



THANACHART GROUP

Company Overview

30 June 2008 (Audited Statement)



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Section 1

Thanachart Group

History

1974 - 1997

- Thanachart Capital was approved by the Ministry of Finance to operate finance and securities business in 1974.
- The Company has been a member number 16 of the Stock exchange of Thailand (SET) since 1979, and been a listed company of the SET on April 1, 1982.

1997-2004

- Finance and Securities businesses were separated in 1997.
- Thanachart Insurance and Thanachart Life Assurance were established in 1997.
- Thanachart Asset Management was established in 1998.
- Thanachart Bank was established in 2002.

2005-2006

- Thanachart Securities co-operated with BNP Paribas Peregrine in investment banking, research, and equity trading in 2005.
- In March 2006, Thanachart Capital returned its Finance Business License to the MOF.
- Thanachart Capital became the holding company of a fully integrated financial services group.

2007

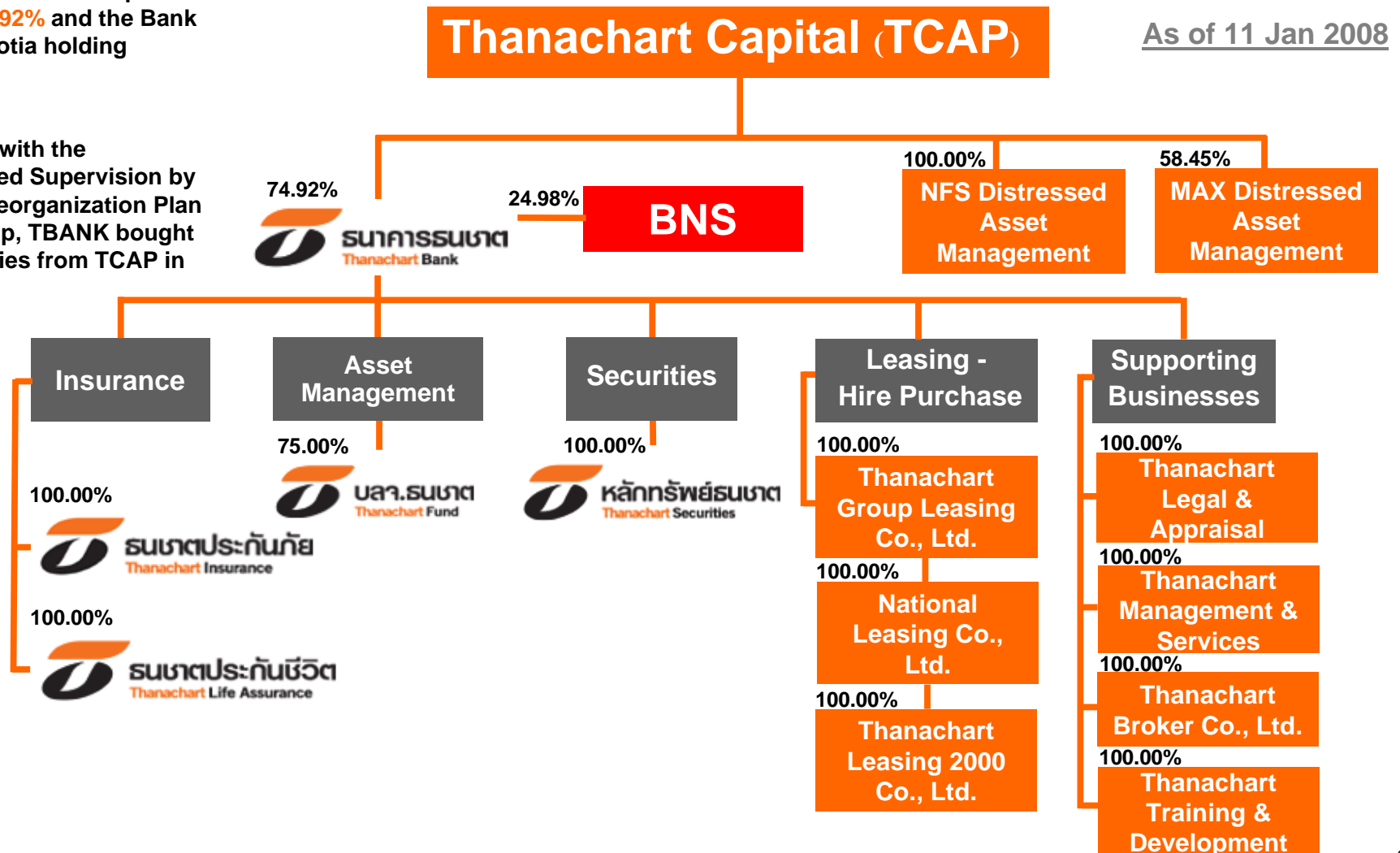
- Thanachart Bank bought 8 subsidiaries from Thanachart Capital in order to comply with the group's reorganization plan.
- The Bank of Nova Scotia became a strategic partner of Thanachart Bank by holding 24.98% of Thanachart Bank's issued and paid-up shares.

2008

- Thanachart Bank, by its own request, was delisted from the Stock Exchange of Thailand in January.
- The SET reclassified TCAP's business sector from "Finance and Securities" sector to "Banking" sector on July 2, 2008.

TCAP the Holding Company

- Thanachart Bank is majority held by Thanachart Capital holding **74.92%** and the Bank of Nova Scotia holding **24.98%**.
- To comply with the Consolidated Supervision by BOT and Reorganization Plan of the Group, TBANK bought 8 subsidiaries from TCAP in July 2007.



