

Analyst Meeting 2006

January 16, 2007



- 2006 Achievement**
- Financial Highlight**
- 2007 Outlook**

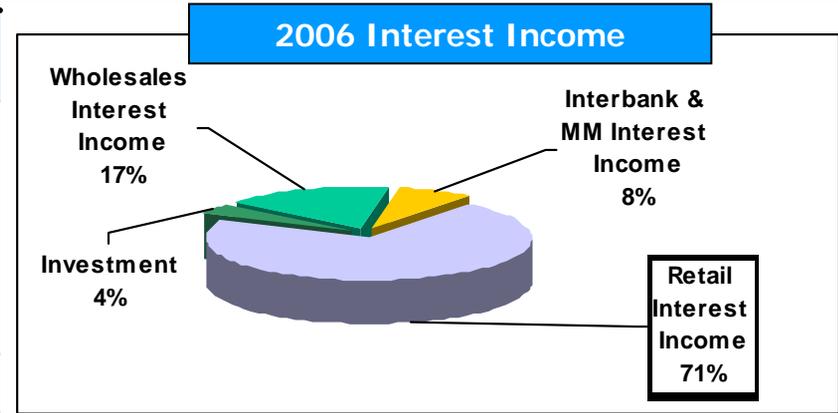
- Double digit loan growth
 - Strong growth for Banking Fee Income
- Cross-selling program achieved target
 - New banking services: Bancassurance partnership with AACP, Cash Management, and ATM Pool
 - Co-operation with 'Mizuho Corporate Bank.
 - Synergy with 'Deutsche Bank Global Equities Asia Ltd.' in securities business
 - Preparation for IRB Approach under Basel II with strong capital base and risk model
 - Attractive dividend paid out as part of capital management



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

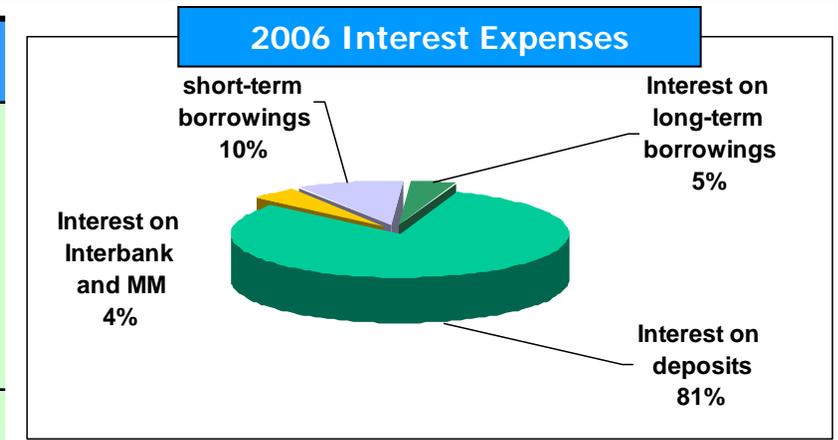
- 2006 Achievement
- **Financial Highlight**
- 2007 Outlook

(Million Baht)	2005	2006	%(YoY)
Interest on Loans	590	943	60.0
Interest on Interbank and MM	145	438	202.4
Hire purchase and financial lease	3,544	4,068	14.8
Investment	289	256	(11.5)
Interest income	4,567	5,705	24.9



Interest Income grew constantly in line with high yield extended loans

(Million Baht)	2005	2006	%(YoY)
Interest on deposits	1,050	2,344	123.3
Interest on Interbank and MM	130	128	(1.9)
Interest on short-term borrowings	70	295	319.2
Interest on long-term borrowings	214	132	(38.2)
Interest expenses	1,464	2,899	98.0

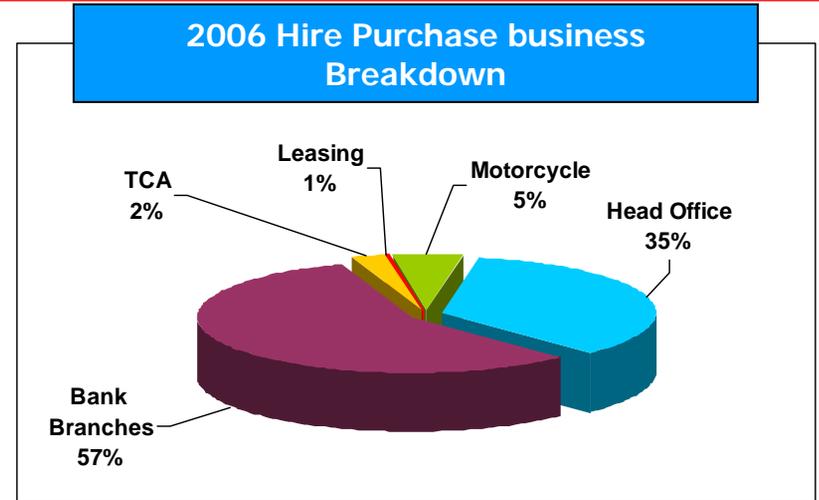


Interest Expenses surged due to competition for deposits among banks

As a result, Net Interest Income decreased by 9.6% YoY.

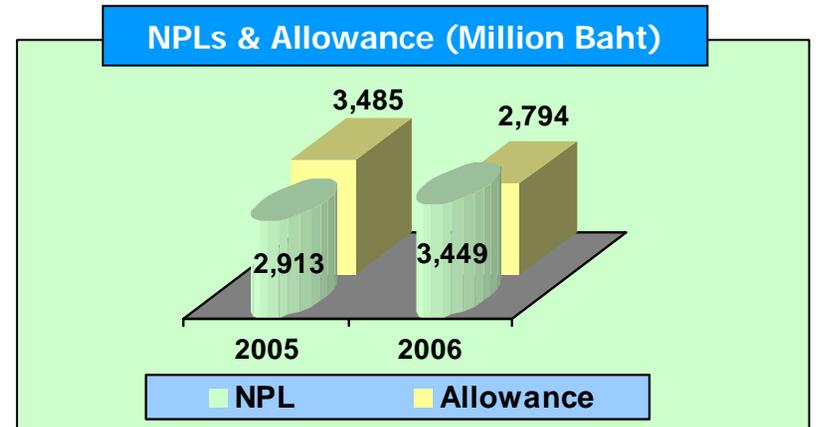
Loans Portfolio Breakdown

Loans by Industry (Million Baht)	2005	2006	%(YoY)
Corporate Lending	12,705	14,574	14.7
Retail Hire-Purchase	45,074	54,244	20.3
Retail Housing	2,175	2,005	(7.8)
Retail Loans	47,249	56,250	19.0
Other Loans (loans to FI)	3,994	3,818	(4.4)
Total Loans	63,948	74,641	16.7



