

TISCO FINANCE PUBLIC COMPANY LIMITED
AND ITS SUBSIDIARY COMPANIES
REPORT AND INTERIM FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2003

Report of Independent Auditor

To The Board of Directors and Shareholders of
TISCO Finance Public Company Limited

I have reviewed the accompanying consolidated balance sheet of TISCO Finance Public Company Limited and its subsidiaries as at 30 September 2003, the related consolidated statements of earnings for the three-month and nine-month periods ended 30 September 2003, the consolidated statements of changes in shareholders' equity, and cash flows for the nine-month period ended 30 September 2003, and the separate financial statements of TISCO Finance 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 report on these financial statements based on my review.

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

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

Without effect to my report above, I draw attention to the fact that, during this quarter, the Company has written-off goodwill arising from the acquisition of business amounting to Baht 716 million, as discussed in Note 1.4 (a) to the financial statements. In addition, the Company and its subsidiaries have recorded deferred tax assets and deferred tax liabilities, with an effect to the earnings statements of Baht 694 million (the Company only : Baht 559 million), as discussed in Note 1.4 (b) to the financial statements.

The consolidated financial statements of TISCO Finance Public Company Limited and its subsidiaries, and the separate financial statements of TISCO Finance Public Company Limited, for the year ended 31 December 2002 were audited in accordance with generally accepted auditing standards by another auditor of our firm who, under his report dated 6 February 2003, expressed an unqualified audit opinion on those statements based on his audit and the report of the other auditor. The balance sheet as at 31 December 2002, as presented herein for comparative purposes, formed an integral part of the financial statements, which were audited and reported on by that auditor.

The consolidated statements of earnings for the three-month and nine-month periods ended 30 September 2002, the consolidated statements of changes in shareholders' equity, and cash flows for the nine-month period ended 30 September 2002 of TISCO Finance Public Company Limited and its subsidiary companies and the separate financial statements of TISCO Finance Public Company Limited, as presented herein for comparative purposes, formed an integral part of the financial statements which were reviewed by the aforementioned auditor, whose report dated 30 October 2002 stated that nothing had come to his attention that caused him to believe that the interim financial statements were not presented fairly, in all material respects, in accordance with generally accepted accounting principles.

Supachai Phanyawattano

Certified Public Accountant (Thailand) No. 3930

Ernst & Young Office Limited

Bangkok : 17 October 2003

TISCO FINANCE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

BALANCE SHEETS

AS AT 30 SEPTEMBER 2003 AND 31 DECEMBER 2002

(Unit : Thousand Baht)

	Note	CONSOLIDATED		THE COMPANY ONLY	
		30 September 2003 (Unaudited but reviewed)	31 December 2002 (Audited)	30 September 2003 (Unaudited but reviewed)	31 December 2002 (Audited)
ASSETS					
CASH AND DEPOSITS AT FINANCIAL INSTITUTIONS	2	948,892	832,613	223,292	283,655
LOANS TO FINANCIAL INSTITUTIONS		392,003	735,206	-	-
SECURITIES PURCHASED UNDER RESALE AGREEMENTS		300,000	-	300,000	-
INVESTMENT IN SECURITIES	3, 4, 7				
Current investment - net		4,350,505	2,598,949	3,475,996	2,235,284
Long-term investment - net		3,512,811	3,557,199	3,402,806	3,442,904
Investment in subsidiaries and associated companies - net		29,248	24,982	4,602,099	4,759,602
Net investments		7,892,564	6,181,130	11,480,901	10,437,790
TRADING TRANSACTIONS WITH SECURITIES COMPANIES		364,482	85,901	-	-
LOANS, RECEIVABLE AND ACCRUED INTEREST RECEIVABLE	5, 7				
Finance business loans and receivable		44,726,483	39,726,587	39,201,254	34,778,196
Securities business receivable		1,785,304	1,099,603	-	-
Total loans and receivable		46,511,787	40,826,190	39,201,254	34,778,196
Accrued interest receivable		117,632	112,134	88,305	83,757
Total loans, receivable and accrued interest receivable		46,629,419	40,938,324	39,289,559	34,861,953
Less : Allowance for doubtful accounts	6	(4,182,698)	(4,240,268)	(3,310,110)	(3,401,650)
Less : Allowance for loss on debt restructuring	6	(371,993)	(462,268)	(371,993)	(462,268)
Net loans, receivable and accrued interest receivable		42,074,728	36,235,788	35,607,456	30,998,035
PROPERTY FORECLOSED - net	8	1,216,075	1,316,815	1,210,089	1,307,961
LAND, PREMISES AND EQUIPMENT - net		1,309,816	1,344,449	822,093	827,988
DEFERRED TAX ASSETS	1.4 b), 18	743,883	260,697	613,019	254,486
GOODWILL	1.4 a)	75,100	833,476	-	-
OTHER ASSETS	9	1,776,518	1,386,111	1,406,343	1,045,627
TOTAL ASSETS		57,094,061	49,212,186	51,663,193	45,155,542

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

TISCO FINANCE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

BALANCE SHEETS (Continued)

AS AT 30 SEPTEMBER 2003 AND 31 DECEMBER 2002

(Unit : Thousand Baht)

	Note	CONSOLIDATED		THE COMPANY ONLY	
		30 September 2003 (Unaudited but reviewed)	31 December 2002 (Audited)	30 September 2003 (Unaudited but reviewed)	31 December 2002 (Audited)
LIABILITIES AND SHAREHOLDERS' EQUITY					
BORROWINGS AND DEPOSITS					
From public		34,915,045	30,943,746	34,587,471	30,492,498
From banks		2,426,982	2,259,110	165,403	289,019
From financial institutions		1,337,780	1,005,111	1,671,780	913,786
From foreign countries		92,865	53,384	92,865	53,384
Total borrowings and deposits		38,772,672	34,261,351	36,517,519	31,748,687
TRADING TRANSACTIONS WITH SECURITIES COMPANIES		94,774	426,889	-	-
SECURITIES BUSINESS PAYABLE		1,873,785	431,449	-	-
LIABILITIES UNDER COMMERCIAL PAPERS SOLD		200,000	357,000	200,000	357,000
ACCRUED INTEREST PAYABLE		164,469	186,886	157,382	181,045
DEBENTURES	10	5,441,000	5,131,000	5,131,000	5,131,000
OTHER LIABILITIES	11	1,018,045	605,381	562,275	358,396
TOTAL LIABILITIES		47,564,745	41,399,956	42,568,176	37,776,128
SHAREHOLDERS' EQUITY					
Share capital	12				
Registered		11,002,000	11,002,000	11,002,000	11,002,000
Issued and paid up					
181,997,080 preference shares of Baht 10 each					
(31 December 2002 : 215,836,680 preference shares of Baht 10 each)		1,819,971	2,158,367	1,819,971	2,158,367
528,385,420 ordinary shares of Baht 10 each					
(31 December 2002 : 490,697,820 ordinary shares of Baht 10 each)		5,283,854	4,906,978	5,283,854	4,906,978
		7,103,825	7,065,345	7,103,825	7,065,345
Share premium					
Share premium of preference shares		5,350	1,185	5,350	1,185
Share premium of ordinary shares		36,500	36,500	36,500	36,500
Revaluation surplus on changes in the value of investment	15	467,073	58,798	467,073	58,798
Translation adjustments		105,903	127,319	105,903	127,319
Retained earnings					
Appropriated - statutory reserve	14	48,700	48,700	48,700	48,700
Unappropriated		1,327,666	41,567	1,327,666	41,567
Equity attributable to Company's shareholders		9,095,017	7,379,414	9,095,017	7,379,414
Minority interest - equity attributable to minority shareholders of subsidiaries		434,299	432,816	-	-
TOTAL SHAREHOLDERS' EQUITY		9,529,316	7,812,230	9,095,017	7,379,414
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		57,094,061	49,212,186	51,663,193	45,155,542
		0	0	0	0
OFF-BALANCE SHEET ITEMS - COMMITMENTS					
Aval to bills		30,000	771,763	30,000	771,763
Guarantees of loans and others		542,714	521,879	542,714	521,879

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

Mr. Pliu Mangkornkanok

(Chairman of the executive board and chief executive officer)

Mr. Pichai Chanvirachart

(President)

TISCO FINANCE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

STATEMENTS OF EARNINGS

FOR THE THREE-MONTH PERIODS ENDED 30 SEPTEMBER 2003 AND 2002

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

	Note	CONSOLIDATED		THE COMPANY ONLY	
		2003	2002	2003	2002
INTEREST AND DIVIDEND INCOME					
Loans and deposits		201,475	280,310	198,256	274,976
Hire purchase and financial lease income		627,882	483,645	435,665	326,492
Investments in securities		57,870	110,867	65,711	128,306
Total interest and dividend income		887,227	874,822	699,632	729,774
EXPENSES ON BORROWINGS					
Interest and discounts		299,356	316,749	276,178	299,507
Fees and charges		1,308	1,510	-	114
Total expenses on borrowings		300,664	318,259	276,178	299,621
Net interest and dividend income		586,563	556,563	423,454	430,153
REVERSAL OF BAD DEBT AND DOUBTFUL ACCOUNTS					
(BAD DEBT AND DOUBTFUL ACCOUNTS)		(45,708)	34,224	(39,900)	45,530
LOSS ON DEBT RESTRUCTURING					
		(1,877)	(21,504)	(1,877)	(21,504)
Net interest and dividend income after bad debt and doubtful accounts and loss on debt restructuring		538,978	569,283	381,677	454,179
NON-INTEREST INCOME					
Brokerage fees		247,607	70,885	-	-
Gain on investments	16	166,629	139,349	106,745	149,600
Fees and charges		233,267	108,521	122,080	63,435
Fees and gain (loss) on forward exchange		704	(610)	(137)	9
Share of profit (loss) of subsidiary and associated companies					
Share of profit from operating results		507	472	322,360	47,144
Goodwill written-off	1.4 a)	-	-	(716,254)	-
Other income		39,959	29,252	36,040	30,166
Total non-interest income		688,673	347,869	(129,166)	290,354
Total net income		1,227,651	917,152	252,511	744,533
OPERATING EXPENSES					
Personnel expenses		286,855	210,253	132,771	76,038
Premises and equipment expenses		74,731	86,360	46,166	51,241
Taxes and duties		17,638	24,609	16,059	22,693
Directors' remuneration	17	1,638	1,830	1,398	1,590
Goodwill					
Amortisation		1,034	12,044	-	-
Written-off	1.4 a)	716,254	-	-	-
Other expenses		203,688	211,548	132,966	248,014
Total operating expenses		1,301,838	546,644	329,360	399,576
EARNINGS (LOSS) BEFORE INCOME TAX AND MINORITY INTEREST		(74,187)	370,508	(76,849)	344,957
CORPORATE INCOME TAX / INCOME TAX BENEFITS		573,616	(16,971)	558,852	(129)
EARNINGS BEFORE MINORITY INTEREST		499,429	353,537	482,003	344,828
MINORITY INTEREST IN NET EARNINGS IN SUBSIDIARY COMPANIES		(17,426)	(8,709)	-	-
NET EARNINGS FOR THE PERIOD		482,003	344,828	482,003	344,828
EARNINGS PER SHARE					
	19				
Basic earnings per share		0.91	0.82	0.91	0.82
Diluted earnings per share		0.66	0.48	0.66	0.48