Fact Sheet

- Total of 12,913 shareholders as at 8 August 2008.
- Thanachart Capital is owned by a diverse range of foreign investors, mostly institutional.
- Thanachart Bank is a small to medium sized bank with a niche in consumer finance and retail lending
- Thanachart Bank is the 8th largest bank in Thailand according to assets size.

TCAP Shareholding Structure

Top Ten Shareholders	%
1. Thai NVDR Co., Ltd.	10.91
2. Com-link Co., Ltd.	10.42
3. MBK Plc.	9.74
4. Chase Nominees Limited 42	4.54
5. Mr. Banpoj Damapong	4.28
6. State Street Bank and Trust Company	2.95
7. Morgan Stanley & Co. International Plc.	2.28
8. The Southeast Life Insurance Co., Ltd.	2.08
9. Clearstream Nominees Ltd.	1.76
10. HSBC (Singapore) Nominees Pte Ltd.	1.62
Total	50.58

Source: TSD (as at 8 August 2008)

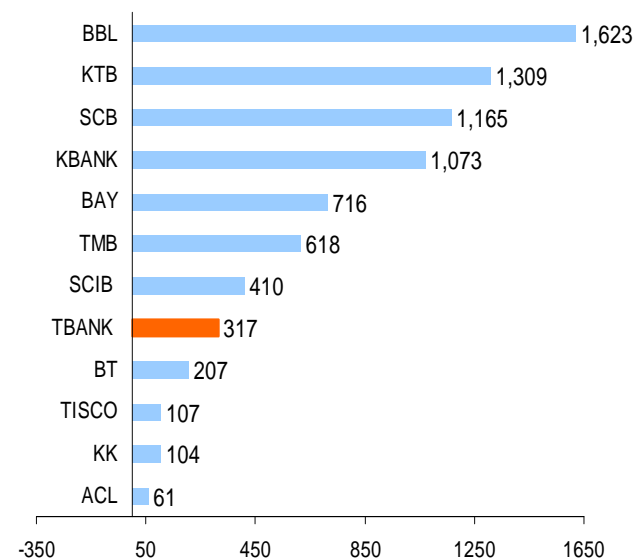
Thanachart Capital

• Paid-up Capital	13,331 MB
• Total Equity	33,120 MB

Source: Company Data (as at 30 Jun 2008)

ASSETS

Unit: Billion Baht



Source: SET (as at 30 Jun 2008)

Thanachart Bank Market Share

	Amount (MB)	Market Share (%)
Assets	316,714	4.1
Loans	250,794	4.5
Deposits*	261,198	4.5
# Branches	191	3.8

Source: BOT; SET; Company Data (as at 30 Jun 2008)

* Including short-term borrowings

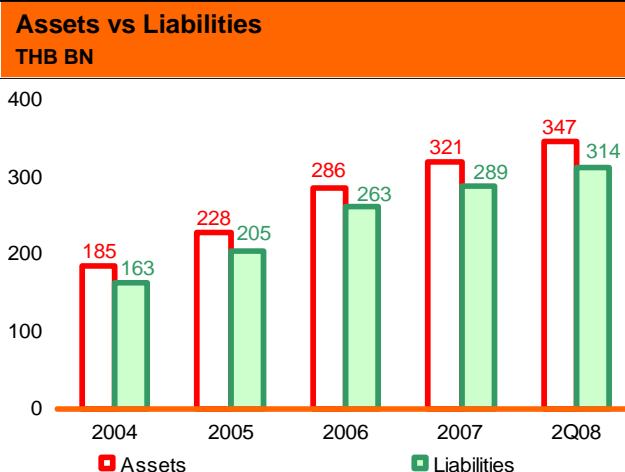


Section 2

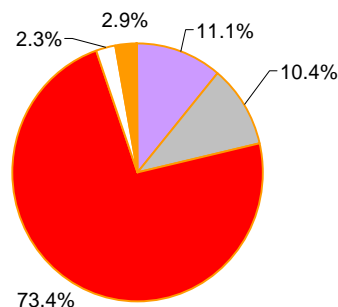
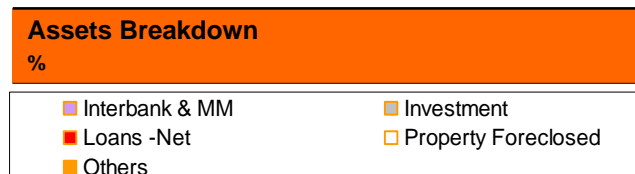
Thanachart Group Financial Highlights

Assets & Liabilities

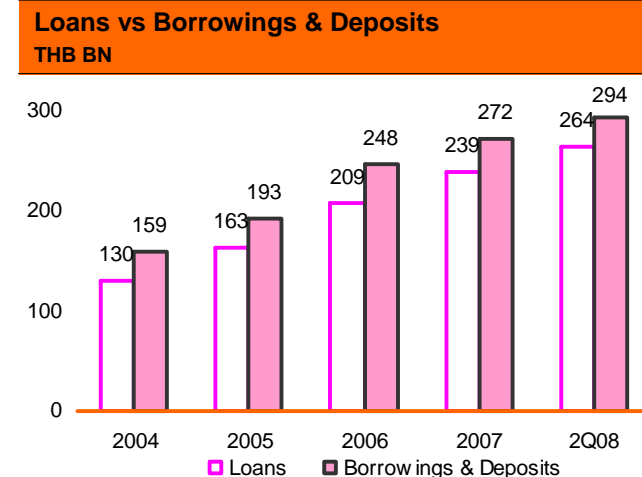
- Thanachart Group has been able to grow its assets and loans.