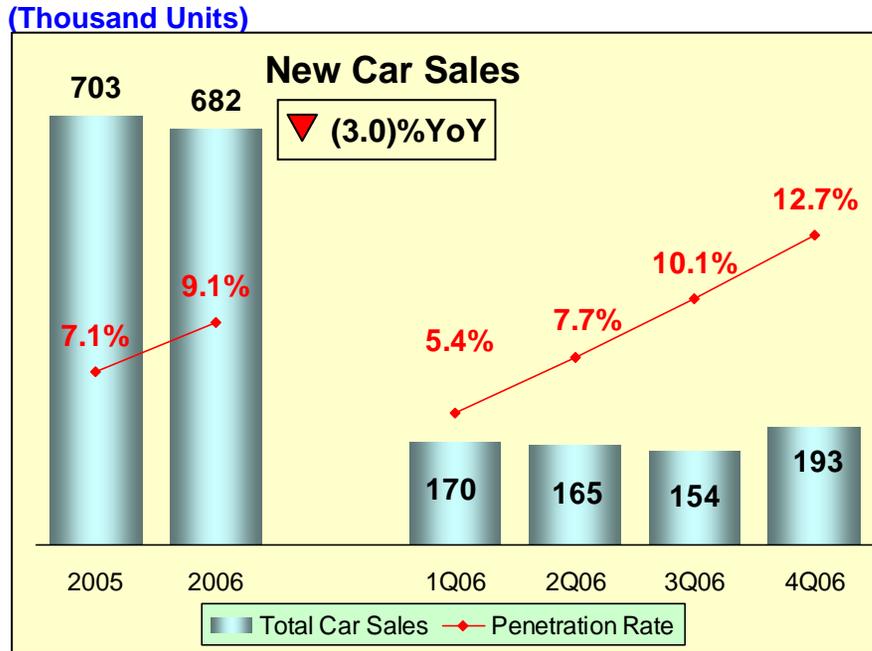
Impressive loan growth (double digits) mainly from hire purchase business

NPL By Industry (Million Baht)	2005	%NPL	2006	%NPL
Corporate	996	7.8	1,250	8.6
Retail-Hire Purchase	875	1.9	998	1.8
Retail-Housing	313	14.4	263	13.1
Other NPL	729	13.8	938	20.9
TOTAL NPL	2,913	4.5	3,449	4.6
Coverage Ratio (%)	119.6		81.0	



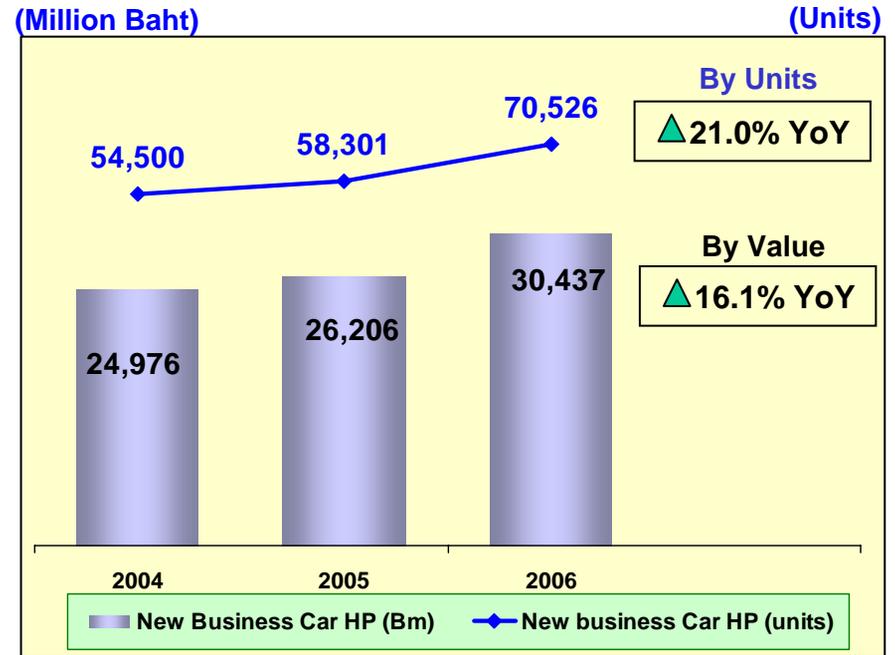
In 2006, bad debt written back revenue amounted 599.30 million baht

Industry New Car Sales & TISCO Penetration Rate



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

TISCO New Business Car Hire Purchase



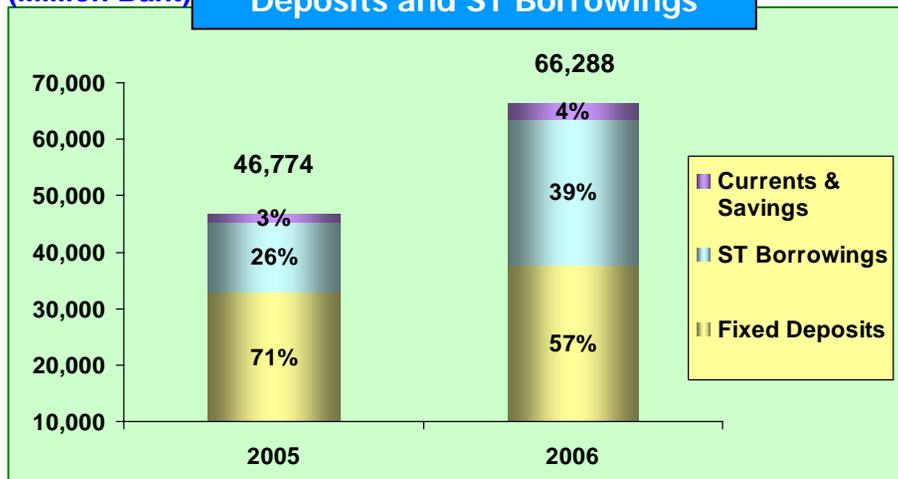
Robust growth for TISCO automobile hire purchase business despite weak domestic auto sales



