

# Analyst Meeting

## 2Q/2008



**Shareholders**



**Clients**



**Staff**



**Society**



Disclaimer: This presentation material may contain forward-looking statements. These forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ from those in the forward looking statements as a result of various factors. TISCO Bank accepts no liability whatsoever with respect to the use of this document of its content.

- Financial Highlights
- Financial Performance
- Operational Activities and Updates
- Progress on Holding Company Restructuring
- Q&A

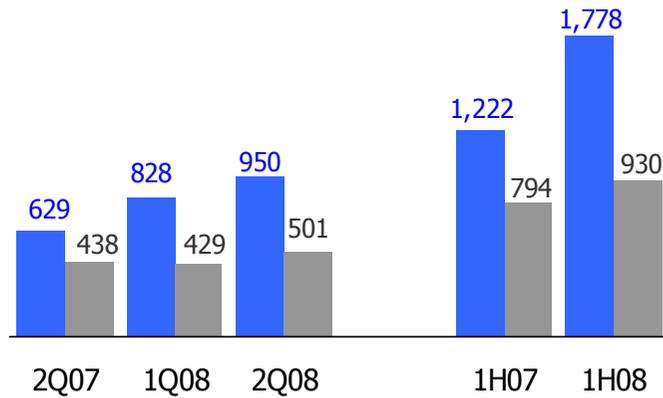
## Financial Highlights

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# Major Achievements

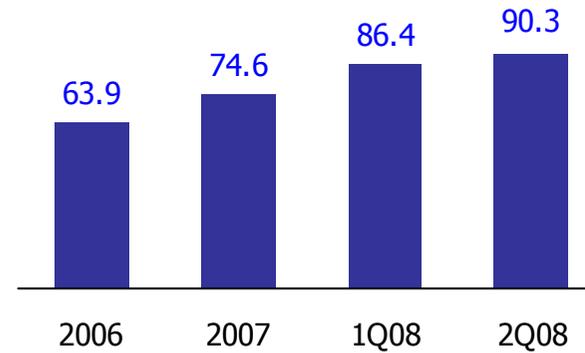
## Increasing PPOP & Net Profit

Unit: Million Baht      ■ PPOP      ■ Net Profit



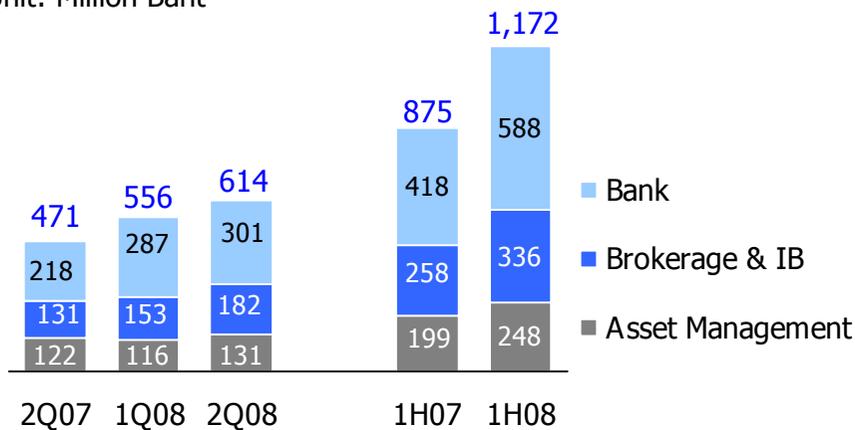
## Loan Growth 10.2% YTD

Unit: Billion Baht



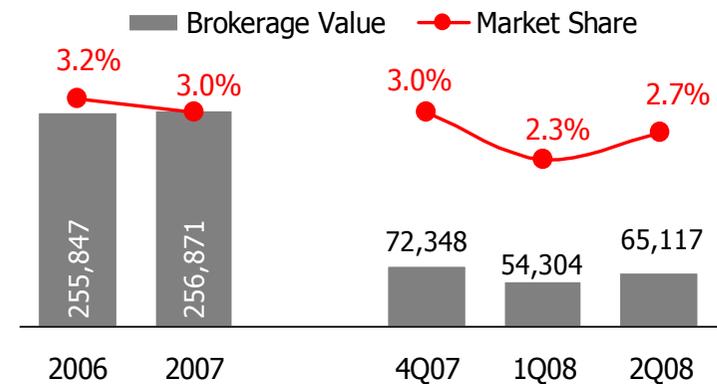
## Increasing fee income from core businesses

Unit: Million Baht



## Improved Brokerage Market Share

Unit: Million Baht



# Financial Performance

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# Consolidated Financial Summary

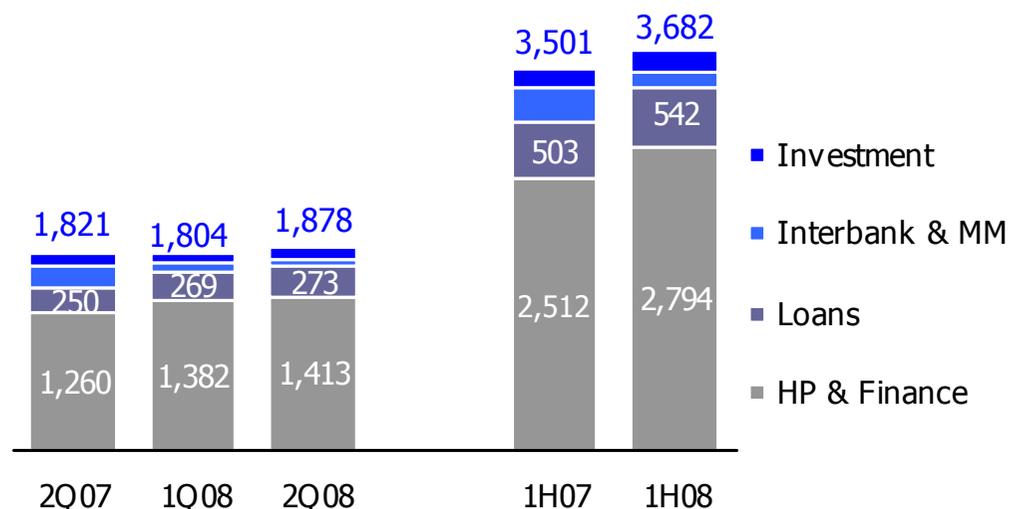


Unit: Million Baht	2Q08	1Q08	2Q07	%QoQ	%YoY	1H08	1H07	%YoY
Interest income	1,878	1,804	1,882	4.1	(0.2)	3,682	3,568	3.2
Interest expense	(798)	(760)	(998)	5.0	(20.0)	(1,558)	(1,927)	(19.2)
Net interest income	1,080	1,044	885	3.5	22.1	2,124	1,641	29.4
Non-interest income	729	565	511	29.0	42.6	1,295	1,011	28.1
Operating expense	(860)	(781)	(713)	10.1	20.6	(1,640)	(1,346)	21.8
PPOP	950	828	629	14.7	51.0	1,778	1,222	45.5
Provisions	(277)	(232)	(86)	19.4	223.1	(509)	(214)	137.9
Pre-tax profit	673	596	597	12.8	12.6	1,269	1,092	16.2
Income tax	(171)	(167)	(159)	2.4	7.5	(339)	(299)	13.4
Net profit	501	429	438	17.0	14.8	930	794	19.8
Diluted EPS (Baht)	0.62	0.53	0.54			1.15	0.96	