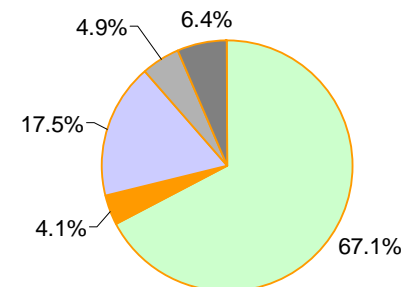
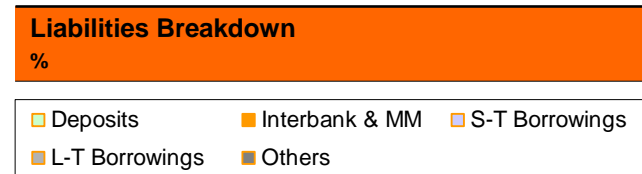
Source: Company Data



Source: Company Data (as at 30 Jun 2008)



Source: Company Data



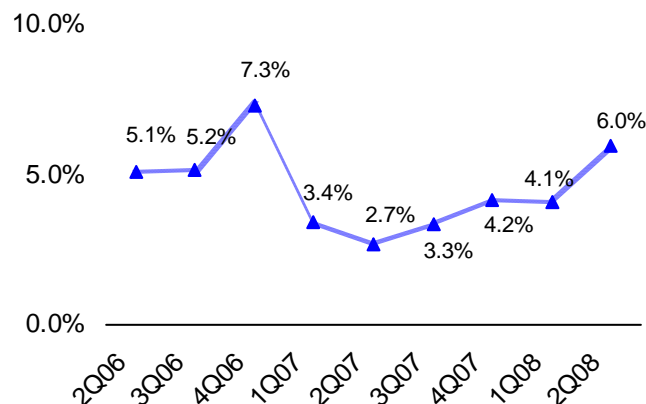
Source: Company Data (as at 30 Jun 2008)

Loans Portfolio

- Hire Purchase Loans accounted for 78.6% of total loans and accrued interest receivable and 59.9% of total assets.
- Total loans and HP loans grew 10.3% and 8.7% respectively from the end of last year

Loans Growth (QoQ)

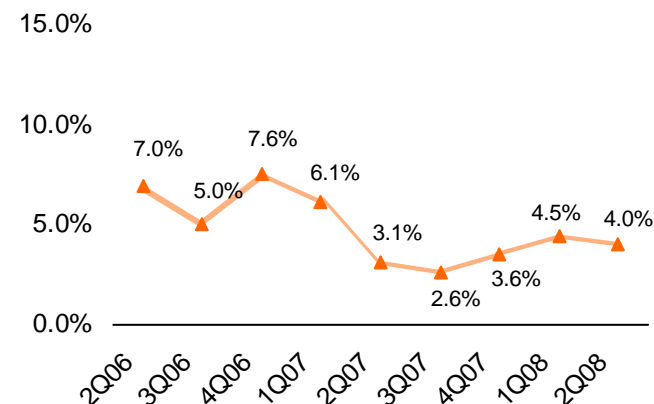
%



Source: Company Data

HP Loans Growth (QoQ)

%



Source: Company Data

Unit: Million Baht

Loans and Accrued Interest	2005	%	2006	%	2007	%	2Q08	%
Manufacturing & Commerce	7,082	4.3	5,914	2.8	7,717	3.2	8,077	3.1
Real Estate & Construction	5,113	3.1	7,558	3.6	7,258	3.0	11,390	4.3
Public Utilities & Services	10,281	6.3	7,996	3.8	9,129	3.8	11,953	4.5
Hire Purchase	121,251	74.4	164,325	78.4	191,025	79.8	207,561	78.6
Housing Loans	11,120	6.8	9,793	4.7	8,143	3.4	7,940	3.0
Personal Loans	3,251	2.0	7,792	3.7	8,519	3.6	8,395	3.2
Others	4,863	3.0	6,187	3.0	7,699	3.2	8,906	3.4
Total	162,961	100.0	209,565	100.0	239,490	100.0	264,222	100.0

Source: Company Data

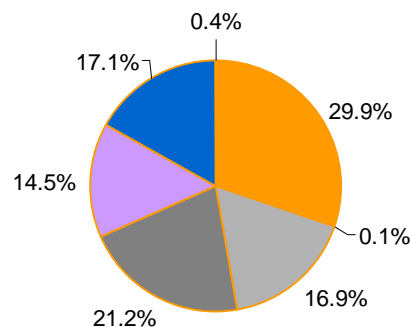
Borrowings & Deposits

- As banking branches expand, an increased portion of funding will originate from public savings deposits.
- In term of No. of branches, Mini vs Full branches 100 : 91 BKK vs Up-country 101 : 90.
- Expansion of banking branches will lead to more fund raising, stability of deposits, channels of distribution, and cost of funds reduction.

