

Analyst Meeting 2Q07

13 July 2007



Shareholders



Clients



Staff



Society



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- 2Q07 Achievements
- 2Q07 Key Financial Results
- 2H07 Outlook

2Q07 Achievements

- **Resolutions of Shareholders Meeting on 20 April 2007**

- Dividend payment on 18 May 2007
- The issuance of revolving debentures: 30,000 million baht
- The cancellation of the Holding Company Restructuring

Dividend per share	2003	2004	2005	2006
preferred share (baht)	1.65	2.30	3.00	3.00
common share (baht)	0.65	1.30	2.00	2.00
Payout Ratio	34%	50%	91%	106%

- **Issued Long-term Debentures on May 24, 2007**

Debenture	Value (MB)	Rate (%)	Maturity	TRIS Rating
TSCO105A	3,000	3.75	2010	A
TSCO125A	1,000	4.04	2012	A

- **Branch network expansion**

- **Nakhon Pathom**, 17th branch
- **Si Racha Sub Branch**, 18th branch
- **Srinakarin**, 19th branch
- **Rayong**, 20th branch
- **Central World**, 21st branch



Changes in 2007

- **Change of Accounting Policies**

Accounting Issue	Key Points	Impact
<u>Investment in subsidiaries</u> from Equity to Cost method	- the cost method is applied to investment in subsidiaries for separate financial statement	- Unequal net profit of consolidated financial statement and separate financial statement (or bank only level)
<u>Commission fee expense recognition</u> as expenses when they occur to defer and amortization over the period	- Recognition of commission fee expense is amortized by the effective interest rate method over the installment period - Unearned interest income is net of commissions expenses at the initiation of HP loan	- P/L : decrease in HP and financial lease income and fees and services expenses, equivalent to the amount of realized commissions expenses - B/S : increase in loans and receivable, equivalent to deferred commission expenses

- **Implementation of the BOT's provisioning guidelines** (issued on 21 Dec 2006)

- From 2H06 onwards,
 - provisions are to be made for receivables for which a court judgment has already been issued, for which a court order is being executed, and against which legal actions have been brought
- From 1H07 ending 30 June 2007 onwards,
 - provisions are to be made for receivables that are classified as doubtful or loss and doubtful
- From the end of 2007 onwards,
 - provisions are to be made for receivables that are classified as substandard.

As at 30 June 2007, TISCO Bank has already set provision for all non-performing loans and receivables in accordance with the new guidelines of the BOT

2Q07 Financial Highlights

(Million Baht)	2Q07	2Q06	%YOY	1H07	1H06	%YOY
Interest income	1,882	1,420	32.6	3,568	2,763	29.1
Interest expense	(998)	(719)	38.8	(1,927)	(1,269)	51.8
Net interest income	885	701	26.2	1,641	1,494	9.9
Non-interest income	511	456	12.1	1,011	1,211	(16.5)
Operating expense	(766)	(693)	10.6	(1,430)	(1,452)	(1.5)
PPOP	629	464	35.7	1,222	1,253	(2.5)
Provisions	(32)	11	383.0	(130)	(60)	117.5
Pre-tax profit	597	475	25.7	1,092	1,193	(8.4)
Income tax	(159)	(118)	35.2	(299)	(285)	4.9
Net profit	438	351	24.7	794	895	(11.3)

Major drivers:

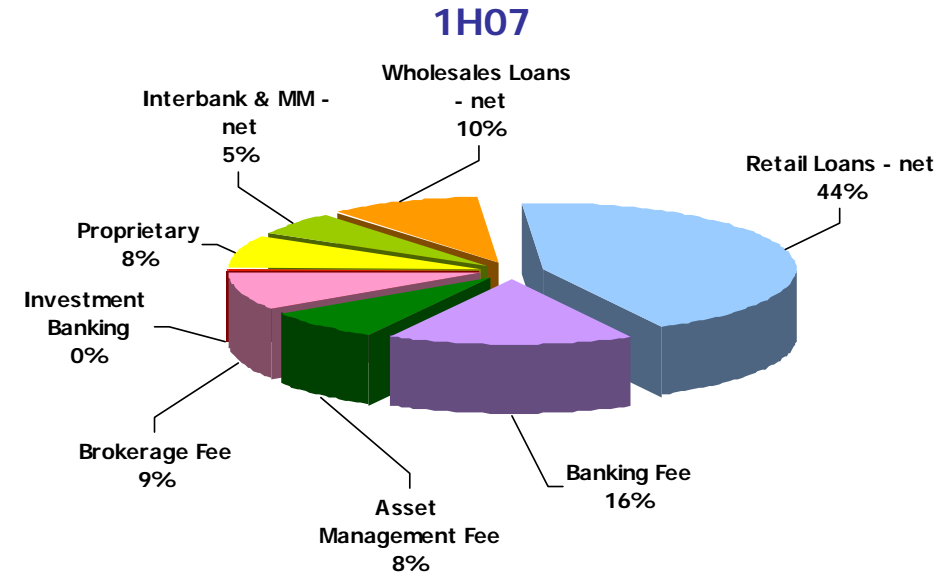
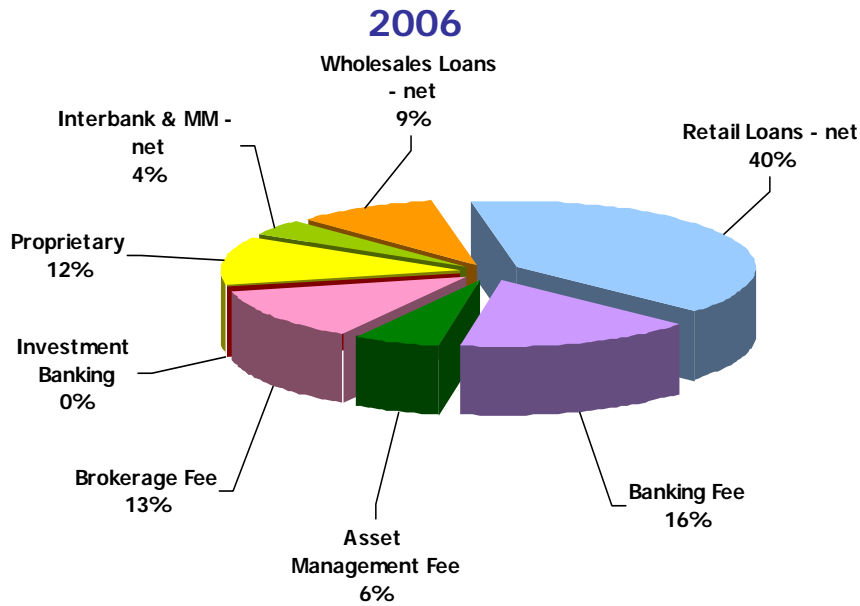
- Continually gaining market share as well as shifting to focus more on used cars market
- 10.5% YTD HP loan growth despite slowdown auto car sale (down 12.6% for 1H07)
- Declining interest rate environment
- 3.6% loan spread, improving from 3.2%
- Improving fee income
- 50.2% increase in fee income from bancassurance, asset management, and IB.
- No impact from IAS 39 on provision