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

TISCO FINANCE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

STATEMENTS OF EARNINGS

FOR THE NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2003 AND 2002

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

	Note	CONSOLIDATED		THE COMPANY ONLY	
		2003	2002	2003	2002
INTEREST AND DIVIDEND INCOME					
Loans and deposits		644,729	779,668	633,533	779,344
Hire purchase and financial lease income		1,775,329	1,330,057	1,218,118	889,830
Investments in securities		238,247	398,522	249,193	424,534
Total interest and dividend income		2,658,305	2,508,247	2,100,844	2,093,708
EXPENSES ON BORROWINGS					
Interest and discounts		908,349	945,362	840,188	905,907
Fees and charges		4,551	5,768	-	916
Total expenses on borrowings		912,900	951,130	840,188	906,823
Net interest and dividend income		1,745,405	1,557,117	1,260,656	1,186,885
BAD DEBT AND DOUBTFUL ACCOUNTS					
		(99,840)	(328,327)	(59,966)	(307,808)
LOSS ON DEBT RESTRUCTURING					
		(2,668)	(47,892)	(2,668)	(47,892)
Net interest and dividend income after bad debt and doubtful accounts and loss on debt restructuring		1,642,897	1,180,898	1,198,022	831,185
NON-INTEREST INCOME					
Brokerage fees		458,881	284,287	-	-
Gain on investments	16	381,794	598,982	172,507	493,254
Fees and charges		636,781	375,769	284,717	160,572
Fees and gain (loss) on forward exchange		3,832	4,933	(267)	(111)
Share of profit (loss) of subsidiary and associated companies					
Share of profit from operating results		2,133	878	598,104	406,442
Goodwill written-off	1.4 a)	-	-	(716,254)	-
Other income		110,308	153,058	99,647	126,692
Total non-interest income		1,593,729	1,417,907	438,454	1,186,849
Total net income		3,236,626	2,598,805	1,636,476	2,018,034
OPERATING EXPENSES					
Personnel expenses		722,991	548,672	324,638	197,474
Premises and equipment expenses		231,949	251,246	146,716	155,557
Taxes and duties		53,824	64,648	48,456	59,474
Directors' remuneration	17	4,968	4,990	4,248	4,290
Goodwill					
Amortisation		42,122	36,132	-	-
Written-off	1.4 a)	716,254	-	-	-
Other expenses		567,004	527,880	381,830	629,297
Total operating expenses		2,339,112	1,433,568	905,888	1,046,092
EARNINGS BEFORE INCOME TAX AND MINORITY INTEREST					
		897,514	1,165,237	730,588	971,942
CORPORATE INCOME TAX / INCOME TAX BENEFITS					
	18	422,935	(165,372)	555,511	(129)
EARNINGS BEFORE MINORITY INTEREST					
		1,320,449	999,865	1,286,099	971,813
MINORITY INTEREST IN NET EARNINGS IN SUBSIDIARY COMPANIES					
		(34,350)	(28,052)	-	-
NET EARNINGS FOR THE PERIOD					
		1,286,099	971,813	1,286,099	971,813
EARNINGS PER SHARE					
	19				
Basic earnings per share		2.45	3.28	2.45	3.28
Diluted earnings per share		1.77	1.35	1.77	1.35

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

(UNAUDITED BUT REVIEWED)

TISCO FINANCE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2003 AND 2002

(Unit : Thousand Baht)

CONSOLIDATED

	Issued and paid-up share capital		Share premium		Preference shares	Surplus (deficit)	Translation adjustments	Statutory reserve	Unappropriated	Minority interest-	Total
	Preference shares	Ordinary shares	Preference shares	Ordinary shares	subscription received	from changes in the			retained	equity attributable	
					in advance	value of investment			earnings (deficit)	to minority shareholders	
Balance as at 31 December 2001	5,086,912	1,931,738	-	36,500	350	126,794	136,463	48,700	(1,112,482)	433,555	6,688,530
Decrease in fair value of investments	-	-	-	-	-	(88,696)	-	-	-	-	(88,696)
Decrease in translation adjustments	-	-	-	-	-	-	(7,666)	-	-	-	(7,666)
Net earnings for the period	-	-	-	-	-	-	-	-	971,813	-	971,813
Warrants converted to preference shares	42,630	-	908	-	(350)	-	-	-	-	-	43,188
Preference shares converted to ordinary shares	(2,438,581)	2,438,581	-	-	-	-	-	-	-	-	-
Decrease in minority interest	-	-	-	-	-	-	-	-	-	(11,070)	(11,070)
Balance as at 30 September 2002	2,690,961	4,370,319	908	36,500	-	38,098	128,797	48,700	(140,669)	422,485	7,596,099
Balance as at 31 December 2002	2,158,367	4,906,978	1,185	36,500	-	58,798	127,319	48,700	41,567	432,816	7,812,230
Increase in fair value of investments (net of income tax liabilities)	-	-	-	-	-	408,275	-	-	-	-	408,275
Decrease in translation adjustments	-	-	-	-	-	-	(21,416)	-	-	-	(21,416)
Net earnings for the period	-	-	-	-	-	-	-	-	1,286,099	-	1,286,099
Warrants converted to preference shares	38,480	-	4,165	-	-	-	-	-	-	-	42,645
Preference shares converted to ordinary shares	(376,876)	376,876	-	-	-	-	-	-	-	-	-
Increase in minority interest	-	-	-	-	-	-	-	-	-	1,483	1,483
Balance as at 30 September 2003	1,819,971	5,283,854	5,350	36,500	-	467,073	105,903	48,700	1,327,666	434,299	9,529,316

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

(UNAUDITED BUT REVIEWED)

TISCO FINANCE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (Continued)

FOR THE NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2003 AND 2002

(Unit : Thousand Baht)

	THE COMPANY ONLY									
	Issued and paid-up share capital		Share premium		Preference shares	Surplus (deficit)	Translation	Statutory	Unappropriated	Total
	Preference shares	Ordinary shares	Preference shares	Ordinary shares	subscription received in advance	from changes in the value of investment	adjustments	reserve	retained earnings (deficit)	
Balance as at 31 December 2001	5,086,912	1,931,738	-	36,500	350	126,794	136,463	48,700	(1,112,482)	6,254,975
Decrease in fair value of investments	-	-	-	-	-	(88,696)	-	-	-	(88,696)
Decrease in translation adjustments	-	-	-	-	-	-	(7,666)	-	-	(7,666)
Net earnings for the period	-	-	-	-	-	-	-	-	971,813	971,813
Warrants converted to preference shares	42,630	-	908	-	(350)	-	-	-	-	43,188
Preference shares converted to ordinary shares	(2,438,581)	2,438,581	-	-	-	-	-	-	-	-
Balance as at 30 September 2002	<u>2,690,961</u>	<u>4,370,319</u>	<u>908</u>	<u>36,500</u>	<u>-</u>	<u>38,098</u>	<u>128,797</u>	<u>48,700</u>	<u>(140,669)</u>	<u>7,173,614</u>
Balance as at 31 December 2002	2,158,367	4,906,978	1,185	36,500	-	58,798	127,319	48,700	41,567	7,379,414
Increase in fair value of investments (net of income tax liabilities)	-	-	-	-	-	408,275	-	-	-	408,275
Decrease in translation adjustments	-	-	-	-	-	-	(21,416)	-	-	(21,416)
Net earnings for the period	-	-	-	-	-	-	-	-	1,286,099	1,286,099
Warrants converted to preference shares	38,480	-	4,165	-	-	-	-	-	-	42,645
Preference shares converted to ordinary shares	(376,876)	376,876	-	-	-	-	-	-	-	-
Balance as at 30 September 2003	<u>1,819,971</u>	<u>5,283,854</u>	<u>5,350</u>	<u>36,500</u>	<u>-</u>	<u>467,073</u>	<u>105,903</u>	<u>48,700</u>	<u>1,327,666</u>	<u>9,095,017</u>

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

TISCO FINANCE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

STATEMENTS OF CASH FLOWS

FOR THE NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2003 AND 2002

(Unit : Thousand Baht)