Deposits Breakdown

%

■ Current ■ Savings ■ PN ■ < 6M ■ 6M-12M ■ > 1Y ■ BE



Source: Company Data (as at 30 Jun 2008)

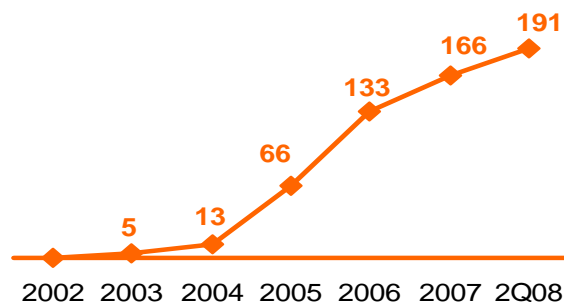
Branch Expansion

300

200

100

0



Source: Company Data

Unit: Million Baht

Borrowings & Deposits	2005	2006	2007	2Q08	%
Deposits + B/E from Public	148,371	203,341	239,525	254,525	86.7%
Public Deposits	148,371	198,527	188,166	210,456	71.7%
B/E from Public	-	4,814	51,359	44,069	15.0%
Interbank and Money Market Items	2,601	4,507	3,709	12,741	4.3%
Borrowings	41,950	40,221	28,606	26,288	9.0%
Debentures	7,521	7,087	6,845	10,845	3.7%
Promissory Notes	15,964	15,665	7,730	3,905	1.3%
B/E and Others	18,465	17,469	14,031	6,939	2.4%
Total	192,922	248,069	271,840	293,554	100.0%

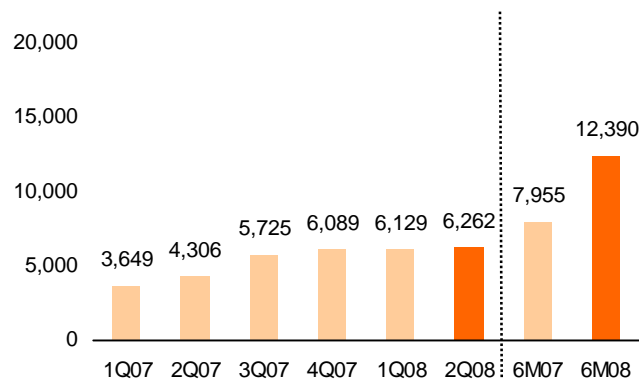
Source: Company Data

Performance

6M08 vs. 6M07

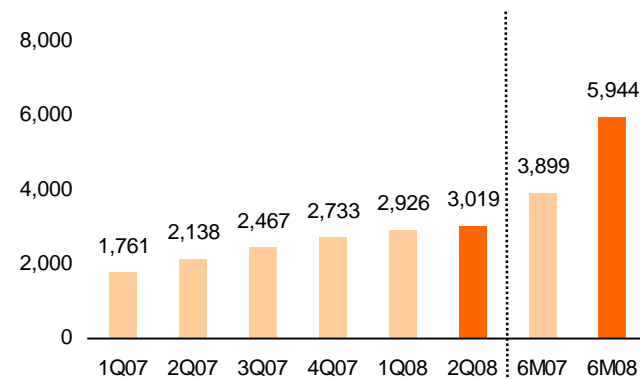
- Total Income up 55.8% from
+ NII up 52.4%.
+ Non-Interest Income up 58.9%,
mainly from fees and services
income and income from HP
related business (life/non-life
insurance).
- NII up 52.4% from
+ HP Interest Income up 14.4%.
+ Interest Expenses dropped by
19.8%.
- Net Profit increased by 46.6%.

Total Income THB MN



Source: Company Data

Net Interest Income THB MN

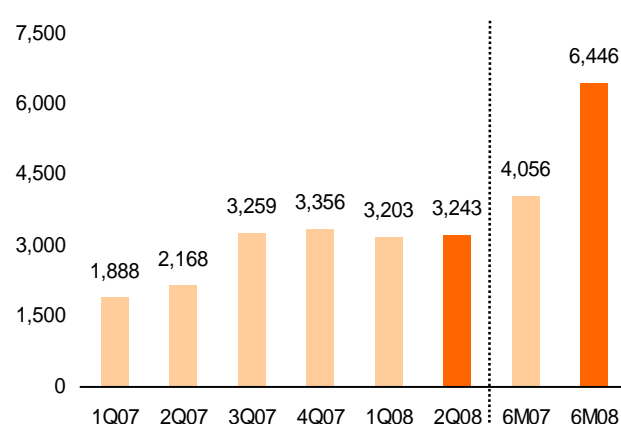


Source: Company Data

2Q08 vs. 1Q08

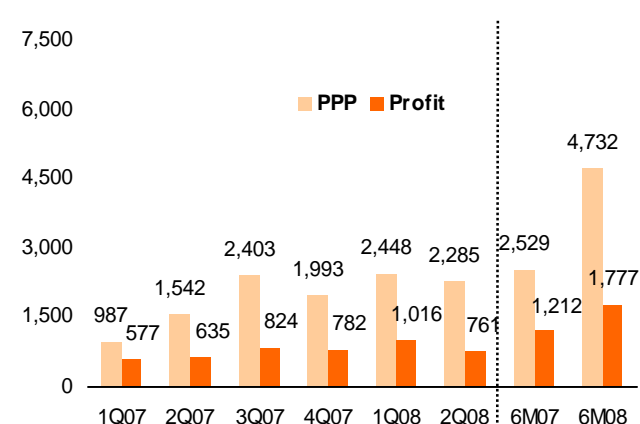
- Total Income up 2.2% from
+ NII up 3.2%.
+ Non-Interest Income up 1.2%,
mainly from fees and services
income (including brokerage
fees) and income from HP
related business (life/non-life
insurance).
- Net Profit decreased by 25.1%,
mainly from a 40.6% increase in
provisions.

