



THANACHART GROUP

Company Overview

2007



Table of Contents

Section 1	Thanachart Group
Section 2	Thanachart Group Financial Highlights
Section 3	Thanachart Group Strategic Direction
Section 4	Summary of Hire Purchase Business
Section 5	Appendix



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

- Thanachart Securities co-operated with BNP Paribas Peregrine in investment banking, research, and equity trading in 2005.

2006

- 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.

Executive Summary

1. TCAP has become a financial holding company

2. Direction

- TBANK will become a leading medium sized bank.
- Loan Portfolio will be more diversified.
- Spread, Yield, and Fee-based Income will be improved.

3. BNS

- BNS will tie up relationship by holding 49% of TBANK's shares in August 2008.
- They will help us introduce more products and services.
- We will gain management knowledge from them.

4. Performance

- ROE of 10-15% will be maintained.
- Total Assets of around Baht 500,000 million or more than 5% market share should be achieved within 2010.

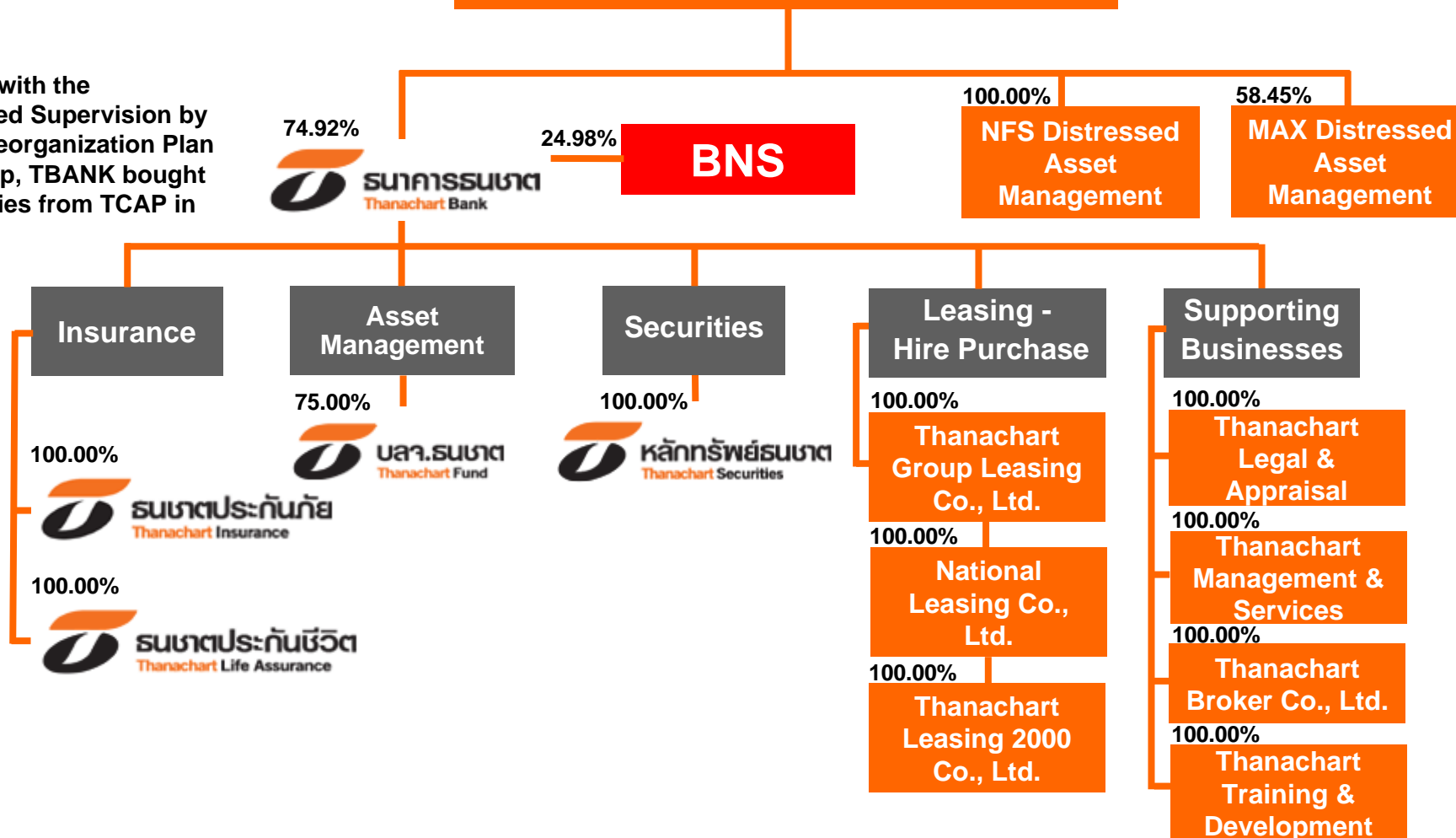
TCAP the Holding Company

- 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.

Thanachart Capital (TCAP)

As of 11 Jan 2008



Thanachart Group Business Structure

Thanachart Capital



Holding Company

Full Licensed Bank, Automobile Hire Purchase, Corporate and Mortgage Loans, Trade Finance and Foreign Exchange, Deposits, and Financial Advisory Services.



Brokerage, Research, and Investment Banking.



Mutual fund, Private Fund, and Provident Fund services.



Various types of non-life insurance such as motor insurance, fire and household insurance, marine and cargo insurance, etc..



Various plans of life insurance such as Group Life Insurance, Endowment Plan, Whole Life Plan, etc..

Max Asset Management Co., Ltd.
NFS Asset Management Co., Ltd.

Purchase and management of distressed assets.