Deposits and Short Term Borrowings

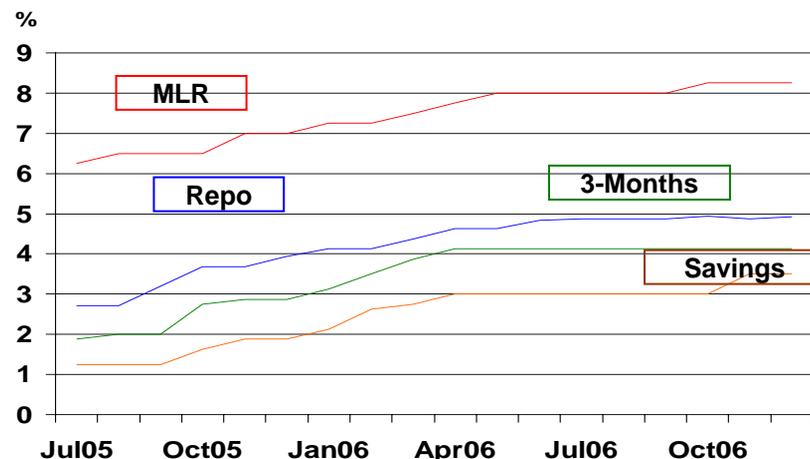
(Million Baht)

Deposits and ST Borrowings



Deposits and ST borrowing (Million Baht)	2005	%	2006	%	% (YoY)
Current	1,133	2.4	1,390	2.1	22.6
Savings	261	0.6	1,464	2.2	462.1
Fixed Deposit	33,057	70.7	37,714	56.9	14.1
Short term Borrowings*	12,323	26.3	25,720	38.8	108.7
TOTAL	46,774	100.0	66,288	100.0	41.7

TISCO Interest Rate Movement



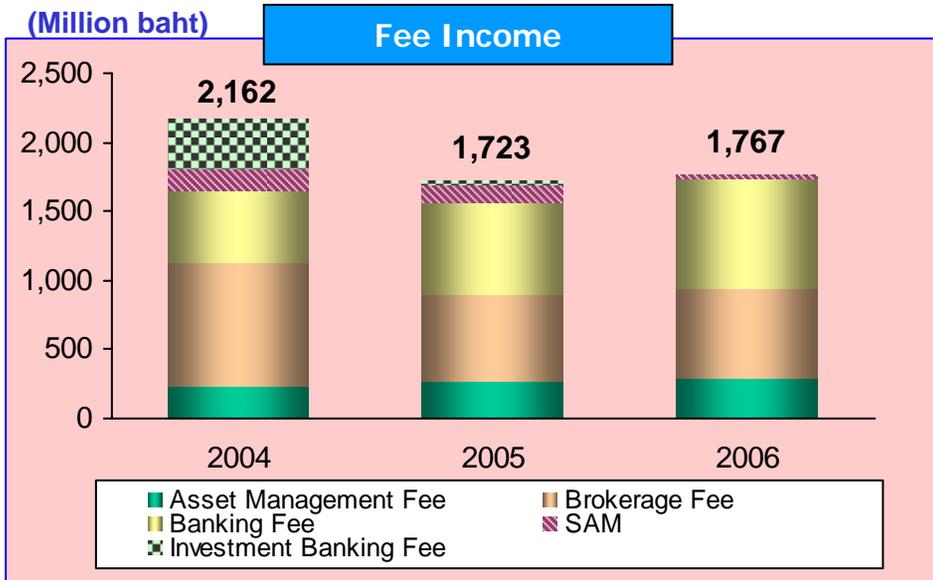
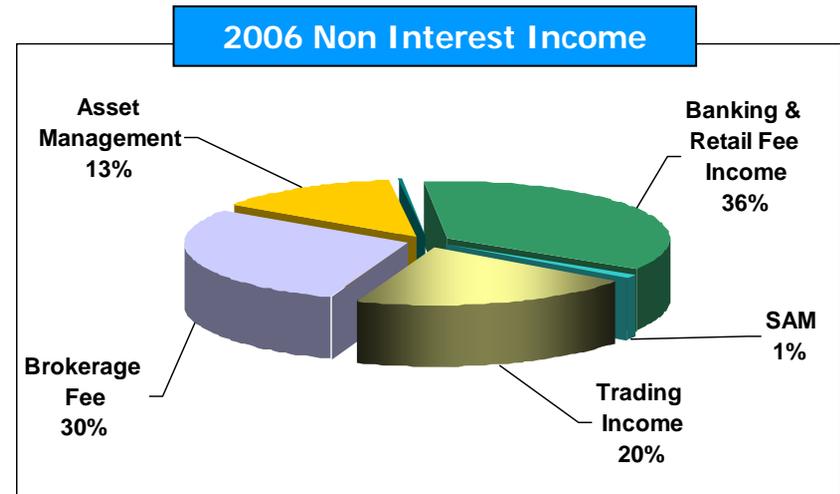
Deposits Rates	
Saving	3.50%
Fixed 3M	3.50% - 4.50%
Fixed 6M	3.75% - 4.75%
Fixed 12M	4.00% - 5.00%

Lending Rates	
MLR	8.25%
MOR	8.50%
MRR	8.75%

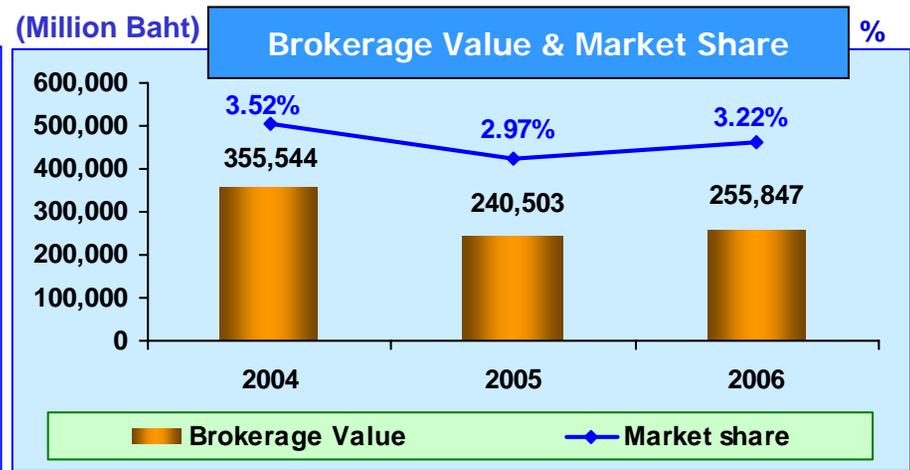
Higher share of low cost deposits (current and savings) under banking platform