Non-Interest Income THB MN



Source: Company Data

Pre-Provision Profit and Net Profit THB MN



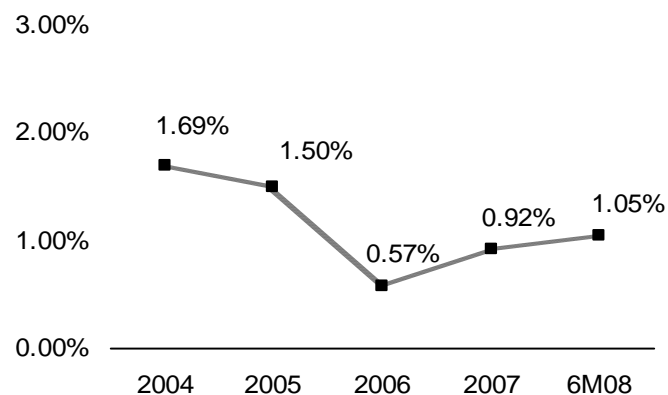
Source: Company Data

Financial Ratios

- Financial Ratios have been improving since 2006.
- + Net Interest and dividend income increased from interest income on HP and appropriate control on interest cost and deposits mixture.
- + Non-Interest Income rose from fees and services income and income from HP related business as mentioned.

ROAA

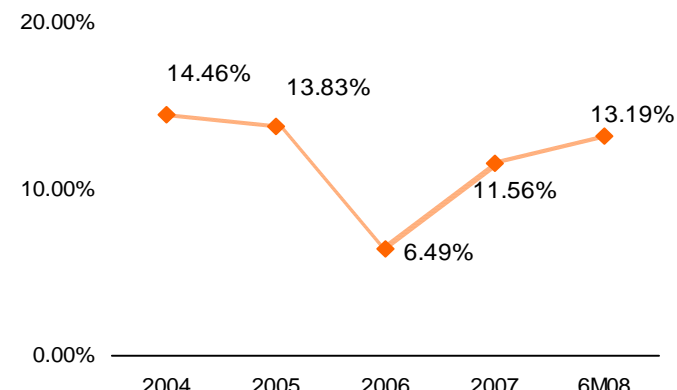
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Source: Company Data

ROAE

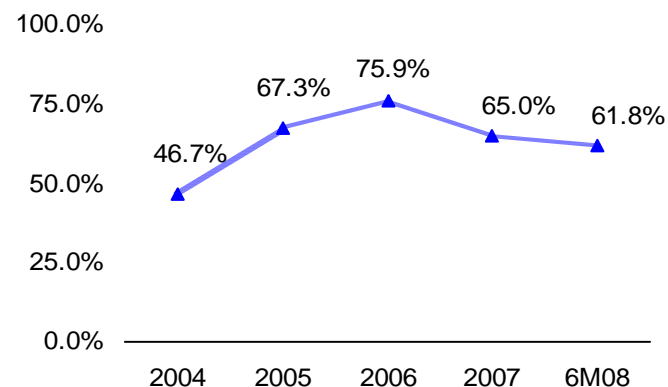
%



Source: Company Data

Cost to Income

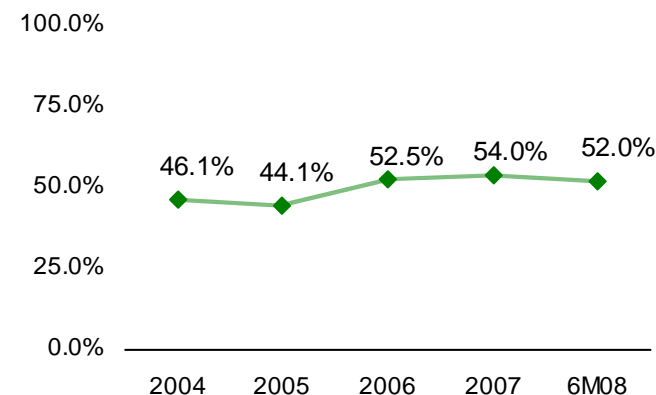
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Source: Company Data

Non-Interest Income Ratio

%



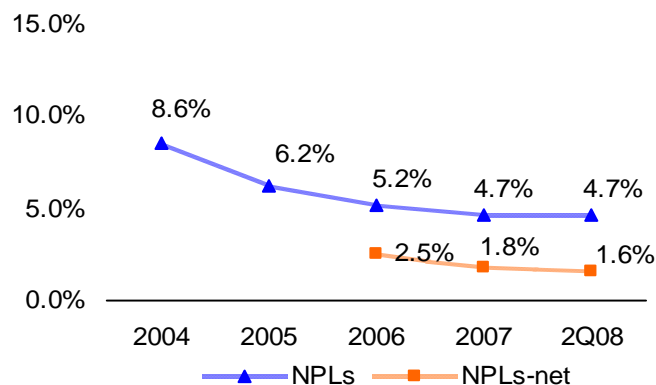
Source: Company Data

Strengthened Assets and Capital Profile

- Thanachart has also been able to strengthen its asset and capital profile.
- The Group's NPLs ratio has been significantly decreasing after the crisis.
- As at 30 June 2008, NPLs = 12,410 MB up from 11,260 MB at the end of 2007 while allowance for doubtful accounts = 9,801 MB up from 8,417 MB at the end of 2007.
- About 15% of The Group's NPLs are Purchased Loans with low carrying costs, collateral backed, and very low purchasing price. That means the actual NPLs originated at Thanachart Group only accounted for about 4% of total loans.
- Thanachart has already set aside its provision in line with the new reserve requirement regulation imposed by the BOT since 1Q07.

