,000
Held-to-maturity debt securities	(7,841)	5,830	(1,789)	11,498
Loans to customers	309,629	587,652	983,270	1,313,578
Total	301,788	604,482	981,481	1,340,076

5.20 Other operating incomes

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

(Unit: Thousand Baht)

	Consolidated financial statements			
	For the three-month		For the nine-month	
	periods ended 30 September	periods ended 30 September	periods ended 30 September	periods ended 30 September
	2011	2010	2011	2010
Gains on disposal of property foreclosed	17,635	21,984	55,085	189,240
Rental income	14,294	332	14,683	1,550
Others	14,643	54,144	46,986	93,747
Total	46,572	76,460	116,754	284,537

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	2011	2010	2011	2010
Rental income	14,978	17,030	45,855	51,458
Others	272	26,845	961	27,184
Total	15,250	43,875	46,816	78,642

5.21 Other operating expenses

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

(Unit: Thousand Baht)

	Consolidated financial statements			
	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	2011	2010	2011	2010
Mailing expenses	12,137	10,161	36,887	32,497
Software amortisation expenses	31,893	23,725	83,430	69,424
Legal expenses	32,177	34,392	97,970	105,181
Transportation expenses	25,598	20,185	71,918	59,839
Others	78,590	63,499	218,331	178,608
Total	180,395	151,962	508,536	445,549

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	2011	2010	2011	2010
Mailing expenses	15	15	288	193
Software amortisation expenses	15,388	11,307	42,530	32,659
Transportation expenses	1,594	1,758	4,572	4,496
Others	10,051	11,637	31,640	31,324
Total	27,048	24,717	79,030	68,672

5.22 Income tax expense

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

		(Unit: Thousand Baht)			
		Consolidated financial statements			
		For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
		2011	2010	2011	2010
Income tax payable on taxable profit for the period		389,414	453,793	1,187,912	1,226,751
Add (less): Net increase in deferred tax on temporary differences		(18,985)	(85,746)	(108,288)	(255,527)
Adjustment in respect of income tax expenses of prior year		-	-	1,813	(1,696)
Income tax expense		<u>370,429</u>	<u>368,047</u>	<u>1,081,437</u>	<u>969,528</u>
		(Unit: Thousand Baht)			
		Separate financial statements			
		For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
		2011	2010	2011	2010
Income tax payable on taxable profit for the period		26,572	30,923	82,692	111,188
Add (less): Net decrease (increase) in deferred tax on temporary differences		(2,236)	33,143	(6,315)	(7,184)
Adjustment in respect of income tax expenses of prior year		-	-	108	84
Income tax expense		<u>24,336</u>	<u>64,066</u>	<u>76,485</u>	<u>104,088</u>

(Unaudited but reviewed)

Deferred taxes are recorded directly to other comprehensive income during the three-month and nine-month periods ended 30 September 2011 and 2010 as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			
	For the three-month		For the nine-month	
	periods ended 30 September	periods ended 30 September	periods ended 30 September	periods ended 30 September
	2011	2010	2011	2010
Decrease (increase) in surplus on change in value of investments	48,928	(43,477)	111,475	(105,859)
Cash flow hedges	(21,524)	(1,707)	(23,845)	(5,260)
Actuarial gains or losses arising from post-employment benefits	7,064	-	7,064	-
Deferred taxes are recorded directly to other comprehensive income	34,468	(45,184)	94,694	(111,119)

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month		For the nine-month	
	periods ended 30 September	periods ended 30 September	periods ended 30 September	periods ended 30 September
	2011	2010	2011	2010
Actuarial gains or losses arising from post-employment benefits	1,621	-	1,621	-
Deferred taxes are recorded directly to other comprehensive income	1,621	-	1,621	-

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

(Unit: Thousand Baht)