	CONSOLIDATED		THE COMPANY ONLY	
	2003	2002	2003	2002
Cash flows from operating activities				
Net earnings	1,286,099	971,813	1,286,099	971,813
Adjustments to reconcile net earnings to net cash provided by (used in) operating activities :-				
Minority interest in earnings of subsidiary companies	34,350	28,052	-	-
Share of profit from operating results of subsidiary and associated companies	(2,133)	(878)	(598,104)	(406,442)
Goodwill written-off	716,254	-	716,254	-
Depreciation and amortisation	151,822	163,717	61,305	67,291
Bad debt and doubtful accounts	116,963	364,467	66,612	338,908
Unrealised loss (gain) on revaluation of investment	(9,568)	33,038	(9,568)	34,853
Provision for revaluation of property foreclosed	11,043	17,898	11,603	17,829
Reserve for accrued bonus	221,562	92,269	116,357	40,128
Loss from troubled debt restructuring	2,668	47,892	2,668	47,892
Gain on disposal of investments	(151,562)	(525,773)	(151,562)	(485,527)
Gain on disposal of equipment	(1,039)	(9,188)	(717)	(1,167)
Unrealised loss (gain) on valuation of securities held for trading	(50,641)	145,334	-	-
Gain on disposal of property foreclosed	(18,380)	(58,562)	(18,379)	(58,562)
Decrease (increase) in deferred tax assets	(680,163)	(6,268)	(555,511)	129
Decrease (increase) in accrued interest and dividend receivable	(2,356)	198,916	601	202,657
Decrease (increase) in other receivable	(35,919)	28,079	(52,202)	(19,148)
Increase (decrease) in accrued interest payable	(22,417)	5,338	(23,663)	1,222
Increase in accrued expenses	42,357	32,721	42,037	30,631
Earnings from operating activities before changes in operating assets and liabilities	1,608,940	1,528,865	893,830	782,507
Decrease (increase) in operating assets				
Loans to financial institutions	343,203	(559,706)	-	-
Negotiable certificates of deposit	35,684	15,286	-	-
Securities purchased under resale agreements	(300,000)	-	(300,000)	-
Investment in securities - held for trading	(361,161)	230,693	-	-
Trading transactions with securities companies	(278,581)	(157,464)	-	-
Finance business loans and receivable	(5,394,155)	(4,370,720)	(4,800,938)	(2,850,412)
Securities business loans and receivable	(685,701)	(42,811)	-	-
Property foreclosed	55,324	504,043	51,897	502,184
Other assets	(340,357)	50	(293,657)	(97,640)

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

TISCO FINANCE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

STATEMENTS OF CASH FLOWS (Continued)

FOR THE NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2003 AND 2002

(Unit : Thousand Baht)

	CONSOLIDATED		THE COMPANY ONLY	
	2003	2002	2003	2002
Increase (decrease) in operating liabilities				
Borrowings and deposits from public	3,741,946	(3,070,186)	4,094,973	(3,905,788)
Borrowings and deposits from banks and financial institutions	729,893	(24,319)	634,379	(381,268)
Borrowings and deposits from foreign countries	39,481	(3,915)	39,481	(3,915)
Securities sold under repurchase agreements	-	(100,000)	-	(100,000)
Trading transactions with securities companies	(332,114)	163,777	-	-
Liabilities under commercial paper sold	(157,000)	30,000	(157,000)	30,000
Securities business payable	1,442,336	3,515	-	-
Other liabilities	163,023	(33,596)	59,763	34,234
Net cash flows from (used in) operating activities	310,761	(5,886,488)	222,728	(5,990,098)
Cash flows from investing activities				
Cash paid for purchase of investment in securities held for investment	(14,316,887)	(6,017,386)	(13,974,627)	(5,669,269)
Cash received from disposal of investment in securities held for investment	13,896,877	9,234,168	13,667,306	8,951,561
Cash paid for purchase of equipment	(37,719)	(50,809)	(19,533)	(16,784)
Cash received from disposal of equipment	2,702	18,262	1,118	1,485
Net cash flows from (used in) from investing activities	(455,027)	3,184,235	(325,736)	3,266,993
Cash flows from financing activities				
Dividend paid	(35,000)	(40,000)	-	-
Cash received from issuance of debentures	310,000	3,000,000	-	3,000,000
Cash received from exchange of warrants to purchase preference shares	42,645	43,188	42,645	43,188
Net cash flows from financing activities	317,645	3,003,188	42,645	3,043,188
Translation adjustment	(21,416)	(7,666)	-	-
Net increase (decrease) in cash and cash equivalents	151,963	293,269	(60,363)	320,083
Cash and cash equivalents at beginning of the period	796,929	665,733	283,655	106,557
Cash and cash equivalents at end of the period (Note 20)	948,892	959,002	223,292	426,640
Supplemental cash flows information :-				
Cash paid during the period for				
Interest	929,097	940,023	863,851	904,684
Corporate income tax	198,515	239,147	13,395	9,543
Non-cash transactions :-				
Conversion of preference shares to ordinary shares	376,876	2,438,581	376,876	2,438,581

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

(UNAUDITED BUT REVIEWED)

TISCO FINANCE PUBLIC COMPANY LIMITED
AND ITS SUBSIDIARY COMPANIES
NOTES TO INTERIM FINANCIAL STATEMENTS

1. GENERAL INFORMATION

1.1 Assumption of preparation of the financial statements

Although Thailand's economic crisis has eased to a certain extent, financial restructuring within the business community is still prevalent and subject to readjustment. The residual effects of the crisis could affect the recoverable value of assets and the collection of loans and receivables. The accompanying financial statements reflect management's current assessment of the impact to date of the economic situation on the financial positions of the Company and its subsidiaries. Actual results could differ from management's current assessments.

1.2 Basis for the preparation of interim financial statements

These interim financial statements are prepared in accordance with Accounting Standards Pronouncement No. 41 "Interim financial statements", with the Company choosing to present condensed interim financial statements. However, additional line items are presented in the balance sheets, and the statements of earnings, changes in shareholders' equity and cash flows, as in the annual financial statements.

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

1.3 Basis of interim consolidation

The basis of interim consolidation is the same as that for the consolidated financial statements for the year ended 31 December 2002. There have been no changes in the shareholding structure during the period except that the consolidated statements as at 30 September 2003 include the financial statements of another subsidiary which is 99.99% indirectly held by the Company, GIH&CO Pte. Ltd., which is incorporated in Singapore.

(UNAUDITED BUT REVIEWED)

The financial statements of 4 subsidiary companies, which are included in the consolidated interim financial statements, TISCO Global Investment Holdings Limited, TISCO Securities UK Limited, GIH&CO Pte. Ltd. and Thai Permsub Finance Company Limited, were prepared by the managements of these subsidiary companies and not reviewed by their auditors. As at 30 September 2003, these 4 subsidiary companies have aggregate assets included in the consolidated interim financial statements of approximately Baht 129 million, and aggregate revenues and aggregate net profits for the three-month period then ended of approximately Baht 12 million and Baht 10 million, respectively and aggregate revenues and aggregate net profits for the nine-month period then ended was approximately Baht 21 million and Baht 7 million, respectively. These amounts are immaterial to the consolidated financial statements and the management believes that such amounts will not significantly differ if the financial statements were to be reviewed by auditors.

1.4 Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were adopted for the financial statements for the year ended 31 December 2002, except the change in accounting estimates as described in paragraph 1.4 a) :

a) Goodwill written-off

During the current quarter, the Company has been in the process of requesting approval from the Bank of Thailand to restructure the group shareholding of the Company and its subsidiary companies since, in order to reduce the complexity of the shareholding structure, the Company has a policy to hold all shares in its subsidiary companies directly. Part of this restructuring plan is the transfer of the business of Tru-way Company Limited to the Company, in accordance with the resolutions of the annual general meeting of the Company's shareholder held on 24 April 2003. For reasons of prudence, the Company has decided to write off the goodwill amounting to Baht 716 million arising from acquisitions, and presented this as a separate item in the earnings statements of the current period.

This write-off of goodwill was approved by a meeting of the Company's Executive Board on 25 September 2003 and was ratified by a meeting of the Company's Board of Directors on 29 October 2003.

b) Deferred tax assets and deferred tax liabilities

In accordance with the accounting policies, the Company and its subsidiaries provide for deferred income tax resulting from temporary differences in reporting income and expenses for financial reporting purposes compared to income tax reporting purposes. Accordingly, the income tax applicable to income which is not currently recognised, or to expenses which are not currently deductible for income tax purposes, is set up as “Deferred income taxes” in the balance sheets. This will be allocated to future periods when the income is realised, or when the expenses provided for are actually incurred and considered deductible for income tax purposes. However, the Company and its subsidiaries will recognise tax benefits as assets in its books of account if it is highly probable that the Company and its subsidiaries will generate sufficient profits from their future operations to utilise these benefits.

During the current quarter, the Company and its subsidiary companies have reviewed the deferred tax benefits resulting from temporary differences occurring in the past, and have recognized deferred tax assets and deferred tax liabilities with an effect to the earnings statements of Baht 694 million (the Company only : Baht 559 million). The decision to recognise deferred tax was made since the Company and its subsidiary companies believe that it is highly probable that the Company and its subsidiaries will be able to utilise such benefits in the foreseeable future.

The recognition of deferred tax benefits was approved by a meeting of the Company’s Executive Board on 25 September 2003 and was ratified by a meeting of the Company’s Board of Director on 29 October 2003.

2. CASH AND DEPOSITS AT FINANCIAL INSTITUTIONS

As at 30 September 2003, cash deposits at banks of the Company and its local subsidiaries of approximately Baht 12 million (the Company only : Baht 2 million) (As at 31 December 2002: Baht 26 million and Baht 16 million, respectively) were pledged with the banks to secure facilities provided for use as working capital.

As at 30 September 2003, approximately Baht 93 million (as at 31 December 2002 : Baht 100 million) of the foreign subsidiary’s cash deposits at banks were pledged with the bank to secure the credit facility.

3. INVESTMENTS IN SECURITIES

- 3.1 As at 30 September 2003, held-to-maturity debt securities amounting to 335 million (as at 31 December 2002: Baht 335 million) represent government bonds which the Company has invested pursuant to the agreement made with the Ministry of Finance under the Tier I and Tier II capital support scheme. These bonds are redeemable within a 10-year period, non-negotiable and carry interest at rates of 4% and 5% per annum.
- 3.2 As at 30 September 2003, the Company has a commitment not to sell marketable equity securities totalling Baht 72 million (as at 31 December 2002: Baht 52 million) for the period, as a condition of troubled debt restructuring agreement made with restructured receivables.
- 3.3 As at 30 September 2003, a subsidiary company has pledged other investment of approximately Baht 13 million (as at 31 December 2002: Baht 13 million) as a security against short-term loan from a company.
- 3.4 As at 30 September 2003, the Company and its subsidiaries have pledged investments in government bonds amounting to Baht 5 million (the Company only : Baht 3 million) as security for the electricity usage. In addition, the Company has pledged investments in government bonds amounting to Baht 74 million with a foreign bank as security under the interest rate swap agreement to exchange a floating interest rate for a fixed interest rate as described in Note 24.2
- 3.5 As at 30 September 2003, the Company has the following investment in companies which have weak financial standing or operating results :-

	(Unit : Thousand Baht)		
	Consolidated / The Company Only		
	Cost	Fair value	Allowance for ⁽¹⁾ changes in value
Companies having problems with debt repayment or in default	60,414	-	60,414

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

- 3.6 The Company did not record investments in Jiji Press (Thailand) Co., Ltd., GITC (Thailand) Co., Ltd., Mizuho Corporate Leasing (Thailand) Co., Ltd., and Sathorn Sombat Co., Ltd., in which the Company and its subsidiaries hold not less than 20% of the equity, by the equity method since these investments had been transferred as the result of debt restructuring. The Company is obliged to dispose of these investments within a period stipulated in the Bank of Thailand's regulations.

