

TISCO Group

***Analyst Meeting
July 2005***

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Information contained in this presentation is not intended to provide basis for any investment decision.

(% Growth Y-O-Y)	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005E</u>
GDP	5.4	6.9	6.1	4.8
Export		18.5	22.7	13.6
Import		17.1	27.2	19.0
Automobile Sales	32.5	32.8	17.3	13.8 (5M)

- In the second quarter of 2005, the overall Thai economy still showed a slowdown due to the upsurge in global crude, and the public investment could be delayed due to current account deficit and political risk. Therefore, TISCO Securities forecasts that economy will expand by 4.8% y-o-y in 2005.
- For the financial market, the Bank of Thailand raised its policy rate by 25bps. to 2.50% due to the continuing inflationary pressure and the upward trend of interest rate.
- The stock market condition was sluggish. The SET Index as of June 30, 2005 closed at 675.50 points, and the daily average turnover in 2Q05 was Bt15,536.02mn down from Bt21,266.97mn in 1Q05.

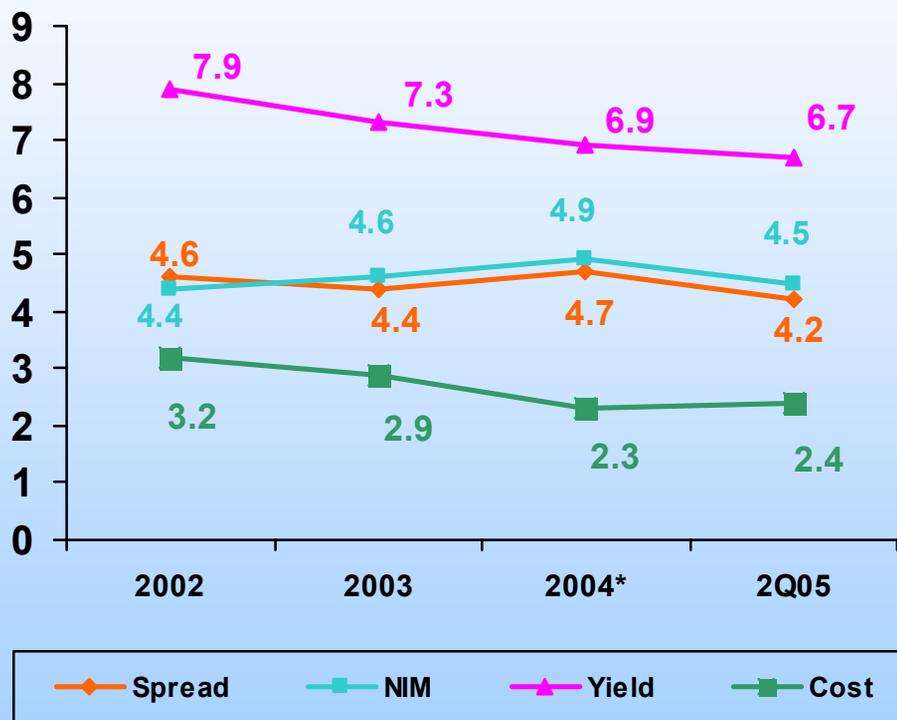
Financial Performance 2Q05

- Net profit of Bt400.05mn, rose 2.6% y-o-y, mainly from 18.7% y-o-y growth of net interest income on the back of strong 16.4% y-o-y loan growth led by hire purchase.
- Non interest income increased 0.3% y-o-y following a decline of brokerage and IB fee due to the slowdown of the economy and the stock market.
- Operating expenses rose by 3.2% y-o-y because of the increase in sales promotional expenses and expenses for investment in preparation for bank upgrade.
- NPL ratio decreased from 5.9% to 5.6%, contributed from the effective asset quality management and the bad debt write off.

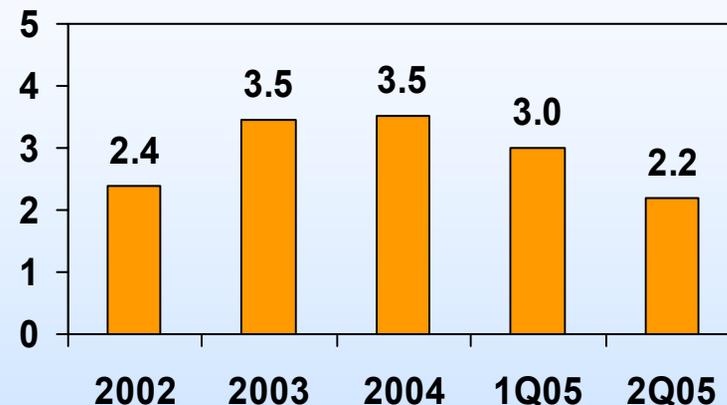
consolidated (Bt mn)	2003	2004	1Q05	2Q05
Balance Sheet				
Retail Loan	31,700	40,971	42,978	44,716
Corporate Loan	9,668	10,924	10,947	11,118
Total	41,368	51,895	53,925	55,834
% Growth		25.4	3.9	3.5
NPLs	3,410	3,304	3,446	3,429
% of Loans	7.0	5.8	5.8	5.6
Borrowing & Deposits	38,114	44,640	47,165	50,825
Profit and Loss				
Net Interest Income	2,349	2,830	776	807
Fee Income	1,871	2,001	430	327
Net Profit	1,890	2,224	517	400
% YoY Growth		17.7	(14.1)	2.6
ROE	20.4	19.1	16.8	13.1
ROA	3.5	3.5	3.0	2.2
Spread	4.4	4.7	4.3	4.2
NIM	4.6	4.9	4.6	4.5
Cost-to-Income	48.2	47.6	45.7	54.5
Provision coverage				
NPL	3,410	3,304	3,446	3,429
Allowance/NPL	134.9	129.9	123.2	120.7
Capital				
Tier 1	18.8	17.5	14.9	16.4
CAR (BIS Ratio)	21.4	19.6	16.8	18.4
No. of Employee	1,618	1,785	1,841	1,924

Key Financial Ratios

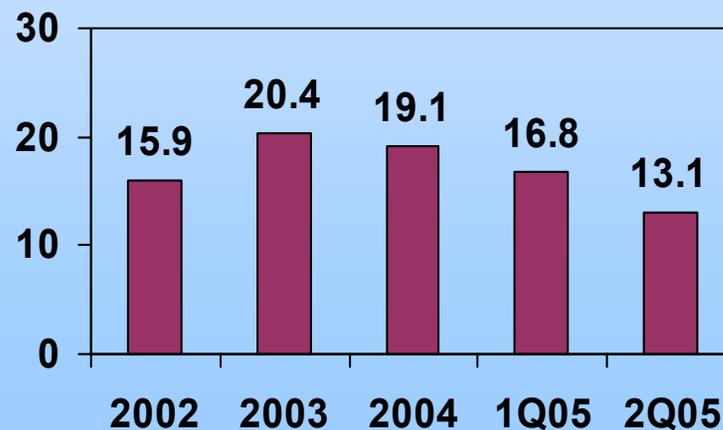
Spread & NIM (%)



ROA (%)



ROE (%)