Fact Sheet

- Total of 13,509 shareholders as at 18 October 2007.
- 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

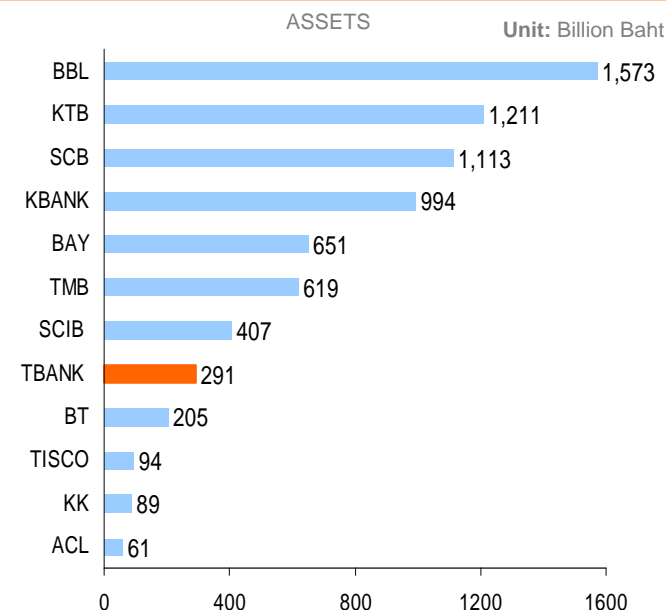
Top Ten Shareholders	%
1. Thai NVDR Co., Ltd.	11.16
2. Com-link Co., Ltd.	10.42
3. MBK Plc.	9.75
4. Chase Nominees Limited 42	4.71
5. Mr. Banpoj Damapong	4.28
6. Morgan Stanley & Co. International Plc.	2.31
7. The Southeast Life Insurance Co., Ltd.	2.08
8. Caceis Bank Luxembourg	2.07
9. Clearstream Nominees Ltd.	1.87
10. State Street Bank and Trust Company	1.75
Total	50.40

Source: TSD (as at 18 October 2007)

Thanachart Capital

• Paid-up Capital	13,331 MB
• Total Equity	32,262 MB

Source: Company Data (as at 31 Dec 2007)



Source: SET (as at 31 Dec 2007)

Thanachart Bank Market Share

	Amount (MB)	Market Share (%)
Assets	291,098	4.0
Loans	224,940	4.3
Deposits	242,905	4.2
# Branches	166	3.3
# ATMs	280	1.2

Source: BOT; SET; Company Data (as at 31 Dec 2007)

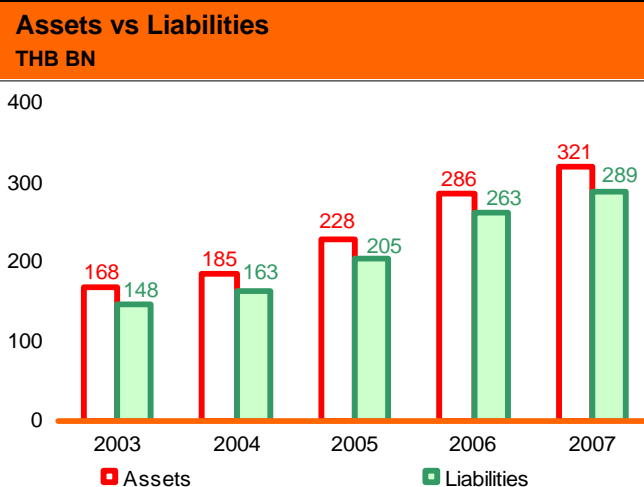


Section 2

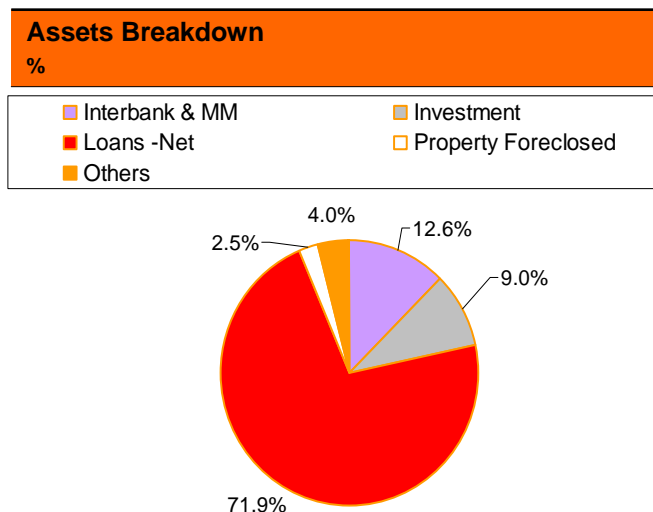
Thanachart Group Financial Highlights

Assets & Liabilities

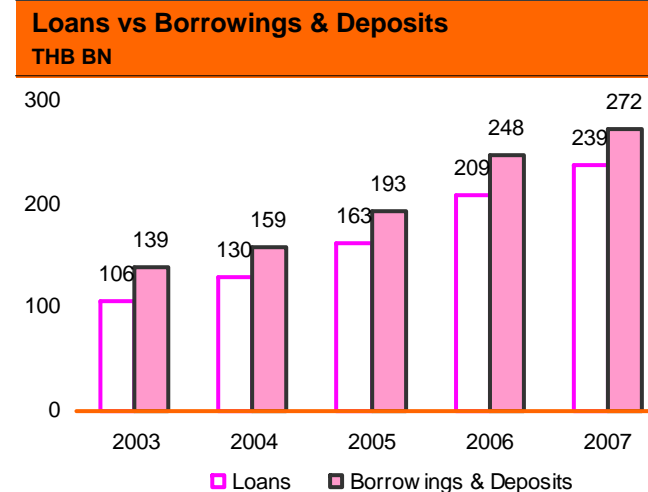
- Thanachart Group has been able to grow its assets and loans.