NPLs / Total Loans

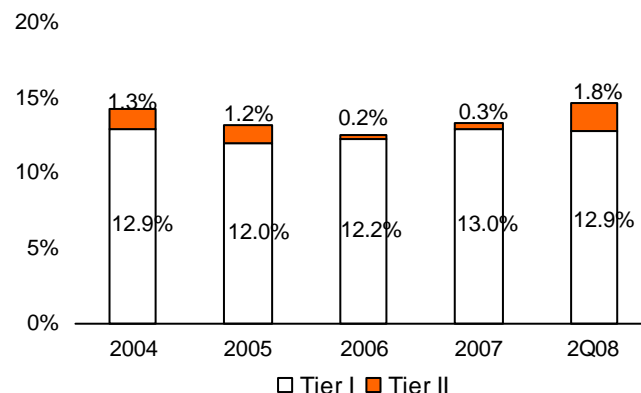
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Source: Company Data

BIS Ratio

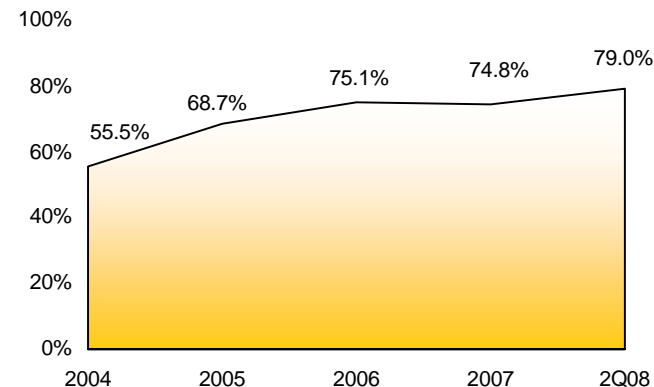
%



Source: Company Data

LLR / NPLs

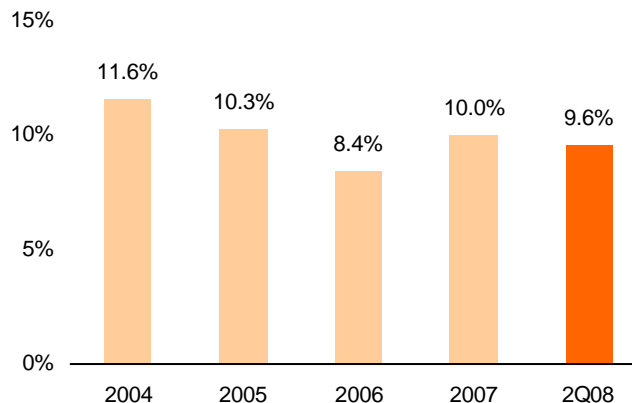
%



Source: Company Data

Equity / Asset

%



Source: Company Data

Subsidiaries Performance

Unit: Million Baht

Net Profit	% of Holding Direct/Indirect	1Q07	2Q07	FY07	1Q08	2Q08
Thanachart Bank Plc. (the Bank only)	74.9%	129	164	991	638	572
Thanachart Securities Plc.	74.9%	-11	33	257	44	84
Thanachart Fund Management	56.2%	15	21	102	37	35
Thanachart Insurance	74.9%	-11	45	66	-3	28
Thanachart Life Assurance	74.9%	48	62	176	115	174
NFS-AMC	100.0%	-127	113	76	28	47
MAX-AMC	58.5%	-4	21	103	27	45
Total		39	460	1,771	887	985

Source: Company Data



Section 3

Summary of Hire Purchase Business

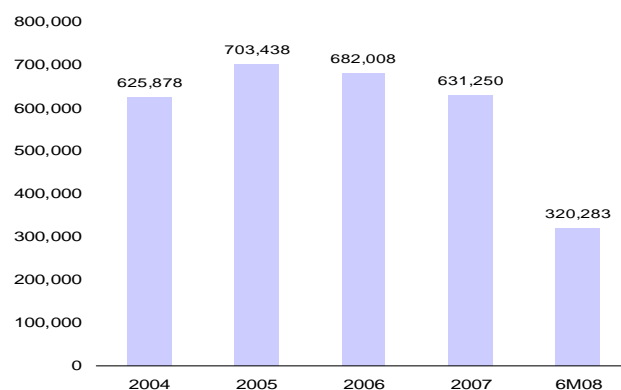
Summary of Hire Purchase Business

Hire Purchase Growth

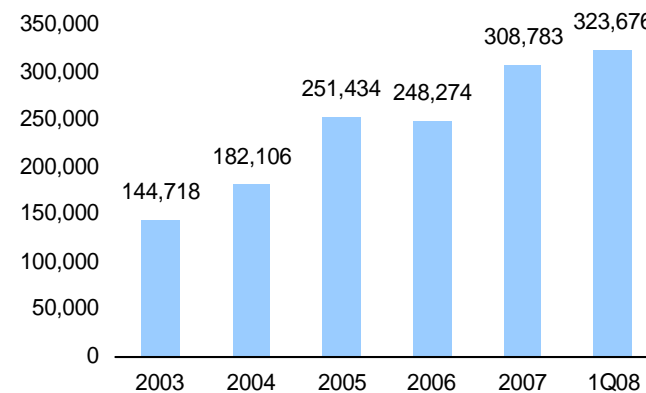
- The Thanachart hire purchase loan portfolio has experienced high growth rate since the beginning up until now.
- Thanachart has maintained its market leading position in the auto hire purchase market and has been able to dictate a healthy rate in the market.