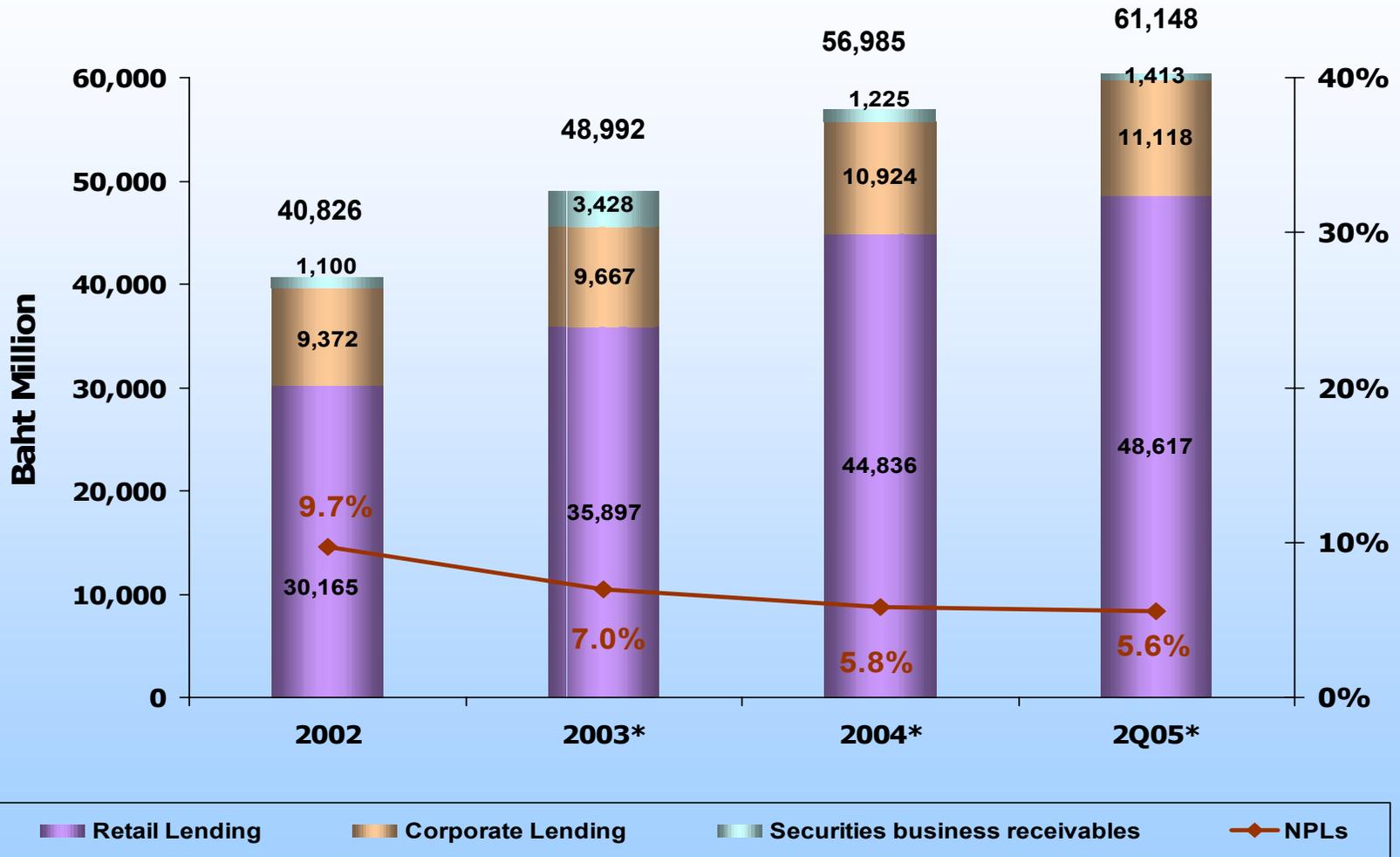


Remark: * The categorization of loan was changed since June 2004

Loan Growth

Million Baht	2003	2004	2Q05	%	% YTD
Corporate Loan	9,668	10,924	11,119	18.6	1.8
Manufacturing & Commerce	4,904	5,525	5,771	9.7	4.5
Real estate & construction	2,579	3,500	3,537	5.9	1.1
Public utilities & services	2,072	1,744	1,629	2.7	(6.6)
Agricultural and mining	113	154	182	0.3	17.9
Retail Loan	31,700	40,971	44,716	74.9	9.1
Hire Purchase	29,154	38,574	42,433	71.0	10.0
Mortgage	2,546	2,397	2,283	3.8	(4.8)
Others	4,197	3,864	3,900	6.5	0.9
Total Loans	45,564	55,760	59,735	100.0	7.1