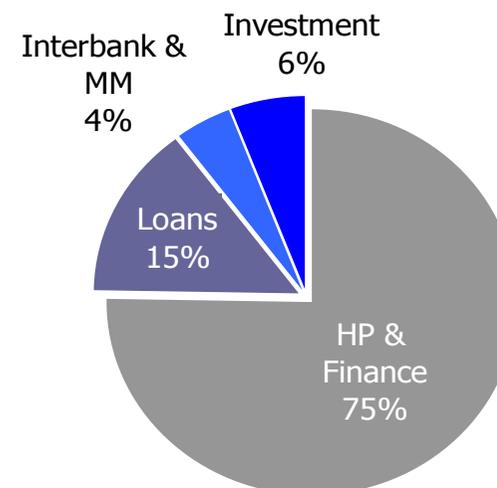
# Interest Income

## Interest Income Performance

Unit: Million Baht



## 2Q08 Interest Income Breakdown

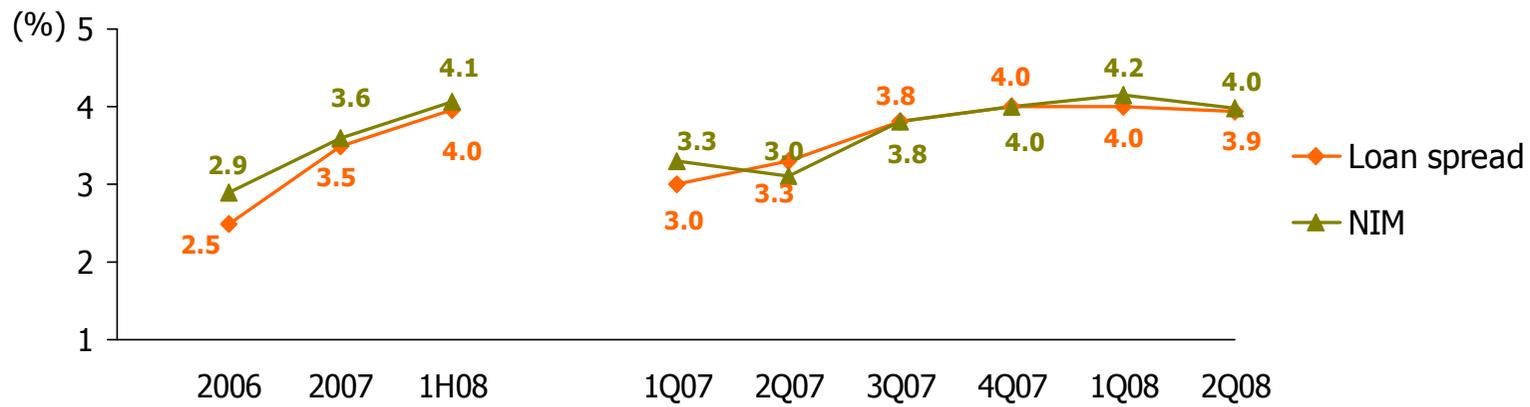


Unit: Million Baht	2Q08	1Q08	2Q07	% QoQ	% YoY	1H08	1H07	% YoY
HP & fin lease	1,413	1,381	1,260	2.2	12.1	2,794	2,512	11.2
Loans	273	269	250 *	1.6	9.2	542	503 *	7.8
Interbank & MM	83	65	199	28.2	(58.2)	148	316	(53.2)
Investment	110	89	113	22.9	(2.9)	199	177	12.4
<b>Total</b>	<b>1,878</b>	<b>1,804</b>	<b>1,821</b>	<b>4.1</b>	<b>3.1</b>	<b>3,682</b>	<b>3,501</b>	<b>5.2</b>

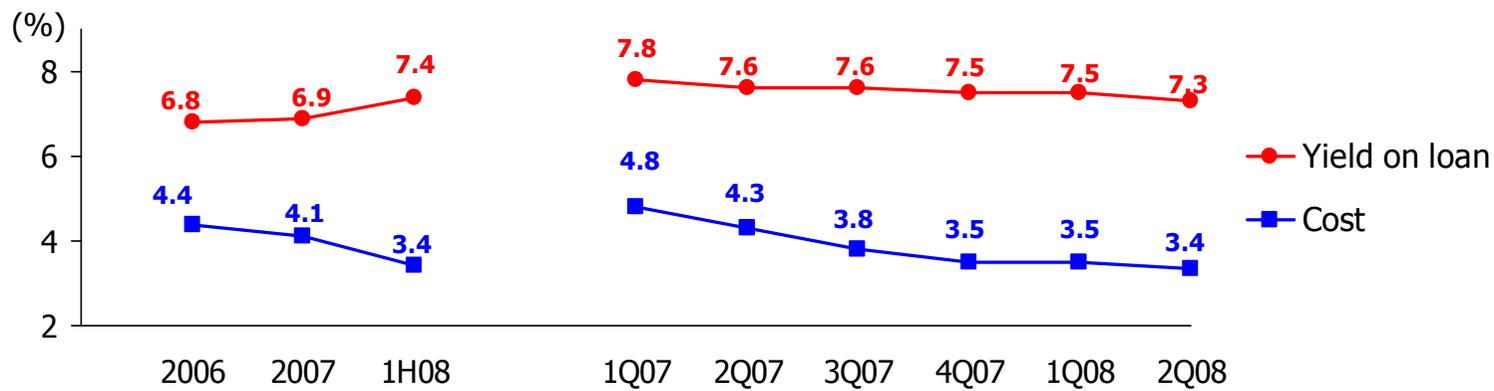
\* Excluding one-time interest income from restructuring loan ~ Bt 61mn in 2Q07