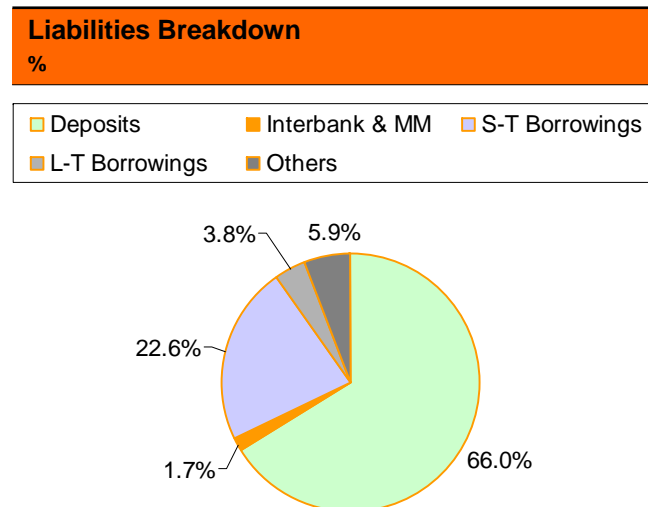
Source: Company Data



Source: Company Data (as at 31 Dec 2007)



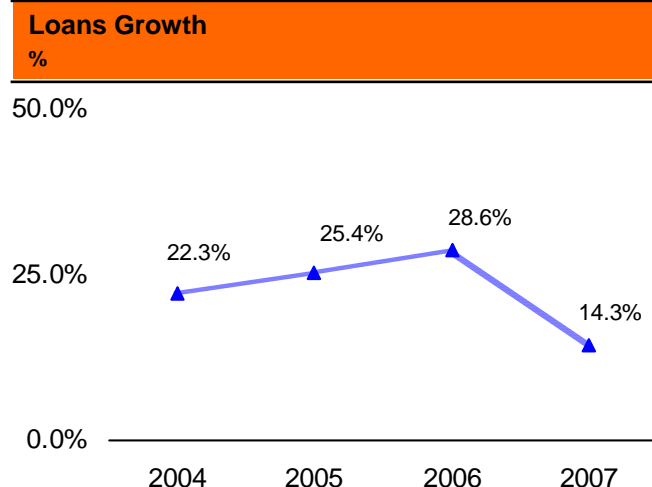
Source: Company Data



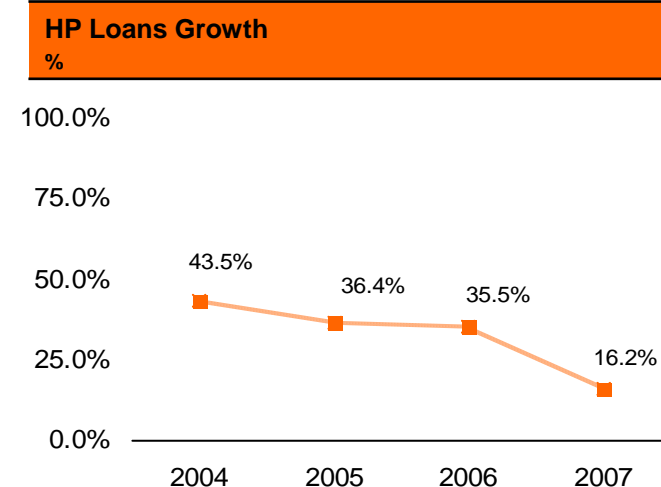
Source: Company Data (as at 31 Dec 2007)

Loans Portfolio

- As the economy slowdown, Thanachart was still able to grow its loans especially from HP loans.
- Hire Purchase Loans accounted for 79.8% of total loans and accrued interest receivable and 59.5% of total assets.
- Loans CAGR from 2003 to 2007 = 22.5%, and HP CAGR = 32.5%.
- HP loans growth declining:
 - Bigger base
 - Huge repayment
 - Economy slowdown



Source: Company Data



Source: Company Data

Unit: Million Baht

Loans and Accrued Interest	2005	%	2006	%	2007	%
Manufacturing & Commerce	7,082	4.4	5,914	2.8	7,717	3.2
Real Estate & Construction	5,113	3.1	7,558	3.6	7,258	3.0
Public Utilities & Services	10,281	6.3	7,996	3.8	9,129	3.8
Hire Purchase	121,251	74.4	164,325	78.4	191,025	79.8
Housing Loans	11,120	6.8	9,793	4.7	8,143	3.4
Others	8,114	5.0	13,979	6.7	16,218	6.8
Total	162,961	100.0	209,565	100.0	239,490	100.0

Source: Company Data

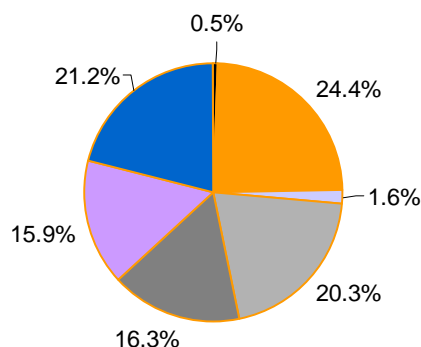
Borrowings & Deposits

- As banking branches expand, an increased portion of funding will originate from public savings deposits.
- With the target of **350** branches within 2010, Thanachart has been continuously aggressive in opening its outlets. It is expected to open around **80** branches in 2008.
- In term of No. of branches, Mini vs Full branches **77 : 89**
BKK vs Up-country **86 : 80**.
- Expansion of banking branches will lead to more fund raising, stability of deposits, channels of distribution, and cost of funds reduction.

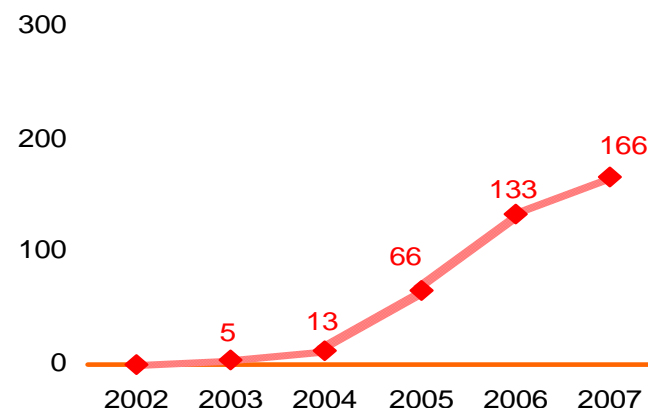
Deposits Breakdown

%

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



Source: Company Data (as at 31 Dec 2007)