* Debenture 4,800 million baht with maturity date in 2007 was converted from Long term to short term borrowings

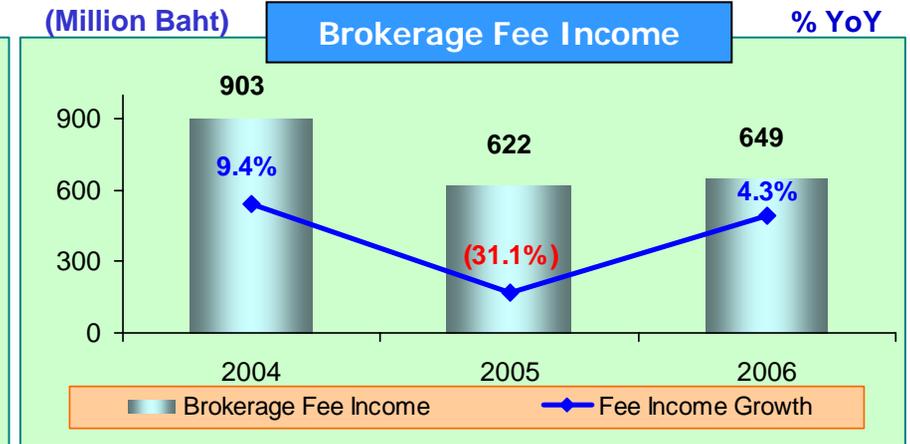
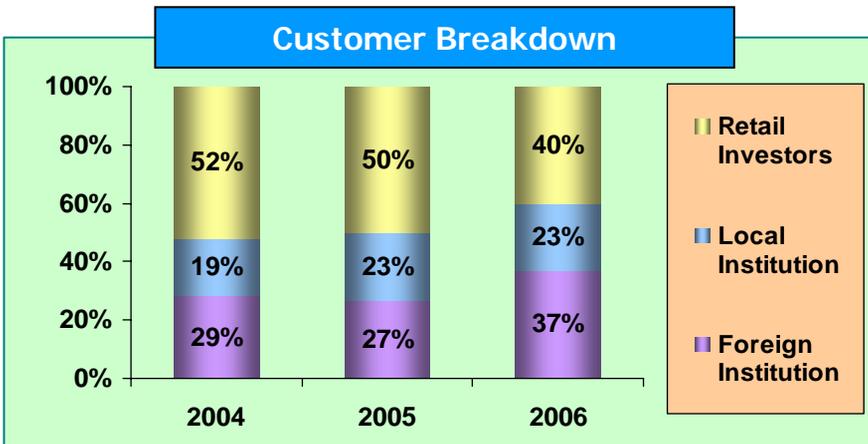
(Million Baht)	2005	2006	% (YoY)
Brokerage Fee	622	649	4.3
Asset Management Fee	272	295	8.7
Investment Banking Fee	28	9	(68.8)
Fee Income from Banking Business	672	786	12.5
SAM	129	28	(78.3)
Trading Income	334	455	36.3
Total	2,057	2,222	8.0



Non Interest Income – Rapid growth for Banking fee that offset declining fee income from SAM

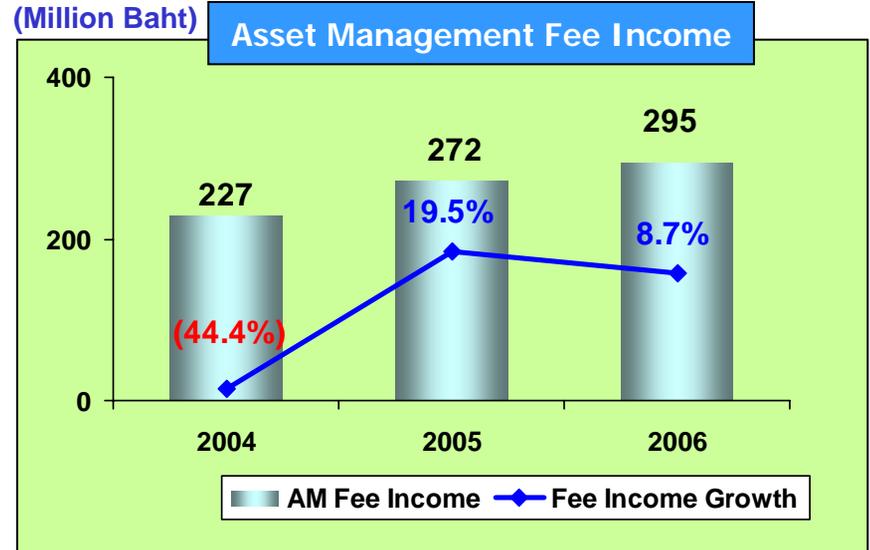
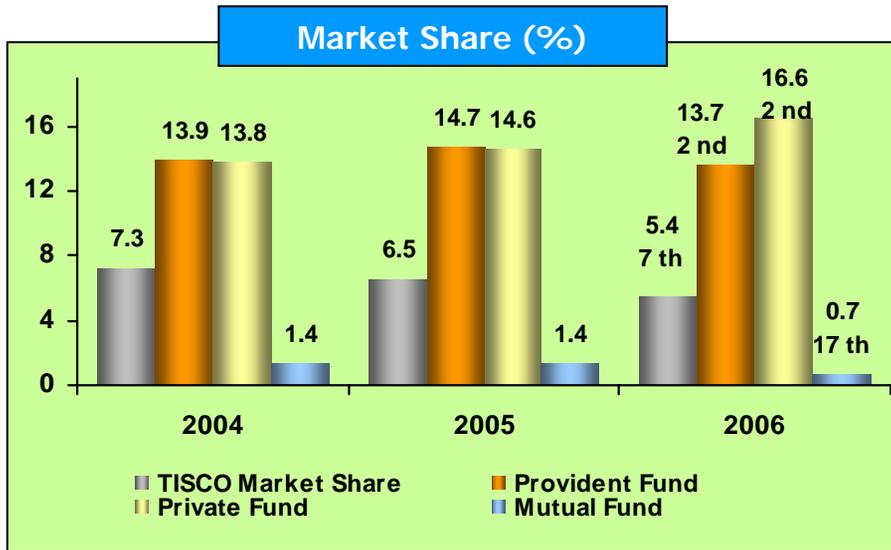
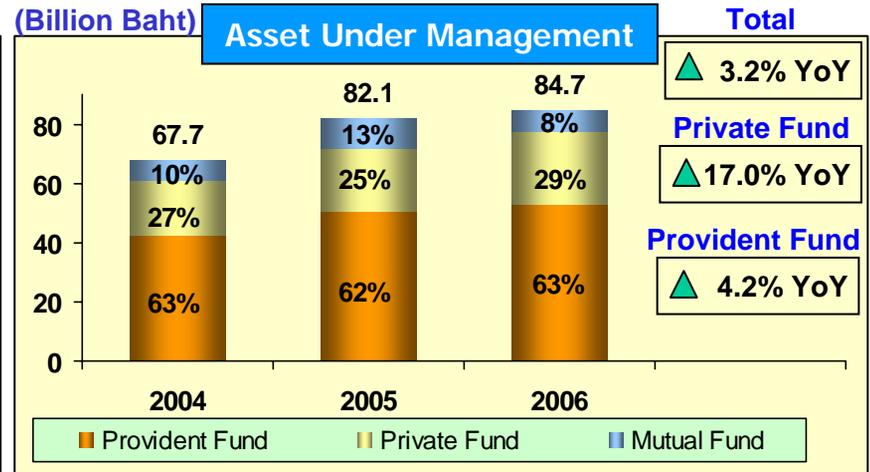
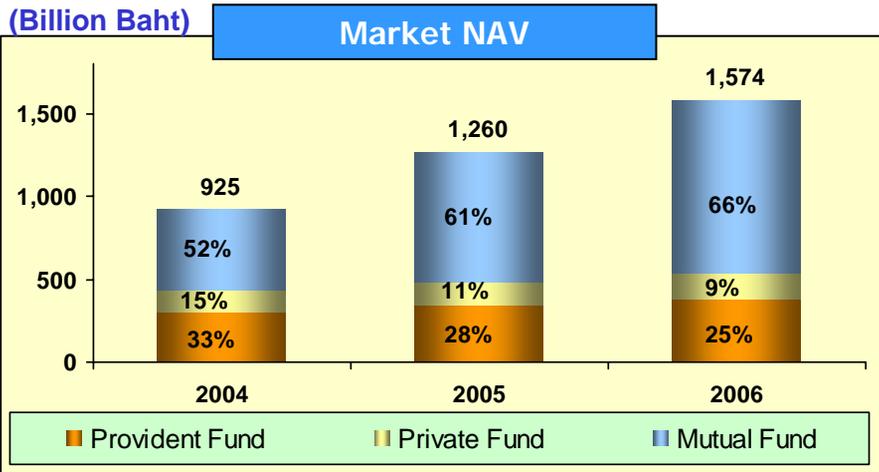


