



# TISCO Financial Group Public Co., Ltd.

## Analyst Presentation 4Q10 & FY10 Results

12 January 2011

**Shareholders**



**Clients**



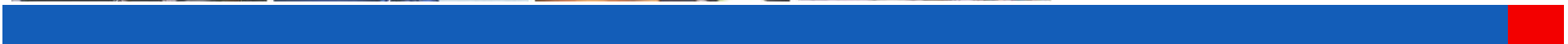
**Staff**



**Society**



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## **I. 2010 Performance Highlights**

II. Financial Results 2010

III. Appendix



## 2010 Highlights



- Record high loan growth contributed by strong growth in all business areas
- Loan spread slightly soften in 4Q10 due to changes in asset and liability mix, while overall spread remained high with net spread after provision at target level
- NPL reported at record low with wide excess provisions
- ROAE sustained at above 20%



## Key Financial Performance

	3Q10	4Q10	2009	2010	Notes
Loan Growth	9.3%	7.1%	13.8%*	32.2%	Loan continued to grow in all segments
Loan Mix – Retail	76.5%	75.4%	80.1%	75.4%	Retail loan mix decreased as Corporate & SME showed strong loan growth
Deposit Mix – CASA (CASA/Deposits+ST borrowings)	34.6%	24.7%	22.9%	24.7%	Deposit mix shifted toward longer-term borrowings
Deposit Mix – Retail (Deposit amount less than 20 MB)	33.5%	28.7%	27.5%	28.7%	Retail deposit mix maintained despite expanding assets
Loan Spread	5.0%	4.6%	5.0%	5.0%	Loan spread declined due to changes in asset and funding mix
Cost to Income Ratio	42.7%	43.1%	50.4%	45.0%	Cost to income maintained at low level
NPL Ratio	1.9%	1.8%	2.5%	1.8%	Asset quality continued to improve
Provisions	179 bps	167 bps	143 bps	147 bps	Provisions remained high to cushion against future volatility
CAR	15.2%	15.4%	17.0%	15.4%	Capital base remained strong
ROAE	21.3%	18.8%	16.7%	21.2%	ROAE targeted at more than 20% going forward

Remark: \* 2009 Loan Portfolio includes acquired HP Portfolio recorded as investments

# Agenda

I. 2010 Performance Highlights

**II. Financial Results 2010**

III. Appendix



## Consolidated Income Statements

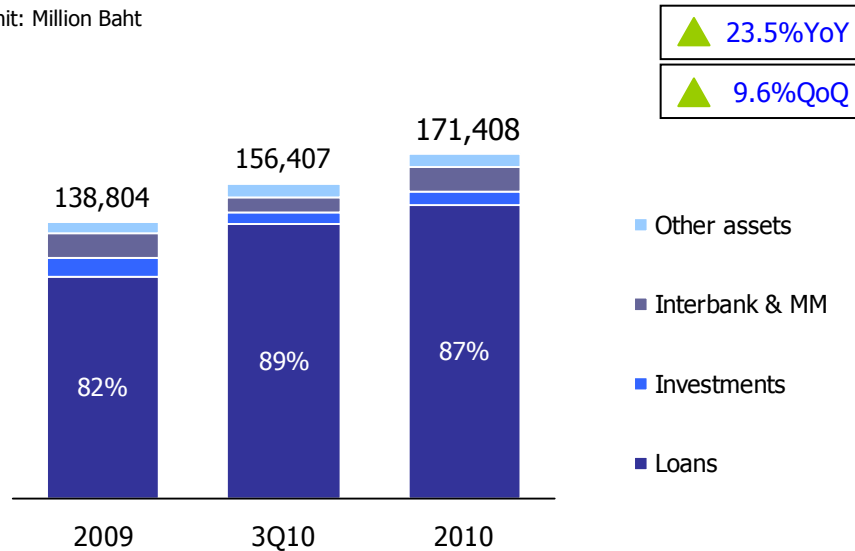
Unit: Million Baht	4Q09	3Q10	4Q10	%QoQ	%YoY	2009	2010	%YoY
Interest income	2,162	2,430	2,533	4.2	17.2	8,473	9,520	12.4
Interest expense	(509)	(589)	(707)	20.0	39.0	(2,492)	(2,315)	(7.1)
Net interest income	1,653	1,841	1,826	(0.8)	10.5	5,981	7,205	20.5
Non-interest income	895	1,126	946	(16.0)	5.7	2,873	3,876	34.9
Operating expense	(1,235)	(1,266)	(1,196)	(5.5)	(3.2)	(4,461)	(4,989)	11.8
<b>PPOP</b>	<b>1,313</b>	<b>1,701</b>	<b>1,576</b>	<b>(7.3)</b>	<b>20.0</b>	<b>4,393</b>	<b>6,092</b>	<b>38.7</b>
Provisions	(584)	(599)	(605)	1.0	3.6	(1,548)	(1,933)	24.9
<b>Pre-tax profit</b>	<b>730</b>	<b>1,102</b>	<b>971</b>	<b>(11.9)</b>	<b>33.1</b>	<b>2,845</b>	<b>4,159</b>	<b>46.2</b>
Income tax	(206)	(368)	(287)	(22.1)	39.4	(840)	(1,256)	49.5
<b>Net profit</b>	<b>520</b>	<b>731</b>	<b>683</b>	<b>(6.6)</b>	<b>31.4</b>	<b>1,988</b>	<b>2,888</b>	<b>45.3</b>
Diluted EPS (Baht)	0.72	1.00	0.94	(6.6)	30.2	2.62	3.97	51.6
ROAE (%)	16.9	21.3	18.8			16.7	21.2	