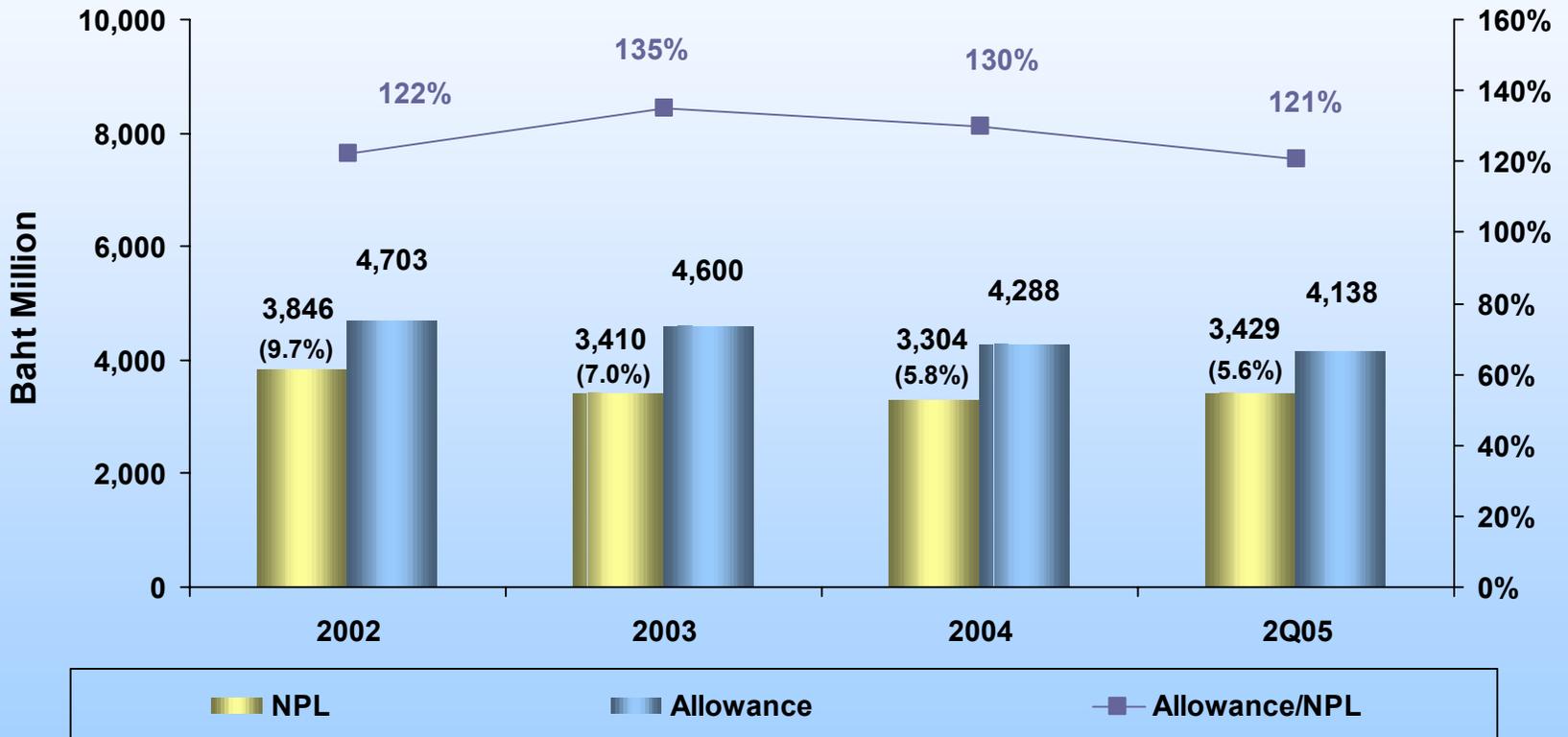
Loans and receivables breakdown



CAGR of loans for 2002-2Q05: 17.5%

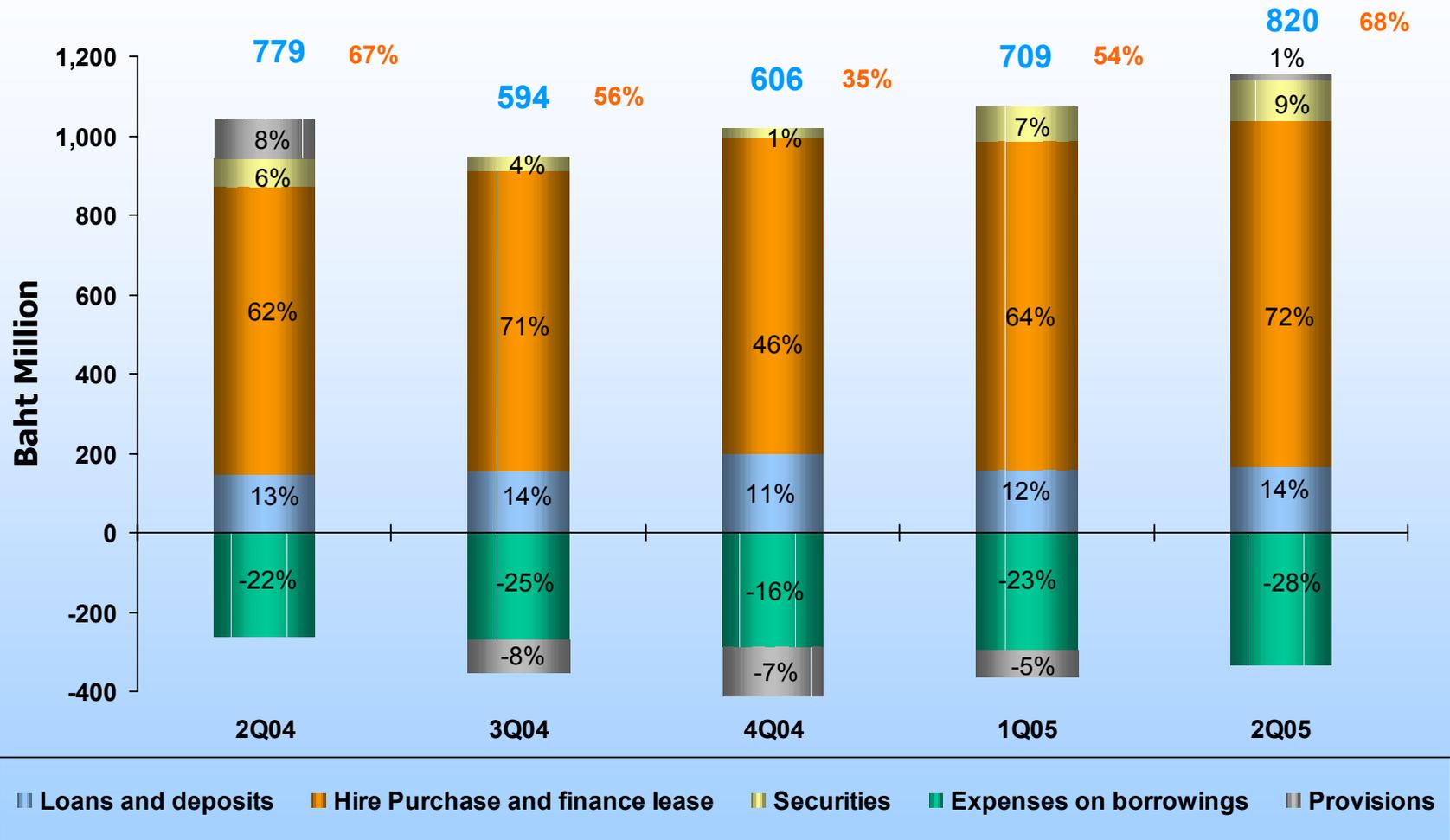
Remark: The criteria for loan categorization has been changed from types of loans to the businesses of the borrowers.

Non-Performing Loan & Allowance for Doubtful Accounts



NPL to total loans as of June 31, 2005 equals to 5.6%.