	2Q07	2Q06	1H07	1H06
Diluted EPS (Baht)	0.54	0.42	0.96	1.10
ROAA (%)	1.7	1.7	1.7	2.3
ROAE (%)	14.2	11.0	13.0	14.3
Loan spread (%)	3.6	3.2	3.3	3.4
NIM (%)	3.4	3.4	3.3	3.8
Cost-to-income (%)	45.3	50.3	44.6	43.0

Drawback from:

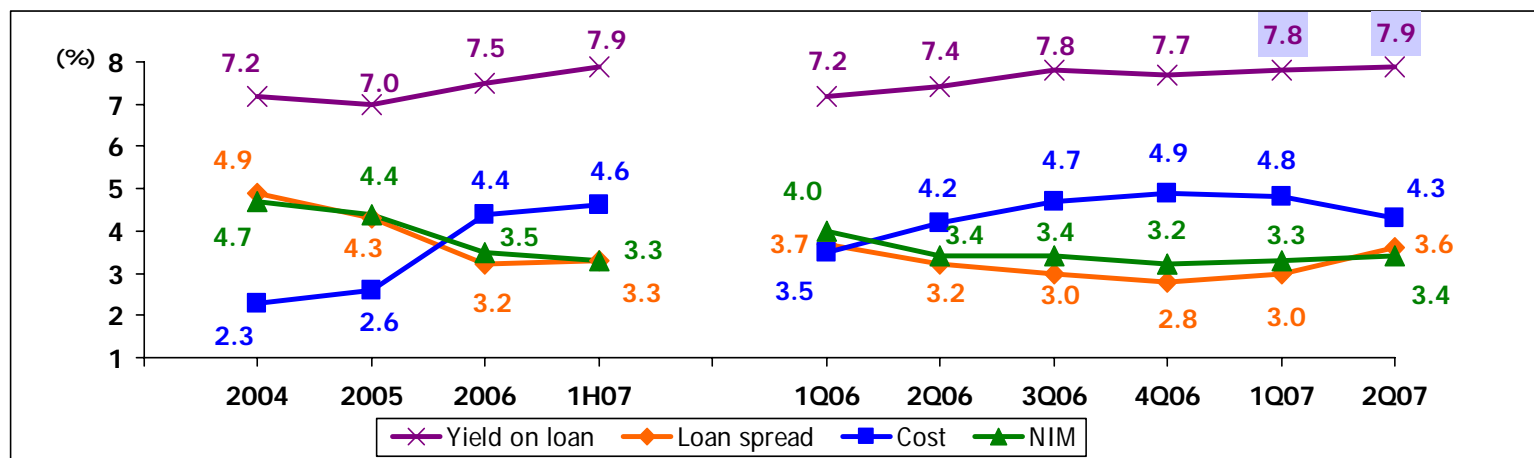
- Unfavorable stock market causing lower brokerage fee income

Revenue Structure



NII : Non-Interest Income = 56% : 44%

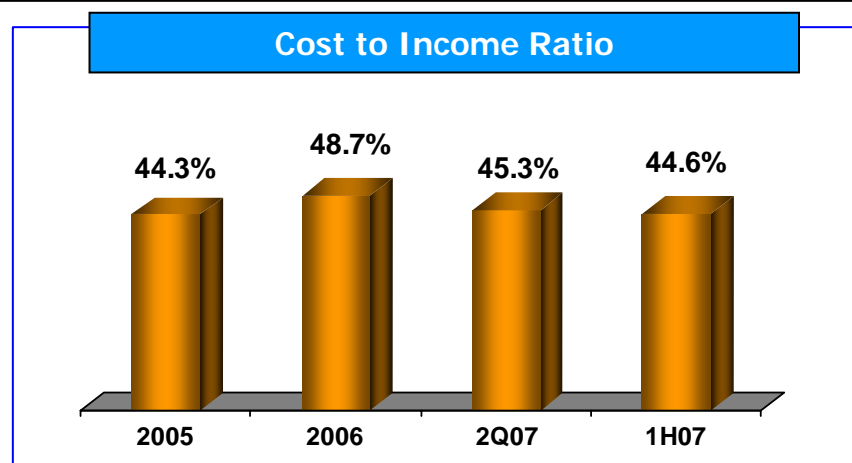
NII : Non-Interest Income = 62% : 38%



Remarks: From 1Q07 onward, yield is stated net of realised HP commission expense.