	2005	2006	2007	6M07	6M08	% Growth Y on Y
Domestic New Car Sales (Units)	703,438	682,008	631,250	292,514	320,283	9.5%
Number of Thanachart Group HP Lease (Units)	170,543	217,318	204,624	104,229	116,153	11.4%
Total Number of Thanachart Group HP Lease (Units)	431,565	584,252	704,411	652,110	766,826	17.6%
Amount of Thanachart Group HP Loans (Baht Million)	68,493	91,013	87,717	44,643	52,155	16.8%
Total Outstanding Thanachart Group HP Loans (Baht Million)	122,178	164,325	191,025	179,782	207,561	15.5%

Source: Bank of Thailand; Company Data

New Automobile Sales in Thailand
Units


Source: Bank of Thailand; Company Data

Outstanding New Car Loans by Financial Institutions
THB MN


Source: Bank of Thailand

Hire Purchase Asset Quality

- The Thanachart hire purchase portfolio has very low levels of NPLs.
- In addition, the recovery rate on NPLs for auto hp average about 80%.

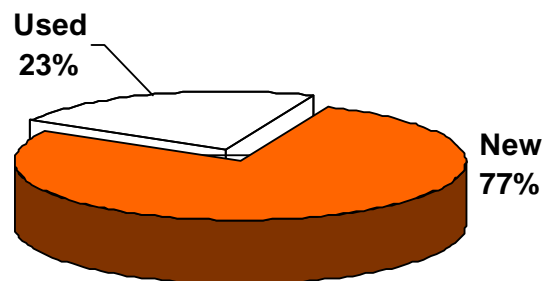
Unit: Million Baht

30-Jun-08	New Cars		Used Cars		Car Fleet	Total
	Bangkok	Other Areas	Bangkok	Other Areas		
PL	51,571	98,895	12,590	32,430	1,663	197,149
	98.31%	98.45%	97.15%	98.11%	99.22%	98.28%
NPL	889	1,556	369	624	13	3,451
	1.69%	1.55%	2.85%	1.89%	0.78%	1.72%

Thanachart Capital and Thanachart Bank only

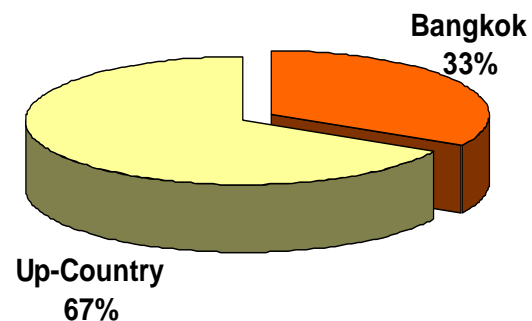
HP Portfolio by Type of Car (Amount)

%



HP Contract Value by Region

%



Source: Company Data (as at 30 Jun 2008)

Source: Company Data (as at 30 Jun 2008)



Section 4

Appendix

TCAP Financial Information

Income Statements	2005	2006	2007	6M07	6M08	Variance (6M08/6M07)	
						Amount	%
HP Income	7,028	10,425	13,118	6,338	7,248	910	14.4%
Total Interest Income	10,935	16,951	18,799	9,278	10,259	981	10.6%
Interest Expenses	4,421	10,042	9,701	5,379	4,315	-1,064	-19.8%
Net Interest Income	6,514	6,909	9,098	3,899	5,944	2,045	52.4%
Non-Interest Income	5,144	7,643	10,671	4,056	6,446	2,390	58.9%
Operating Expenses	7,842	11,043	12,845	5,426	7,658	2,232	41.1%
Pre Provision Profit	3,816	3,509	6,924	2,529	4,732	2,203	87.1%
Provision	294	-924	-2,051	-383	-1,747	-1,364	356.1%
Income before Tax	4,108	2,585	4,874	2,146	2,986	840	39.1%
Tax	-972	-965	-1,705	-917	-761	156	-17.0%
Minority Interest	-33	-152	-351	-18	-448	-430	2388.9%
Net Profit	3,104	1,468	2,818	1,212	1,777	565	46.6%


Key Financial Ratio	2005	2006	2007	1Q08	2Q08	6M08
ROA	1.50%	0.57%	0.92%	1.21%	0.89%	1.05%
ROE	14.31%	6.49%	11.56%	15.08%	11.30%	13.19%
Yield	5.50%	6.87%	6.42%	6.31%	6.27%	6.29%
Funding Cost	2.52%	4.55%	3.72%	3.06%	2.98%	3.02%
Loan Spread	3.98%	2.72%	3.54%	4.19%	4.11%	4.14%
Interest Spread	2.99%	2.31%	2.70%	3.26%	3.29%	3.27%
NIM	3.28%	2.80%	3.11%	3.62%	3.67%	3.65%
Non-interest Income Ratio	44.12%	52.52%	53.99%	52.25%	51.79%	52.03%
Cost to Income	67.27%	75.89%	64.98%	60.05%	63.51%	61.81%
Loans to Deposits	109.67%	102.92%	98.86%	96.58%	103.69%	103.69%
Coverage Ratio	68.68%	75.07%	74.75%	77.43%	78.98%	78.98%
NPLs Ratio	6.20%	5.18%	4.71%	4.66%	4.75%	4.75%
Net Profit Margin	19.30%	5.97%	9.56%	12.24%	9.05%	10.64%
EPS (Baht)	2.33	1.10	2.11	0.76	0.57	1.33
DPS (Baht)	0.80	0.80	0.90	-	-	-