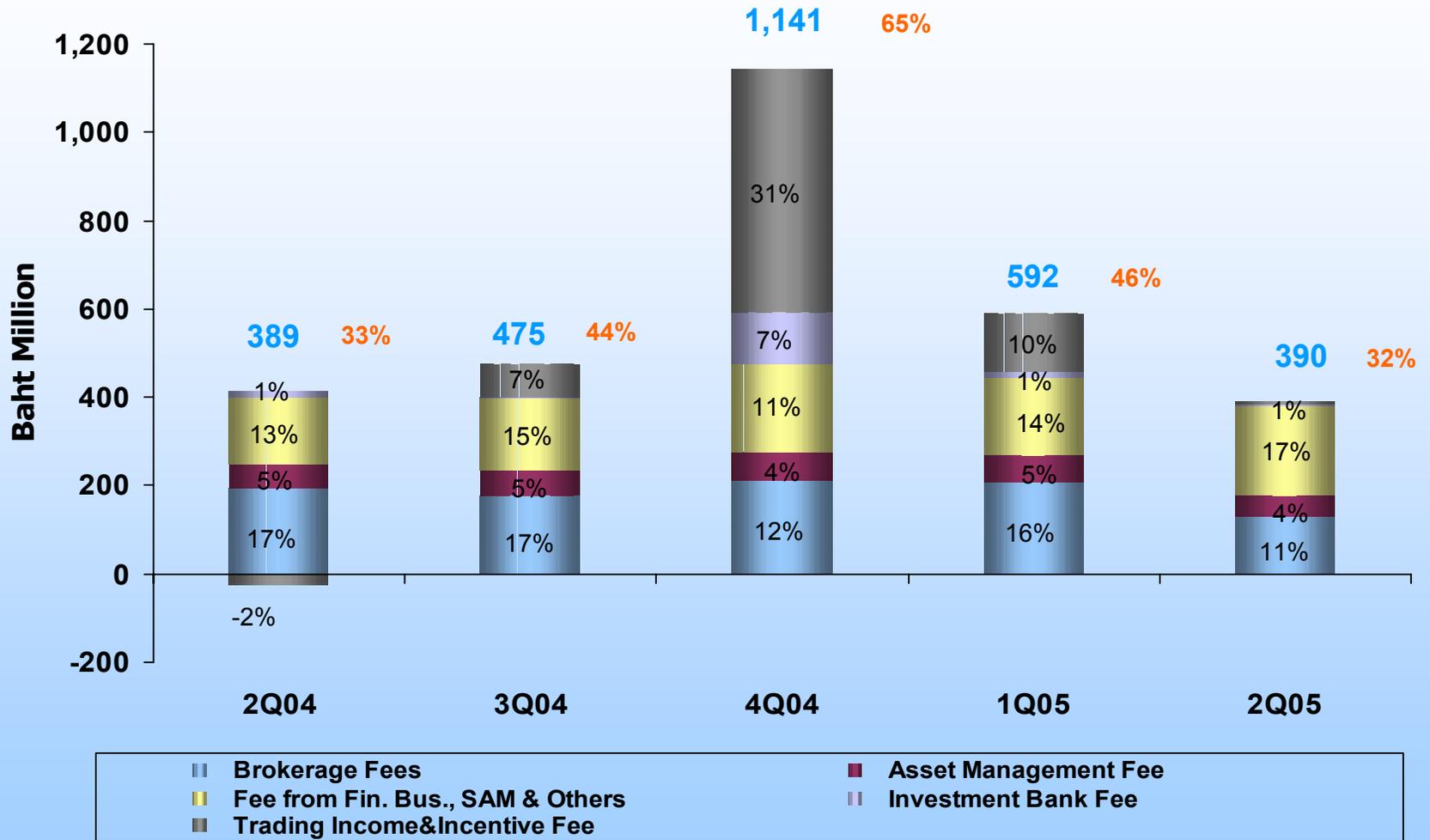
Interest and Dividend Income



2Q05 Net Interest and Dividend income after provision increased by 5.4% y-o-y.

Remark: The Percentages shown are the portion of total net revenue after provision

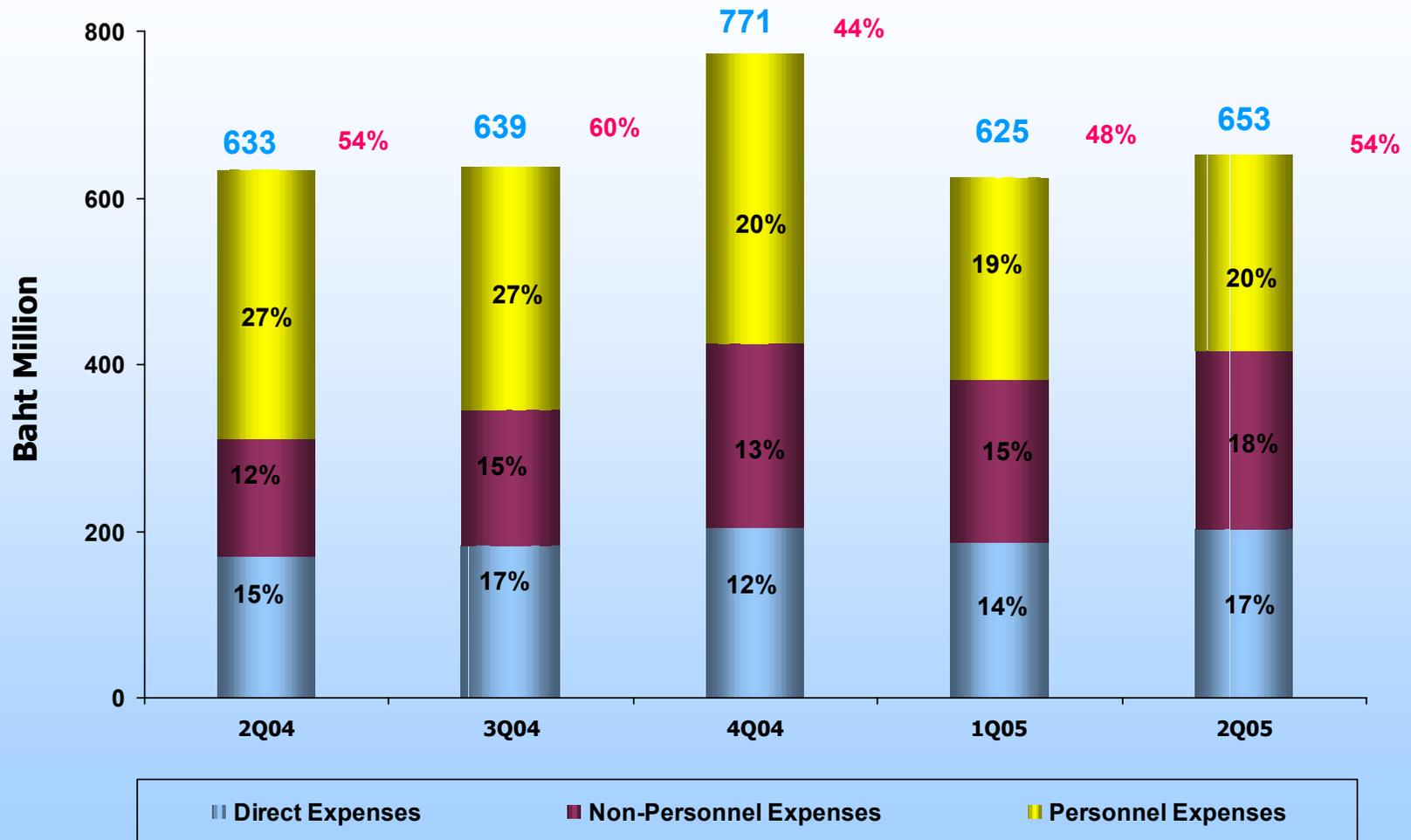
Non Interest Income



2Q05 Non-interest income increased by 0.3% y-o-y.

