

## Information Disclosures under Basel II Capital Requirement As of 30 June 2009

### Scope of Information Disclosure

TISCO Bank discloses information under Basel II capital requirement based on the bank position only and in accordance with the Bank of Thailand's notification SorNorSor 96/2551 on the regulatory capital disclosure requirement for commercial banks.

### Capital Structure

According to the Bank of Thailand's regulation, the regulatory capital for commercial banks registered in Thailand consists of Tier 1 and Tier 2 capital, whereby Tier 1 capital includes paid-up capital, proceeds from the issuance of non-cumulative preferred stocks and hybrid Tier 1, statutory reserve as well as cumulative profit after appropriation, while Tier 2 capital includes proceeds from issuance of cumulative preferred stocks and subordinated debentures as well as regulatory reserve following the Bank of Thailand's regulation.

For TISCO Bank, Tier 1 capital primarily comprises of paid-up share capital and cumulative profit after appropriation, while Tier 2 capital consists of long-term subordinated debentures issued in 2009.

**Table 1 TISCO Bank's Capital Structure**

		Unit : Million Baht
Items	<b>30-Jun-09</b>	
<b>1. Tier 1 Capital</b>	<b>10,486.59</b>	
1.1 Paid-up Share Capital	7,281.52	
1.2 Premium on Share Capital	130.45	
1.3 Statutory Reserve	547.00	
1.4 Cumulative Profit after Appropriation	2,712.77	
1.5 Deductions from Tier 1 Capital*	185.16	
<b>2. Tier 2 Capital</b>	<b>4,377.80</b>	
<b>3. Total Regulatory Capital</b>	<b>14,864.39</b>	

\*e.g. Net Losses, Goodwill, and Deferred Tax Asset

### Capital Adequacy under Basel II Capital Accord

Based on minimum capital requirement under Basel II effective since the end of 2008, the Bank has adopted the Standardised Approach (SA) for regulatory capital calculation of credit risk and operational risk. The SA approach is considered the simple calculation enhanced from the Basel I with more comprehensive risk weights subject to quality of assets as well as off-balance sheet items. The Bank also plans to adopt Internal Rating Based Approach (IRB) in calculating minimum capital requirement for the credit risk in the future.

Capital adequacy of the Bank is still in strong position and adequate to support business expansion into the future. The capital adequacy ratio (BIS ratio) based on Basel II SA stood at 14.30%, higher than the 8.50% required by the Bank of Thailand. Meanwhile, Tier-I capital adequacy ratio stood at 10.09%, higher than the minimum requirement at 4.25%.

**Table 2 Minimum Capital Requirements for Credit Risk by Asset Classes under SA Approach**

		Unit : Million Baht
<b>Credit Risk - SA</b>		<b>30-Jun-09</b>
Performing		
1. Claims on Financial Institutions and Public Sector Entities treated as Claims on Financial Institutions and Securities Company		19.24
2. Claims on Corporate and Public Sector Entities treated as Claims on Corporate		2,170.10
3. Claims on Retail		5,430.20
4. Claims on Residential Property		37.55
5. Other Assets		302.64
Non-performing		218.88
<b>Total Minimum Capital Requirements for Credit Risk - SA</b>		<b>8,178.61</b>

**Table 3 Minimum Capital Requirements for Operational Risk**

		Unit : Million Baht
<b>Minimum Capital Requirements for Operational Risk</b>		<b>30-Jun-09</b>
1. Standardized Approach		655.89
<b>Total Minimum Capital Requirements for Operational Risk</b>		<b>655.89</b>

**Table 4 TISCO Bank's Capital Adequacy Ratio**

		Unit : %
<b>Ratio</b>		<b>30-Jun-09</b>
1. Total Capital Adequacy Ratio		14.30%
2. Tier 1 Capital Adequacy Ratio		10.09%