(UNAUDITED BUT REVIEWED)

3.7 On 28 February 2002, 16,884,994 shares of Huay Kaew Real Estate Company Limited were transferred to the Company at a price of Baht 0.01 each, a total of Baht 168,850. As a result, the Company's shareholdings in such Company is 100%. The Company has not included the financial statements of such company in the consolidated financial statements and has not recorded its investment in such company under the equity method since the Company holds shares in such company for the purpose of debt restructuring and plans to dispose of such investment when it has received full repayment of debt in accordance with the conditions stipulated in the debt restructuring agreement.

4. INVESTMENT IN SUBSIDIARY COMPANIES

The Company's investment in its subsidiaries as at 30 September 2003 and 31 December 2002 are summarised below.

Company's name	Nature of business	Nature of relationship	Paid-up share capital		Percentage of holding (%)		Cost method		Equity method ⁽¹⁾		(Unit : Million Baht) Dividend income ⁽²⁾ received for the nine-month periods ended	
			30 September	31 December	30 September	31 December	30 September	31 December	30 September	31 December	30 September	
			2003	2002	2003	2002	2003	2002	2003	2002	2003	2002
Subsidiary companies directly held by the Company												
TISCO Securities Hong Kong Limited	Services	Shareholders	HKD 20 million	HKD 20 million	100	100	66	66	251	279	-	-
TISCO Securities Co., Ltd.	Services	Shareholders	1,500	1,500	99.99	99.99	1,500	1,500	2,035	1,795	200	-
Tru-Way Co., Ltd.	Hire purchase and holdings	Shareholders	1,200	1,200	99.99	99.99	1,078	1,078	1,757	2,125	-	-
Thai Commercial Auto Co., Ltd.	Hire purchase	Shareholders	800	800	50	50	434	434	412	410	35	40
Thai Permsub Finance Co., Ltd.	Finance	Shareholders	150	150	99.99	99.99	150	150	147	151	-	-
									4,602	4,760	235	40

⁽¹⁾ Calculated by including share of profit in subsidiaries in which the Company has indirect holdings.

⁽²⁾ Including dividend received from subsidiary companies which indirectly held by the Company.

5. LOANS, RECEIVABLE AND ACCRUED INTEREST RECEIVABLE

5.1 As at 30 September 2003, loans and receivable include debts of approximately Baht 36 million receivable from the subsidiary company as a result of restructuring of debts owed by certain related companies (as at 31 December 2002: Baht 50 million). All these debts are classified as special-mentioned loans (as at 31 December 2002: classified as normal loans).

5.2 As at 30 September 2003, the Company had loans and receivable of approximately Baht 2,703 million (as at 31 December 2002: Baht 3,247 million), on which the recognition of interest income were to cease in accordance with the Bank of Thailand's guidelines (i.e. accrual of interest ceases when interest payments have been defaulted on for more than three months, counting from the due date). However, the total loans and receivables which the Company has actually ceased accruing their interest, in accordance with its accounting policy amounted to approximately Baht 6,498 Million (as at 31 December 2002: Baht 7,231 million) with Baht 5,412 million of such amount being loans and receivables, for which a 100 percent allowance for doubtful debts has been provided against the unsecured portion. The above amounts are calculated on an account-by-account basis.

As at 30 September 2003, the local subsidiaries had securities business loans and receivable, hire-purchase receivable, financial lease receivable and other loans and receivables totalling Baht 881 million, on which the recognition of income had been suspended (as at 31 December 2002: Baht 708 million), with Baht 726 million of such amount being loans and receivables, for which a 100 percent allowance for doubtful debts has been provided.

Unearned interest income totalling Baht 4,217 million (the Company only : Baht 3,123 million) is presented as a deduction against finance business loans and receivable (as at 31 December 2002: Baht 3,263 million and the Company only : Baht 2,192 million).

5.3 As at 30 September 2003, the Company's loans and receivable include restructured loans and receivables amounting to approximately Baht 1,684 million (net of collateral values). As a result of restructuring, the due date for the first repayment of these restructured loans and receivable has been rescheduled. In addition, the Company has another approximately Baht 680 million of loans and receivable (net of collateral values) which are in the process of being restructured, against which an allowance for possible loan loss of approximately Baht 705 million has been provided for.

5.4 Troubled Debt Restructuring

During the nine-month period ended 30 September 2003, the Company entered into troubled debt restructuring agreements with 109 debtors, with aggregate loan balance (before restructuring) of approximately Baht 1,629 million.

As at 30 September 2003, the number of debtors which were subjected to debt restructuring amounted to 961 as summarised below.

Type of restructuring	Number of receivables	Outstanding loan balance before restructuring Million Baht	Type of assets transferred	Fair value of transferred assets Million Baht
Transfer of assets	20	2,205	Land and premises	2,197
Transfer of equity securities	4	770	Equity securities	409
Transfer of assets and equity securities and modification of terms	3	898	Land Equity securities Machinery	198 14 22
Transfer of equity or convertible debt securities and modification of terms	42	3,651	Equity securities Debt securities	1,218 21
Transfer of assets and modification of terms	12	2,191	Land and premises Equity securities Air conditioners	465 190 2
Modification of terms	880	18,829		
Total	961	28,544		4,736

The balance of the restructured debts as at 30 September 2003 amounted to approximately Baht 4,223 million (as at 31 December 2002: Baht 6,337 million).

During the nine-month period ended 30 September 2003, the Company recognized interest income on restructured receivables totaling Baht 76 million, received repayments of principal and interest from the restructured receivables totaling Baht 2,210 million and recorded losses from restructuring totaling Baht 3 million (for the nine-month period ended 30 September 2002 : Baht 139 million, Baht 2,688 million and Baht 43 million, respectively).

(UNAUDITED BUT REVIEWED)

6. ALLOWANCE FOR DOUBTFUL ACCOUNTS / ALLOWANCE FOR LOSS ON DEBT RESTRUCTURING

6.1 Allowance for doubtful accounts

(Unit : Thousand Baht)

	Consolidated as at 30 September 2003						
	Pass	Special-mentioned	Sub-standard	Doubtful	Bad debts	General reserve	Total
Balance-beginning of period	720,112	22,934	50,432	297,951	2,060,420	1,088,419	4,240,268
Increase (decrease) in allowance for doubtful accounts during the period	(73,189)	23,357	206,730	(191,206)	262,386	(269,862)	(41,784)
Bad debt written - off	-	-	-	-	(15,786)	-	(15,786)
Balance - end of period ⁽¹⁾	646,923	46,291	257,162	106,745	2,307,020	818,557	4,182,698

(Unit : Thousand Baht)

	The Company only as at 30 September 2003						
	Pass	Special-mentioned	Sub-standard	Doubtful	Bad debts	General reserve	Total
Balance-beginning of period	675,607	18,255	37,545	279,207	1,327,465	1,063,571	3,401,650
Increase (decrease) in allowance for doubtful accounts during the period	(77,987)	22,976	203,082	(201,158)	253,730	(292,183)	(91,540)
Balance - end of period ⁽¹⁾	597,620	41,231	240,627	78,049	1,581,195	771,388	3,310,110

(1) The allowance for doubtful accounts included allowance for doubtful accounts of Baht 1,579 million for written-off accounts receivables which have been written back in the second quarter of 2002, in accordance with the Bank of Thailand's guidelines.

(Unit : Thousand Baht)

	Consolidated as at 30 September 2003						
	Pass	Special-mentioned	Sub-standard	Doubtful	Bad debts	General reserve	Total
<i>Allowance for doubtful accounts⁽²⁾ :</i>							
Balance-beginning of period ⁽²⁾	191,138	13,847	29,550	72,886	773,64	737,701	1,818,763
Increase (decrease) in allowance for doubtful accounts during the period	67,621	8,033	12,184	29,794	198,190	350,718	666,546
Bad debts written-off	-	-	-	-	(49,913)	-	(49,913)
	258,759	21,880	41,734	102,680	921,920	1,088,419	2,435,396
Allowance for doubtful accounts for written-off accounts receivables which have been written back in the second quarter of 2002, in accordance with the Bank of Thailand's guidelines	461,353	1,054	8,698	195,271	1,138,490	-	1,804,872
Balance-end of period	720,112	22,934	50,432	297,951	2,060,420	1,088,419	4,240,268

(2) The allowance for doubtful accounts include that made by the subsidiary companies, which as from the third quarter of 2002, has been reflected in the above table according to the classification of those subsidiaries' loans instead of being shown as the general reserve, as was previously the case. The reclassification did not affect the previously reported consolidated balance.

(UNAUDITED BUT REVIEWED)

(UNAUDITED BUT REVIEWED)

The allowance for doubtful debts of Baht 3,682 million, as mentioned above, consists of allowance for doubtful debts of Baht 2,369 million set aside for the unsecured portion of loans amounting Baht 5,412 million at the rate of 100 percent (the difference is the secured portion) and other allowances for doubtful debts amounting to Baht 1,313 million set up for the other loans and receivables.

As at 30 September 2003, the Company had outstanding non-performing loans and receivables of approximately Baht 2,845 million, against which an allowance for doubtful debts of Baht 1,906 million has been provided.

The Company's management believes that this allowance is sufficient to cover possible losses on debt collection.