Remark: The Percentages shown are the portion of total net revenue after provision

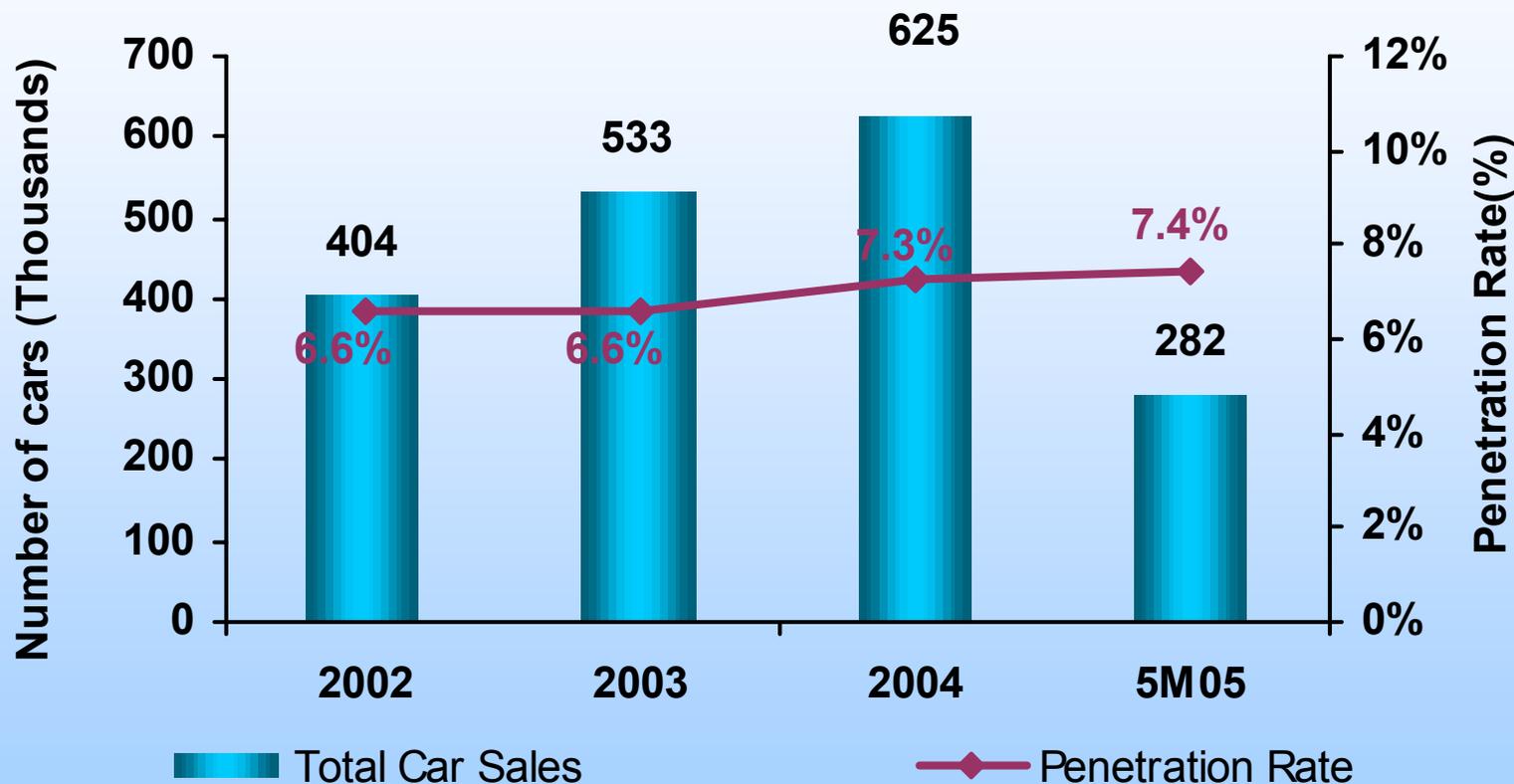
Operating Expenses



2Q05 Operating expenses increased by 3.2% y-o-y.

Remark: The Percentages shown are the portion of total net revenue after provision

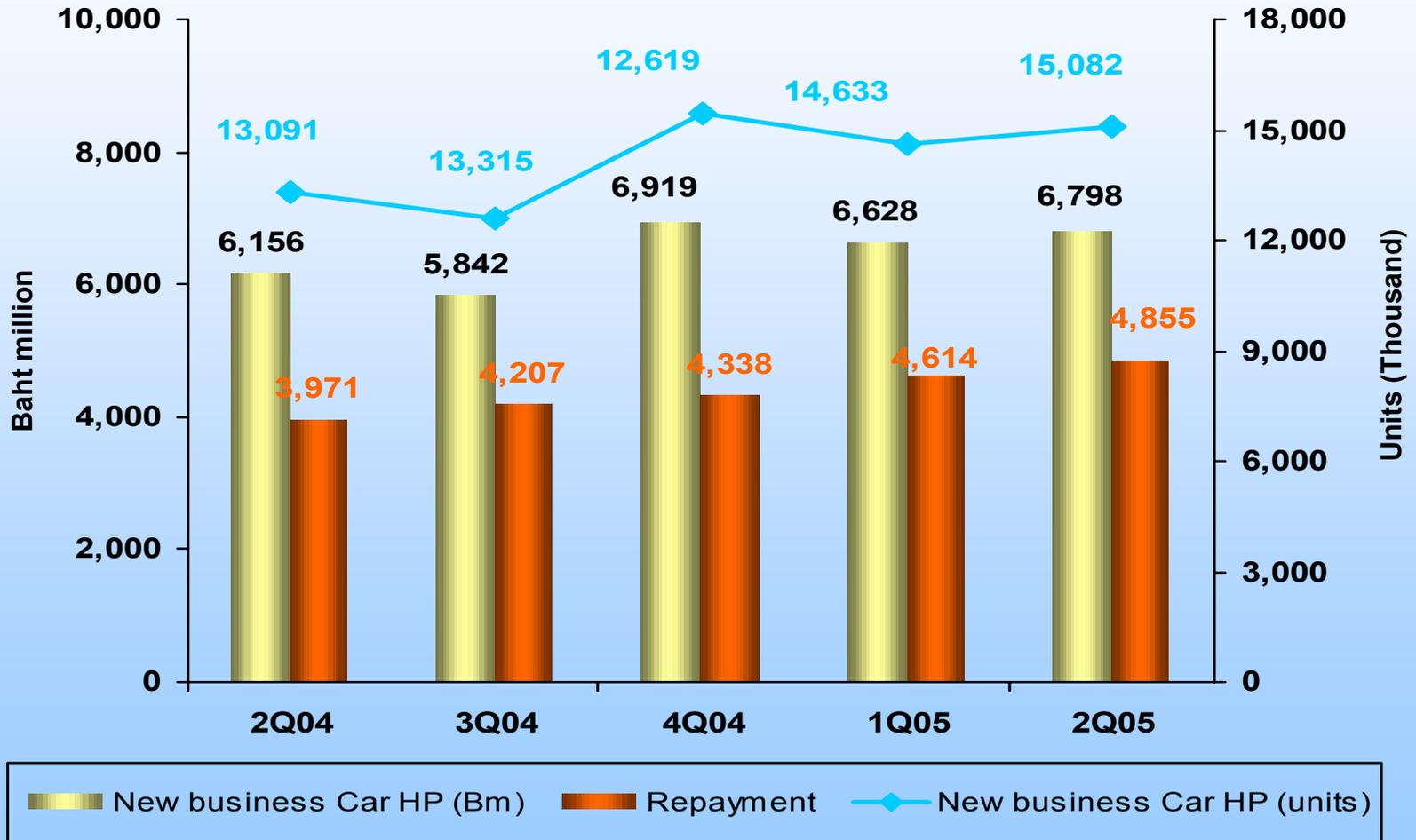
Industry New Car Sales & TISCO Market share