# Assets and Liabilities



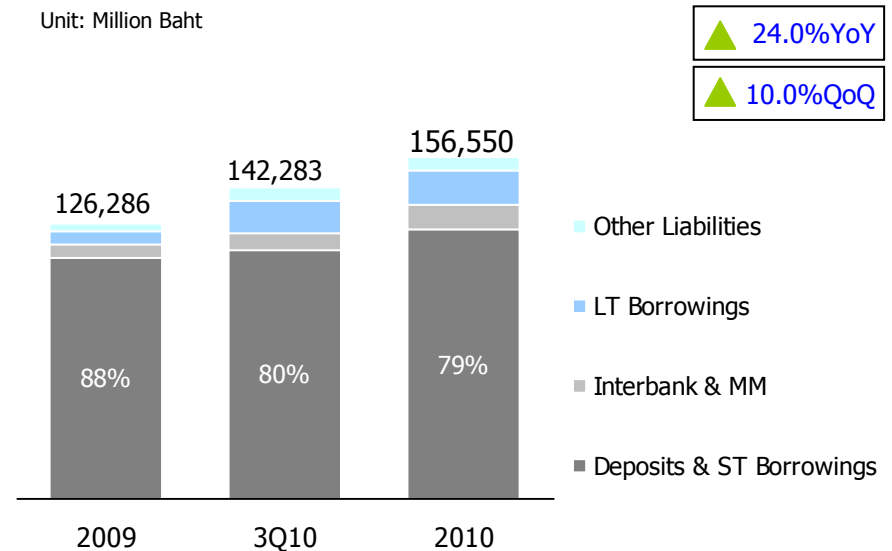
## Assets

Unit: Million Baht



## Liabilities

Unit: Million Baht

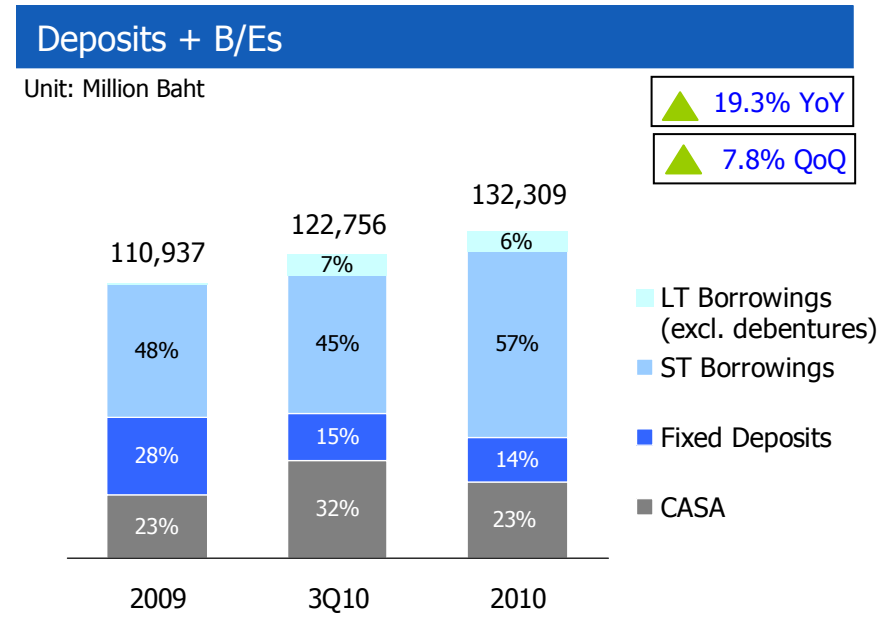
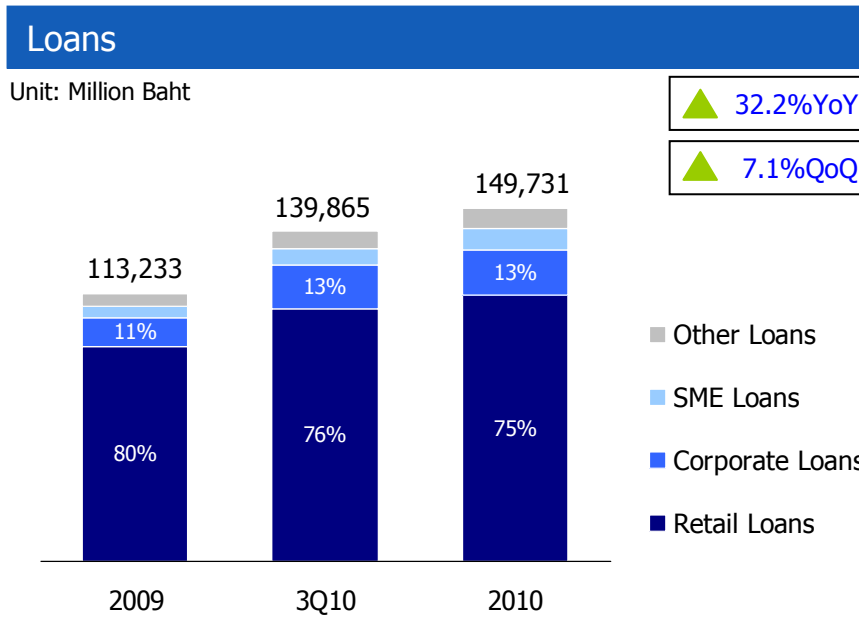


Unit: Million Baht	2009	3Q10	2010	%QoQ	%YoY
Loans	113,233	139,865	149,731	7.1	32.2
Allowance	(2,425)	(3,675)	(4,162)	13.3	71.6
Investments	9,438	6,494	6,481	(0.2)	(31.3)
Interbank & MM	12,708	7,174	12,545	74.9	(1.3)
Other assets	5,850	6,548	6,812	4.0	16.4
<b>Total Assets</b>	<b>138,804</b>	<b>156,407</b>	<b>171,408</b>	<b>9.6</b>	<b>23.5</b>

Unit: Million Baht	2009	3Q10	2010	%QoQ	%YoY
Deposits & ST borrowings	110,507	114,307	123,849	8.3	12.1
Interbank & MM	6,380	7,473	10,843	45.1	69.9
LT borrowings	5,430	14,450	15,460	7.0	184.7
Other liabilities	3,968	6,054	6,398	5.7	61.2
<b>Total Liabilities</b>	<b>126,286</b>	<b>142,283</b>	<b>156,550</b>	<b>10.0</b>	<b>24.0</b>
Revaluation	(38)	246	293	18.9	n.m.
<b>Total Equity</b>	<b>12,519</b>	<b>14,123</b>	<b>14,857</b>	<b>5.2</b>	<b>18.7</b>



# Loans and Deposits



### Loans to Deposits

	2009	3Q10	2010
Loans / Deposits + BEs	102.1	113.9	113.2
Loans / Deposits + ST borrowings	102.5	122.4	120.9