# Net Interest Margins

## NIM and Loan Spread



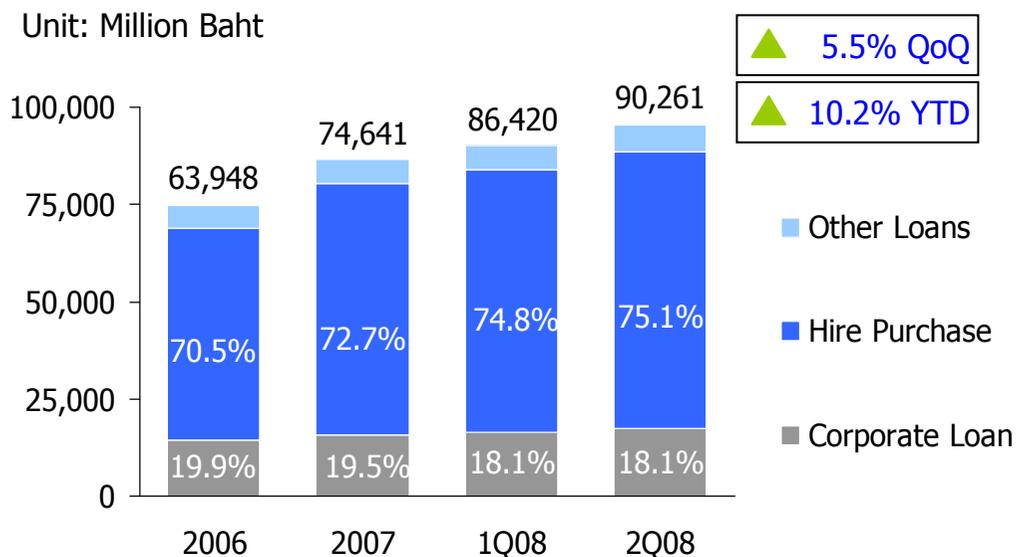
## Yield on Loans and Cost of Funds



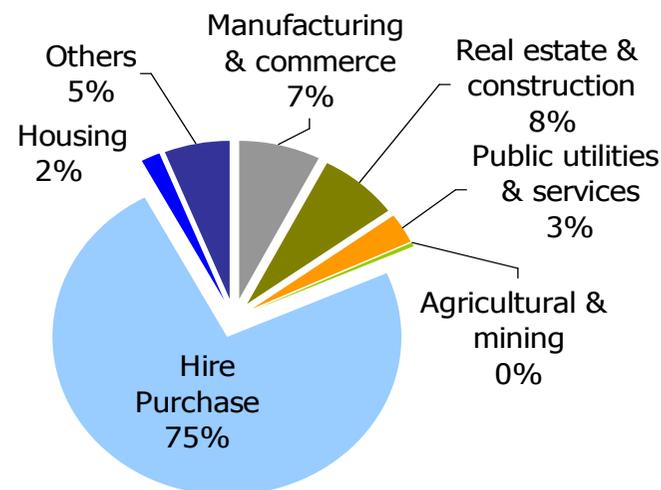
# Loan Portfolio



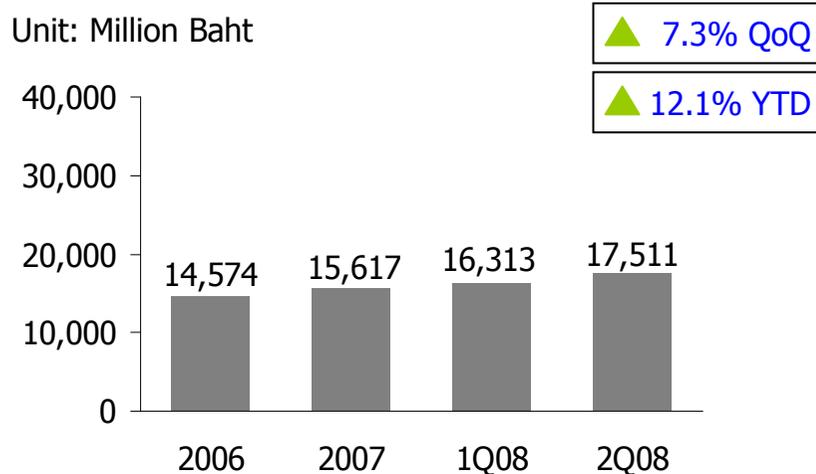
## Strong Loan Growth



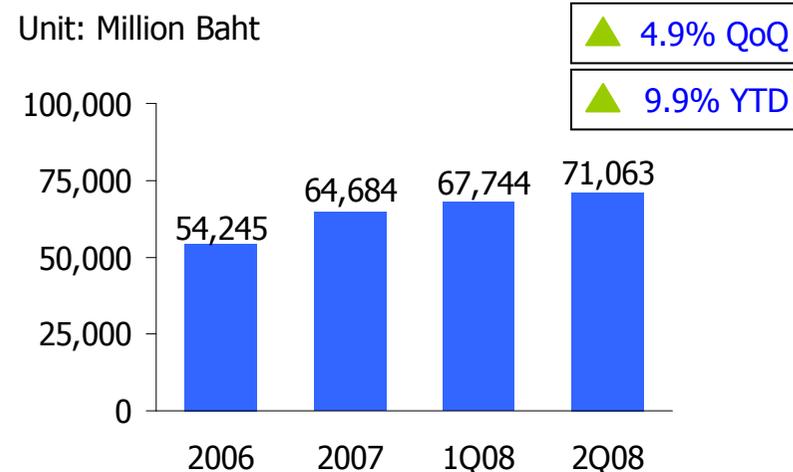
## Loan Breakdown by Industry



## Corporate Lending

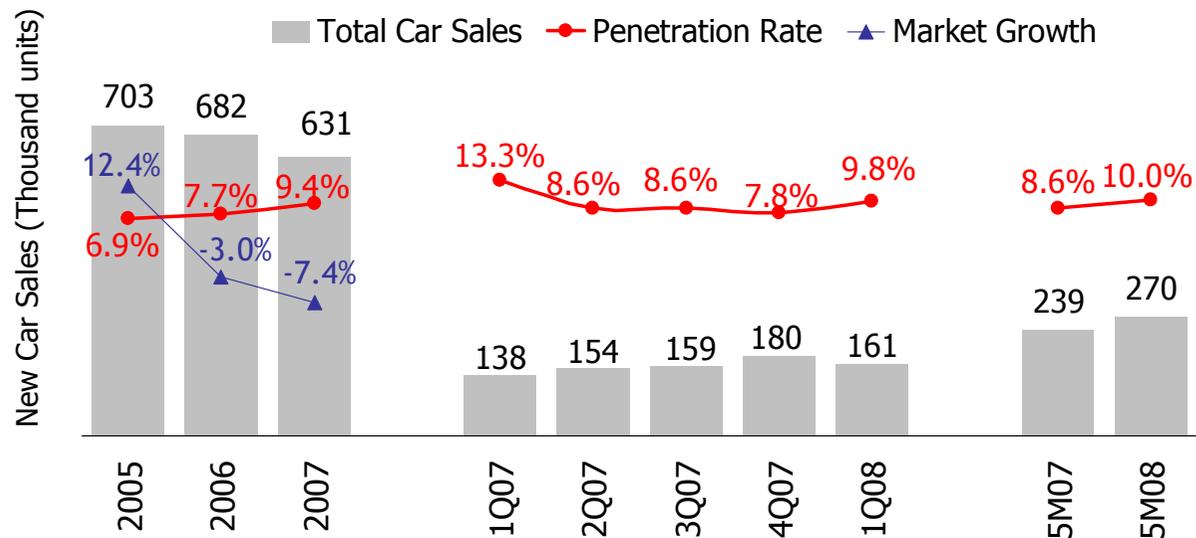


## Hire Purchase Lending



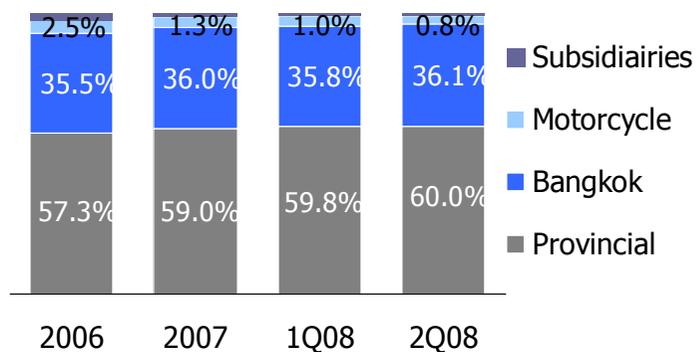
# Hire Purchase Business

## Industry New Car Sales & TISCO Penetration Rate



Source: The Bank of Thailand and TISCO

## Hire Purchase Portfolio Breakdown

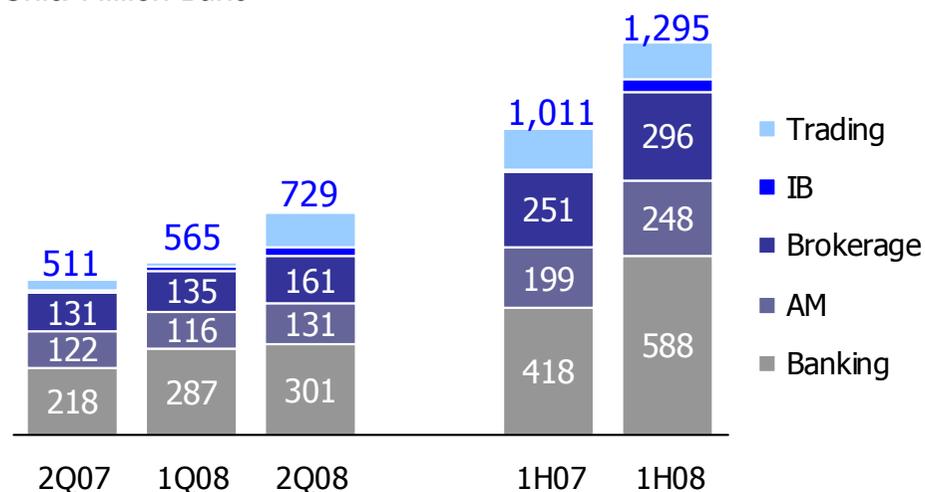


	% Outstanding	2006	2007	1Q08	2Q08