Car Sales Growth : 13.8% y-o-y

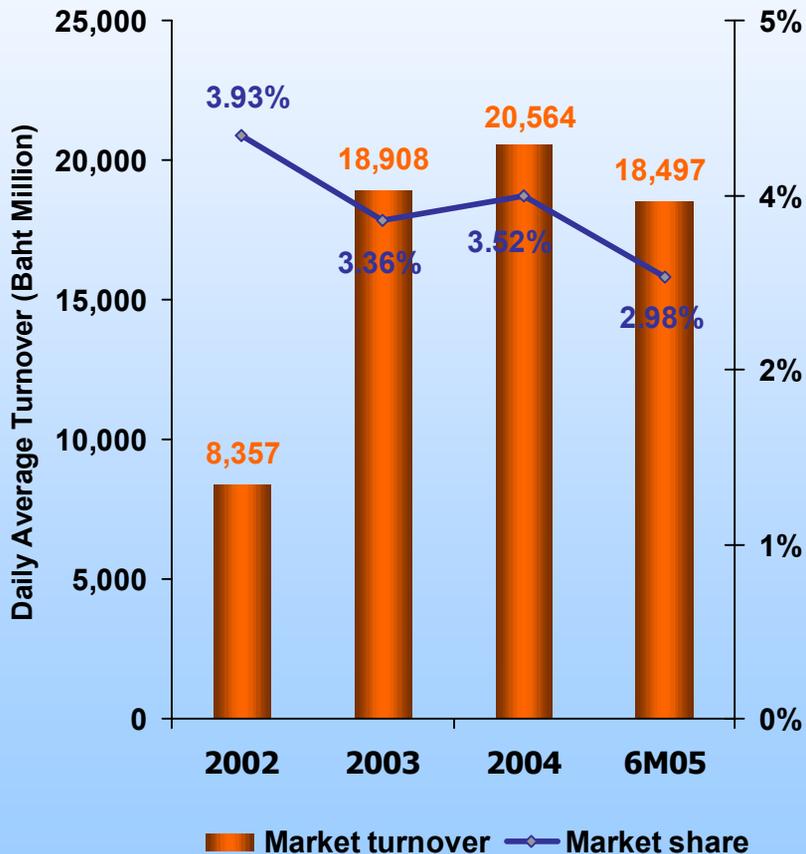
As of June 30, 2005, Hire Purchase Portfolio was accounted for 71% of Total Loans.