Operating Expenses

(Million Baht)	2006	2Q07	2Q06	%YoY	1H07	1H06	%YoY	Breakdown (%)
Personnel expenses	1,216	355	266	33.5	656	600	9.3	45.9
Premises and equipment expenses	452	123	108	13.4	235	215	9.3	16.4
Taxes and duties	101	33	23	39.9	66	41	58.4	4.6
Fees and service expenses	275	66	73	(9.4)	135	127	6.7	9.5
Directors' remuneration	8	2	2	(3.7)	4	4	9.5	0.3
Commission – HP*	453	-	88	(100.0)	-	169	(100.0)	-
Loss from sale of repossession	101	62	37	68.1	94	88	6.5	6.6
Impairment – foreclosed assets	-	6	-	100.0	12	-	100.0	0.9
Other expenses	442	121	97	24.9	228	207	10.0	15.9
Operating Expenses	3,048	766	693	10.6	1,430	1,452	(1.5)	100.0



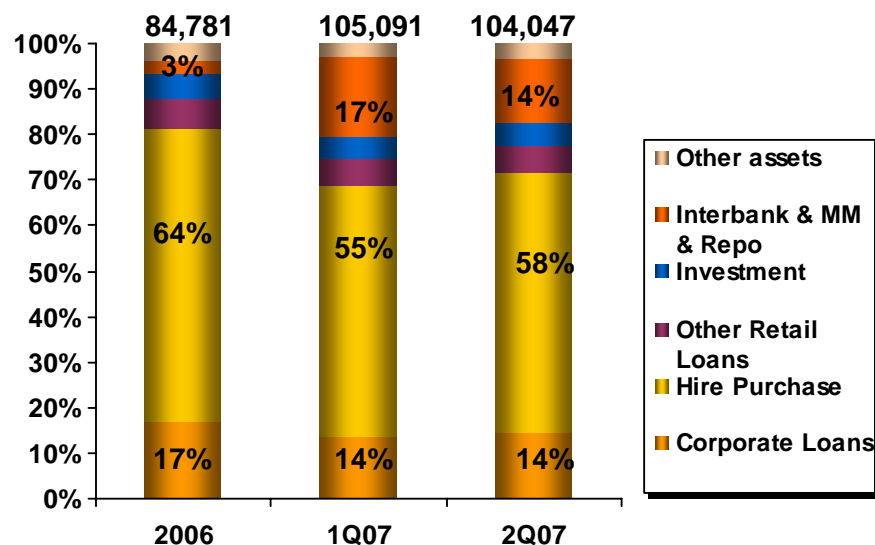
* In 2007, HP commission expense was deducted from interest income.

	2006	1Q07	2Q07
Employee	2,032	2,084	2,221
Branch	15	17	26**

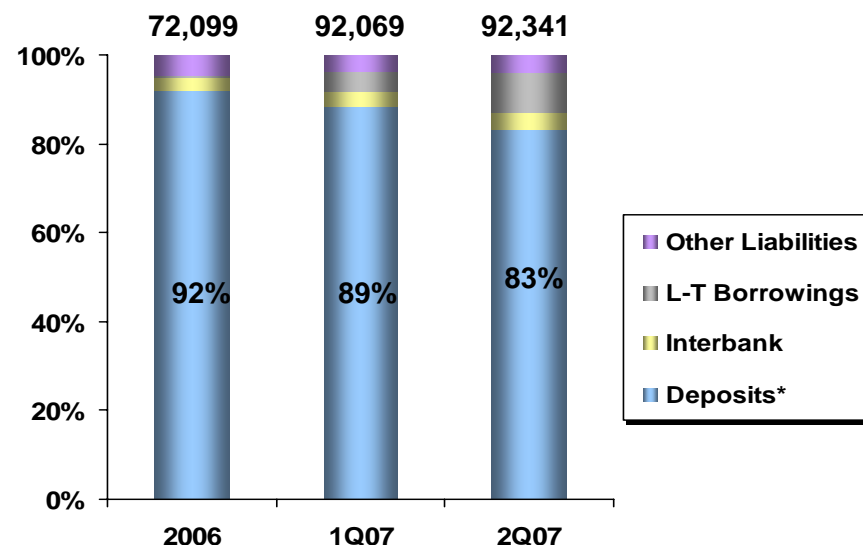
**as of Aug 21, 2007

Loans & Deposits

Asset Mix



Liabilities Mix



(Million Baht)	2006	%	1Q07	%	2Q07	%	%YTD
Corporate Loans	14,574	17	14,453	14	14,928	14	2.4
Hire Purchase	54,245	64	57,765	55	59,918	58	10.5
Other Retail Loans	5,823	7	6,072	6	5,896	6	1.3
Allowance	(2,794)	(3)	(2,808)	(3)	(2,785)	(3)	(0.3)
Investment	4,393	5	5,410	5	5,268	5	19.9
Interbank & MM	1,024	1	3,139	3	1,920	2	87.5
Repo Securities	1,718	2	15,000	14	12,580	12	632.2
Other assets	5,798	7	6,058	6	6,321	6	9.0
Total Assets	84,781	100	105,091	100	104,047	100	22.7