Higher brokerage value despite flat market



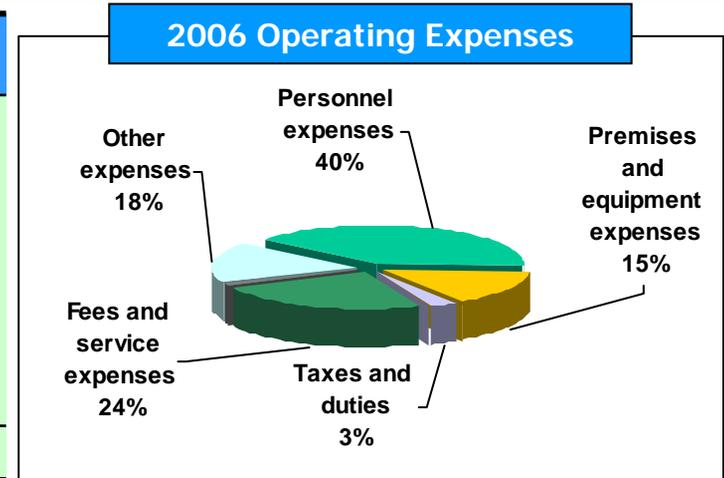
Well diversified customer base and partnership with Deutsche Bank

*Source; www.sse.set

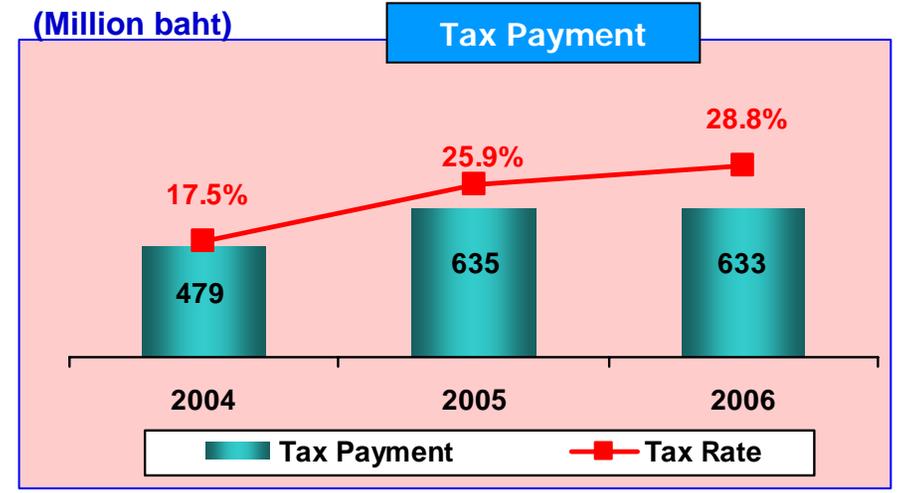
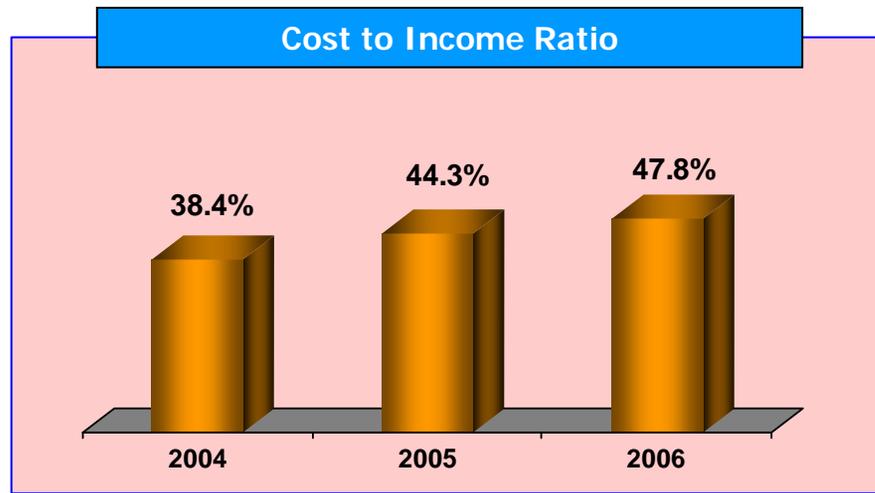


Strong market position in management of Provident funds and Private funds.