Car HP New Loans and Repayment

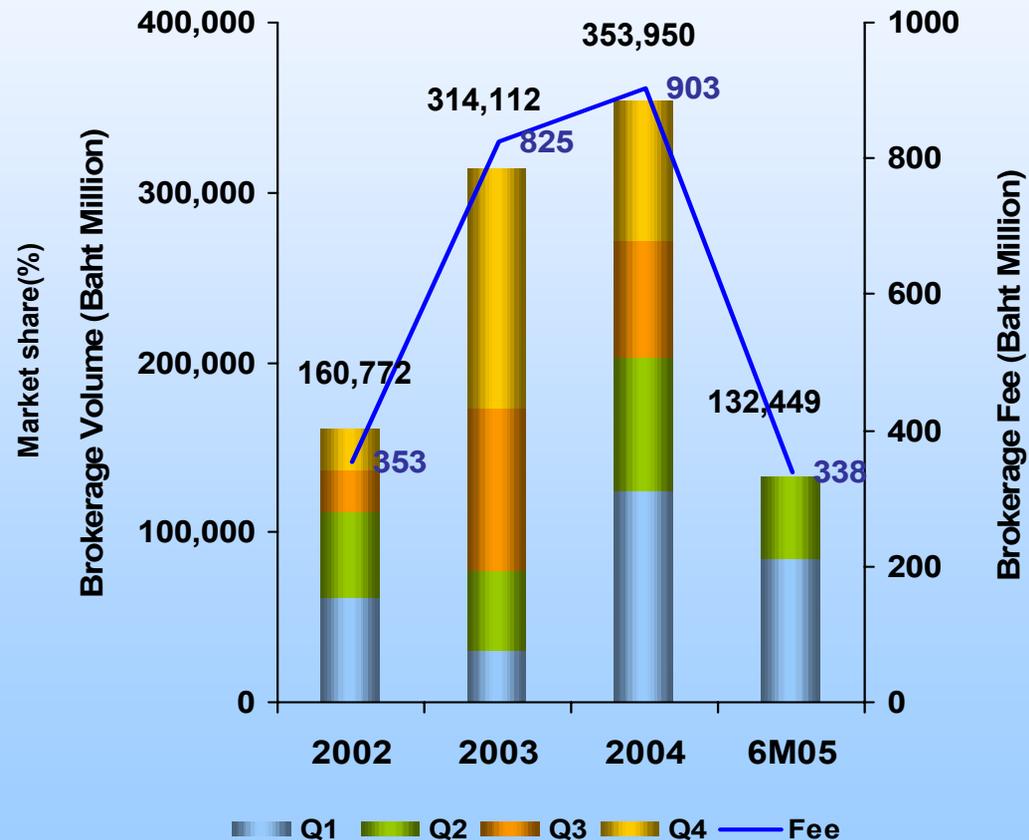


Local Brokerage Business

Market Turnover & TISCO Market share

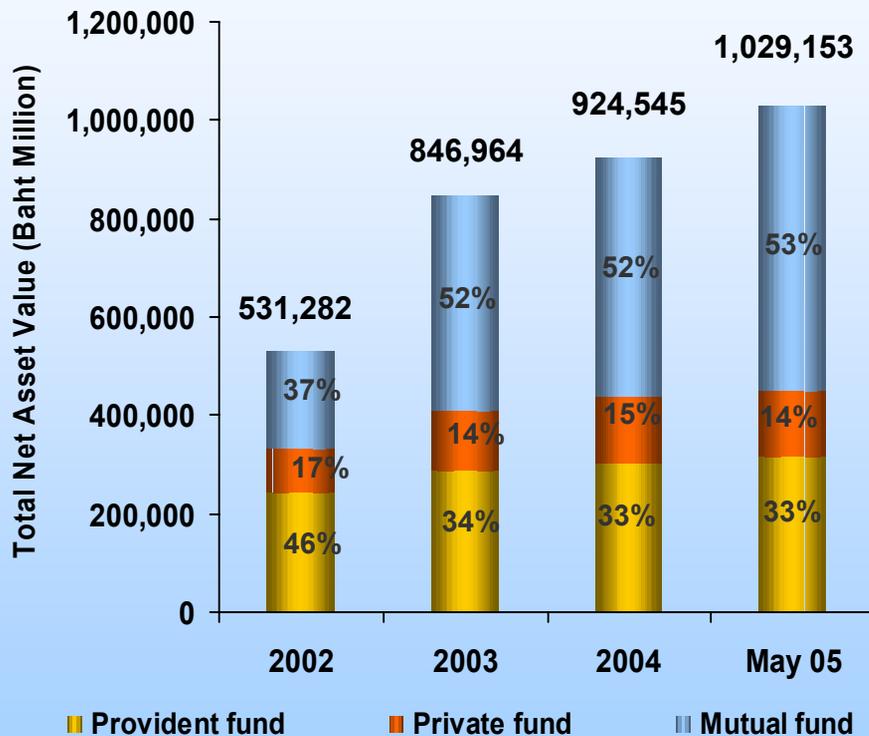


TISCO Brokerage Volume & Brokerage Fee

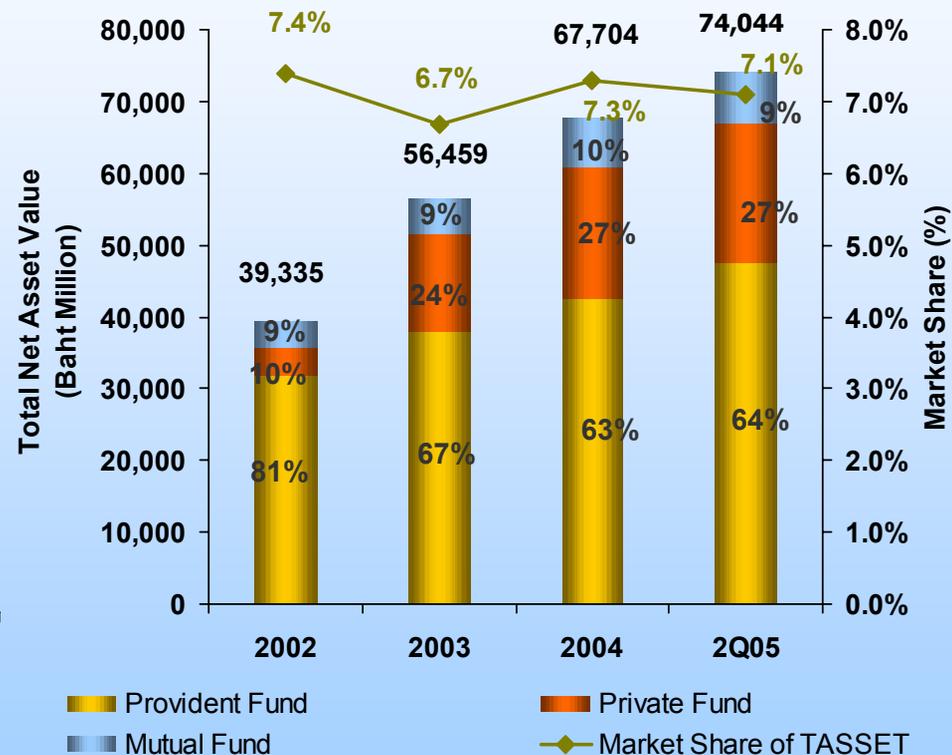


Asset Management Business

Market*



Asset Under Management

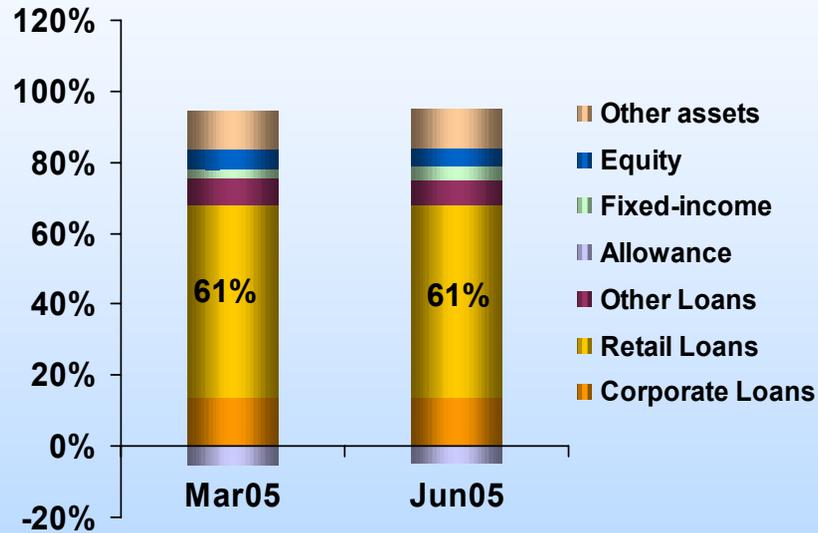


Market share of provident fund as of May 31, 2005 was 14.9%, 2nd rank in the market.

Market share of private fund as of May 31, 2005 was 13.9%, 2nd rank in the market.

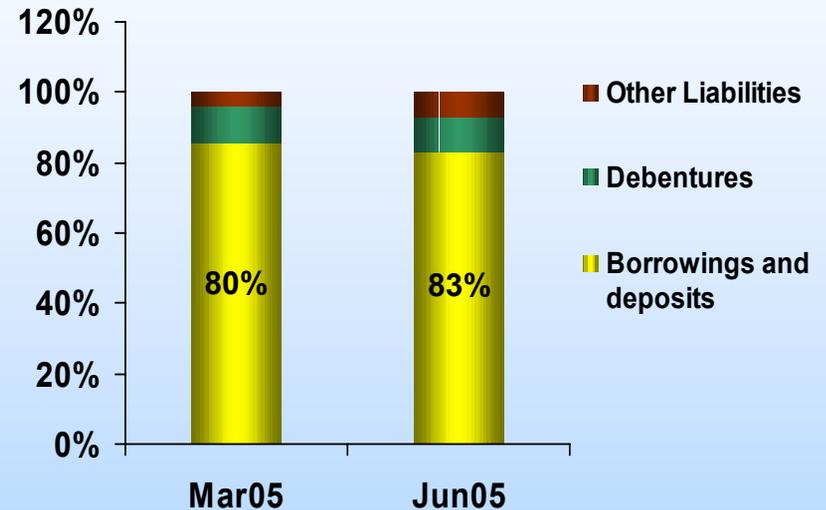
Active Assets & Liabilities Management

Asset Mix



Portfolio	Mar-05	%	Jun-05	%	%Growth
Corporate Loans	10,947	16	11,118	15	1.6
Retail Loans	42,978	61	44,716	61	4.0
Other Loans	5,781	8	5,313	7	(8.1)
Allowance	(4,246)	(6)	(4,138)	(5)	(2.5)
Fixed-income	2,126	3	3,230	4	51.9
Equity	4,448	6	4,343	6	(2.4)
Other assets	8,703	12	8,953	12	2.9
Total Assets (Bm)	70,738	100	73,536	100	4.0

Liabilities Mix



Portfolio	Mar-05	%	Jun-05	%	%Growth
Borrowings and Deposits	47,165	80	50,825	83	7.8
Debentures	5,941	10	5,941	10	0.0
Other Liabilities	5,485	10	4,413	7	21.0
Total Liabilities	58,669	100	61,179	100	4.3
Total Equity	12,041	-	12,356	-	2.6
Loans/Deposits		126.6		120.3	