	Consolidated financial statements			
	For the three-month		For the nine-month	
	periods ended 30 September	periods ended 30 September	periods ended 30 September	periods ended 30 September
	2011	2010	2011	2010
Accounting profit before income tax expenses	1,274,194	1,102,107	3,685,723	3,187,208
Income tax rate of 25% and 30%	544,822	333,748	1,278,219	948,764
Tax effect of net tax-exempt income and net disallowed expenses	(173,510)	31,733	(197,033)	26,609
Utilisation of loss carry forwards	-	(3,175)	-	(3,175)
Effect of tax rate used for deferred tax	(883)	5,746	(1,562)	(974)
Adjustment in respect of income tax expenses of prior year	-	(5)	1,813	(1,696)
Income tax expense	370,429	368,047	1,081,437	969,528

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	2011	2010	2011	2010
Accounting profit before income tax expenses	768,572	111,736	980,840	299,990
Income tax rate of 25% and 30%	192,143	27,934	245,210	74,997
Tax effect of net tax-exempt income and net disallowed expenses	(167,434)	30,386	(167,781)	29,980
Effect of tax rate used for deferred tax	(373)	5,746	(1,052)	(974)
Adjustment in respect of income tax expenses of prior year	-	-	108	85
Income tax expense	24,336	64,066	76,485	104,088

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

(Unit: Thousand Baht)

	Consolidated financial statements			
	As at		Change in deferred tax assets/deferred tax liabilities reported in the statements of comprehensive income for the nine-month periods ended	
	30 September 2011	31 December 2010	30 September 2011	30 September 2010
Allowance for doubtful accounts	860,834	790,476	70,358	359,585
Allowance for impairment of investments	74,027	74,806	(779)	5,694
Allowance for impairment of property foreclosed	89,474	97,923	(8,449)	(63,308)
Non-accrual of interest income	191,561	194,903	(3,342)	(5,265)
Depreciation of assets	43,812	39,194	4,618	5,468
Financial leases	10,948	13,910	(2,962)	(2,702)
Revaluation surplus on investments	(3,411)	(6,133)	-	-
Unrealised gain or loss on derivatives	(2,443)	(147)	(2,296)	(45)
Cash flow hedges	(27,231)	-	-	-
Deferred commissions and direct expenses of incurred at the initiation of hire purchase	(365,061)	(306,473)	(58,588)	(45,347)
Loss on disposal of property foreclosed	16,339	17,202	(863)	(8,851)
Deferred income	122,993	67,017	55,976	17,281
Reduction of subsidiaries' share capital	26,794	26,794	-	-
Accrued expenses	223,465	223,465	-	-
Employee benefits	52,606	-	4,270	-
Others	66,359	9,566	56,793	4,503
Deferred tax assets	1,381,066	1,242,503	114,736	267,013

(Unaudited but reviewed)

(Unit: Thousand Baht)

Consolidated financial statements				
	As at		Change in deferred tax assets/deferred tax liabilities reported in the statements of comprehensive income for the nine-month periods ended	
	30 September 2011	31 December 2010	30 September 2011	30 September 2010
Financial leases	110,050	97,211	12,839	39,046
Allowance for doubtful accounts	(383)	(457)	74	49
Loss carried forwards	(82,336)	(74,220)	(8,116)	(30,497)
Allowance for revaluation of other assets	(270)	(270)	-	-
Non-accrual of interest income	(6)	(7)	1	-
Deprecation of assets	(1,051)	(1,593)	542	516
Revaluation surplus on investments	32,113	140,866	-	-
Cash flow hedges	(6,195)	(2,809)	-	-
Gain from revaluation of investments in trading securities	4,347	8,081	(3,734)	2,251
Accrued expenses	(8,618)	(8,618)	-	-
Employee benefits	(6,875)	-	(580)	-
Other	3,585	(1,837)	5,422	121
Deferred tax liabilities	44,361	156,347	6,448	11,486

(Unit: Thousand Baht)