(Million Baht)	2005	2006	%(YoY)
Personnel expenses	1,205	1,216	0.9
Premises and equipment expenses	416	452	8.6
Taxes and duties	73	102	38.8
Fees and service expenses	589	728	23.8
Directors' remuneration	7	8	7.1
Other expenses	603	542	(10.1)
Operating Expenses	2,893	3,048	5.4

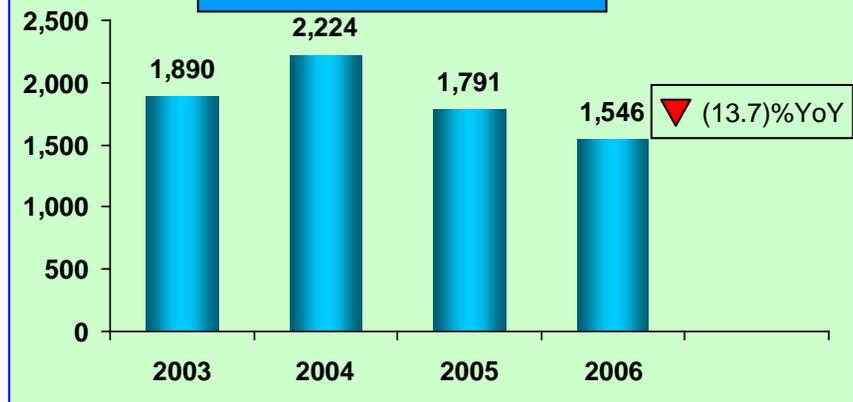


Operating Expenses – Efficient cost control



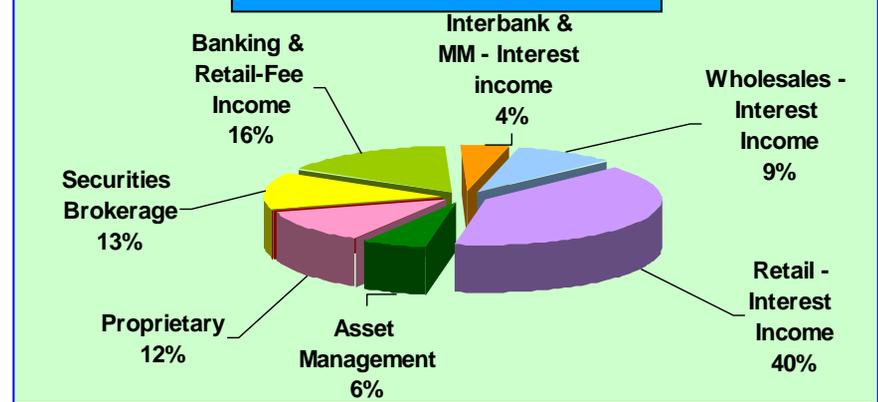
(Million baht)

Net Profit



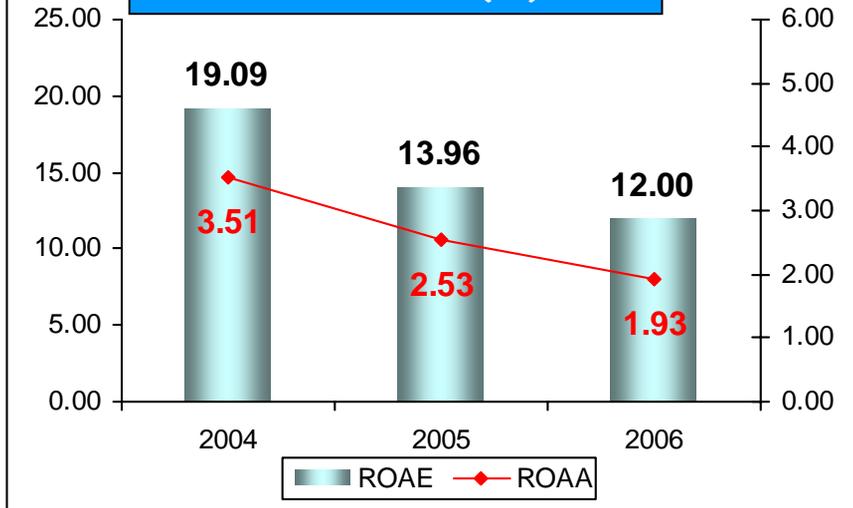
Lower profit, from surging cost of fund

2006 Revenue Structure

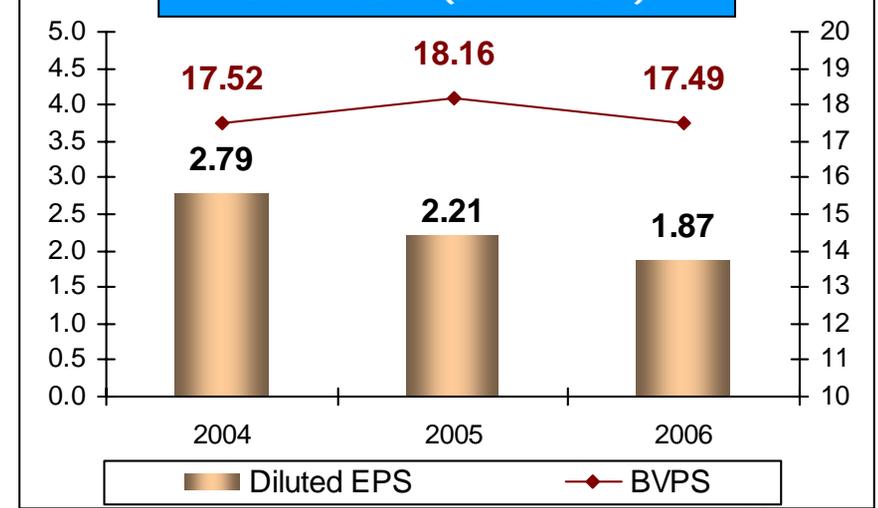


NII : Non-Interest Income = 56% : 44%

ROAA – ROAE (%)