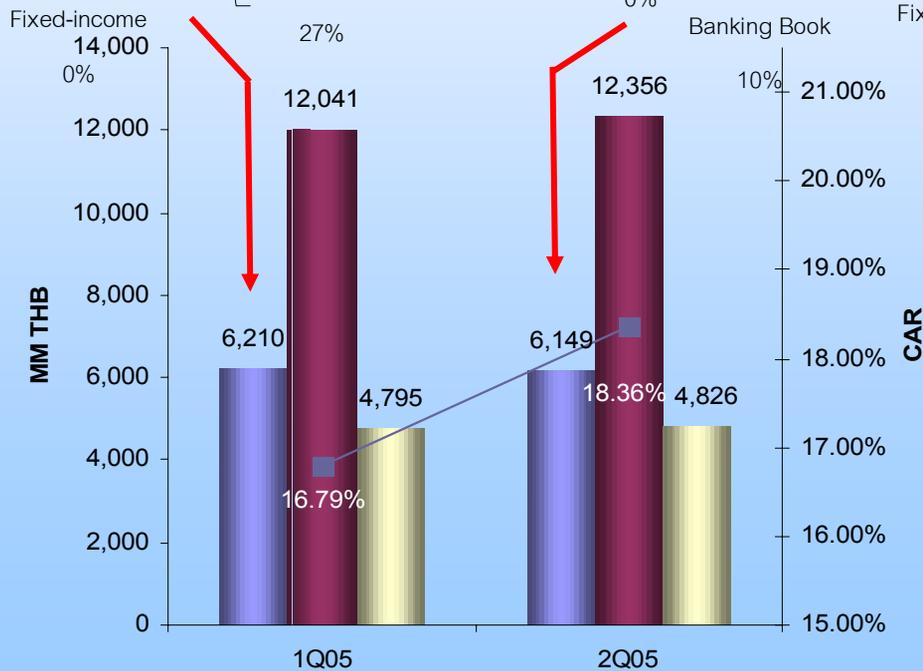
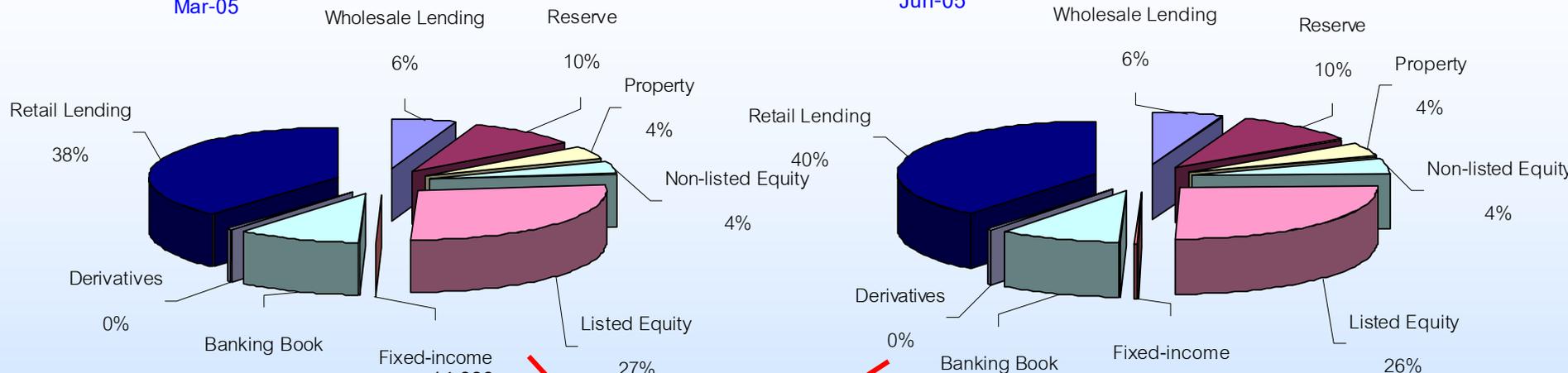
Risk - Based Capital Adequacy

Operational Risk

Operational Risk

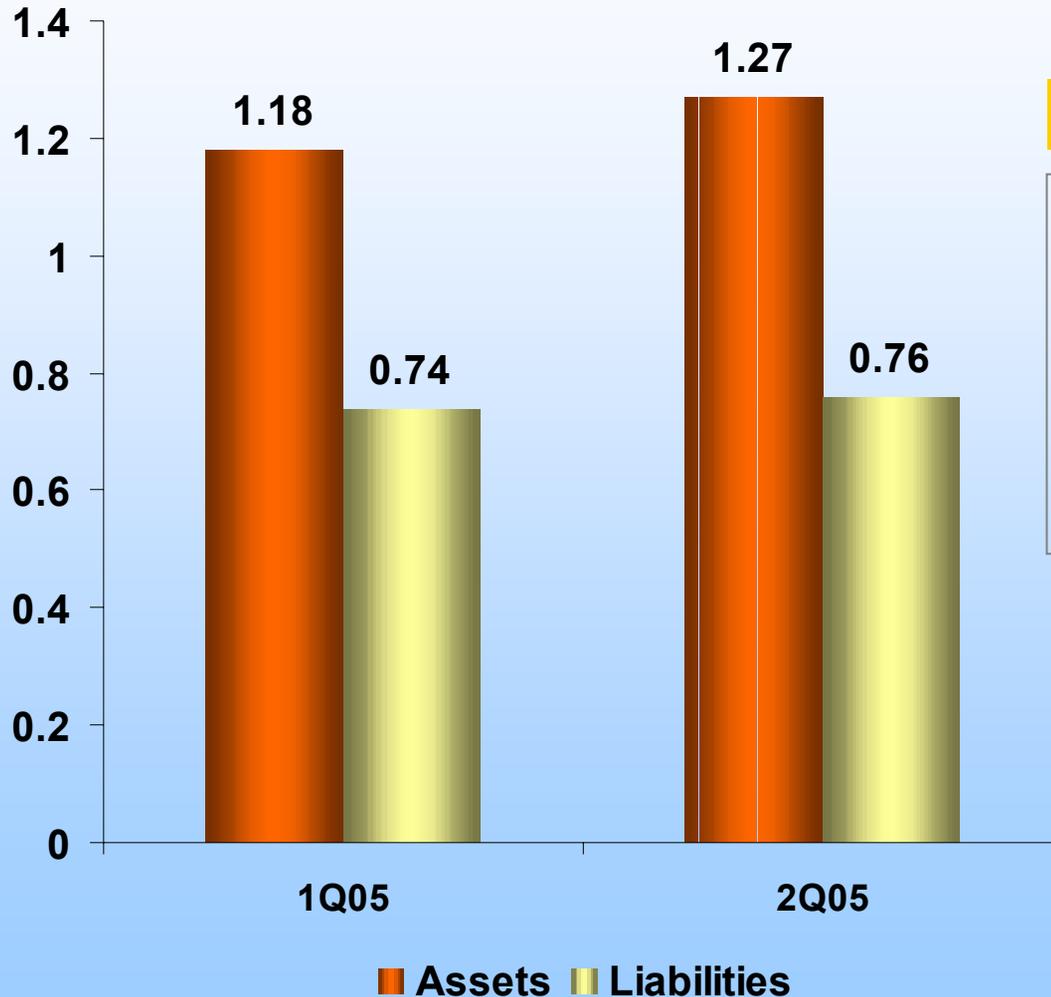
Mar-05

Jun-05



■ Integrated Risk Capital ■ Capital Base
■ Regulatory Capital ■ CAR

Interest Rate Risk



Current Profile

- Duration gap widen from 5.28 months to 6.12 months during the period, which mainly contributed by longer in assets duration as the majority of new loan in car hire purchase comprised of loans with term 48-month or longer.

- **To transform the organization and business orientation from product-centric into fully client-centric approach**
- **To extend the scope and quality of current service to existing clients to enhance cross-selling, improve efficiency in order to satisfy clients' satisfaction**
- **To maximize sharing of clients' wallet**

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