New car		85.2	82.7	82.3	82.0
Used car		14.8	17.3	17.7	18.0
Running rate (%) (Used car: Total new HP)		19.5	20.2	20.7	19.8

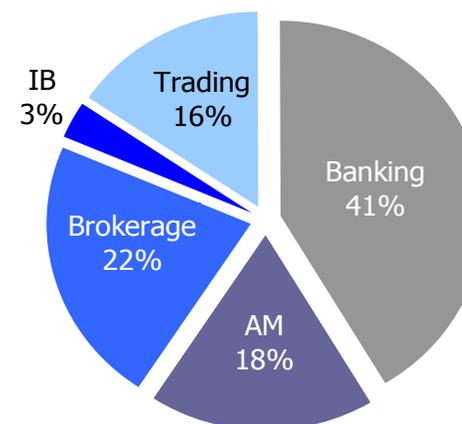
# Non-Interest Income

## Non-Interest Income Performance

Unit: Million Baht



## 2Q08 Non-Interest Income Breakdown



Unit: Million Baht	2Q08	1Q08	2Q07	% QoQ	% YoY	1H08	1H07	% YoY
Banking fee	301	287	213	4.7	41.3	588	418	40.7
AM fee	131	116	122	13.5	7.4	248	199	24.6
Brokerage fee	161	135	131	19.0	22.7	296	251	17.9
IB fee	22	18	8	21.1	167.0	40	7	571.4
Trading	114	9	37	1168.5	210.9	123	135	(8.9)
<b>Total</b>	<b>729</b>	<b>565</b>	<b>511</b>	<b>29.0</b>	<b>42.6</b>	<b>1,295</b>	<b>1,011</b>	<b>28.1</b>