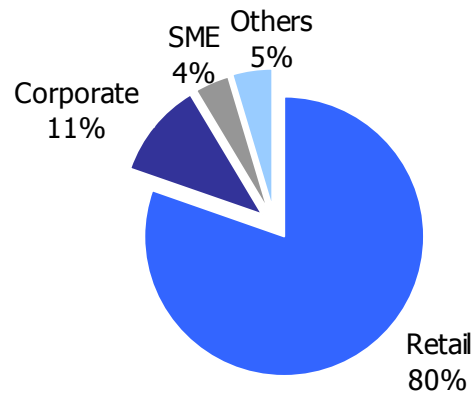


# Loan Composition

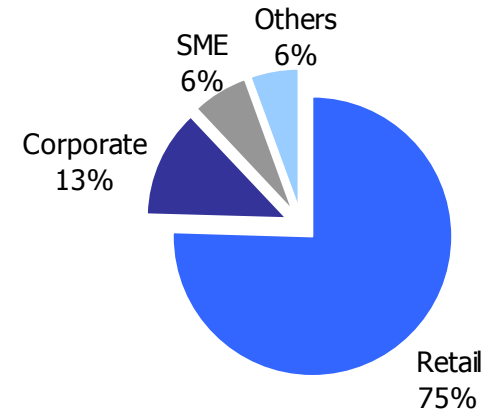


## Loan Portfolio Breakdown

**2009**

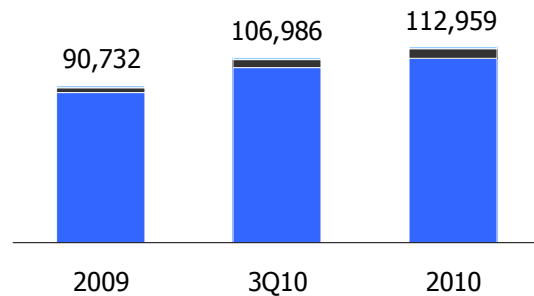
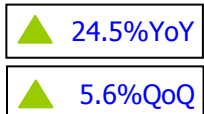


**2010**



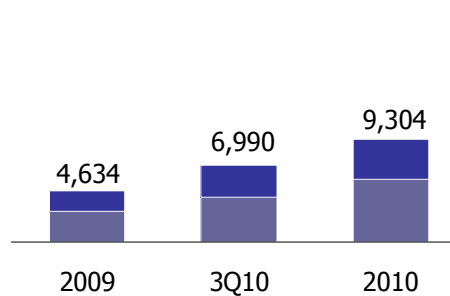
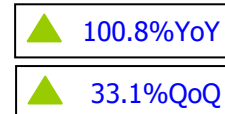
### Retail Loans

Unit: Million Baht



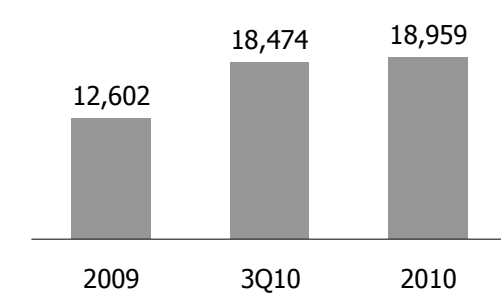
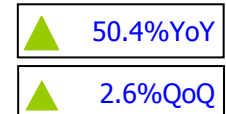
### SME Loans

Unit: Million Baht



### Corporate Loans

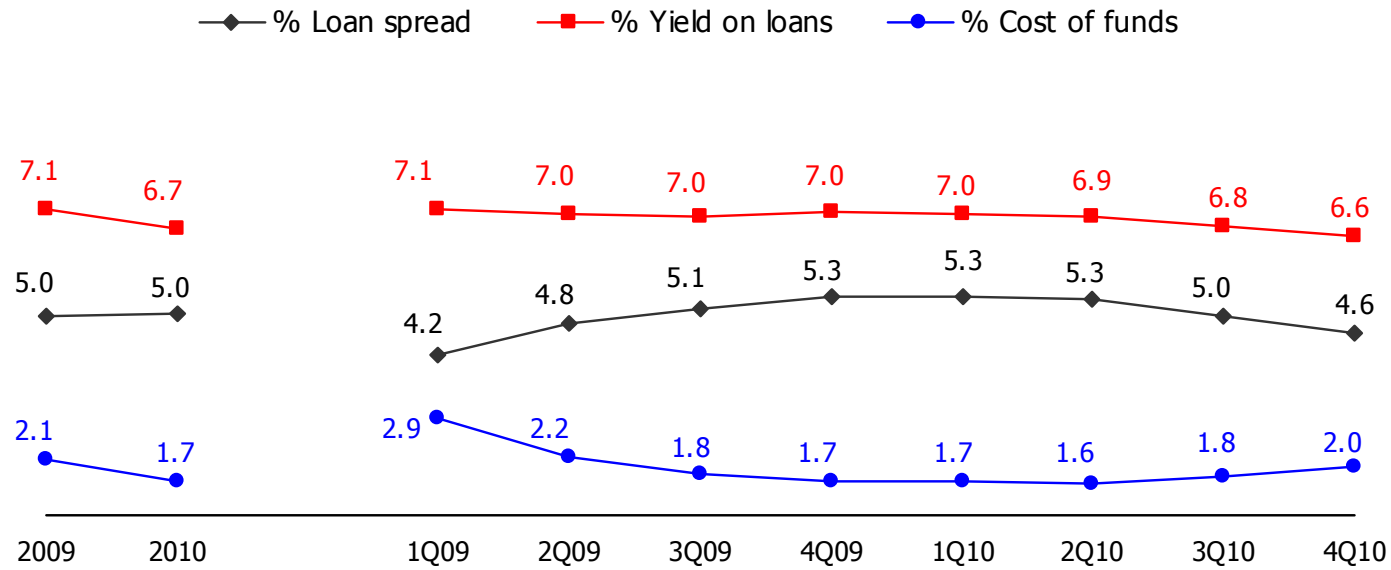
Unit: Million Baht





# Loan Spread

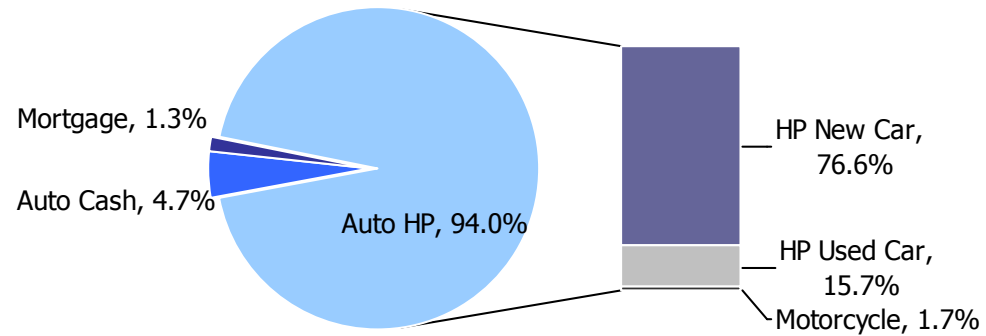
## Loan Spread, Yield on Loans and Cost of Funds