Separate financial statements				
	As at		Change in deferred tax assets/deferred tax liabilities reported in the statements of comprehensive income for the nine-month periods ended	
	30 September 2011	31 December 2010	30 September 2011	30 September 2010
Allowance for impairment of investments	27,421	27,416	5	1,339
Depreciation of assets	22,234	16,591	5,643	5,954
Reduction of subsidiaries' share capital	26,794	26,794	-	-
Accrued expenses	96,195	96,195	-	-
Employee benefits	14,292	-	775	-
Other	761	869	(108)	(109)
Deferred tax assets	187,697	167,865	6,315	7,184

5.23 Components of other comprehensive income

(Unit: Thousand Baht)

	Consolidated financial statements			
	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2011	2010	2011	2010
Other comprehensive income				
Gain (loss) on translation adjustment in foreign operations	551	(3,224)	1,525	(5,075)
Available-for-sale securities:				
Gain (loss) arising during the periods	(163,096)	305,911	(321,469)	544,400
Less: Reclassification adjustments for gain included in profit or loss	-	(126,019)	(55,500)	(154,641)
	(163,096)	179,892	376,969	384,759
Actuarial gains or losses arising from post - employment benefits	(23,545)	-	(23,545)	-
Cash flow hedges:				
Gain (loss) arising during the periods	62,350	(275)	63,768	(4,112)
Add: Reclassification adjustments for loss included in profit or loss	9,396	5,964	15,711	21,645
	71,746	5,689	79,479	17,533
Other comprehensive income	(114,344)	182,357	(319,510)	402,217
Income tax relating to components of other comprehensive income	34,468	(45,184)	94,694	(111,119)
Other comprehensive income for the periods - net	(79,876)	137,173	(224,816)	291,098

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2011	2010	2011	2010
Other comprehensive income				
Actuarial gains or losses arising from post - employment benefits	(5,405)	-	(5,405)	-
Income tax relating to components of other comprehensive income	1,621	-	1,621	-
Other comprehensive income for the periods - net	(3,784)	-	(3,784)	-

5.24 Income tax effects relating to components of other comprehensive income

(Unit: Thousand Baht)

	Consolidated financial statements					
	For the three-month periods ended 30 September					
	2011			2010		
	Before tax amount	Tax (expense) benefit	Net of tax amount	Before tax amount	Tax (expense) benefit	Net of tax amount
Surplus (deficit) on change in value of investments	(163,096)	48,928	(114,168)	179,892	(43,477)	136,415
Actuarial gains or losses arising from post - employment benefits	(23,545)	7,064	(16,481)	-	-	-
Cash flow hedges	71,746	(21,524)	50,222	5,689	(1,707)	3,982
	<u>(114,895)</u>	<u>34,468</u>	<u>(80,427)</u>	<u>185,581</u>	<u>(45,184)</u>	<u>140,397</u>

(Unit: Thousand Baht)

	Consolidated financial statements					
	For the nine-month periods ended 30 September					
	2011			2010		
	Before tax amount	Tax (expense) benefit	Net of tax amount	Before tax amount	Tax (expense) benefit	Net of tax amount
Surplus (deficit) on change in value of investments	(376,969)	111,475	(265,494)	389,759	(105,859)	283,900
Actuarial gains or losses arising from post - employment benefits	(23,545)	7,064	(16,481)	-	-	-
Cash flow hedges	79,479	(23,845)	55,634	17,533	(5,260)	12,273
	<u>(321,035)</u>	<u>94,694</u>	<u>(226,341)</u>	<u>407,292</u>	<u>(111,119)</u>	<u>296,173</u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements					
	For the three-month periods ended 30 September					
	2011			2010		
	Before tax amount	Tax (expense) benefit	Net of tax amount	Before tax amount	Tax (expense) benefit	Net of tax amount
Actuarial gains or losses arising from post - employment benefits	(5,405)	1,621	(3,784)	-	-	-
	<u>(5,405)</u>	<u>1,621</u>	<u>(3,784)</u>	<u>-</u>	<u>-</u>	<u>-</u>