7. CLASSIFICATION OF ASSETS

7.1 Investment in securities

As at 30 September 2003 and 31 December 2002, the investment in securities of the Company include the following :-

- a) With respect to investment of approximately Baht 59 million in subordinated debentures issued by a financial institution which the Bank of Thailand ordered closed on 8 December 1997, the Company has made full provision for loss on these securities.
- b) Investments in securities of the companies which are vulnerable to delisting, of the companies of which the auditors have expressed their opinion with the going concern issue, or of the companies which have defaulted on their interest payments (including investments in subordinated debentures, as discussed in Note 7.1.a) are summarised below.

	(Unit : Million Baht)					
	Cost		Fair Value		Allowance for possible loss ⁽¹⁾ provided in the accounts	
	30 September 2003	31 December 2002	30 September 2003	31 December 2002	30 September 2003	31 December 2002
Debt instruments - debentures	60	60	-	-	60	60

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

(UNAUDITED BUT REVIEWED)

7.2 Classification of assets under the Bank of Thailand's guidelines.

As at 30 September 2003 and 31 December 2002, the Company classified its assets and made allowances against those assets in accordance with the Bank of Thailand's guidelines. They are summarised below.

	(Unit : Million Baht)								
	Debt balance				Percentage required by BOT ⁽³⁾	Allowance for doubtful accounts			
						Amounts to be provided under BOT's guidelines		Amounts already set up by the Company	
	30 September 2003	31 December 2002	30 September 2003	31 December 2002	30 September 2003	31 December 2002	30 September 2003	31 December 2002	
Loans and receivable⁽¹⁾⁽²⁾									
Pass	35,450	30,932	26,358	21,331	1	394	213	598	676
Special mention	906	743	768	632	2	15	13	41	18
Substandard	489	140	427	104	20	124	21	241	38
Doubtful	161	558	119	331	50	64	165	78	279
Bad debts	2,195	2,405	1,561	1,313	100	1,561	1,313	1,581	1,327
Total	39,201	34,778	29,233	23,711		2,158	1,725	2,539	2,338
Loss on receivable under troubled debt restructuring	-	-	-	-		372	462	372	462
Total	39,201	34,778	29,233	23,711		2,530	2,187	2,911	2,800
General reserve								771	1,064
Total								3,682	3,864
Investment in securities									
Bad debts									
Debt instruments	61	61	61	61	100	61	61	61	61
Equity instruments	306	202	306	202	100	306	202	306	202
Total	367	263	367	263		367	263	367	263
Investment in receivables									
Bad debts	7	7	-	-	100	-	-	-	-
Properties foreclosed									
Land	90	93	90	93	100	90	93	90	93
Total classified assets	39,665	35,141	29,690	24,067		2,987	2,543	4,139	4,220

⁽¹⁾ Allowance for doubtful accounts for loans and receivable is determined based on debt balance less collateral value.

⁽²⁾ Interest receivable are not included in pass and special mention debt balance.

⁽³⁾ In the year 2002, BOT issued new guidelines on provisioning rates for normal debt and special mention debt, whereby provision is to be made for normal debt and special mention debt at rates of at least 1 or 2 percent, respectively, or at a lower rate calculated in accordance with guidelines and conditions stipulated by the BOT. However, the Company is still setting aside provision for such debt at rates of at least 1 or 2 percent, in accordance with the previous guidelines.

(UNAUDITED BUT REVIEWED)

The assets classified above are presented in accordance with the assets classification report which the Company prepared and submitted to the Bank of Thailand, and include loans, receivable and interest accrued on loans, investment in securities and properties foreclosed. As at 30 September 2003 and 31 December 2002, in accordance with the BOT's guidelines, the Company has provided an allowance amounting to Baht 4,139 million and Baht 4,220 million, respectively, against its loans and receivable, investment in securities and properties foreclosed, which are more than the amounts required under BOT's guidelines.

The allowance for possible loan losses has been determined after taking into account the value of collateral in accordance with the Bank of Thailand's guidelines, and includes the allowance required against restructured debts.

A portion of the above classified loans and receivable includes debts due from companies with weak financial position and operating results. These amounts and allowance for doubtful accounts are as follows:-

	Number of debtors		Debt balance		Collateral value		Allowance for doubtful accounts provided in the accounts	
	30 September	31 December	30 September	31 December	30 September	31 December	30 September	31 December
	2003	2002	2003	2002	2003	2002	2003	2002
				(Million Baht)	(Million Baht)	(Million Baht)	(Million Baht)	(Million Baht)
1. Companies vulnerable to delisting	4	4	104	685	31	544	104	99
2. Non - listed companies with similar operating results and financial positions to the companies vulnerable to delisting	25	24	1,373	1,797	632	1,064	742	701
3. Listed companies of which shares have been suspended for trading	1	3	7	69	-	33	7	30
4. Listed companies under rehabilitation	10	11	525	462	188	123	316	303
5. Companies having loan default problem	29	31	1,379	1,203	583	354	770	800
6. Companies having going concern issue as cited in auditors' report	6	5	1,036	880	768	307	129	115
Total	75	78	4,424	5,096	2,202	2,425	2,068	2,048

(UNAUDITED BUT REVIEWED)

7.3 Classification of assets in accordance with the Notification of the Office of the Securities and Exchange Commission

As at 30 September 2003 and 31 December 2002, a local subsidiary operating securities business in Thailand classified its securities business receivable and accrued interest receivable as follows, and provided related allowances for doubtful accounts, in accordance with the notification of the Office of the Securities and Exchange Commission (SEC).

(Unit : Million Baht)

	Securities business receivable and accrued interest		Allowance for doubtful accounts as required by SEC		Allowance for doubtful accounts provided in the accounts	
	30 September 2003	31 December 2002	30 September 2003	31 December 2002	30 September 2003	31 December 2002
Substandard	44	27	-	-	-	-
Doubtful	488	510	488	510	488	510
Total	<u>532</u>	<u>537</u>	<u>488</u>	<u>510</u>	488	510
General reserve					47	25
Total					<u>535</u>	<u>535</u>

Substandard debts represent the receivable balances with a value equivalent to that of their collateral.

7.4 Hire-purchase receivable/financial lease receivable and other loan receivable of the subsidiaries

As at 30 September 2003 and 31 December 2002, hire-purchase receivable, financial lease receivable and other loan receivable of the subsidiaries are classified by the due date of the contracts as follows :-

(Unit : Million Baht)

	30 September 2003	31 December 2002
Current or overdue less than 90 days	5,346	5,354
Overdue		
91 - 365 days	153	104
More than 1 year	175	163
Debtors under litigation	62	61
Total	<u>5,736</u>	<u>5,682</u>

(UNAUDITED BUT REVIEWED)

8. PROPERTY FORECLOSED

As at 30 September 2003, the Company had obligations with regard to properties foreclosed which were received in repayment of debts amounting to Baht 731 million (as at 31 December 2002: Baht 731 million). The debtors may repurchase these properties at prices and within periods specified in the agreements.

9. OTHER ASSETS

(Unit : Thousand Baht)

	Consolidated		The Company Only	
	30 September 2003	31 December 2002	30 September 2003	31 December 2002
Value added tax - net	905,283	724,226	826,928	639,816
Accrued interest receivable	46,140	52,498	45,019	49,915
Fee receivable	335,169	213,039	250,379	139,111
Prepaid income tax	110,608	99,063	60,911	47,516
Deferred computer system development cost - net	36,453	45,109	32,925	40,984
Deposits	9,835	10,183	3,674	3,171
Other receivables	126,595	81,973	113,820	75,730
Others	206,435	160,020	72,687	49,384
Total other assets	<u>1,776,518</u>	<u>1,386,111</u>	<u>1,406,343</u>	<u>1,045,627</u>

10. DEBENTURES

(Unit : Thousand Baht)

	Consolidated		The Company Only	
	30 September 2003	31 December 2002	30 September 2003	31 December 2002
Subordinated debentures	331,000	331,000	331,000	331,000
Unsubordinated and unsecured debentures	5,110,000	4,800,000	4,800,000	4,800,000
	<u>5,441,000</u>	<u>5,131,000</u>	<u>5,131,000</u>	<u>5,131,000</u>

10.1 Subordinated debentures

During 1999, the Company issued Baht 331 million of unsecured subordinated debentures (331 units with a par value of Baht 1,000,000 each) which were sold to the Ministry of Finance under the Tier II capital support scheme. The Ministry of Finance assisted the Company by purchasing the Company's newly issued subordinated debentures in order to increase its Tier II capital fund to a level in accordance with the regulations of the Bank of Thailand. The debentures bear interest at rates of 5% and 6% per annum and mature in 2009. The Company immediately used the money from the sale of these debentures to invest in government bonds issued by the Ministry of Finance, in accordance with the conditions of the Tier II capital support scheme.

10.2 Unsubordinated and unsecured debentures

10.2.1 In 2002, the Company issued Baht 4,800 million of unsubordinated and unsecured debentures, maturing in 2007, consisting of :-

- a) 2 million debentures with a face value of Baht 1,000 each, totaling Baht 2,000 million. These debentures bear interest at a rate of 4.25 percent per annum.
- b) 1 million debentures with a face value of Baht 1,000 each, totaling Baht 1,000 million. These debentures bear interest at a rate of 3.5 percent per annum in the first and second years and thereafter at a floating rate equivalent to the reference rate plus 0.5 percent per annum, which rate shall not be less than 3.75 percent per annum and shall not exceed 5 percent, 5.5 percent and 6 percent per annum in the third, fourth and fifth years, respectively.
- c) 1.8 million debentures with a face value of Baht 1,000 each, totaling Baht 1,800 million. These debentures carry interest at a floating rate equivalent to a rate of 6 percent minus the reference rate per annum in the first, second and third years and thereafter at a rate of 3.8 percent per annum.

In respect of the Baht 2,800 million of debentures discussed in (b) and (c) above, the Company entered into interest rate swap agreements to swap the floating interest rate to a fixed interest rate. The agreement expires in 2007.

(UNAUDITED BUT REVIEWED)

10.2.2 During this current quarter, a subsidiary company issued Baht 400 million of unsubordinated and unsecured debentures, consisting of 400,000 debentures with a face value of Baht 1,000 each. These debentures bear interest at a rate of 3.25 percent per annum, maturing in 2006. The subsidiary company is required to comply with debenture issuance conditions and maintain certain financial ratio.

In addition, an another subsidiary company has invested a total of Baht 90 million in these debentures.