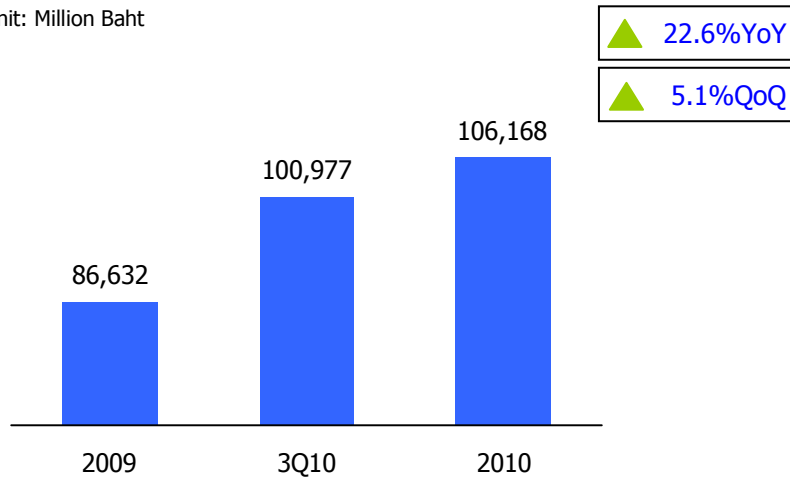
# Retail Loan Portfolio

## Retail Loan Portfolio Breakdown



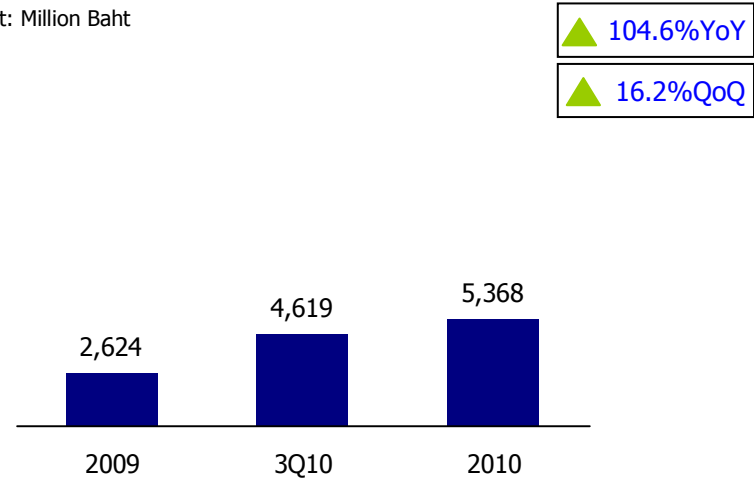
### Auto Hire Purchase Loan

Unit: Million Baht



### TISCO Auto Cash Loan

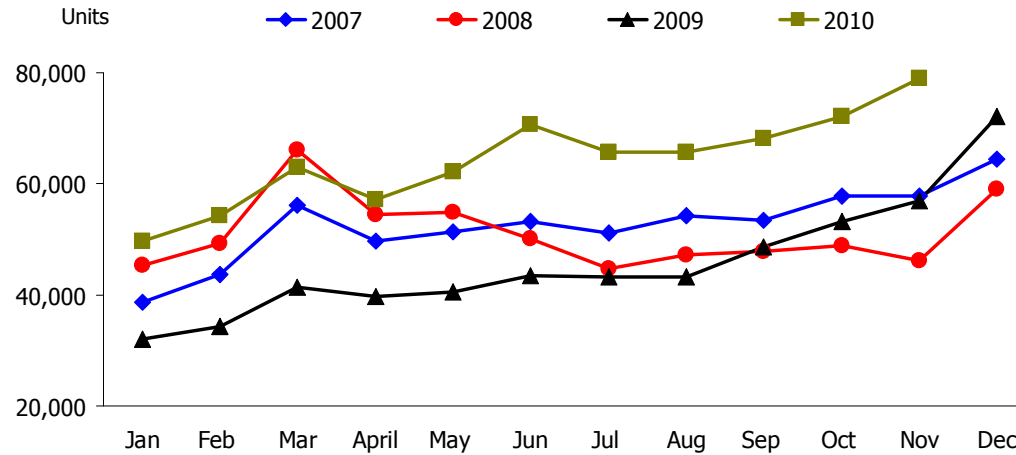
Unit: Million Baht



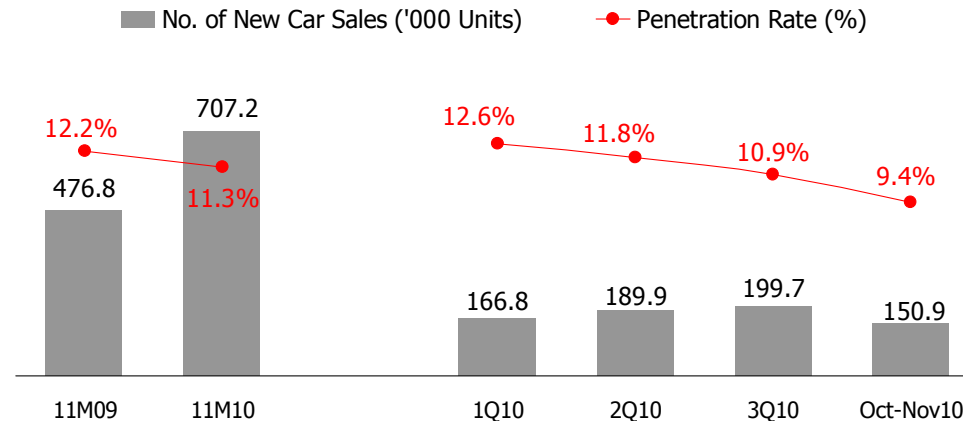


# Industry Car Sales and Penetration Rate

## Industry New Car Sales



## TISCO Penetration Rate

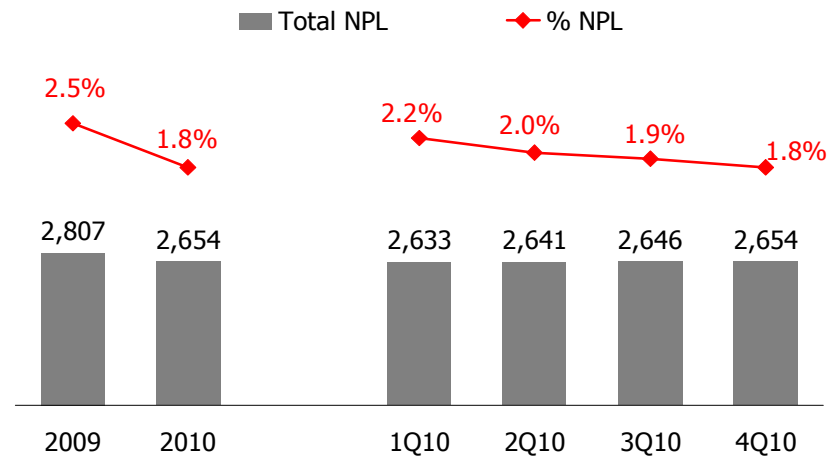




# Asset Quality

## NPL and NPL Ratio

Unit: Million Baht

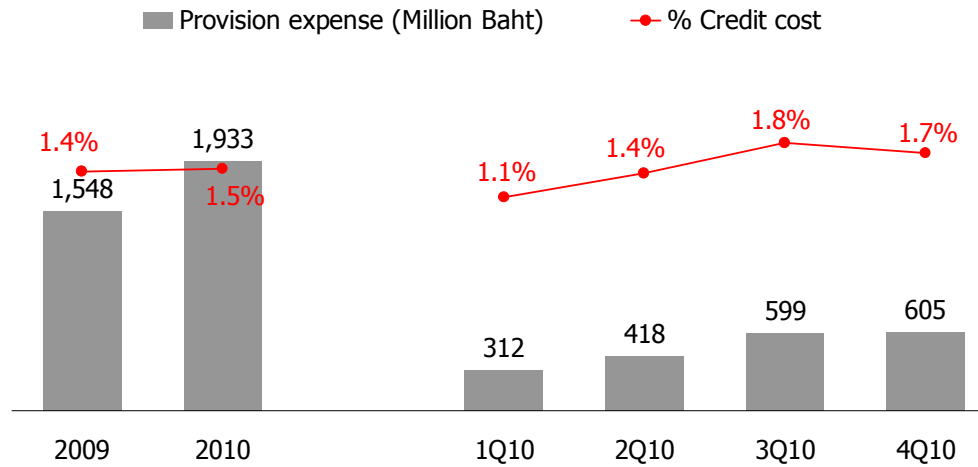