Branch Expansion


Source: Company Data

Unit: Million Baht

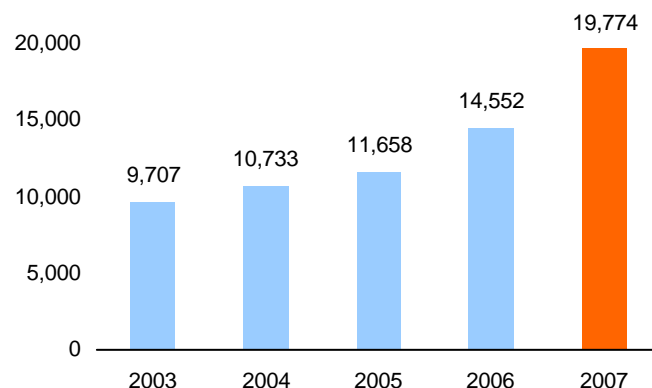
Borrowings & Deposits	2005	2006	2007	%
Deposits + B/E from Public	148,371	203,341	241,985	89.0%
Public Deposits	148,371	198,527	190,626	70.1%
B/E from Public	-	4,814	51,359	18.9%
Interbank and Money Market Item:	2,601	4,507	4,769	1.8%
Borrowings	41,950	40,221	25,086	9.2%
Debentures	7,521	7,087	6,845	2.5%
Promissory Notes	15,964	15,665	7,730	2.8%
B/E and Others	18,465	17,469	10,511	3.9%
Total	192,922	248,069	271,840	100.0%

Source: Company Data

Performance

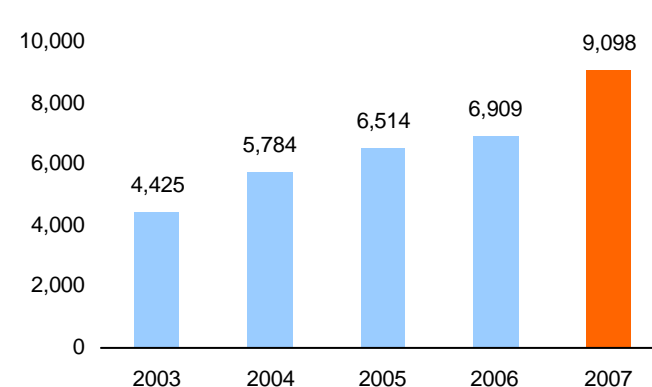
- Total Income up 35.9% yoy from
+ NII up 31.7% .
+ Non-Interest Income up 39.7%,
mainly from fees and services
income and income from HP
related business (life/non-life
insurance).
- NII up 31.7% yoy from
+ HP Interest Income up 25.8%.
+ Interest Expenses dropped by
3.4%.
- Net Profit increased by 92.0% yoy.

Total Income
THB MN



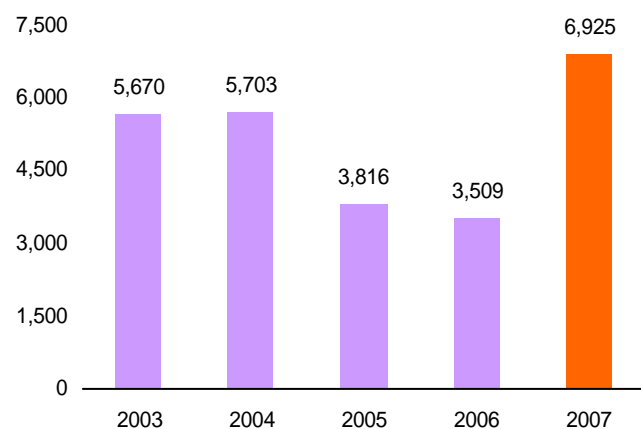
Source: Company Data

Net Interest Income
THB MN



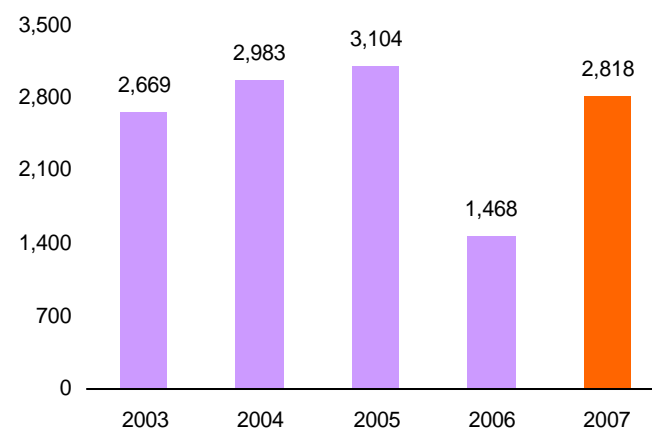
Source: Company Data

Pre-Provision Profit
THB MN



Source: Company Data

Net Profit
THB MN



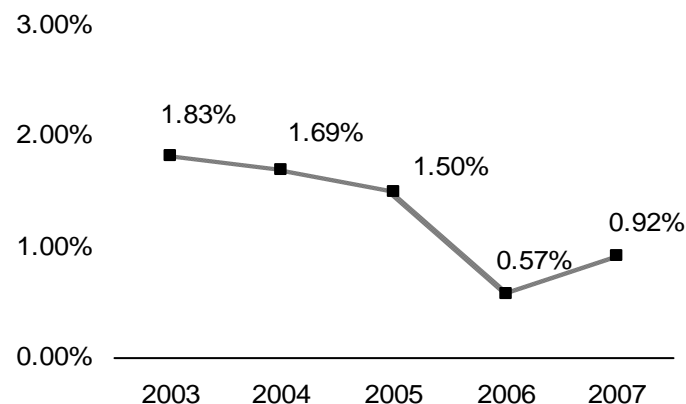
Source: Company Data

Financial Ratios

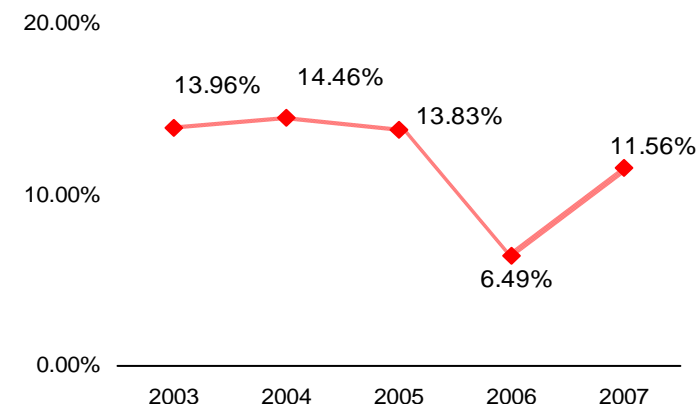
- Financial Ratios improved from 2006.