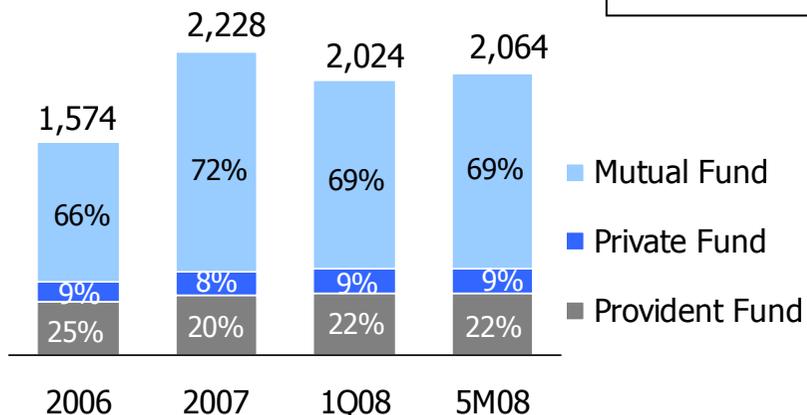
# Asset Management Business



## Market NAV

Unit: Billion Baht

▼ 7.4% YTD

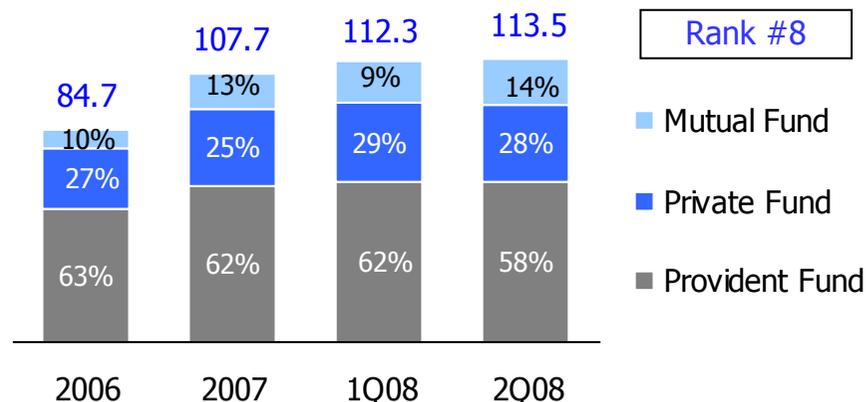


## TISCO Asset Under Management

Unit: Billion Baht

▲ 5.4% YTD

Rank #8



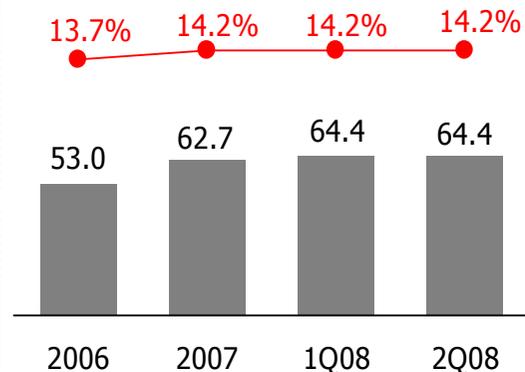
## Market Share & Ranking

### Provident Fund

▲ 2.7%YTD

Rank #1

Unit: Billion Baht

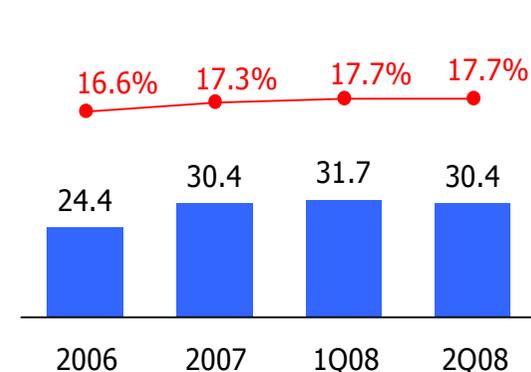


### Private Fund

▲ 0.8%YTD

Rank #2

Unit: Billion Baht

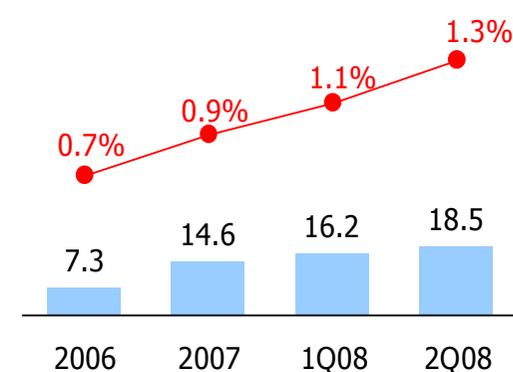


### Mutual Fund

▲ 26.9%YTD

Rank #16

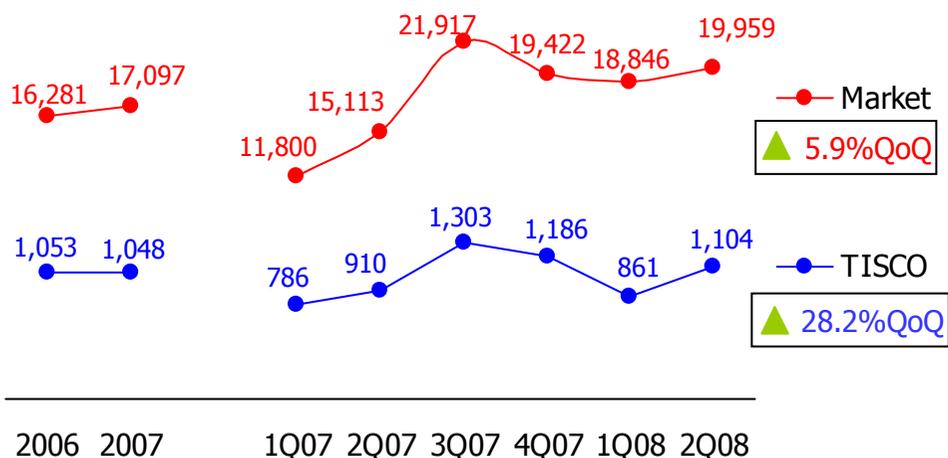
Unit: Billion Baht



# Brokerage Business

## Market - Average Daily Trading Volume

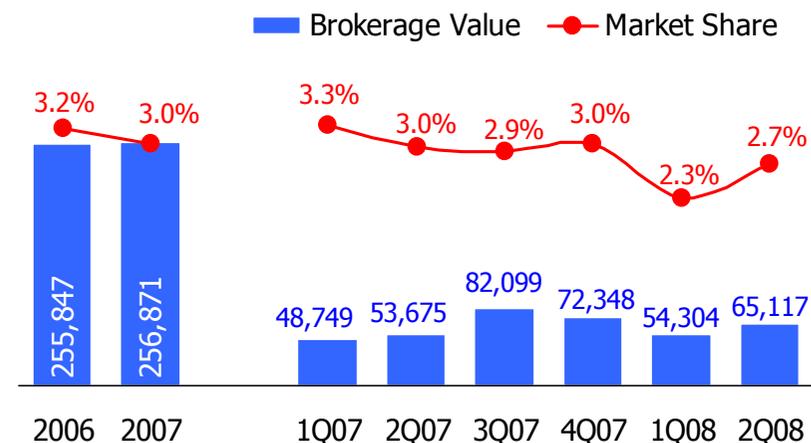
Unit: Million Baht



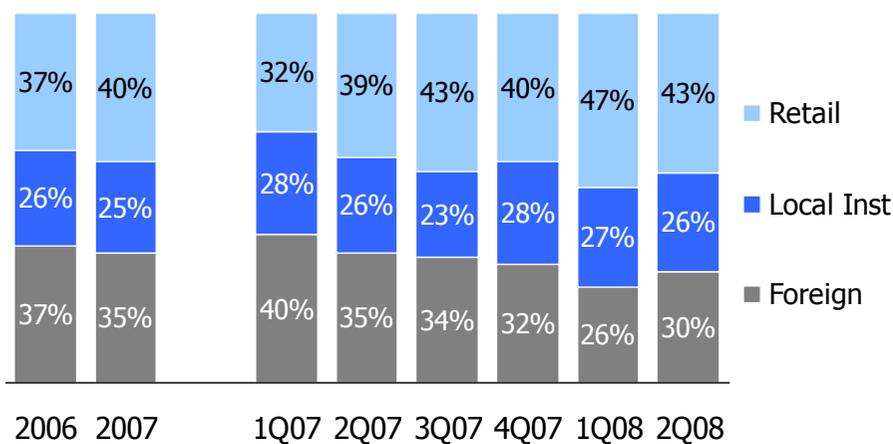
Source: SETSMART

## TISCO - Brokerage Value & Market Share

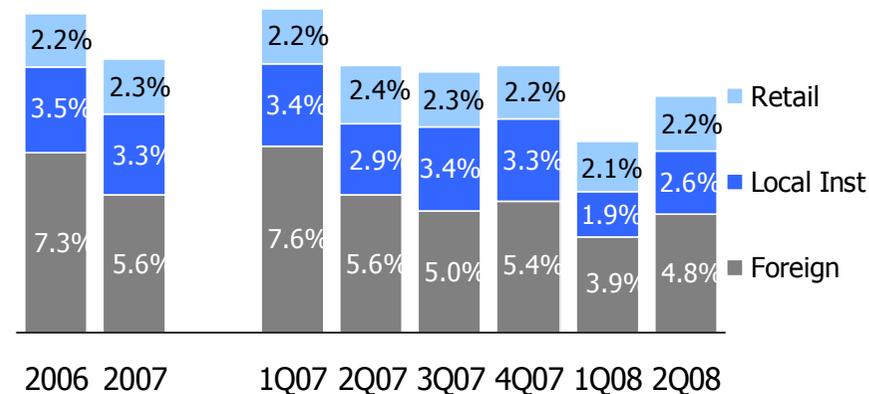
Unit: Million Baht



## TISCO - Customer Breakdown



## TISCO - Market Share by Customers



# Operating Expenses

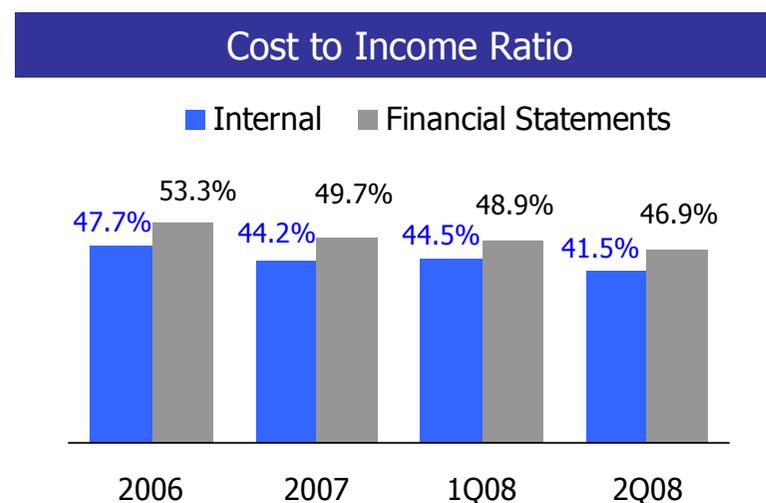
Increase in operating expenses, due mainly to growing no. of employee & branches and salary base