NPL by Loan Type	2009		3Q10		2010	
	(Million Baht)	(%)	(Million Baht)	(%)	(Million Baht)	(%)
Corporate	600	4.0	562	2.7	536	2.4
SME	73	1.6	121	1.7	77	0.8
Hire Purchase	1,497	1.7	1,412	1.4	1,496	1.4
Mortgage	171	11.6	119	8.6	124	8.7
Others	466	7.0	432	3.8	422	3.6
<b>Total NPL</b>	<b>2,807</b>	<b>2.5</b>	<b>2,646</b>	<b>1.9</b>	<b>2,654</b>	<b>1.8</b>

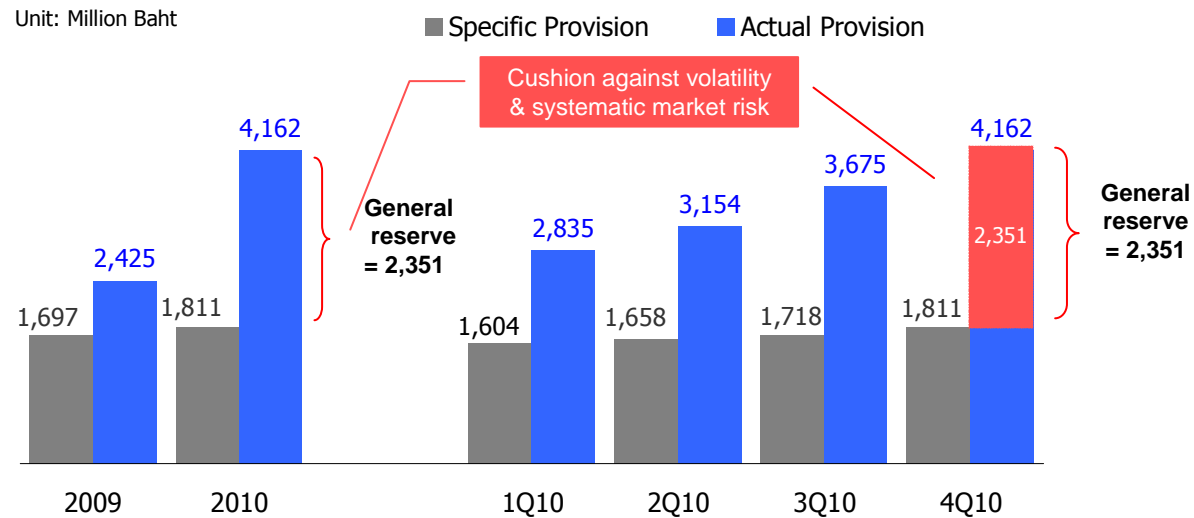


# Provisions

## Provision Expense and Credit Cost



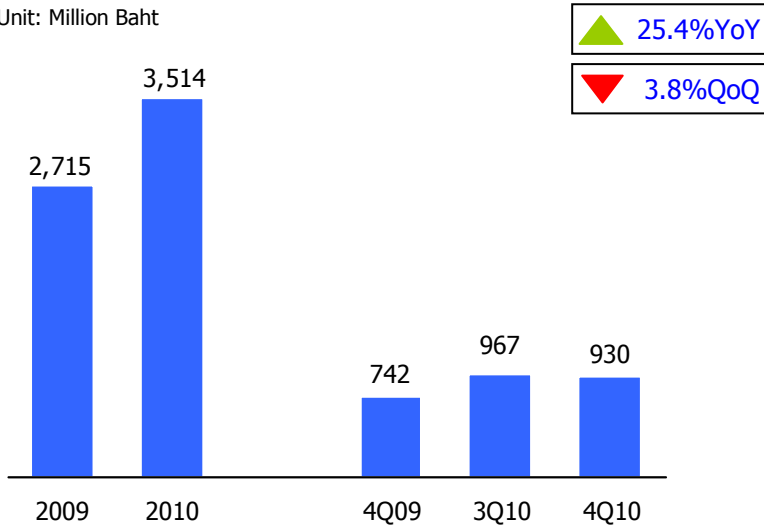
## Specific Provision vs Actual Provision