(Unit: Thousand Baht)

	Separate financial statements					
	For the nine-month periods ended 30 September					
	2011			2010		
	Before tax amount	Tax (expense) benefit	Net of tax amount	Before tax amount	Tax (expense) benefit	Net of tax amount
Actuarial gains or losses arising from post - employment benefits	(5,405)	1,621	(3,784)	-	-	-
	<u>(5,405)</u>	<u>1,621</u>	<u>(3,784)</u>	<u>-</u>	<u>-</u>	<u>-</u>

5.25 Earnings per share

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

	Consolidated financial statements			
	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	2011	2010	2011	2010
	Profit for the periods attributable to equity holders of the Company (Thousand Baht)	898,926	730,633	2,590,721
Weighted average number of shares (Thousand shares)	727,912	727,829	727,912	727,403
Earnings per share for the periods (Baht/share)	1.23	1.00	3.56	3.03

(Unaudited but reviewed)

	Separate financial statements			
	For the three-month		For the nine-month	
	periods ended 30 September		periods ended 30 September	
	2011	2010	2011	2010
Profit for the periods attributable to equity holders of the Company (Thousand Baht)	744,236	47,670	904,355	195,902
Weighted average number of shares (Thousand shares)	727,912	727,829	727,912	727,403
Earnings per share for the periods (Baht/share)	1.02	0.07	1.24	0.27

5.26 Related party transactions

	(Unit: Thousand Baht)			
	As at		As at	
	31 December		30 September	
	2010	Increase	Decrease	2011
<u>Outstanding balance</u>				
(Eliminated in consolidated financial statements)				
Subsidiary companies				
Interbank and money market items (assets):				
TISCO Bank Public Company Limited	393,554	1,098,870	(683,443)	808,981
Loans:				
Hi-Way Co., Ltd.	1,281,000	143,000	(541,000)	883,000
Dividend receivable:				
TISCO Bank Public Company Limited	1,019,246	669,900	(1,689,146)	-
TISCO Securities Co., Ltd.	250,000	-	(250,000)	-
TISCO Asset Management Co., Ltd.	219,998	-	(219,998)	-
Hi-Way Co., Ltd.	99,998	-	(99,998)	-
TISCO Tokyo Leasing Co., Ltd.	-	2,205	(2,205)	-
Other assets:				
TISCO Bank Public Company Limited	74,588	22,302	(28,940)	67,950
TISCO Learning Center Co., Ltd.	-	7,784	(7,131)	653
Borrowings:				
TISCO Leasing Co., Ltd.	118,000	-	(118,000)	-
Interest payable:				
TISCO Leasing Co., Ltd.	16	121	(137)	-
Other liabilities:				
TISCO Bank Public Company Limited	2,344	-	-	2,344
TISCO Securities Co., Ltd.	7,036	-	-	7,036
TISCO Information Technology Co., Ltd.	3,823	-	-	3,823
TISCO Learning Center Co., Ltd.	-	115	(10)	105

(Unaudited but reviewed)

	Separate financial statements				(Unit: Thousand Baht)
	For the three-month periods ended 30 September		For the nine-month periods ended 30 September		
	2011	2010	2011	2010	
	Terms and pricing policy (For the period 2011)				
Transactions occurred during the three-month and nine-month periods ended 30 September					
(Eliminated in consolidated financial statements)					
Subsidiary companies					
Risk and financial management fee income, human resources management fee income and office administration fee income	343,277	334,420	1,086,014	1,032,945	Determined on the basis of market price and/or in compliance with the criteria specified by the Bank of Thailand
Interest income	13,366	9,641	41,449	30,600	With reference to the terms and prices as offered to other customers
Rental income	14,748	13,203	43,363	39,405	With reference to the terms and prices as offered to other customers
Computer system advisory services expenses	34,250	33,500	102,750	100,500	Determined on the basis of market price and/or in compliance with the criteria specified by the Bank of Thailand
Interest expenses	795	12	5,191	33	With reference to the terms and prices as offered to other customers
Training expenses	452	-	1,870	-	With reference to the prices as offered from other service provider