+ Net Interest and dividend income increased by 31.7% yoy, mainly from interest income on HP and appropriate control on interest cost and deposits mixture.

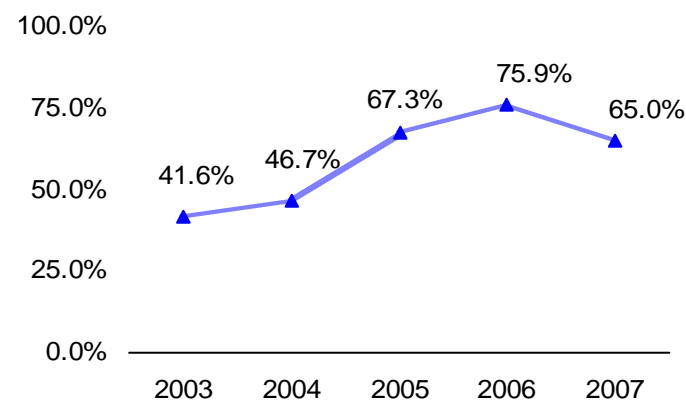
+ Non-Interest Income rose by 39.7% yoy, mainly from fees and services income and income from HP related business as mentioned.

ROAA
%


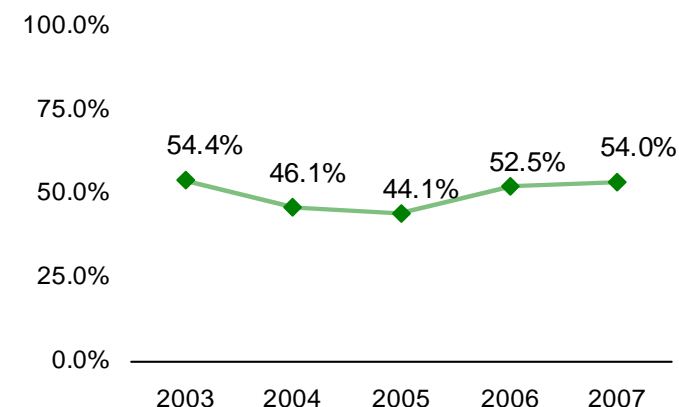
Source: Company Data

ROAE
%


Source: Company Data

Cost to Income
%


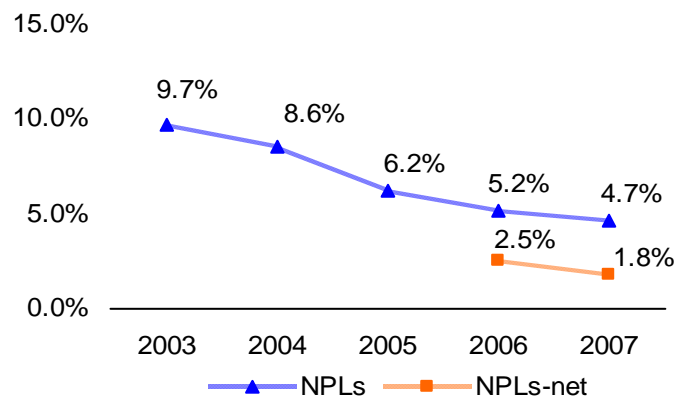
Source: Company Data

Non-Interest Income Ratio
%


Source: Company Data

Strengthened Assets and Capital Profile

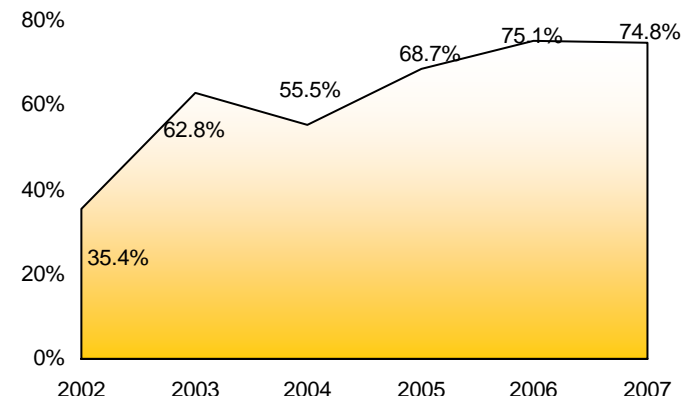
- Thanachart has also been able to strengthen its asset and capital profile.
- The Group's NPLs ratio has been significantly decreasing after the crisis.
- As at 31 Dec 2007, NPLs = **11,260 MB** up from 10,842 MB at the end of 2006 while allowance for doubtful accounts = **8,417 MB** up from 8,139 MB at the end of 2006.
- 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
%


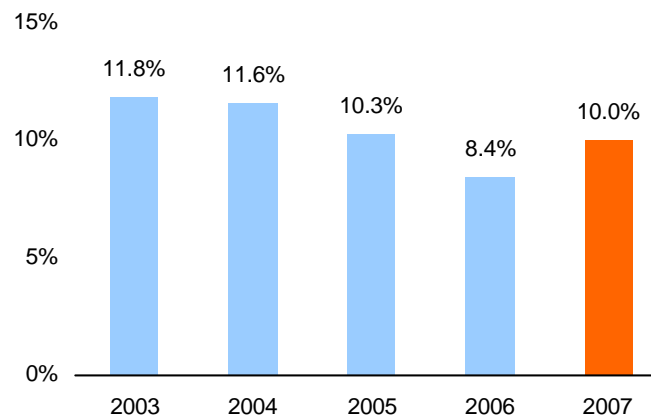
Source: Company Data

BIS Ratio
%


Source: Company Data

LLR / NPLs
%


Source: Company Data

Equity / Asset
%


Source: Company Data

Subsidiaries Performance

- Thanachart Bank's net profit increased by 340.1%, due to the loan spread improvement and the appropriate costs management.
- Subsidiaries contributed around 46.5% of the Group net profit.