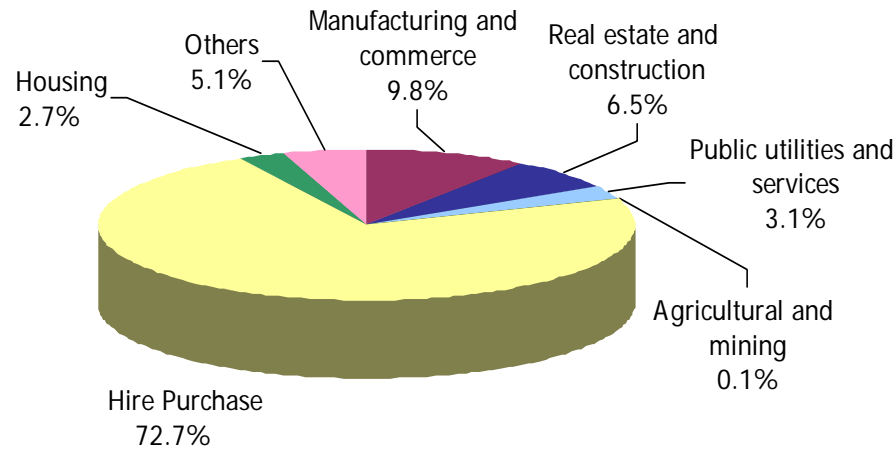
(Million Baht)	2006	%	1Q07	%	2Q07	%	% YTD
Deposits*	66,288	92	81,560	89	76,830	83	15.9
Interbank & MM	2,157	3	3,044	3	3,557	4	64.9
L-T Borrowings	362	0	3,993	4	8,163	9	2,156.7
Other Liabilities	3,292	5	3,472	4	3,791	4	15.2
Total Liabilities	72,099	100	92,069	100	92,341	100	28.1
Total Equity	12,682		13,022		11,706		(7.7)

Loan/Deposits* 112.6 96.0 105.1

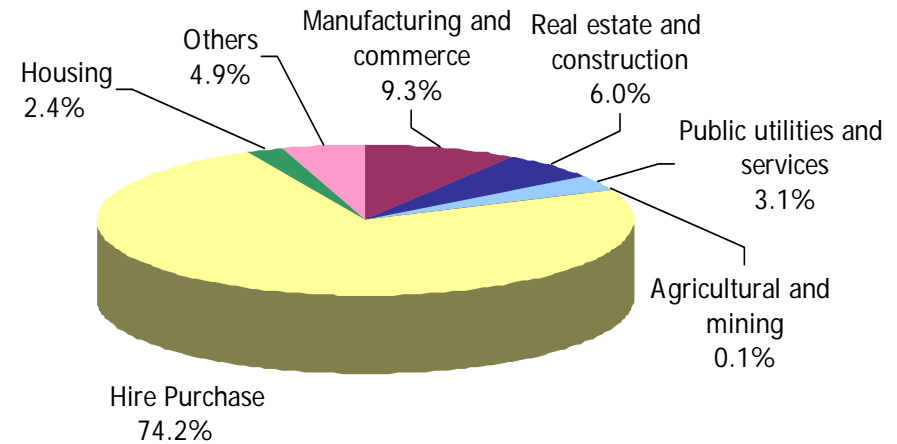
*Deposits include short term borrowing

Loan Portfolio Breakdown

**Total Loans : Bt. 74.64 Billion
As of December 31, 2006**



**Total Loans : Bt. 80.74 Billion
As of June 30, 2007**

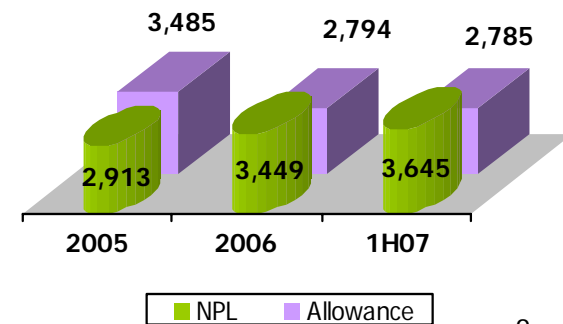


- Diversified Loan Portfolio
- Focused in Consumer Finance Sector through hire purchase business

NPL By Industry (Million Baht)	2005	%NPL	2006	%NPL	1H07	%NPL	Coverage (%)*
Corporate	996	7.8	1,250	8.6	1,214	8.1	85.2
Retail-Hire Purchase	875	1.9	998	1.8	1,264	2.1	74.0
Retail-Housing	313	14.4	263	13.1	232	11.9	35.8
Other NPL	729	13.8	938	20.9	935	18.8	61.8
TOTAL NPL	2,913	4.9	3,449	4.6	3,645	4.5	
Coverage Ratio (%)	119.6		81.0		76.4		

*exclude general reserve

NPLs & Allowance (Million Baht)