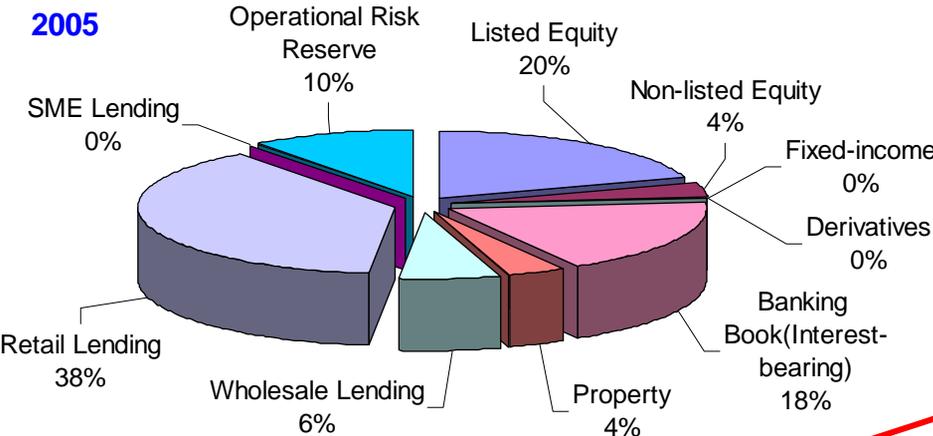


Diluted EPS (Baht/share)

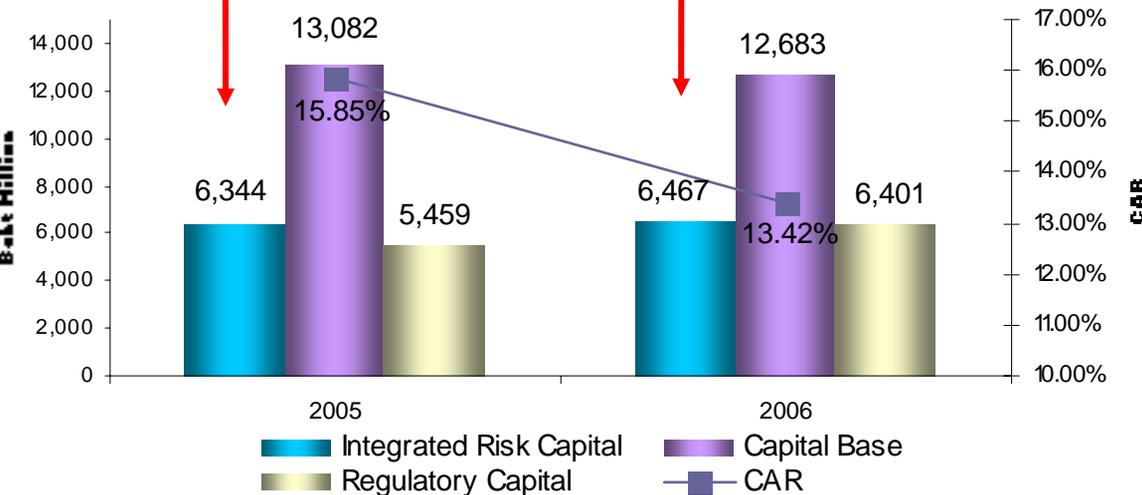
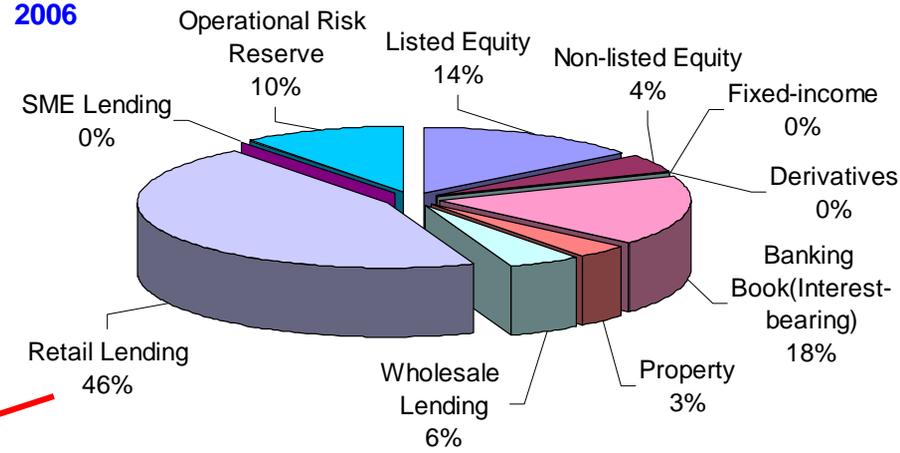


Risk-Based Capital Adequacy

2005



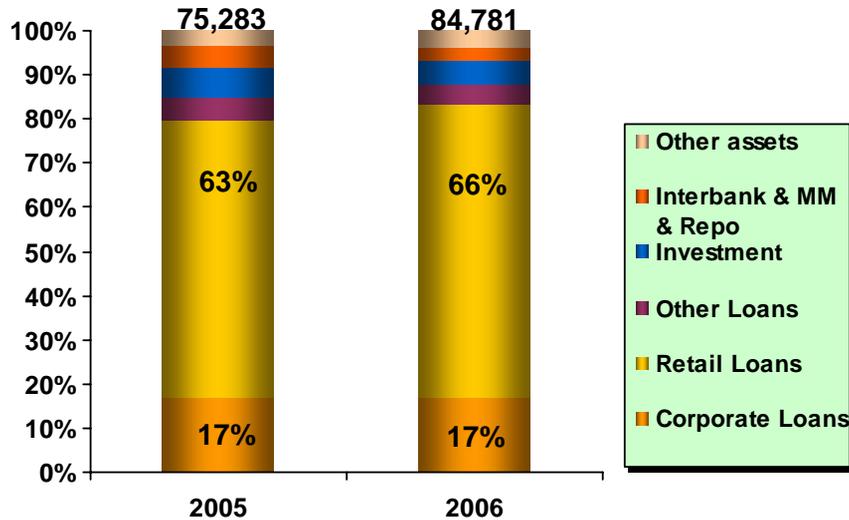
2006



(Million Baht)	2005	2006
Capital Base	13,082	12,683
BIS Ratio (%)	15.85	13.42
Tier 1 (%)	14.25	12.73