Unit: Million Baht

Net Profit	% of Holding (as of Dec 31, 07)	2005	2006	2007	Contribution to TCAP
Thanachart Bank Plc. (the Bank only)	74.9%	361.7	225.1	990.6	742.0
Thanachart Securities Plc.	74.9%	120.9	206.8	257.2	192.6
Thanachart Fund Management	56.2%	36.3	56.8	102.0	57.3
Thanachart Insurance	74.9%	73.4	28.4	65.9	49.4
Thanachart Life Assurance	74.9%	100.9	102.5	175.7	131.6
NFS-AMC	100.0%	576.1	82.3	76.2	76.2
MAX-AMC	58.5%	73.4	308.3	103.1	60.3
Total		1,342.7	1,010.2	1,770.7	1,309.4

Source: Company Data



Section 3

Thanachart Group Strategic Direction

Strategic Initiatives

Strategic Intent

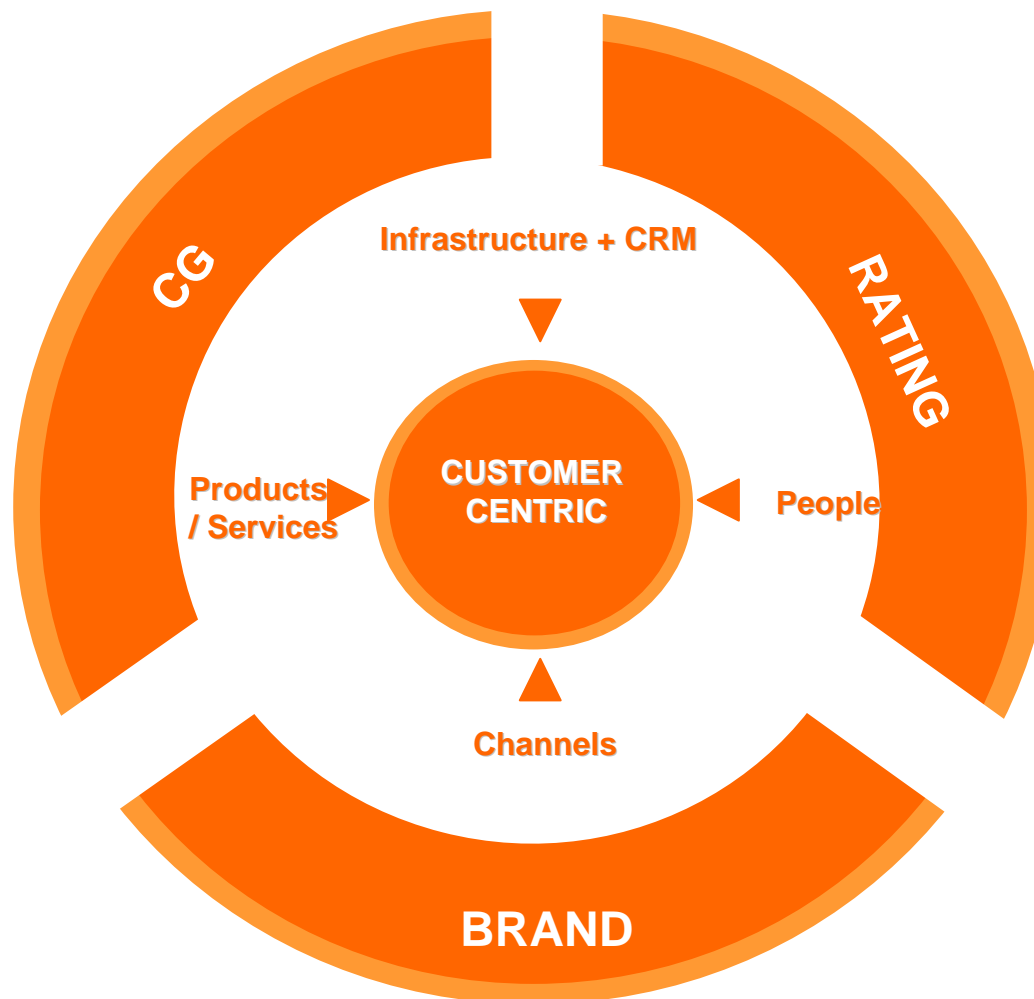
- **Maintaining market leader in H/P**
- **Diversifying business portfolio**
- **Increasing profitable revenue**
 - Interest income
 - Fee-based income
- **Achieving “best-in-class” on customer service**
- **Controlling costs**
 - Cost of fund
 - Operating Cost
 - NPLs

Strategic Initiatives

- **Products / Services expansion**
 - Corporate
 - Retail
 - SMEs
- **Drastic improvement on cross-selling**
- **People / Process / System improvement**
- **Channel expansion**
- **Brand strengthening**

Deposit Insurance Handling

- Customer-centric is to provide financial services to meet all the needs of each target customer group.
- Infrastructure + CRM, People, Channels, and Products/Services are at the same time developed to cater the needs of the customers.
- Our customers will be ensured by the improvements of CG, Rating, and Brand.
- We believe that we are ready to handle the implementation of the Deposit Insurance Act.



