

Information Disclosures under Basel II Capital Requirement As of 30 June 2011

Scope of Information Disclosure

TISCO Financial Group Public Company Limited(TISCO) discloses information under Basel II capital requirement based on the full consolidated position and in accordance with the Bank of Thailand's notification SorNorSor 6/2553 on consolidated supervision.

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, Tier 1 capital primarily comprises of paid-up share capital and cumulative profit after appropriation, while Tier 2 capital mostly consists of long-term subordinated debentures issuance.

Table 1 TISCO Financial Group's Capital Structure

Items	Unit : Million Baht 30-Jun-11
1. Tier 1 Capital	11,224.30
1.1 Paid-up Share Capital	7,279.12
1.2 Premium on Share Capital	679.27
1.3 Statutory Reserve	212.60
1.4 Cumulative Profit after Appropriation	4,487.63
1.5 Minority Interest	2.04
1.6 Deductions	1,436.36
1.6.1 Deductions from Tier 1 Capital*	1,394.87
1.6.2 Deduction Item by 50% from Tier 1 and Tier 2 Capital	41.49
2. Tier 2 Capital	7,634.88
2.1 Tier 2 Capital before Deductions	7,676.37
2.2 Deduction Item by 50% from Tier 1 and Tier 2 Capital	41.49
3. Total Regulatory Capital	18,859.18

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

Capital Adequacy under Basel II Capital Accord

Based on minimum capital requirement under Basel II, TISCO has officially adopted Standardised Approach (SA-OR) for regulatory capital calculation of credit risk and operational risk respectively, since June 30, 2010.

Capital adequacy of the TISCO is still in strong position and adequate to support business expansion into the future. The regulatory capital adequacy ratio (BIS ratio) based on SA approach stood at 11.87% remaining higher than the 8.50% required by the Bank of Thailand. While Tier-I capital adequacy ratio before an adjustment of capital floor stood at 7.06%, Tier-I capital adequacy ratio also remained higher than the minimum requirement at 4.25%.

Regarding to TISCO Bank which is an important subsidiary under TISCO Financial Group, TISCO Bank has rollout IRB capital implementation since 31 December 2009. TISCO Financial Group also set implementation plan for IRB capital which will begin at the end of 2012. During the first few year of IRB capital implementation, overall capital adequacy will be subject to minimum capital floor.

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

	Unit : Million Baht
Credit Risk - SA	30-Jun-11
Performing	12,046.36
1. Claims on Financial Institutions and Public Sector Entities treated as Claims on Financial Institutions and Securities Company	144.25
2. Claims on Corporate and Public Sector Entities treated as Claims on Corporate	3,069.39
3. Claims on Retail	8,405.82
4. Claims on Residentail Property	36.17
5. Other Assets	390.73
Non-performing	215.45
Total Minimum Capital Requirements for Credit Risk - SA	12,261.82

Table 3 Minimum Capital Requirements for Operational Risk

	Unit : Million Baht
Minimum Capital Requirements for Operational Risk	30-Jun-11
Standardized Approach	1,171.68
Total Minimum Capital Requirements for Operational Risk	1,171.68

Table 4 TISCO Financial Group's Capital Adequacy Ratio

	Unit : %
Ratio	30-Jun-11
1. Total Capital Adequacy Ratio	11.87%
2. Tier 1 Capital Adequacy Ratio	7.06%