Balance Sheets	2005	2006	2007	2Q08	Variance (2Q08/2007)	
					Amount	%
MM	4,912	27,064	40,462	38,364	-2,098	-5.2%
RP	19,700	6,300	2,500	0	-2,500	-100.0%
Investment	33,203	34,766	28,874	36,075	7,201	24.9%
Loans	160,366	207,472	237,307	261,169	23,862	10.1%
Others	9,938	10,627	12,113	11,064	-1,049	-8.7%
Total Assets	228,119	286,229	321,256	346,672	25,416	7.9%
Deposits	148,371	198,527	188,166	210,456	22,290	11.8%
Borrowings						
-Short-term	1,254	18,460	65,848	54,861	-10,987	-16.7%
-Long-term	40,696	26,575	14,117	15,496	1,379	9.8%
MM	2,601	4,507	3,709	12,741	9,032	243.5%
Others	11,811	14,729	17,154	19,998	2,844	16.6%
Total Liabilities	204,733	262,798	288,994	313,552	24,558	8.5%
Equity	22,639	22,565	26,208	26,917	709	2.7%
MI	747	866	6,054	6,203	149	2.5%
Total Equity	23,386	23,431	32,262	33,120	858	2.7%

Quarterly Performance	1Q07	2Q07	3Q07	4Q07	1Q08	2Q08
HP Income	3,069	3,269	3,349	3,431	3,582	3,666
Total Interest Income	4,508	4,770	4,810	4,711	5,097	5,162
Interest Expenses	2,747	2,632	2,343	1,979	2,171	2,143
Net Interest Income	1,761	2,138	2,467	2,733	2,926	3,019
Non-interest Income	1,888	2,168	3,259	3,356	3,203	3,243
Operating Expenses	2,662	2,764	3,324	4,095	3,681	3,977
Pre Provision Profit	987	1,542	2,402	1,993	2,448	2,285
Provision	248	-631	-667	-1,001	-726	-1,021
Income before Tax	1,235	911	1,735	992	1,722	1,264
Tax	-660	-257	-709	-79	-467	-294
Minority Interest	1	-19	-202	-131	-239	-209
Net Profit	577	635	824	782	1,016	761

BNS Information

- **BNS is the most international bank and the third largest bank by assets in Canada.**
- **BNS started its business operation in 1832 (176 years ago).**
- **Its core businesses include**
 - **Domestic Banking (Retail Banking)**
 - **International Banking**
 - **Scotia Capital (Wholesale banking)**
- **BNS is the leader in automotive finance.**
- **BNS has over 12.5 million customers in 50 countries worldwide.**
- **BNS has no direct exposure to U.S. sub-prime mortgage.**

Unit: Million USD				
	2005	2006	2007	6M08 (Unaudited)
Net interest income	5,871	6,408	7,098	3,687
Total revenue	10,400	11,208	12,490	6,011
Provision for credit losses	230	216	270	264
Non-interest expenses	6,043	6,443	6,994	3,463
Provision for income taxes	847	872	1,063	402
Net income available to common shareholders	3,184	3,549	3,994	1,772
Basic earnings per share (\$)	3.19	3.59	4.04	1.80
Return on equity (%)	20.9	22.1	22.0	20.0
Net interest margin on total average assets (%)	2.00	1.95	1.89	1.78
Tier 1 capital ratio (%)	11.1	10.2	9.3	9.6
Total capital ratio (%)	13.2	11.7	10.5	11.7
Net impaired loans (\$ millions)	681	570	601	845
Dividends per share (\$)	1.32	1.50	1.74	0.94
Dividend yield (%)	3.3	3.3	3.4	3.9
Dividend payout ratio (%)	41.4	41.8	43.1	52.3
Market capitalization (\$ millions)	42,568	48,783	52,612	47,194
Employees	46,631	54,199	58,113	62,143
Branches and offices	1,959	2,191	2,331	2,529
Loans and acceptances	178,003	212,329	238,685	267,875
Total assets	314,025	379,006	411,510	452,573
Deposits	217,445	263,914	288,458	322,438
Preferred shares	600	600	1,635	2,210

Source: BNS 2007 Annual Report; www.scotiabank.com

BNS Commitment to TBANK

BNS has demonstrated a long term commitment to Thailand:

- BNS has been in Thailand for over 26 years
- BNS made a substantial investment in Thanachart Bank (closed post political disruption in 2007):
 - Acquired 24.99% in July 2007 for THB 7.1 Billion
 - Plan to increase to 49% in 2008, terms agreed
 - Seconded 6 experienced Scotiabankers to work with Thanachart Bank staff in Retail, Risk Management, Corporate, Treasury, Operations, Trade Finance
 - Our partnership is working well

Key Priorities:

- Corporate** – Accelerate growth via sales management
- Retail** – Sales & Service, Cross sell, Products (Cards, Mortgages)
- Treasury** – Reduce COF, increase returns on investment portfolios
- Operations** – Centralize to reduce costs & improve productivity
- Risk** – Efficiency and control, policies for cards and unsecured

Contributions from Scotiabank:

- Corporate** – Sales mgmt introduced, Trade Finance business quadrupled
- Retail** – Card project commenced, National Mortgage program under development, collections improved
- Treasury** – Improve on investment yield
- Risk** – Reorganization completed, credit approval process accelerated

Investor Relations

Thanachart Capital Public Company Limited

20th Floor, MBK Tower,

444 Phayathai Rd., Wangmai,

Pathumwan, Bangkok 10330

Tel: (662) 613-6107

Fax: (662) 217 - 8417

E-mail: IR.NF@thanachart.co.th

Website: http://www.thanachart.co.th/investor_e.html

Disclaimer Statement

PLEASE BE ADVISED THAT THIS PRESENTATION MAY CONTAIN EXPECTATIONS AND ASSUMPTIONS THAT ARE SUBJECT TO CHANGE AT ANY TIME. RESULTS AND FUTURE PERFORMANCE ARE NOT GUARANTEED AND MAY DIFFER FROM EXPECTATIONS.