11. OTHER LIABILITIES

(Unit : Thousand Baht)

	Consolidated		The Company Only	
	30 September 2003	31 December 2002	30 September 2003	31 December 2002
Corporate income tax payable	118,889	53,509	-	-
Withholding income tax and other tax payable	51,406	88,746	31,458	64,142
Accrued insurance premium	248,027	163,551	207,381	129,768
Deferred tax liability	6,024	-	-	-
Other liabilities	593,699	299,575	323,436	164,486
Total other liabilities	<u>1,018,045</u>	<u>605,381</u>	<u>562,275</u>	<u>358,396</u>

12. SHARE CAPITAL AND WARRANTS

a) The Company has a registered capital of Baht 11,002 million which, according to the documents filed with the Ministry of Commerce in 1999, comprises 100.2 million ordinary shares and 1,000 million preference shares, both with a par value of Baht 10 each. The preference shares can be, and were from time to time, converted to ordinary shares in accordance with the Memorandum and Articles of Association. Up to 30 September 2003, 428,185,420 preference shares had been converted into ordinary shares, and such conversion registered with the authorities.

As at 30 September 2003, there remained a total of 181,997,080 preference shares which are eligible for conversion to ordinary shares.

- b) On 10 April 2000, the annual general meeting of the Company's shareholders passed a resolution approving the allocation to directors and employees of the Company and its subsidiaries a total of 30 million, 5-year, non-negotiable warrants to purchase the Company's preference shares, exercisable in a ratio of 1 warrant to 1 preference share, and passed a resolution approving the establishment an Allotment Committee. Such committee resolved that the warrants would not be allocated to the Company's directors, except for those directors who were qualified by virtue of being the Company employees. The exercise price of the warrants was stipulated at 75 percent of the ten-trading-day average closing price of the Company's preference shares prior to the effective date of the filing, subject to a minimum price of par value. The warrants are to be offered subsequent to the receipt of approval from the Office of the Securities and Exchange Commission. In addition, the annual general meeting passed a resolution approving the un-allocation of 400 million preference shares (including 300 million preference shares which were to be reserved for the conversion of convertible debentures). Thirty million preference shares with a par value of Baht 10 each are to be reserved for the exercise of the warrants to be issued and offered to directors and employees of the Company and its subsidiaries to purchase the Company's preference shares, leaving 370 million unallocated preference shares.

On 24 April 2002, the annual general meeting of the Company's shareholders passed a resolution approving the exercise price of warrants at 75 percent of the ten-trading-day average closing price of the Company's preference shares prior to the date of warrant allocation, subject to a minimum price of par value. In addition, the annual general meeting passed a resolution approving the allocation of 1,100,000 warrants to the directors. These conditions were approved by the Office of the Securities and Exchange Commission.

On 24 April 2003, the annual general meeting of the Company's shareholders passed a resolution approving the allocation of 800,000 warrants to the directors. These conditions were approved by the Office of the Securities and Exchange Commission.

Up to 30 September 2003, the Company allocated 25,436,000 warrants, and employees who had been allocated warrants had exercised their rights to purchase a total of 7,085,000 preference shares, at an exercise price of Baht 10 each, amounting to Baht 70,850,000 and 2,414,000 preference shares at an exercise price of Baht 11.31 each, amounting to Baht 27,302,340 and 683,500 preference shares at an exercise price of bath 13.20, amounting to Baht 9,022,200 of which 10,182,500 preference shares registered with the Ministry of Commerce.

As at 30 September 2003, 15,253,500 warrants remained unexercised.

(UNAUDITED BUT REVIEWED)

13. CAPITAL FUND

As at 30 September 2003 and 31 December 2002, the capital funds maintained by the Company in accordance with Section 4 of the Act on Undertaking of Finance Business, Finance and Securities Business and Credit Foncier Business B.E. 2522 were as follows: -

(Unit : Thousand Baht)

	The Company Only	
	30 September 2003	31 December 2002
<u>Tier I</u>		
Issued and fully paid up share capital	7,103,825	7,065,345
Premium on share capital	41,850	37,685
Statutory reserve	48,700	48,700
Net gain after appropriation	845,663	41,567
Total Tier I	8,040,038	7,193,297
<u>Tier II</u>		
Subordinated debentures	331,000	331,000
Reserve for loans classified as pass	559,445	516,667
Reserve for revaluation of equity securities-available for sales	117,925	-
Total Tier II	1,008,370	847,667
Less : Investments in debentures at value of which the banks, who are the debenture issuers, recognize as capital fund	(51,091)	-
Total capital fund	8,997,317	8,040,964

The capital ratios of the Company are as follows :-

	The Company Only			
	30 September 2003		31 December 2002	
	Company	Requirement	Company	Requirement
Tier I capital to risk assets	17.85%	4.00%	17.40%	4.00%
Total capital to risk assets	20.10%	8.00%	19.45%	8.00%
Total capital to issued and paid-up share capital	126.65%	75.00%	113.81%	75.00%

(UNAUDITED BUT REVIEWED)

14. STATUTORY RESERVE

Under the Public Company Limited Act B.E. 2535, the Company is required to set aside as a statutory reserve at least 5% of its net profit, after deducting accumulated deficit brought forward (if any), until the reserve reaches 10% of its registered share capital. The statutory reserve could not use for dividend payment.

15. SURPLUS ON CHANGES IN THE VALUE OF INVESTMENTS

(Unit : Thousand Baht)

	Consolidated		The Company Only	
	30 September 2003	31 December 2002	30 September 2003	31 December 2002
Balance - beginning of the period	58,798	126,794	58,798	126,794
Increase (decrease) in changes in the value of securities during the period	605,253	(67,996)	605,253	(67,996)
Balance - end of the period	664,051	58,798	664,051	58,798
Less : the effect of income tax liabilities	(196,978)	-	(196,978)	-
Balance - end of the period	<u>467,073</u>	<u>58,798</u>	<u>467,073</u>	<u>58,798</u>

16. GAIN ON INVESTMENTS

Gain on investments for the three-month and nine-month periods ended 30 September 2003 and 2002 consist of the following :-

(Unit : Thousand Baht)

	For the three-month periods ended 30 September			
	Consolidated		The Company Only	
	2003	2002	2003	2002
Unrealised gain (loss) on investments	(44,326)	(22,235)	1,803	6,593
Realised gain on investments	210,955	161,584	104,942	143,007
Total	<u>166,629</u>	<u>139,349</u>	<u>106,745</u>	<u>149,600</u>

(UNAUDITED BUT REVIEWED)

(Unit : Thousand Baht)

	For the nine-month periods ended 30 September			
	Consolidated		The Company Only	
	2003	2002	2003	2002
Unrealised gain (loss) on investments	77,680	(135,803)	20,945	7,727
Realised gain on investments	304,114	734,785	151,562	485,527
Total	381,794	598,982	172,507	493,254

17. DIRECTORS' REMUNERATION

Directors' remuneration represents the benefits paid to the Company's directors in accordance with Section 90 of the Public Company Limited Act, exclusive of salaries and related benefits payable to directors who hold executive positions.

18. CORPORATE INCOME TAX

Corporate income tax expenses for the nine-month periods ended 30 September 2003 and 2002 were arrived at as follows:

	(Unit : Thousand Baht)			
	Consolidated		The Company Only	
	2003	2002	2003	2002
Income tax payable on taxable profit for the period	562,221	746,921	307,929	474,359
Add (less) : Net decrease (increase) in deferred tax on temporary differences				
(Less) : Utilisation of income tax benefits on tax loss carried forward	(671,730)	(849)	(555,511)	129
Income tax expenses - net / income tax benefits	(422,935)	165,372	(555,511)	129

(UNAUDITED BUT REVIEWED)

As at 30 September 2003, deferred tax assets and deferred tax liabilities arose from the following temporary differences:

	(Unit: Thousand Baht)	
	Consolidated	The Company only
Allowance for doubtful accounts (general reserve)	959,786	771,388
Allowance for doubtful accounts for VAT receivables	18,624	-
Allowance for impairment of investment	348,610	348,557
Allowance for impairment of property foreclosed	90,936	90,020
Non - accrual of interest income	1,507,948	1,469,223
Depreciation of assets	129,564	14,114
Financial leases	74,228	-
Revaluation surplus on changes in the value of investment	(656,594)	(656,594)
Others	6,508	6,688
	<u>2,479,610</u>	<u>2,043,396</u>
Deferred tax assets (30%)	<u>743,883</u>	<u>613,019</u>

	(Unit: Thousand Baht)	
	Consolidated	The Company only
Unrealized gain from trading securities	36,461	-
Non-accrual of interest income	(18,236)	-
Depreciation of assets	(2,615)	-
Others	4,471	-
	<u>20,081</u>	<u>-</u>
Deferred tax liabilities (30%)	<u>6,024</u>	<u>-</u>

(UNAUDITED BUT REVIEWED)

19. RECONCILIATION OF DILUTED EARNINGS PER SHARE

For the three-month periods ended 30 September						
Net earnings		Weighted average number of ordinary shares		Earnings per share		
2003	2002	2003	2002	2003	2002	
Thousand Baht	Thousand Baht	Thousand shares	Thousand shares	Baht	Baht	
Basic earnings per share						
Net earnings	482,003	344,828	528,374	419,734	0.91	0.82
Effect of dilutive securities						
Preference shares (including 15.3 million warrants to purchase preference shares (2002 : 13.9 million warrants))						
-	-	197,262	300,247			
Diluted earnings per share						
Net earnings of ordinary shareholders assuming the conversion of preference shares to ordinary shares						
482,003	344,828	725,636	719,981	0.66	0.48	
For the nine-month periods ended 30 September						
Net earnings		Weighted average number of ordinary shares		Earnings per share		
2003	2002	2003	2002	2003	2002	
Thousand Baht	Thousand Baht	Thousand shares	Thousand shares	Baht	Baht	
Basic earnings per share						
Net earnings	1,286,099	971,813	524,870	296,135	2.45	3.28
Effect of dilutive securities						
Preference shares (including 15.3 million warrants to purchase preference shares) (2002 : 13.9 million warrants)						
-	-	200,766	423,846			
Diluted earnings per share						
Net earnings of ordinary shareholders assuming the conversion of preference shares to ordinary shares						
1,286,099	971,813	725,636	719,981	1.77	1.35	

(UNAUDITED BUT REVIEWED)

20. CASH AND CASH EQUIVALENTS

For the purpose of the statements of cash flows, cash and cash equivalents represent cash in hand and all types of bank deposits, except certificates of deposit, in accordance with the Notification of the Bank of Thailand regarding the format of the balance sheets and earnings statements of finance companies, finance and securities companies and credit foncier companies, dated 10 May 2001.