Operating Expenses								
Unit: Million Baht	2Q08	1Q08	2Q07	% QoQ	% YoY	1H08	1H07	% YoY
Personnel expenses	463	407	355	13.9	30.5	870	657	32.5
Premises & equipment expenses	148	144	123	2.9	20.3	292	235	24.3
Taxes & duties	28	25	33	10.7	(15.3)	53	66	(19.1)
Fees & service expenses	93	92	66	1.2	40.2	184	135	36.0
Directors' remuneration	2	2	2	(11.1)	(2.0)	4	4	4.1
Other expenses	126	111	134	13.2	(6.0)	238	334	(28.7)
<b>Total</b>	<b>860</b>	<b>781</b>	<b>713</b>	<b>10.1</b>	<b>20.6</b>	<b>1,640</b>	<b>1,430</b>	<b>14.7</b>

Employee & Branches			
	2Q08	1Q08	2Q07
No. of Employee	2,518	2,378	2,221
No. of Branch	28	28	22
- Bangkok *	9	9	5
- Upcountry	19	19	17

\* Including Head Office branch

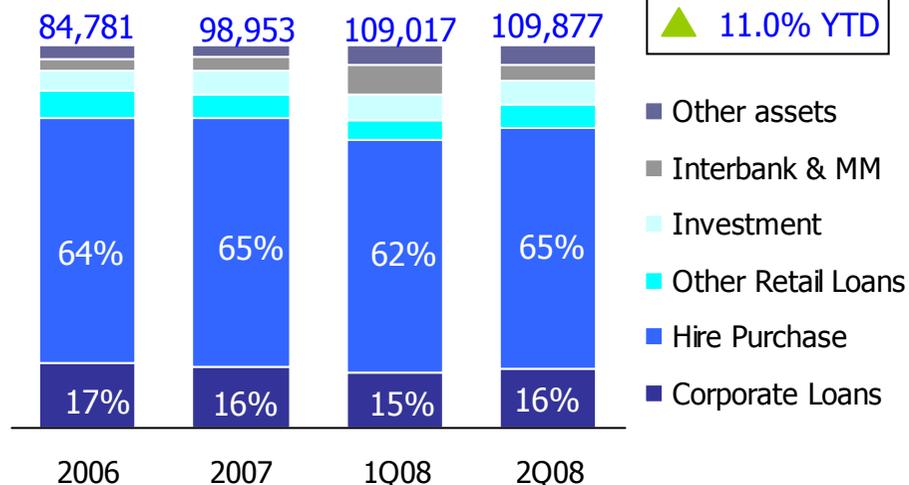
\*\* Branch Opening: "Surin Branch", Surin - 10 July 2008  
 "Pakin Building Branch", Bangkok - October 2008



# Balance Sheet

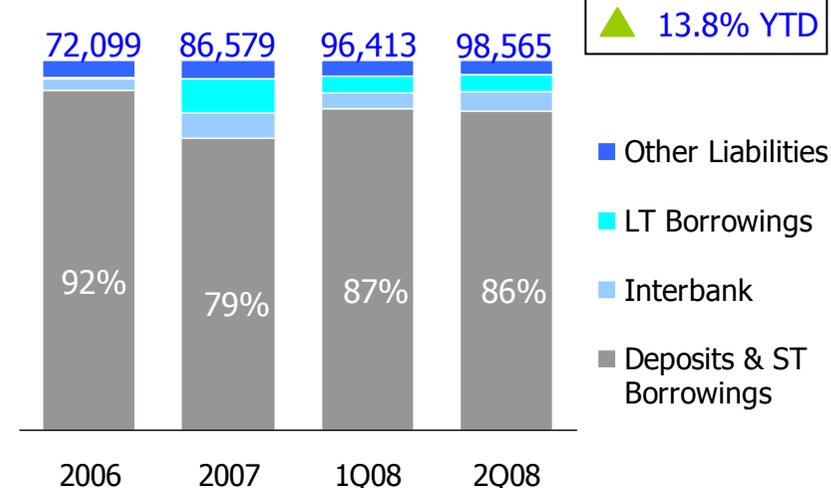
## Assets Mix

Unit: Million Baht



## Liabilities Mix

Unit: Million Baht

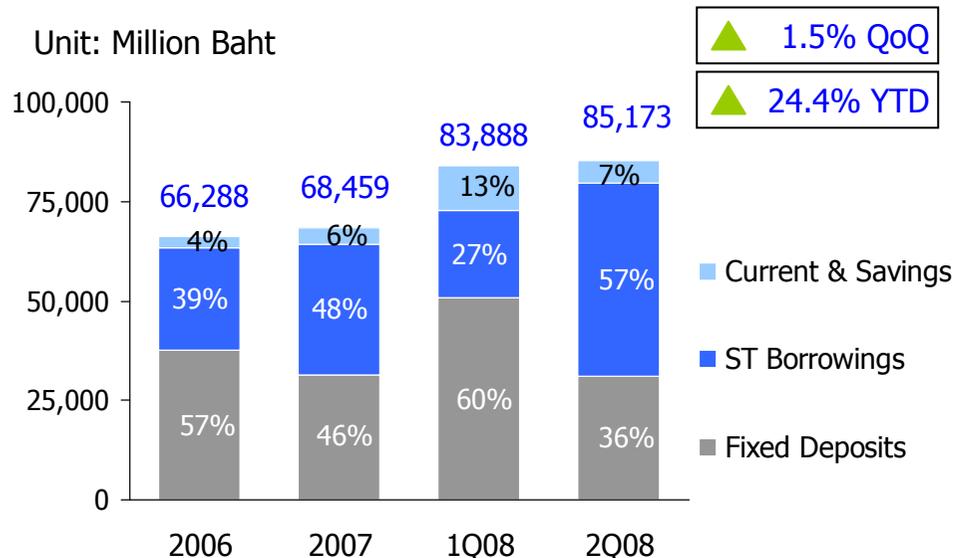


Unit: Million Baht	2Q08	1Q08	2007	% QoQ	% YTD
Corporate loans	17,511	16,313	15,617	7.3	12.1
Hire Purchase	71,063	67,744	64,684	4.9	9.9
Other loans	6,694	6,204	6,119	7.9	9.4
Allowance	(2,888)	(2,893)	(2,806)	(0.2)	2.9
Investment	6,764	7,296	5,781	(7.3)	17.0
Interbank & MM	5,149	8,800	1,050	(41.5)	490.4
Other assets	5,584	5,553	8,508	(0.6)	(65.6)
<b>Total Assets</b>	<b>109,877</b>	<b>109,017</b>	<b>98,953</b>	<b>0.8</b>	<b>11.0</b>

Unit: Million Baht	2Q08	1Q08	2007	% QoQ	% YTD
Deposits & ST borrowings	85,173	83,888	68,459	1.5	24.4
Interbank & MM	5,131	3,897	5,852	31.6	(12.3)
LT borrowings	4,425	4,692	8,005	(5.7)	(44.7)
Other liabilities	3,836	3,935	4,263	(2.5)	(10.0)
<b>Total Liabilities</b>	<b>98,565</b>	<b>96,413</b>	<b>86,579</b>	<b>2.2</b>	<b>13.8</b>
Unrealized gain on investment	235	546	751	(56.9)	(68.7)
<b>Total Equity</b>	<b>11,317</b>	<b>12,604</b>	<b>12,373</b>	<b>(10.4)</b>	<b>(8.5)</b>