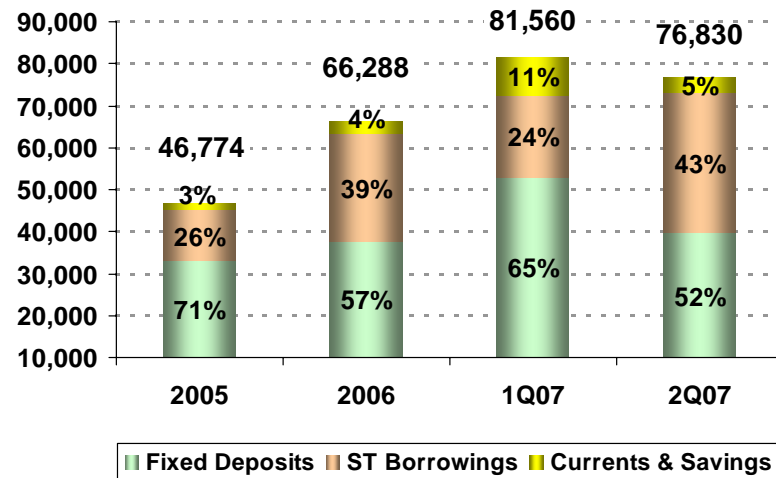


Deposits and Short Term Borrowings

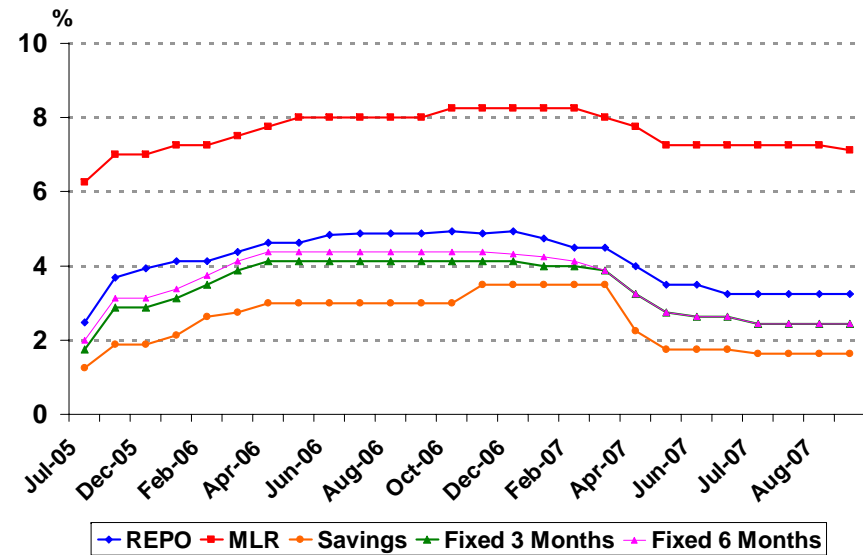


Deposits and ST Borrowings

(Million Baht)



TISCO Interest Rate Movement



Deposits and ST borrowing (Million Baht)	2005	%	2006	%	1H07	%
Current	1,133	2.4	1,390	2.1	1,745	2.3
Savings	260	0.6	1,464	2.2	1,980	2.6
Fixed Deposit	33,057	70.7	37,714	56.9	39,870	51.9
Short term Borrowings	12,323	26.3	25,720	38.8	33,235	43.3
TOTAL	46,774	100.0	66,288	100.0	76,830	100.0

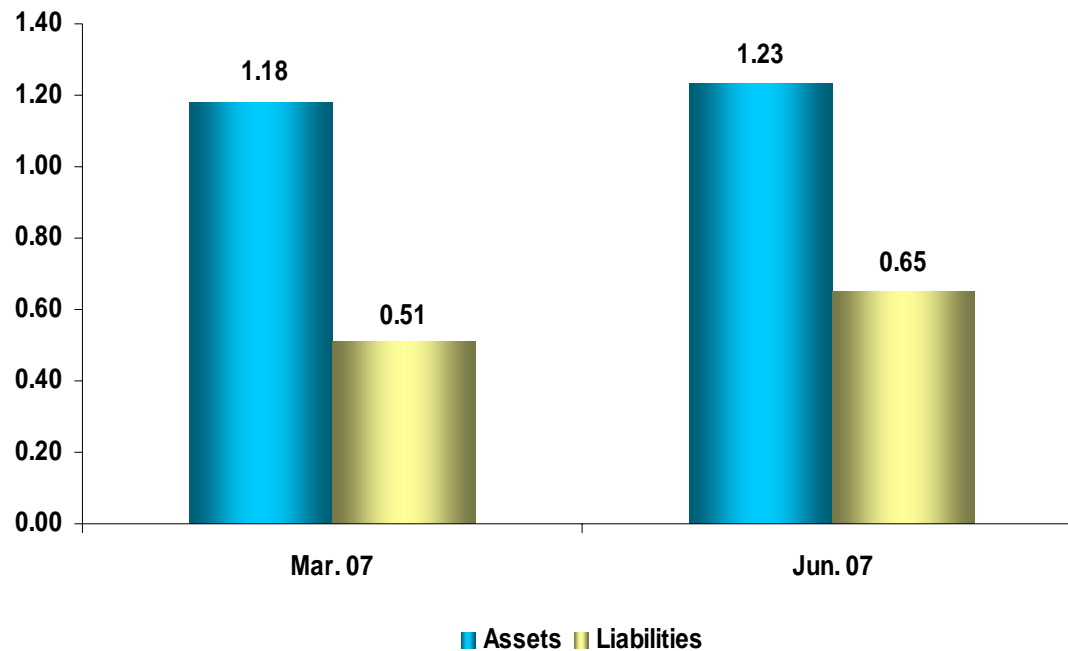
Deposits Rates	
Saving	1.00% - 2.25%
Fixed 3M	2.375% - 2.50%
Fixed 6M	2.375% - 2.50%
Fixed 12M	2.50% - 2.625%
1-Day Repo Rate	3.25%