Leverage Know-how from BNS

• New Products and Focuses

- Wealth Management
- Credit Card
- Treasury
- Trade Finance
- Housing Loans

• Channel of Distribution

- Branch Service
Best Practice



• Risk Management

- Know-how from BNS

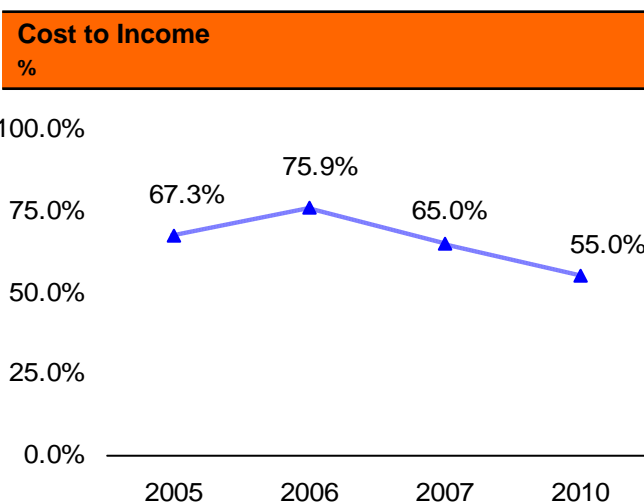
• Operation

- Process Improvement
- Automated Collection System
- Automation Data Mart

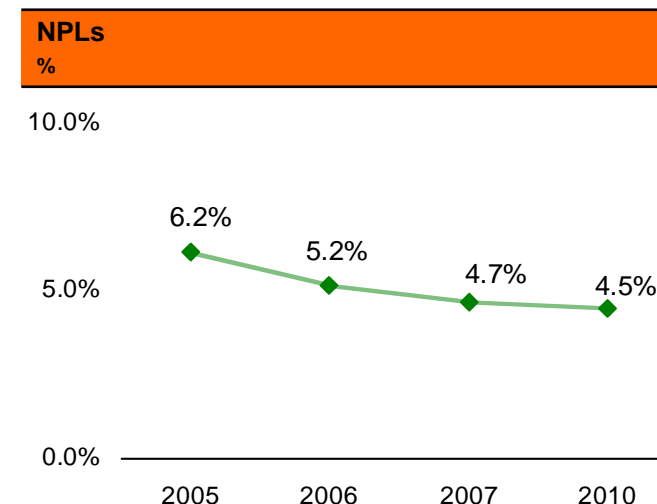
Key Financial Indicators

Key Financial Indicators	2006A	2007A	2007 Industry Average	2010F
Asset Size (MB)	286,229	321,256	609,002	500,000
Loan Spread (AVG)	2.72%	3.54%	3.54%	3.0-3.5%
Cost to Income (%)	75.89%	64.98%	61.44%	55.0%
Non-Interest Income Ratio (%)	52.52%	53.99%	24.37%	45.0%
NPL (% of loan)	5.18%	4.71%	8.05%	4.5%
ROE (%)	6.49%	11.55%	0.86%	10.0-15.0%

Source: Company Data



Source: Company Data



Source: Company Data

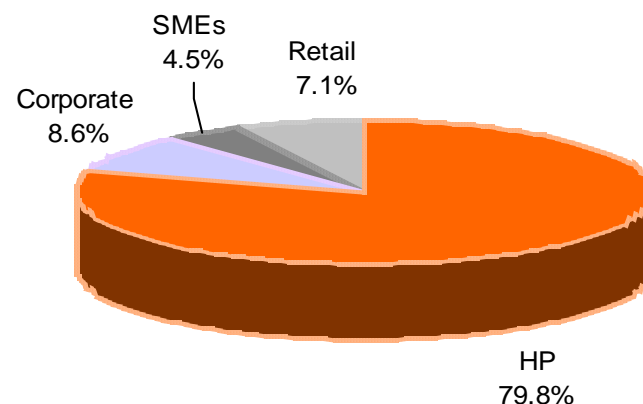
Business Loans Portfolio

- Diversifying business portfolio by increasing the proportions of loans to Corporate and SMEs.

Business Loans Portfolio	2006A	2007A	2010F
Loans Portfolio (MB)	209,288	239,237	400,000
Hire Purchase	78.4%	79.8%	62.0%
Corporate	11.3%	8.6%	20.0%
SMEs	1.5%	4.5%	10.0%
Retail Loan	8.8%	7.1%	8.0%
Total	100.0%	100.0%	100.0%

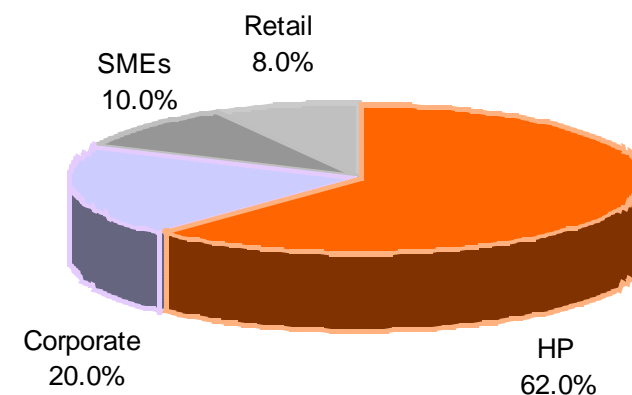
Source: Company Data

2007 Loans Portfolio
%



Source: Company Data

2010 Loans Portfolio Target
%



Source: Company Data



Section 4

Summary of Hire Purchase Business

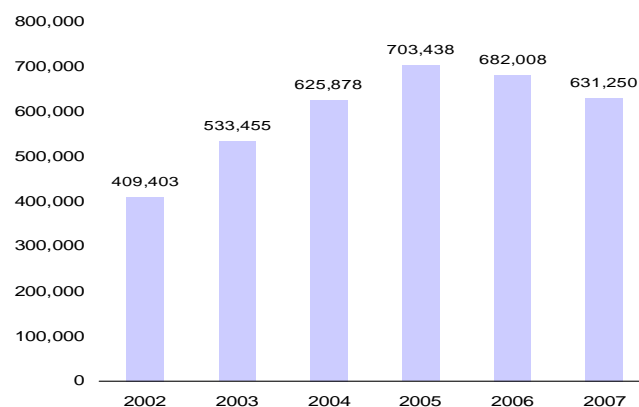
Hire Purchase Growth

- 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	% Growth Y on Y
Domestic New Car Sales (Units)	703,438	682,008	631,250	-7.4%
Number of Thanachart Group HP Lease (Units)	170,543	217,318	204,624	-5.8%
Total Number of Thanachart Group HP Lease (Units)	431,565	584,252	704,411	20.6%
Amount of Thanachart Group HP Loans (Baht Million)	68,493	91,013	87,717	-3.6%
Total Outstanding Thanachart Group HP Loans (Baht Million)	122,178	164,325	191,025	16.2%

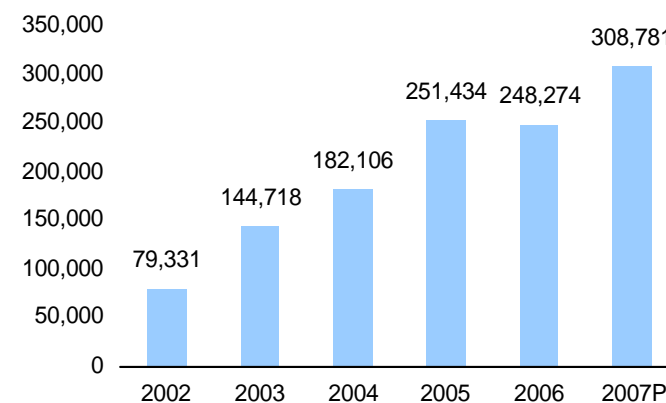
Source: Bank of Thailand; Company Data

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

Summary of Hire Purchase Business

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%.