Cash and cash equivalents as reflect in the statements of cash flows as at 30 September 2003 and 2002 consist of the following :-

	Consolidated		The Company Only	
	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>
Cash	3,310	5,639	1,028	2,149
Cash at banks	945,582	953,363	222,264	424,491
Cash and cash equivalents	<u>948,892</u>	<u>959,002</u>	<u>223,292</u>	<u>426,640</u>

21. RELATED PARTY TRANSACTIONS

During the three-month and nine-month periods ended 30 September 2003 and 2002, the Company had significant business transactions with its subsidiary and related companies (related by way of common shareholders and/or common directors). Such transactions have been concluded on the terms and basis as determined by the Company and those companies. Intercompany outstanding balances and transactions are summarised below :-

	(Unit : Thousand Baht)			
	Consolidated			Balance-end of the period
Balance- beginning of the period	Increase	Decrease		
<u>Outstanding balance as at 30 September 2003</u>				
Associated company				
Borrowing and deposits from financial institutions and public :				
Volkswagen Leasing (Thailand) Limited	-	80,000	80,000	-

(UNAUDITED BUT REVIEWED)

(Unit : Thousand Baht)

	The Company Only			
	Balance- beginning of the period	Increase	Decrease	Balance-end of the period
Outstanding balance as at 30 September 2003				
Subsidiary companies				
Loans to wholly owned subsidiary companies :				
Thai Information Technology Co., Ltd.	50,183	-	13,713	36,470
Borrowing and deposits from financial institutions and public :				
TISCO Securities Co., Ltd.	16,000	316,000	-	332,000
Hiway Co., Ltd.	-	185,080	-	185,080
Other subsidiary companies	22,000	71,186	-	93,186
Other liabilities :				
Tru-Way Co., Ltd.	34,112	-	34,112	-

(Unit : Thousand Baht)

	Consolidated		The Company Only		Pricing policy
	2003	2002	2003	2002	(For the period 2003)
Transactions occurred during the three-month periods ended 30 September					
Subsidiary companies					
Risk, financial and human resources management fee income	-	-	9,463	13,212	In accordance with the centralized policy for supporting activities of the Company and subsidiary companies, which is in accordance with the Bank of Thailand's announcement
Other income	-	-	4,014	5,954	Reference to the price as charged to other customers
Debt collection service expenses	-	-	-	84,681	Reference to the price as charged to other customers
Computer system advisory services expenses and office administration expenses	-	-	13,570	13,630	In accordance with the centralized policy for supporting activities of the Company and subsidiary companies, which is in accordance with the Bank of Thailand's announcement
Other expenses	-	-	227	4	Reference to the price as charged to other customers
Associated company					
Interest expense	468	4,209	-	-	Reference to the rate as charged to other customers
Accounts receivable management fee income and office administration fee income	2,789	4,830	-	-	Reference to the price as charged to other customers

(UNAUDITED BUT REVIEWED)

(Unit : Thousand Baht)

	Consolidated		The Company Only		Pricing policy
	2003	2002	2003	2002	(For the period 2003)
<u>Transactions occurred during the nine-month periods ended 30 September</u>					
Subsidiary companies					
Risk, financial and human resources management fee income	-	-	29,131	27,532	In accordance with the centralized policy for supporting activities of the Company and subsidiary companies, which is in accordance with the Bank of Thailand's announcement
Other income	-	-	12,369	25,218	Reference to the price as charged to other customers
Debt collection service expenses	-	-	-	225,721	Reference to the price as charged to other customers
Computer system advisory services expenses and office administration expenses	-	-	43,050	45,512	In accordance with the centralized policy for supporting activities of the Company and subsidiary companies, which is in accordance with the Bank of Thailand's announcement
Other expenses	-	-	1,259	7,622	Reference to the price as charged to other customers
Associated company					
Interest expense	1,106	5,094	-	-	Reference to the rate as charged to other customers
Account receivable management fee income and office administration fee income	9,862	16,741	-	-	Reference to the price as charged to other customers

In addition, during the current quarter, the Company acquired investments in debt securities amounting to Baht 34 million from a subsidiary company and sold investments in debt securities amounting to Baht 445 million to this subsidiary company. The Company and this subsidiary company recorded gains from these sales of investments amounting to Baht 2 million and Baht 1 million, respectively.

(UNAUDITED BUT REVIEWED)

As at 30 September 2003, 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% 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 the loans to subsidiary and related companies discussed above, and loans to employees under the employee welfare scheme, which are summarised below.

	(Unit : Thousand Baht)	
	Consolidated	The Company Only
Loans	5,715	5,715

As at 30 September 2003, with the exception of loans to subsidiary companies mentioned in Note 5.1, the Company has neither provided any credit nor made any commitments to companies which have directors in common with the Company in cases where such credit is unsecured or not fully collateralised and therefore would require an approval from the Bank of Thailand.

As at 30 September 2003, 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 directors.

22. FINANCIAL INFORMATION BY SEGMENT

Financial information relating to the finance business, securities business as of 30 September 2003 and 31 December 2002 and for the three-month and nine-month periods ended 30 September 2003 and 2002 are summarised below.

	(Unit : Million Baht)									
	For the three-month periods ended 30 September									
	Finance business		Securities business		Other business		Elimination		Total	
	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002
Net interest and dividend										
income after bad debt										
and doubtful accounts	546	581	211	11	(1)	(1)	(217)	(22)	539	569
Non-interest income	288	351	421	96	28	32	(49)	(131)	688	348
Operating expenses	(421)	(492)	(183)	(148)	(27)	(31)	(671)	124	(1,302)	(547)
Corporate income tax / income tax benefits	642	(22)	(68)	6	-	-	-	-	574	(16)
Minority interest in net earnings										
in subsidiary companies	-	-	-	-	-	-	(17)	(9)	(17)	(9)
Net earnings (loss)	1,055	418	381	(35)	-	-	(954)	(38)	482	345

(UNAUDITED BUT REVIEWED)

(Unit : Million Baht)

	For the nine-month periods ended 30 September									
	Finance business		Securities business		Other business		Elimination		Total	
	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002
Net interest and dividend										
income after bad debt										
and doubtful accounts	1,650	1,197	230	31	(2)	(4)	(235)	(43)	1,643	1,181
Non-interest income	633	1,091	985	614	89	101	(114)	(388)	1,593	1,418
Operating expenses	(1,163)	(1,273)	(466)	(408)	(84)	(84)	(626)	331	(2,339)	(1,434)
Corporate income tax / income tax benefits	587	(71)	(163)	(90)	(1)	(4)	-	-	423	(165)
Minority interest in net earnings										
in subsidiary companies	-	-	-	-	-	-	(34)	(28)	(34)	(28)
Net earnings	1,707	944	586	147	2	9	(1,009)	(128)	1,286	972

(Unit : Million Baht)

	As at									
	Finance business		Securities business		Other business		Elimination		Total	
	30 September	31 December	30 September	31 December	30 September	31 December	30 September	31 December	30 September	31 December
	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002
Investments in securities	11,406	9,381	1,560	965	1	-	(5,075)	(4,165)	7,892	6,181
Loans, receivable and										
accrued interest										
receivable - net	41,036	36,405	1,330	971	-	-	(291)	(1,140)	42,075	36,236
Other assets	5,235	4,011	2,615	2,132	137	139	(860)	513	7,127	6,795
Total assets	57,677	49,797	5,505	4,068	138	139	(6,226)	(4,792)	57,094	49,212

23. COMMITMENTS**23.1 Commitment**

- a) The Company is obliged to make contributions to the Financial Institutions Development Fund, at the rate of 0.2 percent of the total outstanding balance of the Company's deposits, borrowings, and liabilities arising from borrowing, as of the last day of the previous six-month period. Contributions are to be made every 30 June and 31 December.
- b) A subsidiary company is required to pay a membership fee to the Stock Exchange of Thailand on a monthly basis, at a rate of 0.005 percent of the trading volume of its stock.

23.2 Litigation

The Company was a defendant in certain lawsuits involving compensation of approximately Baht 91 million. As at 30 September 2003, the cases were not yet final; nevertheless, the Company's management believes that the Company will not suffer material losses from these suits.

23.3 The Company has commitments under interest rate swap agreements covering nominal principal of Baht 5,100 million (as discussed in Note 24.2 to the financial statements), commitments under forward foreign exchange sales contracts covering interest income from investments in debentures amounting to USD 15.35 million and commitments under cross currency interest rate swap agreements covering interest income from investments in debentures amounting to USD 2 million (as discussed in Note 24.4 to the financial statements).

23.4 A subsidiary company has outstanding commitments of approximately Baht 40 million in respect of the uncalled portion of an investment in an associated company.

24. FINANCIAL INSTRUMENT

Financial instruments are any contracts which gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

As at 30 September 2003, the Company and its subsidiaries have no policy to speculate or trade in any derivative financial instruments.

24.1 Credit risk

Credit risk is the risk that the party to a financial instrument will fail to fulfil an obligation causing the Company and subsidiary companies to incur a financial loss. The amount of maximum credit risk exposure is the carrying amount of the financial assets less provision for losses as stated in the balance sheet and the off-balance sheet transactions of aval and other guarantees.

In addition, the Company and its subsidiary companies manage credit risk by the following means, in through careful consideration of credit approval process, analysis of the risk factors and the ability to service debt of customers and credit review process, which examines and reviews the quality of loans so as to prevent and provide a remedy for problem loans in the future.

(UNAUDITED BUT REVIEWED)

24.2 Interest rate risk

Interest rate risk is the risk that the value of financial instruments will change as a result of future changes in interest rates.