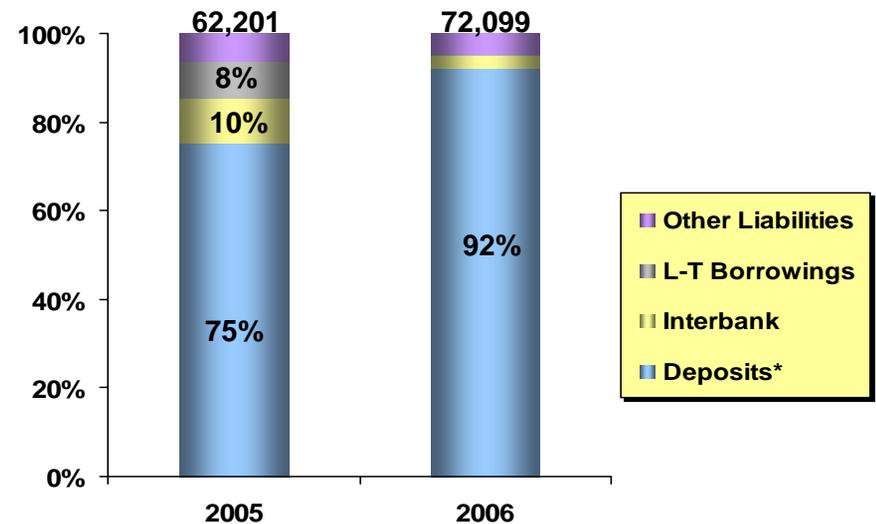
- Strong capital base for business expansion
- Ready for Basel II and Consolidated Supervision

Asset Mix



(Million Baht)	2005	%	2006	%	%(YoY)
Corporate Loans	12,705	17	14,574	17	14.7
Retail Loans	47,249	63	56,250	66	19.0
Other Loans	3,995	5	3,818	5	(4.4)
Allowance	(3,485)	(5)	(2,794)	(3)	(19.8)
Investment	5,205	7	4,393	5	(15.6)
Interbank & MM	1,505	2	1,024	1	(32.0)
Repo Securities	2,000	3	1,718	2	(14.1)
Other assets	6,109	8	5,798	7	(5.1)
Total Assets	75,283	100	84,781	100	12.6

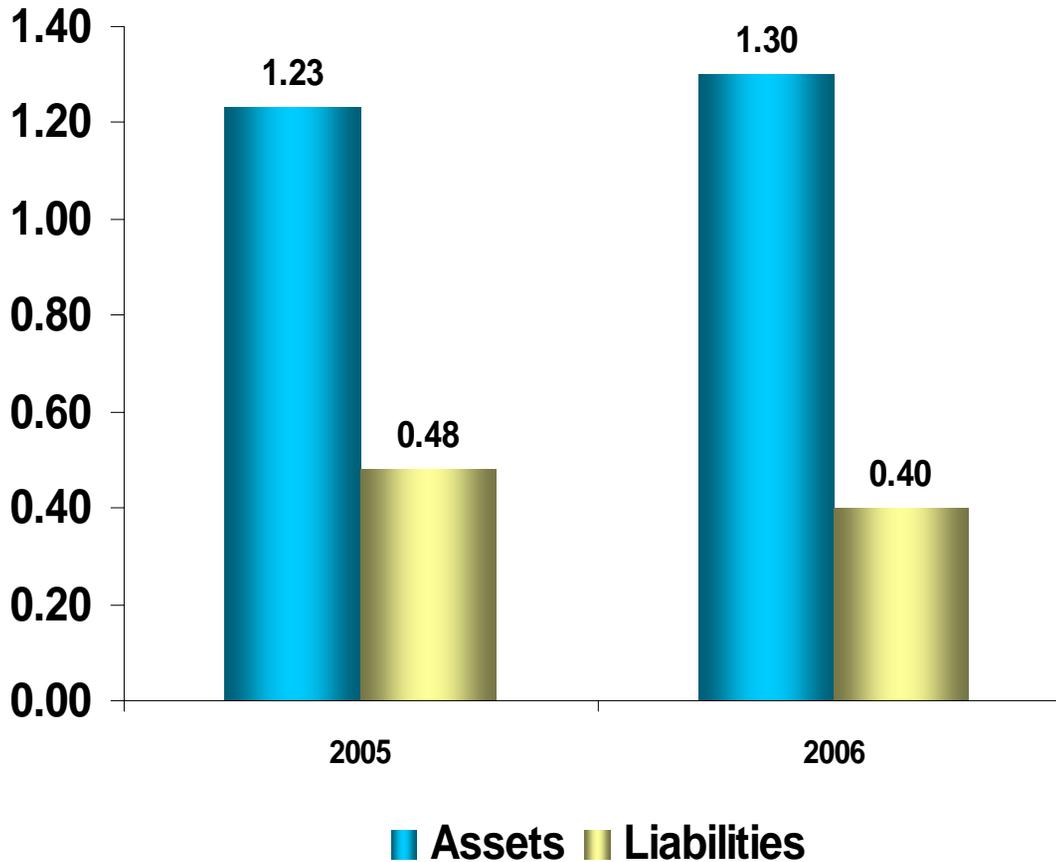
Liabilities Mix



(Million Baht)	2005	%	2006	%	%(YoY)
Deposits*	46,774	75	66,288	92	41.7
Interbank & MM	6,415	10	2,157	3	(66.4)
L-T Borrowings	5,168	8	362	0	(93.0)
Other Liabilities	3,844	7	3,292	5	(14.4)
Total Liabilities	62,201	100	72,099	100	15.9
Total Equity	13,082		12,682		(3.0)

Loans/Deposits* 136.7 112.6

*Deposits include short term borrowing



Current Profile

- During the year 2006, duration gap between asset and liability moved in a range between 10-11 months.

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- **2007 Outlook**

Business Environment

- Intensifying competition
- Car market at mature stage, and auto sales growth to be flat
- Stable or slightly declined BoT policy rate
- More stable oil prices
- Political uncertainty
- Social instability (Terrorism)

Regulatory Changes

- Applying new provisioning requirement in accordance with IAS39
- BASEL II implementation
- Thai Accounting Standards: change in investment valuation from equity method to cost method

- Continuing cross-selling program and focusing on complete product bundling
 - Strong HP loan growth target
 - Penetrate to used car market and SMEs
 - Branch network expansion to support growth target
 - Diversify into retail funding base
 - Capital management to improve ROE
-
- Focusing on medium size business, relationship building and M&A for IB
 - Increasing market share of brokerage business
 - Promoting asset management fee income from high net worth clients



Q&A

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