Lending Rates	
MLR	7.125%
MOR	7.375%
MRR	7.625%

As at Aug 30, 2007

Interest Rate Risk

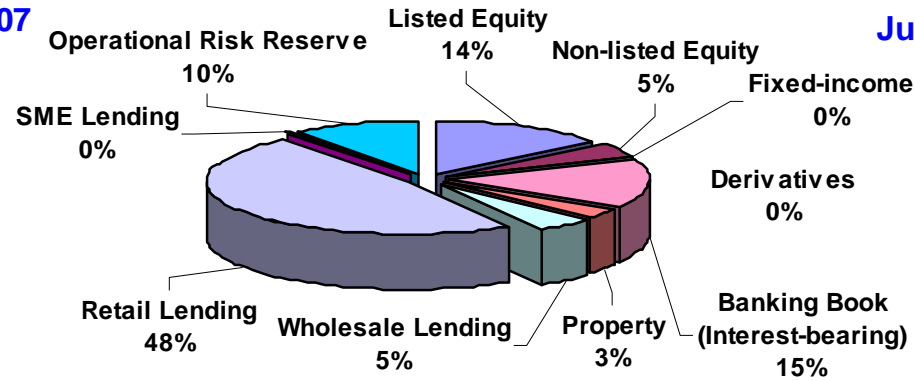
Current Profile



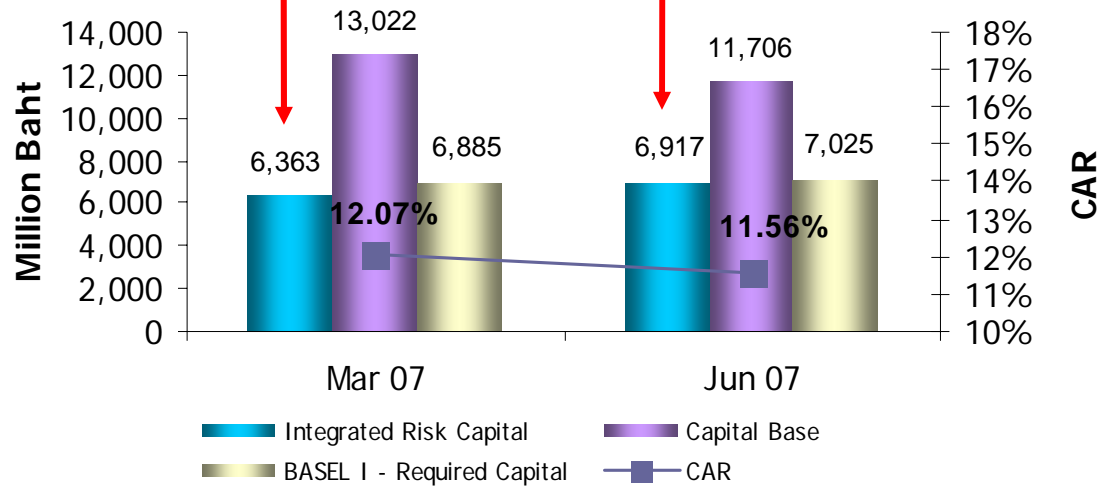
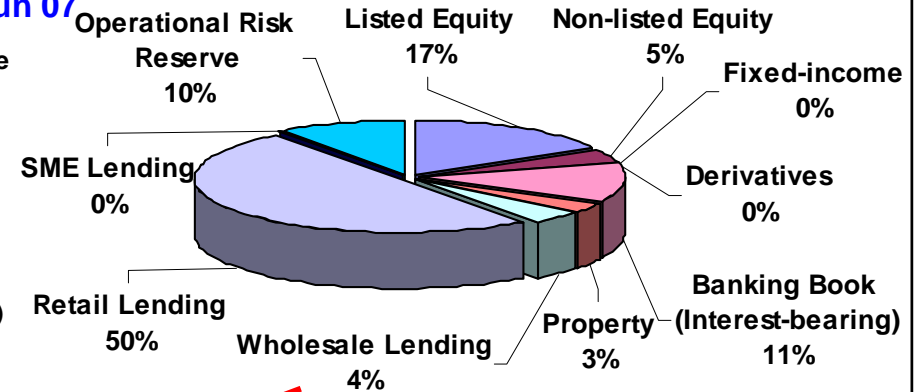
- Duration gap of assets and liabilities narrowed from 0.67 year to 0.58 year primarily resulted from the issuance of long-term debentures.
- Assets duration slightly increased from 1.18 to 1.23 year following hire purchase loan portfolio expansion.
- Liabilities duration increased from 0.51 year to 0.65 year owing to 4,000 MM long-term debenture issuance together with longer maturity profile of deposits.
- Consequently, the average days to maturity of deposits and local borrowings increased from 190 days to 239 days.

Risk-Based Capital Adequacy

Mar 07

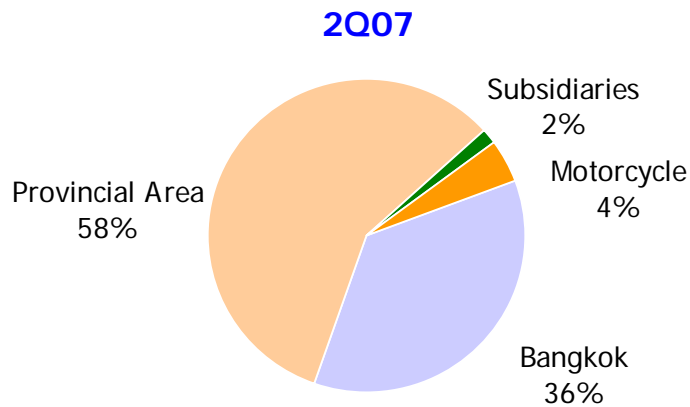
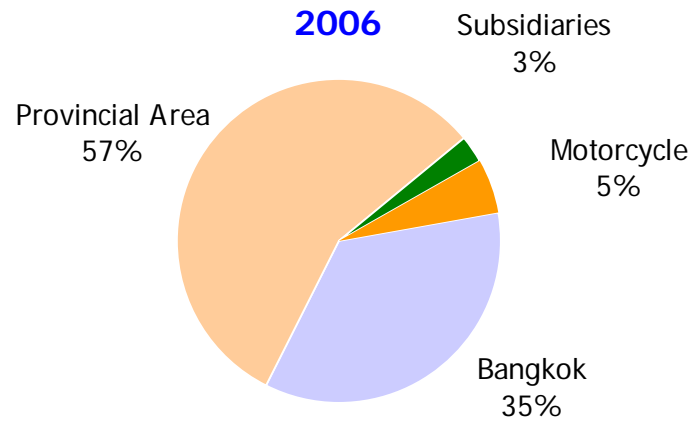