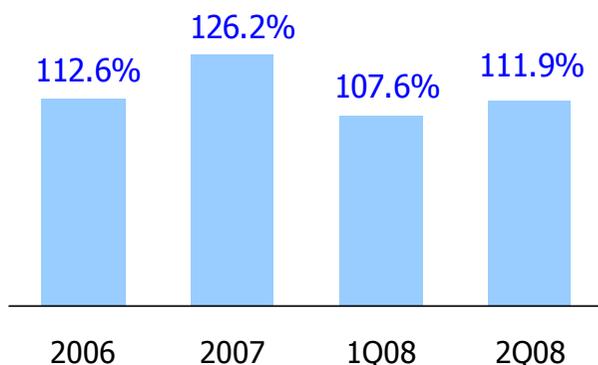
# Deposits and ST Borrowings

## Deposits & ST Borrowings

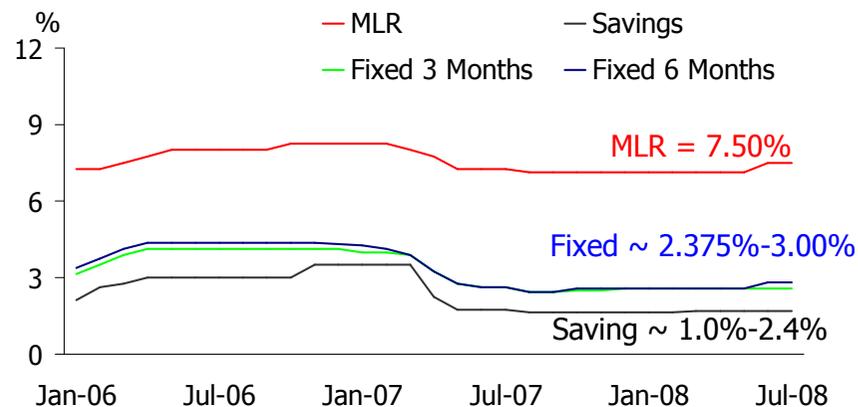


Unit: Million Baht	2Q08	1Q08	2007	%QoQ	%YTD
Current	2,776	6,663	2,089	(58.3)	32.9
Savings	2,896	4,356	2,158	(33.5)	34.2
Fixed Deposits	31,024	50,628	31,467	(38.7)	(1.4)
ST Borrowings	48,477	22,242	32,745	118.0	48.0
<b>TOTAL</b>	<b>85,173</b>	<b>83,888</b>	<b>68,459</b>	<b>1.5</b>	<b>24.4</b>

## Loan to Deposit Ratio (LDR)



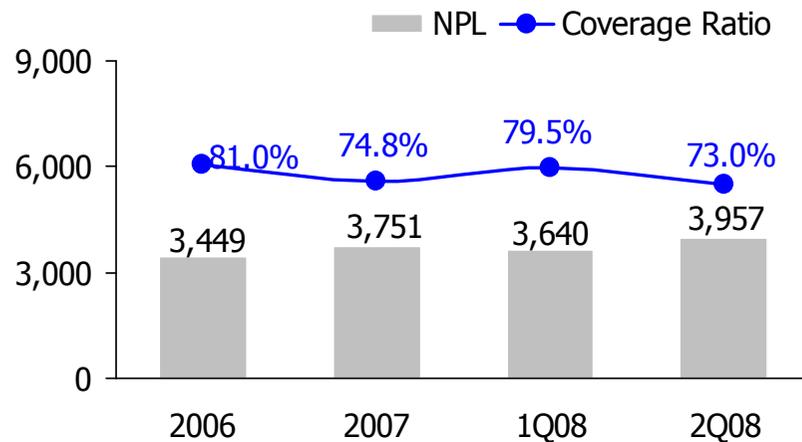
## TISCO Interest Rate Movement



# Assets Quality and Duration Gap

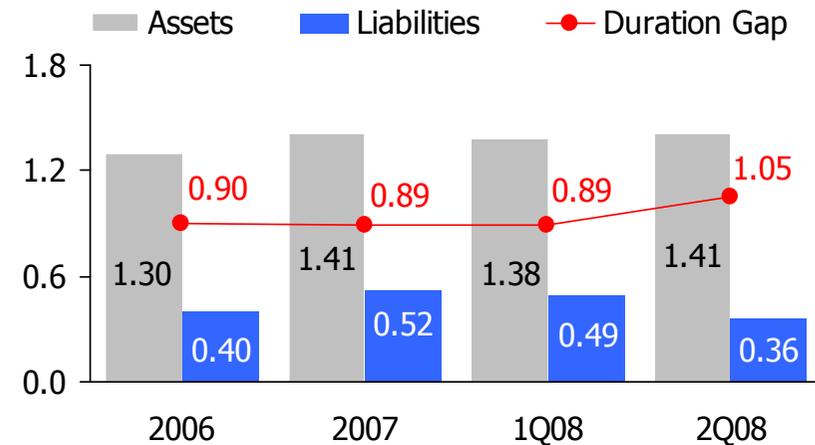
## Assets Quality

Unit: Million Baht



## Duration Gap

Unit: Years



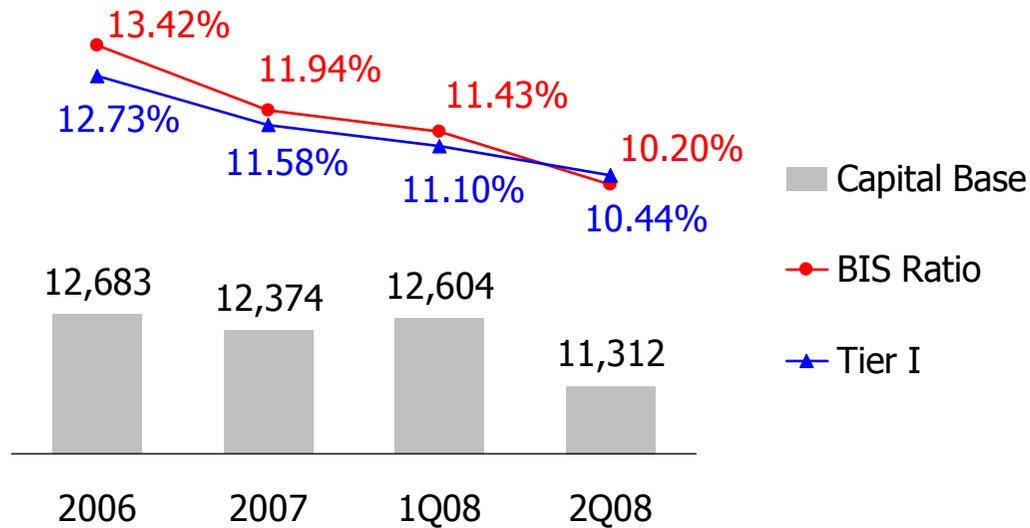
NPL by Loan Type (Million Baht)	2Q08	%NPL	1Q08	%NPL	2007	%NPL
Corporate	1,323	7.6	1,168	7.2	1,186	7.6
Hire Purchase	1,625	2.3	1,337	2.0	1,413	2.2
Mortgage	218	12.1	211	11.6	229	12.1
Others	791	13.7	924	18.6	923	16.4
<b>TOTAL NPL</b>	<b>3,957</b>	<b>4.1</b>	<b>3,640</b>	<b>4.0</b>	<b>3,751</b>	<b>4.3</b>
<b>Coverage Ratio</b>	<b>73.0</b>		<b>79.5</b>		<b>74.8</b>	