(Unit : Million Baht)

	Consolidated			
	Outstanding balances of financial instruments			
	Floating interest rate	Fixed interest rate	Without interest	Total
Financial assets				
Cash and deposits at financial institutions	644	27	278	949
Loans to financial institutions	-	392	-	392
Securities purchased under resale agreements	-	300	-	300
Investments in securities - net	332	3,757	3,803	7,892
Trading transactions with securities companies				
- receivable	-	-	364	364
Loans and receivable	5,991	38,009	2,629	46,629
	<u>6,967</u>	<u>42,485</u>	<u>7,074</u>	<u>56,526</u>
Financial liabilities				
Borrowings and deposits	107	38,457	208	38,772
Trading transactions with securities companies				
- liabilities	-	-	95	95
Securities business payable	459	-	1,415	1,874
Debentures	-	5,441	-	5,441
	<u>566</u>	<u>43,898</u>	<u>1,718</u>	<u>46,182</u>

(UNAUDITED BUT REVIEWED)

(Unit : Million Baht)

The Company Only

	Outstanding balances of financial instruments			
	Floating interest rate	Fixed interest rate	Without interest	Total
Financial assets				
Cash and deposits at financial institutions	-	2	221	223
Securities purchased under resale agreements	-	300	-	300
Investments in securities - net	333	3,511	7,637	11,481
Loans and receivable	5,900	32,015	1,375	39,290
	<u>6,233</u>	<u>35,828</u>	<u>9,233</u>	<u>51,294</u>
Financial liabilities				
Borrowings and deposits	7	36,352	159	36,518
Debentures	-	5,131	-	5,131
	<u>7</u>	<u>41,483</u>	<u>159</u>	<u>41,649</u>

The Company has entered into interest rate swap agreements to pay fixed rate interest in exchange for receipt of floating rate interest on the nominal principal of Baht 1,000 million. These agreements will expire in 2005 and 2008.

In addition, the Company has entered into interest rate swap agreements to exchange a floating interest rate on the Baht 2,800 million debentures for a fixed interest rate. The agreements expire in 2007. The Company has also entered into interest rate swap agreements to exchange floating interest rates on loans and deposits amounting to Baht 1,300 million for a fixed interest rate. The agreements expire in 2006 and 2008.

The balances of the floating rate and fixed rate loans and receivable shown in the above table include those on which interest recognition has been ceased, and are presented before deducting provisions.

(UNAUDITED BUT REVIEWED)

With respect to the fixed rate financial instruments, the table shown summarises their repricing or maturity date (whichever is the earlier) counting from the balance sheet date.

(Unit : Million Baht)

Transactions	Consolidated							Interest rates %
	Repricing or maturity date							
	At call	0-3 months	3-12 months	1 – 5 years	Over 5 Years	Unspecified	Total	
Financial assets								
Cash and deposits at financial institutions	-	2	25	-	-	-	27	1.5027
Loans to financial institutions	264	93	35	-	-	-	392	0.5238
Securities purchased under resale agreements	300	-	-	-	-	-	300	1.0938
Investments in securities - net	-	2,830	478	20	429	-	3,757	3.4123
Loans and receivable	1,572	5,378	11,232	16,827	2,555	445	38,009	8.5860
	<u>2,136</u>	<u>8,303</u>	<u>11,770</u>	<u>16,847</u>	<u>2,984</u>	<u>445</u>	<u>42,485</u>	
Financial liabilities								
Borrowings and deposits	1,292	11,935	13,559	11,671	-	-	38,457	2.4056
Debentures	-	-	-	5,110	331	-	5,441	3.8702
	<u>1,292</u>	<u>11,935</u>	<u>13,559</u>	<u>16,781</u>	<u>331</u>	<u>-</u>	<u>43,898</u>	

(Unit : Million Baht)

Transactions	The Company Only							Interest rates %
	Repricing or maturity date							
	At call	0-3 months	3-12 months	1 – 5 years	Over 5 Years	Unspecified	Total	
Financial assets								
Cash and deposits at financial institutions	-	2	-	-	-	-	2	1.2500
Securities purchased under resale agreements	300	-	-	-	-	-	300	1.0938
Investments in securities - net	-	2,588	478	20	425	-	3,511	3.5014
Loans and receivable	1,252	4,474	9,242	14,492	2,555	-	32,015	7.0048
	<u>1,552</u>	<u>7,064</u>	<u>9,720</u>	<u>14,512</u>	<u>2,980</u>	<u>-</u>	<u>35,828</u>	
Financial liabilities								
Borrowings and deposits	1,421	10,905	12,433	11,592	-	-	36,352	2.3098
Debentures	-	-	-	4,800	331	-	5,131	4.1610
	<u>1,421</u>	<u>10,905</u>	<u>12,433</u>	<u>16,392</u>	<u>331</u>	<u>-</u>	<u>41,483</u>	

(UNAUDITED BUT REVIEWED)

24.3 Liquidity risk

The periods to maturity dates of financial instruments held as of 30 September 2003, counting from the balance sheet date, are as follows :-

(Unit : Million Baht)

Transactions	Consolidated							Total
	At call	0-3 months	3-12 months	1 – 5 years	Over 5 years	Unspecified	Non performing loans	
Financial assets								
Cash and deposits at financial institutions	796	128	25	-	-	-	-	949
Loans to financial institutions	264	93	35	-	-	-	-	392
Securities purchased under resale agreements	300			-	-	-	-	300
Investments in securities - net	1,964	2,830	917	315	539	1,327	-	7,892
Trading transactions with securities companies - receivable		364		-	-	-	-	364
Loans and receivable	958	6,761	11,951	20,273	3,102	-	3,584	46,629
	<u>4,282</u>	<u>10,176</u>	<u>12,928</u>	<u>20,588</u>	<u>3,641</u>	<u>1,327</u>	<u>3,584</u>	<u>56,526</u>
Financial liabilities								
Borrowings and deposits	1,528	12,002	13,559	11,670	-	13	-	38,772
Trading transactions with securities companies - liabilities		95		-	-	-	-	95
Securities business payable	455	1,419		-	-	-	-	1,874
Debentures				5,110	331	-	-	5,441
	<u>1,983</u>	<u>13,516</u>	<u>13,559</u>	<u>16,780</u>	<u>331</u>	<u>13</u>	<u>-</u>	<u>46,182</u>
Off - balance sheet items								
Aval to bills		30		-	-	-	-	30
Guarantees of loans and others	313	2	228	-	-	-	-	543

(UNAUDITED BUT REVIEWED)

(Unit : Million Baht)

Transactions	The Company Only							Total
	At call	0-3 months	3-12 months	1 – 5 years	Over 5 years	Unspecified	Non performing Loans	
Financial assets								
Cash and deposits at financial institutions	221	2	-	-	-	-	-	223
Securities purchased under resale agreements	300		-	-	-	-	-	300
Investments in securities - net	1,964	2,588	478	242	536	5,673	-	11,481
Loans and receivable	893	4,637	10,012	17,943	3,102	-	2,703	39,290
	<u>3,378</u>	<u>7,227</u>	<u>10,490</u>	<u>18,185</u>	<u>3,638</u>	<u>5,673</u>	<u>2,703</u>	<u>51,294</u>
<i>* Non performing loans according to the BOT's guidelines</i>								
Financial liabilities								
Borrowings and deposits	1,587	10,905	12,433	11,593	-	-	-	36,518
Debentures	-		-	4,800	331	-	-	5,131
	<u>1,587</u>	<u>10,905</u>	<u>12,433</u>	<u>16,393</u>	<u>331</u>	<u>-</u>	<u>-</u>	<u>41,649</u>
Off balance sheet items								
Aval to bills	-	30	-		-	-	-	30
Guarantees of loans and others	313	2	228		-	-	-	543

24.4 Foreign exchange risk

As at 30 September 2003, the Company did not have any financial instruments in foreign currencies except investment in a subsidiary company amounting of Baht 251 million and accrued interest receivable amounting to approximately Baht 21 million.

As at 30 September 2003, the outstanding balances of investments in private sector debt securities included investments in debentures amounting to USD 18.85 million. Payment of principal will be made to the Company applying the forward exchange rate stipulated by the issuers, and will amount to Baht 477 million. The Company has entered into forward sales contracts to hedge the exchange rate risk in relation to the future interest receivable from the investments in debentures of USD 15.35 million. In addition, the Company has entered into a Cross Currency Interest Rate Swap agreement to exchange the interest rate of investments in debentures of USD 2 million, whereby the Company is committed to pay a fixed rate of interest on nominal principal of USD 2 million in exchange for receipt of a fixed rate of interest on nominal principal of Baht 92 million.

24.5 Fair value

Fair value represents the amount for which an asset could be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. The Company and its subsidiaries have estimated the fair value of financial instruments as follows: -

a) Financial assets

The method used for determining the fair value is dependent upon the characteristics of the financial instruments. The fair values of financial assets are presented as the amount stated in the balance sheet, including cash, deposits at banks and loans and receivable which are considered to approximate their respective carrying value since the financial instruments are predominantly subject to market interest rates. Financial instruments that have standard terms and conditions which are traded on an active and liquid market, such as investment in securities, have their fair values determined by the quoted market price.

b) Financial liabilities

The fair values of financial liabilities, including borrowings and deposits, are considered to approximate their respective carrying values for the same reasons as described above.

As at 30 September 2003, there are no material differences between the book value of financial instruments and their fair value.

The fair value of off balance sheet items cannot be reasonably determined thus it has not been disclosed.

25. SUBSEQUENT EVENT

On 6 October 2003, a subsidiary company issued Baht 500 million of 3-year amortising unsecured and unsubordinated debentures (500,000 units with a par value of Baht 1,000 each). These debentures bear interest at a rate of 3.2 percent per annum. The issuer will repay the principal of the debentures in four periods, the first of which will start on 6 January 2006 and interest will be paid quarterly beginning 6 January 2004. The above-mentioned subsidiary company is required to comply with debenture issuance conditions and maintain certain financial ratio. The issuance of these debentures was approved by the annual general meeting of the shareholders of this subsidiary company on 20 March 2003.

(UNAUDITED BUT REVIEWED)

26. PRESENTATION

Certain amounts in the financial statements as presented herein for comparative purposes have been reclassified to conform to the current periods classifications, with no effect on previously reported net earnings or shareholders' equity.