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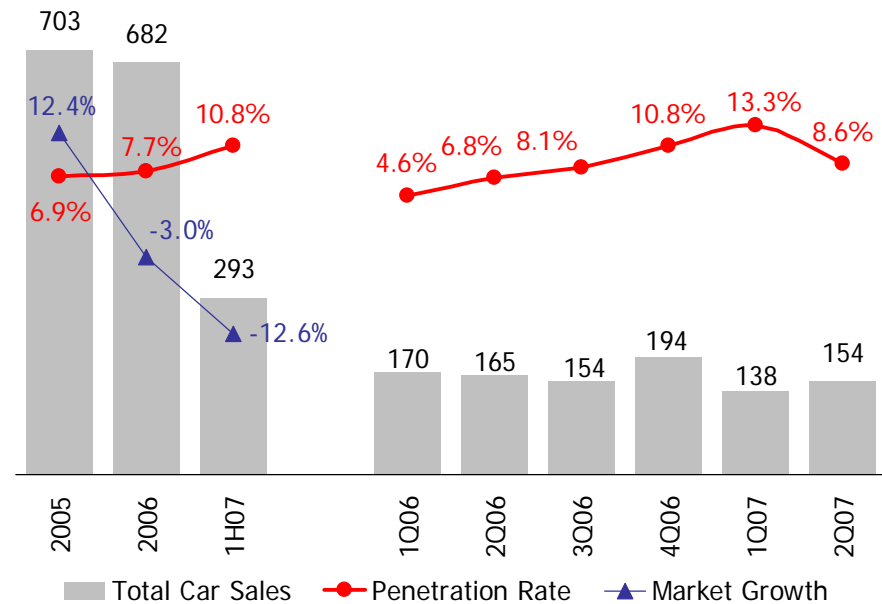
Hire Purchase Business

Hire Purchase Breakdown



Industry New Car Sales & TISCO Penetration Rate

(Thousand unit)

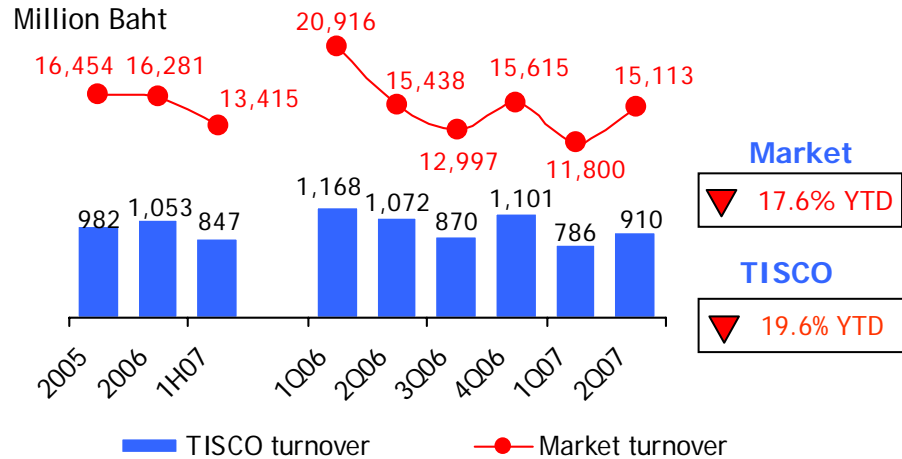


Remark : Penetration rate was accounted for only new car sales.

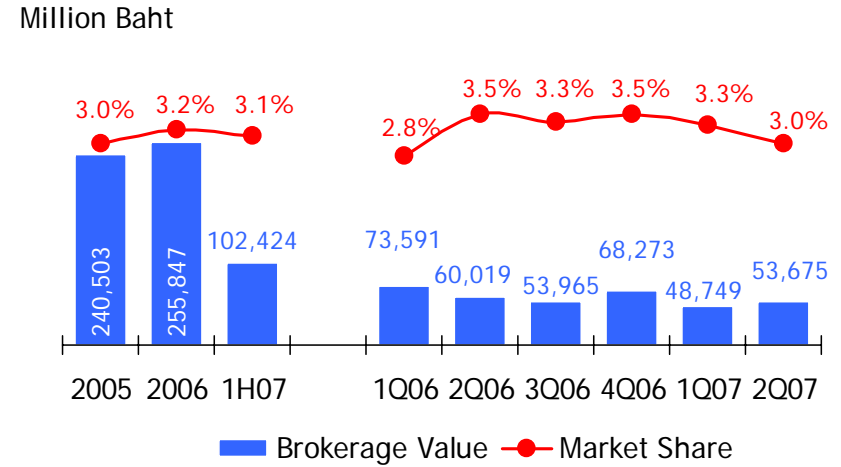
% Outstanding	2005	2006	1Q07	2Q07
New car	88.8	85.2	84.7	84.0
Used car	11.2	14.8	15.3	16.0