Loans to management-level employees (departmental manager upward)

(Unit: Thousand Baht)

	Consolidated financial statements as at	
	30 September 2011	31 December 2010
Loans	119	196

Liabilities payable to directors and management

(Unit: Thousand Baht)

	Consolidated financial statements as at 30 September 2011
Deposits	71,132
Debt issued and borrowings	72,023

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

Directors and management's remuneration

For the three-month and nine-month periods ended 30 September 2011, the Company and its subsidiaries paid directors and management's remuneration totaling Baht 51 million and Baht 145 million, respectively (The company only: Baht 31 million and Baht 92 million, respectively). This is composed of monthly remuneration, meeting allowances, salaries, bonus, provident fund contributions.

In addition, the Company and its subsidiaries recorded directors' and management's post-employment benefit expenses for the three-month and nine-month periods ended 30 September 2011 totaling Baht 1.1 million and Baht 3.3 million, respectively (The Company only: Baht 0.7 million and Baht 2.2 million, respectively).

5.27 Financial information by segment

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

(Unit: Million Baht)

	Consolidated financial statements			
	30 September 2011			
	Domestic operations	Foreign operations	Elimination	Total
Total assets	224,323	57	(17,518)	206,862
Interbank and money market items (assets)	20,161	56	(1,468)	18,749
Investments - net	4,482	-	-	4,482
Loans to customers and accrued interest receivables - net	178,186	-	(888)	177,298
Deposits	37,994	-	(80)	37,914
Interbank and money market items (liabilities)	12,981	-	(479)	12,502
Debt issued and borrowings	136,087	-	(1,797)	134,290

(Unaudited but reviewed)

(Unit: Million Baht)

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

(Unit: Million Baht)

Consolidated financial statements				
For the three-month period ended				
30 September 2011				
	Domestic	Foreign		
	operations	operations	Elimination	Total
Interest income	3,329	-	(17)	3,312
Interest expenses	(1,587)	-	17	(1,570)
Interest income - net	1,742	-	-	1,742
Net fee and service income	825	-	(97)	728
Other operating income	1,392	-	(1,028)	364
Total operating income	3,959	-	(1,125)	2,834
Other operating expenses	(1,714)	(1)	457	(1,258)
Bad debt, doubtful accounts and impairment				
loss of debt securities	(302)	-	-	(302)
Income tax expense	(370)	-	-	(370)
Non-controlling interest	-	-	(5)	(5)
Profit for the period - equity holders				
of the Company	1,573	(1)	(673)	899

(Unaudited but reviewed)

(Unit: Million Baht)

Consolidated financial statements				
For the nine-month period ended				
30 September 2011				
Domestic operations	Foreign operations	Elimination	Total	
Interest income	9,087	-	(53)	9,034
Interest expenses	(3,638)	-	52	(3,586)
Interest income - net	5,449	-	(1)	5,448
Net fee and service income	2,471	-	(291)	2,180
Other operating income	2,744	-	(1,866)	878
Total operating income	10,664	-	(2,158)	8,506
Other operating expenses	(5,265)	(4)	1,430	(3,839)
Bad debt, doubtful accounts and impairment loss of debt securities	(982)	-	1	(981)
Income tax expense	(1,081)	-	-	(1,081)
Non-controlling interest	-	-	(14)	(14)
Profit for the period - equity holders of the Company	3,336	(4)	(741)	2,591

(Unit: Million Baht)