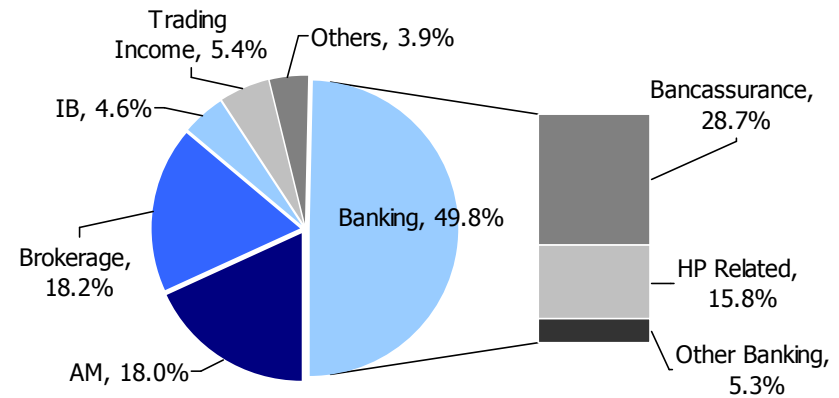
# Non-Interest Income

## Non-Interest Income from Core Businesses

Unit: Million Baht



## Non-Interest Income Structure (35% of Total Income)



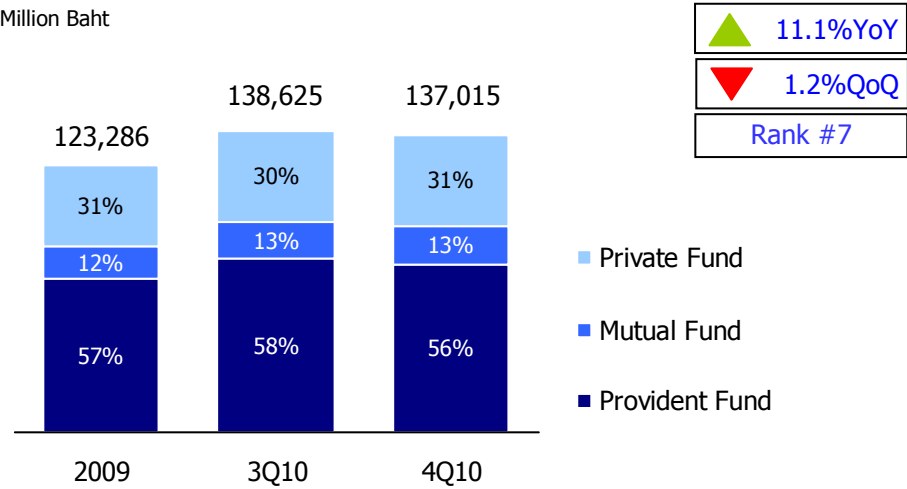
Unit: Million Baht	4Q09	3Q10	4Q10	% QoQ	%YoY	2009	2010	% YoY
Banking fee	412	530	494	(6.9)	19.9	1,480	1,930	30.5
AM fee	149	223	190	(14.5)	27.6	643	699	8.8
Brokerage fee	163	213	228	7.3	39.7	547	706	29.2
IB fee	17	-	17	-	-	46	179	289.3
<b>Non-interest income from core businesses</b>	<b>742</b>	<b>967</b>	<b>930</b>	<b>(3.8)</b>	<b>25.4</b>	<b>2,715</b>	<b>3,514</b>	<b>29.4</b>
Trading income	20	137	16	(88.2)	(18.3)	10	210	2,101.4
Other income	134	23	-	-	-	149	152	2.5
<b>Total non-interest income</b>	<b>895</b>	<b>1,126</b>	<b>946</b>	<b>(16.0)</b>	<b>5.7</b>	<b>2,873</b>	<b>3,876</b>	<b>34.9</b>

# Asset Management Business



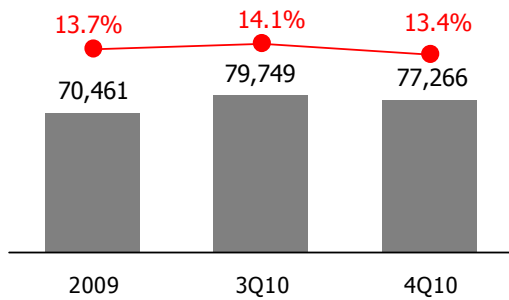
## TISCO Assets Under Management

Unit: Million Baht



### Provident Fund

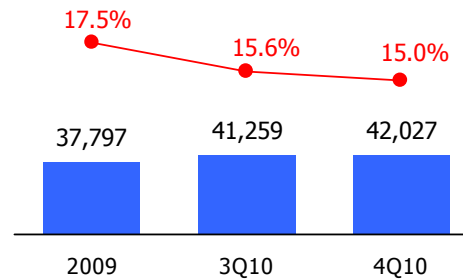
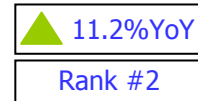
Unit: Million Baht