- Duration gap increased to 1.05 year
- Assets duration slightly increased to 1.41 year from expansion of long-term hire purchase loans
- Meanwhile, liabilities duration decreased from 0.49 to 0.36 due to shorter maturity profile of deposit and local borrowing. Consequently, the average days to maturity of liabilities decreased from 161 to 124 days

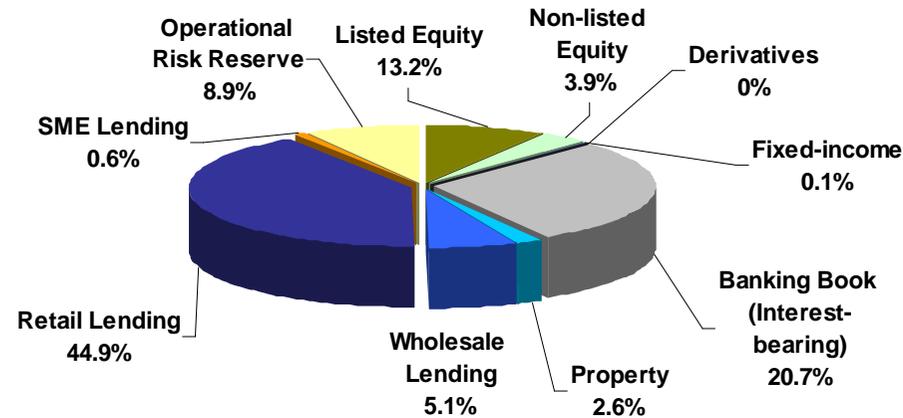
# Risk-Based Capital Adequacy

## Capital Adequacy Ratio

Unit: Million Baht



## Risk-Based Capital Breakdown



# Operational Activities and Updates

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# New Products & Services 1H08



## Super Savings account

- min deposit 100,000 baht
- interest rate of 2.4%
- upto 2 withdrawals/month

## TIP Savings deposit

- tax shield (T)
- interest rate (I) + 1.25%
- personal accident protection (P)

## One million fixed deposit

- 8 months, special I/R 3%
- 1 year, special I/R 3.4%



## Down Payment Savings

- special for hire purchase customers
- no down payment
- using principal as collateral



## Auto Savings

- min deposit at 5,000 baht/month,
- special interest rate for saving a/c
- discount rate for hire purchase



## Mutual funds launched in 1Q08

- TISCO New Zealand Bond Fund #1- #4
- TISCO Australia Bond Fund #2 - #3
- TISCO Asia Pacific Trigger 15% Fund

## Mutual funds launched in 2Q08

- TISCO Agriculture Euro Fund
- TISCO Gold Link Fund
- TISCO Korea Bond Fund
- TISCO Sovereign Bond Fund
- TISCO Strategic Fund



## Electronic Money ATM

ATM Machine for non cash transactions



## Auto Loan Protection Plus (ALP+)

Offer best protection plan in the market

**TISCOAsset E-Trade**  
Call Center 0 2633 7777

24-hour online trading service



**TISCO Call Center**  
02 633 6000

24-hour call center service

## Best Bond Awards 2007



**ThaiBMA Best Bond Awards 2007**  
for  
**Best Dealer Compliance**  
by The Thai Bond Market Association

## Best Managed Company 2008



**Best Managed Company 2008**  
for  
**Thailand Best Mid-Cap**  
by FinanceAsia

# Progress on Holding Company Restructuring

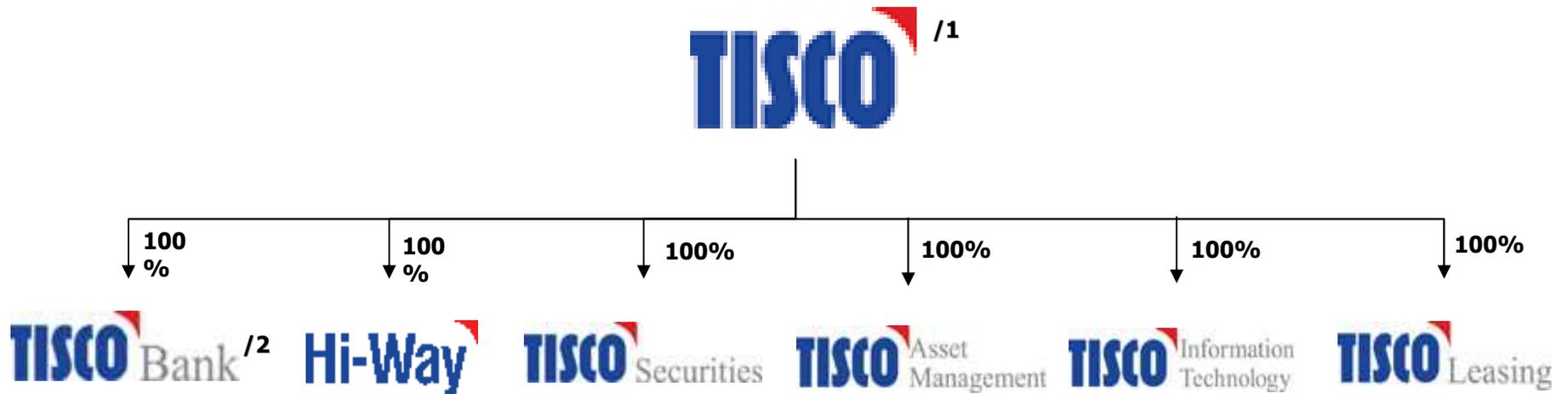
# Holding Company Restructuring Plan



## The Holding co to be set up after the new Financial Institutions Business Act in effect in August

Period	Process
Apr 2008	Received approval from Shareholders' Meetings for the Holding Company Restructuring
Jun 2008	Preparation with BOT, SEC and SET before submitting the applications
Aug 2008	Financial Institutions Business Act B.E. 2551 to become effective on August 3, 2008  Set up of the Holding Company - "TISCO Financial Group Public Company Limited"  The Holding company to submit official applications to BOT, SEC and SET  Received approvals on Holding Company Restructuring
Sep – Oct 2008	Share swap between the Holding Company and TISCO Bank
Oct 2008	The Holding Company to buy all shares of subsidiaries from TISCO Bank  Related assets and staff to be transferred to the Holding Company  Listing of Holding Company shares on the SET, and simultaneously delisting of TISCO Bank shares from the SET

# Group Structure after Restructuring



**/1 Holding Company to be listed on the Stock Exchange of Thailand**

**/2 TISCO Bank to be delisted from the Stock Exchange of Thailand**

## **TISCO Bank Public Company Limited**

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Bangkok 10500

**Tel. +66-2-633-6868**

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**Website: [www.tisco.co.th](http://www.tisco.co.th)**