Consolidated financial statements				
For the three-month period ended				
30 September 2010				
Domestic operations	Foreign operations	Elimination	Total	
Interest income	2,418	-	(10)	2,408
Interest expenses	(664)	-	10	(654)
Interest income - net	1,754	-	-	1,754
Net fee and service income	839	-	(86)	753
Other operating income	730	-	(375)	355
Total operating income	3,323	-	(461)	2,862
Other operating expenses	(1,593)	(1)	438	(1,156)
Bad debt, doubtful accounts and impairment loss of debt securities	(604)	-	-	(604)
Income tax expense	(368)	-	-	(368)
Non-controlling interest	-	-	(3)	(3)
Profit for the period - equity holders of the Company	758	(1)	(26)	731

(Unaudited but reviewed)

(Unit: Million Baht)

Consolidated financial statements				
For the nine-month period ended				
30 September 2010				
	Domestic operations	Foreign operations	Elimination	Total
Interest income	6,937	-	(31)	6,906
Interest expenses	(1,844)	-	33	(1,811)
Interest income - net	5,093	-	2	5,095
Net fee and service income	2,239	-	(259)	1,980
Other operating income	1,980	-	(1,098)	882
Total operating income	9,312	-	(1,355)	7,957
Other operating expenses	(4,769)	(4)	1,343	(3,430)
Bad debt, doubtful accounts and impairment loss of debt securities	(1,337)	-	(3)	(1,340)
Income tax expense	(969)	-	-	(969)
Non-controlling interest	-	-	(12)	(12)
Profit for the period - equity holders of the Company	2,237	(4)	(27)	2,206

5.27.2 Financial positions and results of operation classified by business type

(Unit: Million Baht)

	As at									
	Bank business/financial service business		Securities business		Other business		Elimination		Total	
	30	31	30	31	30	31	30	31	30	31
	September 2011	December 2010	September 2011	December 2010	September 2011	December 2010	September 2011	December 2010	September 2011	December 2010
Total assets	203,332	167,177	3,113	4,187	17,935	19,324	(17,518)	(19,280)	206,862	171,408
Interbank and money										
market items (assets)	18,618	12,478	697	706	902	431	(1,468)	(1,070)	18,749	12,545
Investment - net	3,510	4,972	972	1,512	-	-	-	(3)	4,482	6,481
Loans to customers and										
accrued interest										
receivable - net	177,303	145,922	-	-	883	1,281	(888)	(1,499)	177,298	145,704
Deposits	37,994	48,606	-	-	-	-	(80)	(73)	37,914	48,533
Interbank and money										
market items										
(liabilities)	12,981	11,513	-	-	-	-	(479)	(670)	12,502	10,843
Debt issued and										
borrowings	133,636	89,257	-	-	2,451	3,345	(1,797)	(1,826)	134,290	90,776

(Unaudited but reviewed)

(Unit: Million Baht)

For the three-month periods ended 30 September

	Bank business/financial									
	service business		Securities business		Other business		Elimination		Total	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Interest income	3,299	2,402	16	6	14	10	(17)	(10)	3,312	2,408
Interest expenses	(1,552)	(647)	(7)	(2)	(28)	(15)	17	10	(1,570)	(654)
Interest income - net	1,747	1,755	9	4	(14)	(5)	-	-	1,742	1,754
Net fee and service expense	402	343	329	412	94	84	(97)	(86)	728	753
Other operating income	359	305	5	52	1,028	373	(1,028)	(375)	364	355
Total operating income	2,508	2,403	343	468	1,108	452	(1,125)	(461)	2,834	2,862
Other operating expenses	(1,160)	(1,024)	(222)	(237)	(334)	(333)	458	438	(1,258)	(1,156)
Bad debt, doubtful accounts and impairment loss of										
debt securities	(302)	(604)	-	-	-	-	-	-	(302)	(604)
Income tax expense	(310)	(234)	(35)	(68)	(25)	(66)	-	-	(370)	(368)
Non-controlling interest	-	-	-	-	-	-	(5)	(3)	(5)	(3)
Profit for the period - equity holders of the Company	736	541	86	163	749	53	(672)	(26)	899	731