Remark: Market share 4Q10 as at end of November 2010

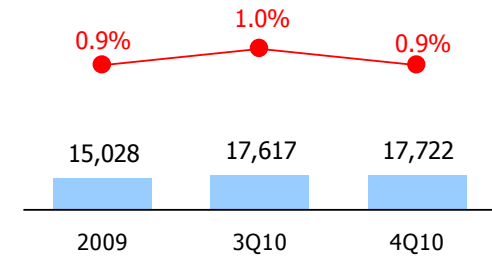
### Private Fund

Unit: Million Baht



### Mutual Fund

Unit: Million Baht

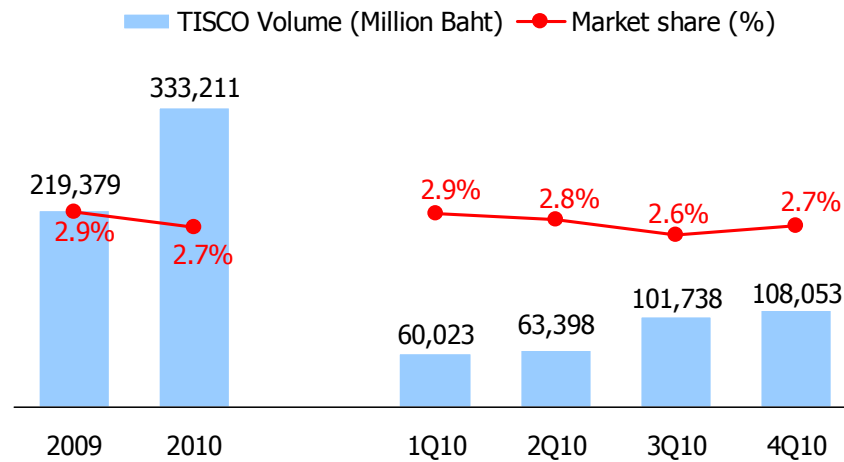






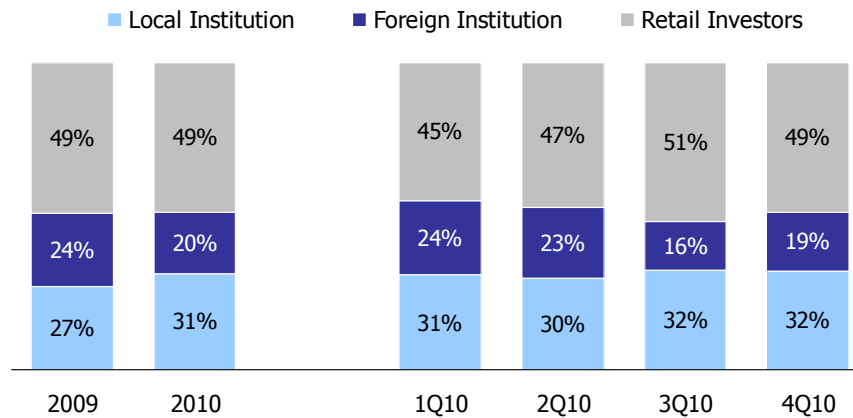
# Brokerage Business

## TISCO Trading Volume and Market Share



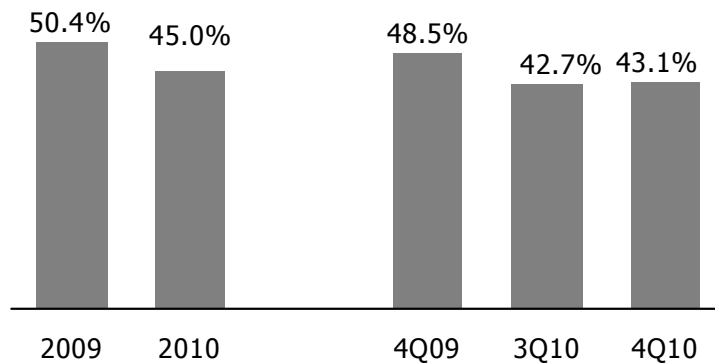
Remark: Market share excluded brokers' proprietary trading

## TISCO Trading Volume by Customer

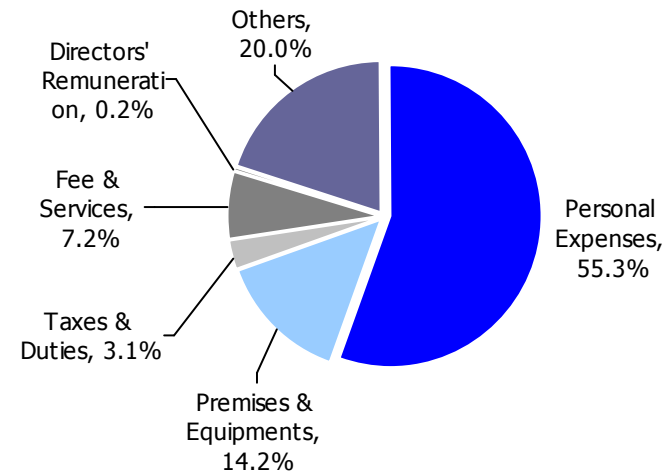


# Operating Expenses

## Cost to Income Ratio



## Cost Structure

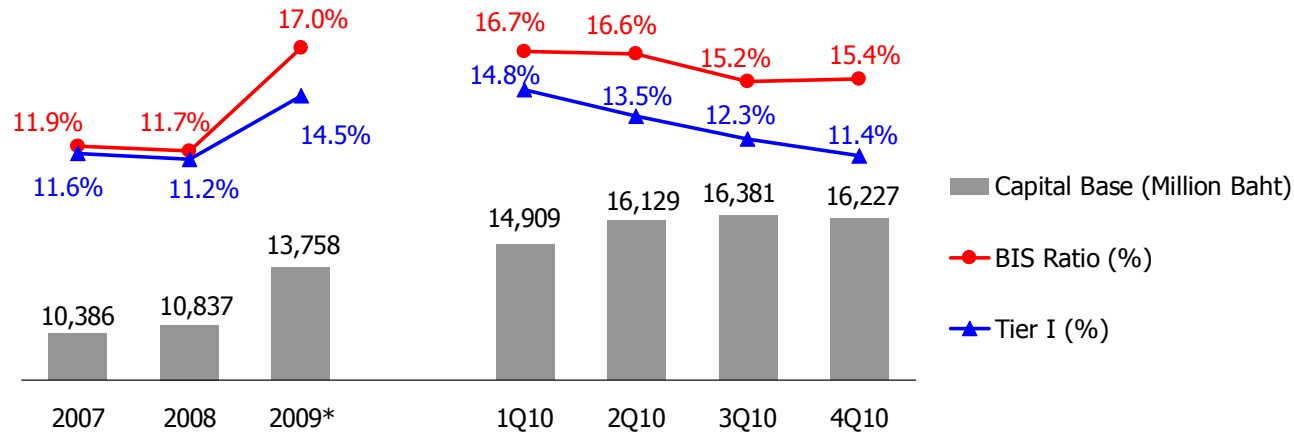


Unit: Million Baht	4Q09	3Q10	4Q10	%QoQ	%YoY	2009	2010	%YoY
Personnel expenses	549	722	603	(16.4)	10.0	2,055	2,760	34.3
Premises & equipment expenses	180	171	191	11.6	6.1	699	707	1.1
Taxes & duties	30	42	41	(2.4)	35.5	118	154	31.3
Fees & service expenses	84	83	83	(1.0)	(2.2)	334	359	7.4
Directors' remuneration	2	3	3	(0.3)	25.7	8	9	17.5
Other expenses	390	246	276	12.3	(29.2)	1,247	999	(19.9)
<b>Total</b>	<b>1,235</b>	<b>1,266</b>	<b>1,196</b>	<b>(5.5)</b>	<b>(3.2)</b>	<b>4,461</b>	<b>4,989</b>	<b>11.8</b>