Brokerage Business

Average Daily Turnover

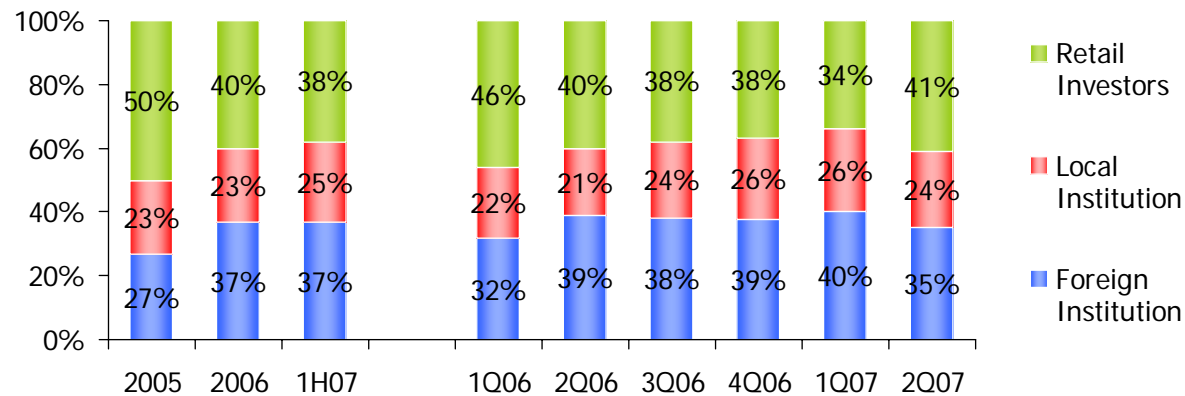


TISCO Brokerage Value & Market Share



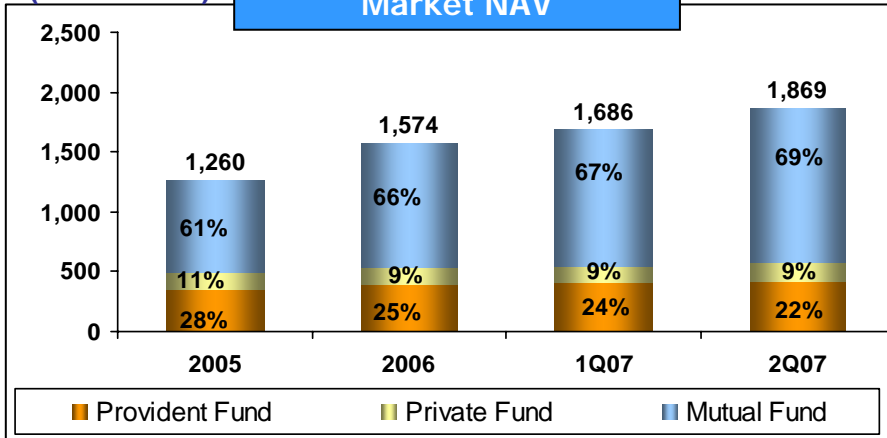
Source : SETSMART

Customer Breakdown

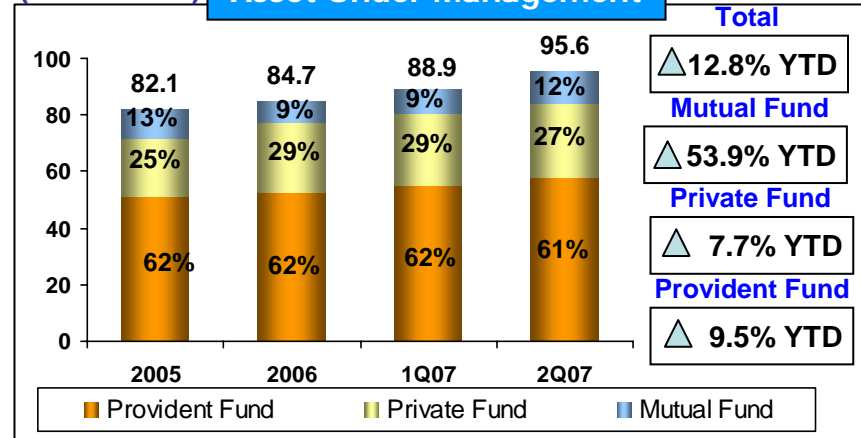


Asset Management Business

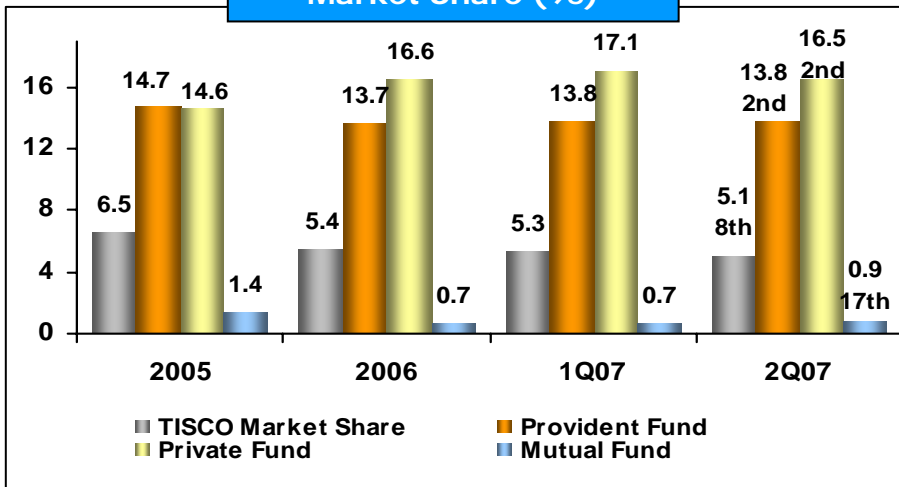
(Billion Baht) **Market NAV**



(Billion Baht) **Asset Under Management**



(Billion Baht) **Market Share (%)**



New products in 2007

- **Mutual funds launched in April 2007**
 - TISCO China Link Capital Protected Fund 1
 - TISCO Short Term Fixed Income 6M1 Fund
- **Mutual funds launched in May 2007**
 - TISCO Short Term Fixed Income 6M2 Fund
 - TISCO China Link Capital Protected Fund 2
- **Mutual fund launched in June 2007**
 - TISCO Japan Link Capital Protected Fund
 - TISCO Dividend Long Term Equity Fund
 - TISCO Short Term Fixed Income 6M3 Fund

2H07 Outlook

- **TISCO @ Post** - bank at post offices throughout the country effective from July 2, 2007.
 - TISCO Bank in-corporation with Thailand Post Co. Ltd.
 - To provide retail deposits service
 - 1,178 post offices nationwide



ฝากเงินง่ายที่ไปรษณีย์

- **More branches expansion in Bangkok and vicinity**



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