(Unit: Million Baht)

For the nine-month periods ended 30 September

	Bank business/financial									
	service business		Securities business		Other business		Elimination		Total	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Interest income	9,003	6,891	40	15	44	31	(53)	(31)	9,034	6,906
Interest expenses	(3,556)	(1,792)	(16)	(7)	(66)	(45)	52	33	(3,586)	(1,811)
Interest income - net	5,447	5,099	24	8	(22)	(14)	(1)	2	5,448	5,095
Net fee and service expense	1,189	919	999	1,066	283	254	(291)	(259)	2,180	1,980
Other operating income	867	771	72	101	1,805	1,108	(1,866)	(1,098)	878	882
Total operating income	7,503	6,789	1,095	1,175	2,066	1,348	(2,158)	(1,355)	8,506	7,957
Other operating expenses	(3,481)	(3,069)	(726)	(679)	(1,062)	(1,025)	1,430	1,343	(3,839)	(3,430)
Bad debt, doubtful accounts and impairment loss of										
debt securities	(982)	(1,337)	-	-	-	-	1	(3)	(981)	(1,340)
Income tax expense	(892)	(713)	(108)	(148)	(81)	(108)	-	-	(1,081)	(969)
Non-controlling interest	-	-	-	-	-	-	(14)	(12)	(14)	(12)
Profit for the period - equity holders of the Company	2,148	1,670	261	348	923	215	(741)	(27)	2,591	2,206

5.28 Commitments and contingent liabilities

5.28.1 Avals, guarantees and commitments

(Unit: Thousand Baht)

Consolidated financial statements
as at

	30 September 2011	31 December 2010
Avals	11,880	194,136
Other guarantees	4,838,046	888,386
Undrawn client overdraft facilities	35,167	33,273
Interest rate swap agreements	3,407,625	300,000
Cross currency swap agreements	8,089,173	180,908
	<u>16,381,891</u>	<u>1,596,703</u>

5.28.2 Litigation

As at 30 September 2011, the subsidiary has been sued for compensation totaling approximately Baht 146 million. Final judgments have not yet been reached in respect of these cases.

In December 2005, a foreign subsidiary received a letter from the solicitor of one of its clients, requesting payment of damages amounting to HKD 46.6 million (equivalent to Baht 184 million as at 30 September 2011). During the current period, this case is currently under consideration of the court.

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

5.28.3 Other commitments

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

As at 30 September 2011, 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	89
1 to 5 years	127
More than 5 years	1

6. Significant events during the period and other information

6.1 Registration of the establishment of a subsidiary company

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

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

6.2 Holding restructuring of the subsidiary

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

6.3 Change in the Company's registered capital

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

7. 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 2009	The 2010 Annual General Meeting of the Shareholders on 29 April 2010	1.24	1.24	902	May 2010
Total dividend payment in year 2010				<u>902</u>	
Annual dividends for 2010	The 2011 Annual General Meeting of the Shareholders on 21 April 2011	2.25	2.25	1,638	May 2011
Total dividend payment in year 2011				<u><u>1,638</u></u>	

8. Subsequent events

8.1 The impact of the floods

In October 2011, there was severe and widespread flooding in Thailand which has impacted business plans, operating results and financial positions, including asset values, of entrepreneurs in the country. Despite government efforts to resolve these issues, it remains uncertain whether when the situation will return to normal. The Company and its subsidiaries are in the process of estimating the impact of the floods to the Company.

8.2 Change in corporate income tax rate

As at 30 September 2011, the Company and its subsidiaries have deferred tax assets of Baht 1,381 million and deferred tax liabilities of Baht 44 million, which were recorded based on the applicable corporate income tax rate of 30% that was in effect at the end of the reporting period. However, on 11 October 2011, the cabinet passed a resolution to reduce the corporate income tax rate from 30% to 23% in 2012, and then to 20% from 2013. If the Company and its subsidiaries were to apply these new rates in its tax calculation, its deferred tax assets and deferred tax liabilities outstanding as at 30 September 2011 would be affected.