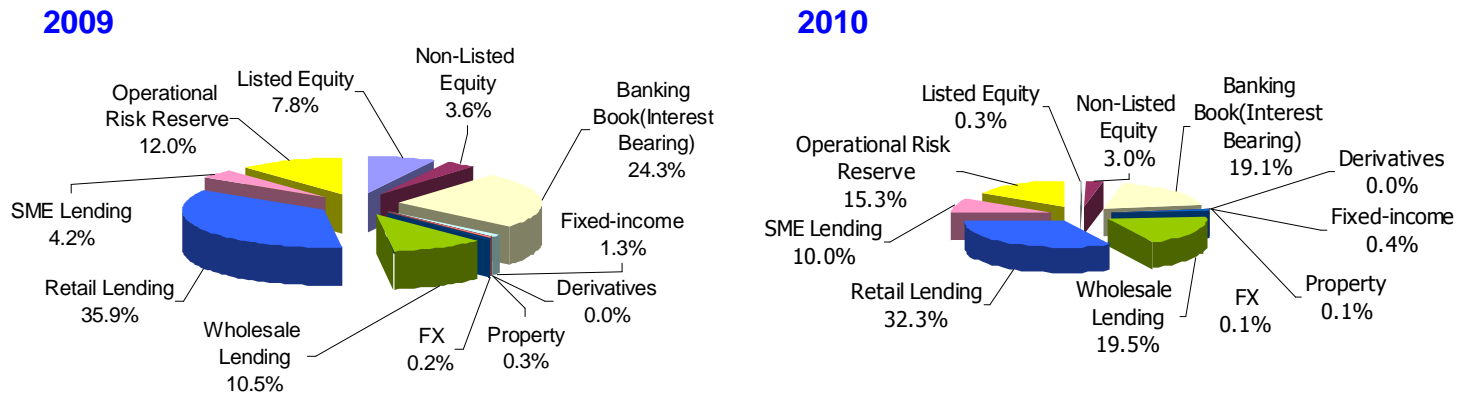
# Capital Adequacy

## Capital Adequacy Ratio



Remark: \*Upgraded from Basel II – SA to Basel II – IRB Approach in December 2009

## Risk-Based Capital Allocation



# Agenda

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# Awards & Recognitions in 2010



## **"Best Asset Management Company Award"**

- SET Awards 2010



## **"Best Bank in Thai Baht Corporate Bonds 2010"**

- The Asset 2010



## **"Best Domestic Equity House in Thailand"**

- Asiamoney Award 2010



## **"Best Equity Fund Group - 3 Years"**

- Lipper Fund Awards 2010



## **"Excellence CG Scoring"**

- Corporate Governance Report of Thai Listed Companies 2010

# New Products and Services in 2010

## TISCO Bank

- Loan Syndication Facility of Bt 13.5 billion to GM Group
- Loan Syndication Facility of Bt 32 billion to Gulf JP Ltd
- Loan Syndication Facility of Bt 9.9 billion to PTTAR
- Loan Syndication Facility of Bt 3 billion to THAI
- Loan Syndication Facility of Bt 2.3 billion to SC Group
- Credit Facility to Supreme Team Ltd and Raimon Land PLC
- "TISCO Auto Cash", Interest Rate Free for the 1st Installment
- Tax Payment @ ETM
- "Love Mum Everyday With TISCO", Tax Free Savings
- "BE 555" 24 months, with Step Up Interests from 0.75% - 5.5%
- "BE - 7 months", 2% interest
- New "Friend Get Friends" Campaign
- "TISCO Top UP", Top Up Loans for HP clients



## TISCO Asset Management

- TISCO Korea Fixed Income Fund #7-#13, #15, #18
- TISCO China Trigger 15% Fund #1 - #2
- TISCO Roll Up Bond Fund #1
- TISCO Asia Leader Trigger #1
- TISCO China H-Shares Equity Fund
- TISCO Latin America Fund
- TISCO Balance Growth Fund 80/20
- TISCO Roll UP Bond Fund #1 - #3



## TISCO Securities

- Financial Advisor for the sale of FIDF stake in SIAM City Bank PLC
- Financial Advisor and Lead Underwriter – IPO of "Gunkul Engineering Public Co., Ltd" (Gunkul)
- Financial Advisor of CPF's Employee Joint Investment Program
- Selling Agents for corporate debentures of TISCO Bank and Q. House





# Employee and Branch Network

	Dec09	Sep10	Dec10
No. of Employee	2,904	3,002	3,055
<b>TISCO Bank's Branch</b>	<b>43</b>	<b>46</b>	<b>45</b>
- Bangkok *	21	23	22
- Upcountry	22	23	23
<b>TISCO Leasing's Branch</b>	-	-	<b>4</b>
- Bangkok	-	-	-
- Upcountry	-	-	4

Remark: \* Including Head Office branch



New TISCO Leasing Branches in 2010

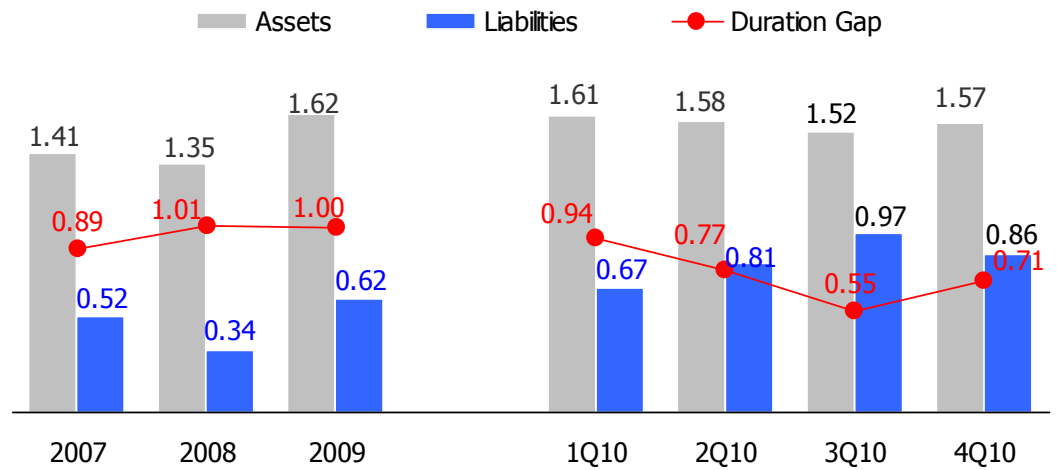
- Phetchabun
- Lampang
- Nakorn Ratchasima
- Lopburi



# Interest Rate Risk

## Duration of Assets and Liabilities

Unit: Years







## Investor Relations

### **TISCO Financial Group Public Company Limited**

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