The Company and its subsidiaries will utilise tax benefit from some deferred tax assets within year 2011. The outstanding balance of deferred tax assets and deferred tax liabilities will be reduced in accordance with the new tax rates when effective. In this respect, deferred tax assets net of deferred tax liabilities of the Company and its subsidiaries is estimated to be reduced by approximately Baht 100 - 200 million (The Company only: Baht 30 - 50 million).

9. Reclassification

The Company has reclassified certain amounts in the financial statements as at 31 December 2010 and for the three-month and nine-month periods ended 30 September 2010 to conform to the current period's classifications, which are in accordance with the format stipulated by the BOT under its Notification No. Sor Nor Sor. 11/2553 regarding "Preparation and Announcement of Financial Statements of Commercial Banks and Parent Companies of Financial Holding Groups", which is effective for fiscal years beginning on or after 1 January 2011, and comply with new accounting standards, as mentioned in Note 1.3 to the financial statements. These reclassifications have no effect to previously reported profit and shareholders' equity. Reclassifications are as follows:

(Unaudited but reviewed)

(Unit: Million Baht)

As at 31 December 2010

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

(Unaudited but reviewed)

(Unit: Million Baht)

For the three-month period ended 30 September 2010

	Consolidated		Separate	
	financial statements		financial statements	
	After	As previously	After	As previously
	reclassification	report	reclassification	report
Statements of comprehensive income				
Interest incomes	2,408	-	10	-
Interest and dividend incomes	-	2,430	-	10
Interest expenses	654	589	15	15
Fee and service incomes	805	586	-	335
Brokerage fees	-	213	-	-
Fee and service expenses	52	-	2	-
Gains on trading and foreign exchange transactions	6	-	-	-
Gains on exchange	-	2	-	-
Gains (losses) on investments	138	137	(5)	(5)
Dividend income	23	-	-	-
Penalty fee income from loans	48	-	-	-
Income from business promotion relating to the business	65	-	-	-
Intercompany supporting fee incomes	-	-	335	-
Other operating incomes	76	-	44	-
Other incomes	-	189	-	44
Other operating expenses	1,156	-	254	-
Non-interest expenses	-	1,266	-	256
Bad debts, doubtful accounts and impairment loss of debt securities	604	-	-	-
Bad debts and doubtful accounts	-	599	-	-

(Unaudited but reviewed)

(Unit: Million Baht)

For the nine-month period ended 30 September 2010

	Consolidated		Separate	
	financial statements		financial statements	
	After	As previously	After	As previously
	reclassification	report	reclassification	report
Statements of comprehensive income				
Interest incomes	6,906	-	31	-
Interest and dividend incomes	-	6,987	-	32
Interest expenses	1,810	1,608	45	45
Fee and service incomes	2,141	1,663	-	1,033
Brokerage fees	-	478	-	-
Fee and service expenses	161	-	6	-
Gains on trading and foreign exchange transactions	15	-	-	-
Gains (losses) on investments	191	194	(5)	(5)
Dividend income	80	-	1	-
Penalty fee income from loans	140	-	-	-
Income from business promotion relating to the business	170	-	-	-
Intercompany supporting fee incomes	-	-	1,033	-
Other operating incomes	285	-	79	-
Other incomes	-	595	-	78
Other operating expenses	3,430	-	788	-
Non-interest expenses	-	3,793	-	794
Bad debts, doubtful accounts and impairment loss of debt securities	1,340	-	-	-
Bad debts and doubtful accounts	-	1,329	-	-

10. Approval of interim financial statements

These interim financial statements were approved by the Company's Audit Committee on 1 November 2011.