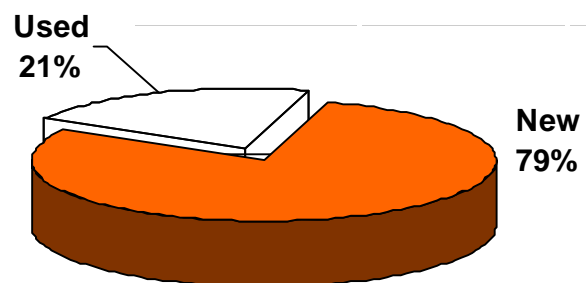
Unit: Million Baht

2007	New Cars		Used Cars		Car Fleet	Total
	Bangkok	Other Areas	Bangkok	Other Areas		
PL	49,280	92,352	10,949	27,545	1,546	181,672
	98.49%	98.51%	97.01%	98.11%	99.87%	98.36%
NPL	755	1,397	337	531	2	3,022
	1.51%	1.49%	2.99%	1.89%	0.13%	1.64%

Thanachart Capital and Thanachart Bank only

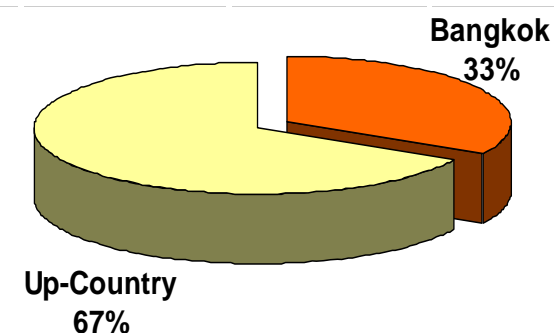
HP Portfolio by Type of Car (Amount)

%



HP Contract Value by Region

%



Source: Company Data (as at 30 Sep 2007)

Source: Company Data (as at 30 Sep 2007)



Section 5

Appendix

TCAP Financial Information

Income Statements	2005	2006	2007	Variance ('07/'06)	
				Amount	%
HP Income	7,028	10,425	13,118	2,693	25.8%
Total Interest Income	10,935	16,951	18,799	1,848	10.9%
Interest Expenses	4,421	10,042	9,701	-341	-3.4%
Net Interest Income	6,514	6,909	9,098	2,189	31.7%
Non-Interest Income	5,144	7,643	10,676	3,033	39.7%
Operating Expenses	7,842	11,043	12,849	1,806	16.4%
Pre Provision Profit	3,815	3,509	6,925	3,416	97.3%
Provision	294	-924	-2,051	-1,127	122.0%
Income before Tax	4,108	2,585	4,874	2,289	88.5%
Tax	-972	-965	-1,705	-740	76.7%
Minority Interest	-33	-152	-351	-199	130.9%
Net Profit	3,104	1,468	2,818	1,350	92.0%

Balance Sheets	2005	2006	2007	Variance ('07/'06)	
				Amount	%
MM	4,912	27,064	40,462	13,398	49.5%
RP	19,700	6,300	2,500	-3,800	-60.3%
Investment	33,203	34,766	28,874	-5,892	-16.9%
Loans	160,366	209,288	239,237	29,949	14.3%
Others	9,937	8,811	10,183	1,372	15.6%
Total Assets	228,119	286,229	321,256	35,027	12.2%
Deposits	148,371	198,527	190,626	-7,901	-4.0%
Borrowings					
-Short-term	1,254	18,460	65,398	46,938	254.3%
-Long-term	40,696	26,575	11,047	-15,528	-58.4%
MM	2,601	4,507	4,769	262	5.8%
Others	11,811	14,729	17,154	2,425	16.5%
Total Liabilities	204,733	262,798	288,994	26,196	10.0%
Equity	22,639	22,565	26,208	3,643	16.1%
MI	747	866	6,054	5,188	599.1%
Total Equity	23,386	23,431	32,262	8,831	37.7%

Key Financial Ratio	2005	2006	2007
ROA	1.50%	0.57%	0.92%
ROE	14.31%	6.49%	11.56%
Yield	5.50%	6.87%	6.42%
Cost	2.52%	4.55%	3.72%
Loan Spread	3.98%	2.72%	3.54%
Interest Spread	2.99%	2.31%	2.70%
NIM	3.28%	2.80%	3.11%
Non-interest Income Ratio	44.12%	52.52%	53.99%
Cost to Income	67.27%	75.89%	64.98%
Loans to Deposits	109.67%	102.92%	98.86%
Coverage Ratio	68.68%	75.07%	74.75%
NPLs Ratio	6.20%	5.18%	4.71%
Net Profit Margin	19.30%	5.97%	9.56%
EPS (Baht)	2.33	1.10	2.11
DPS (Baht)	0.80	0.80	0.90


Quarterly Performance	4Q06	1Q07	2Q07	3Q07	4Q07
HP Income	2,953	3,080	3,258	3,349	3,431
Total Interest Income	4,803	4,519	4,759	4,810	4,711
Interest Expenses	3,059	2,747	2,632	2,343	1,979
Net Interest Income	1,744	1,772	2,126	2,467	2,732
Non-interest Income	1,882	1,893	2,168	3,259	3,356
Operating Expenses	3,402	2,679	2,752	3,324	4,095
Pre Provision Profit	224	987	1,542	2,402	1,993
Provision	-108	248	-631	-667	-1,001
Income before Tax	116	1,235	911	1,735	992
Tax	-202	660	-257	-709	-79
Minority Interest	-31	1	-19	-202	-131
Net Profit	-117	577	635	824	782
EPS (Baht)	-0.09	0.43	0.48	0.62	0.59

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.**

As at and for the years ended October 31

Unit: Million USD

	2005	2006	2007
Net interest income	5,871	6,408	7,098
Total revenue	10,400	11,208	12,490
Provision for credit losses	230	216	270
Non-interest expenses	6,043	6,443	6,994
Provision for income taxes	847	872	1,063
Net income available to common shareholders	3,184	3,549	3,994
Basic earnings per share (\$)	3.19	3.59	4.04
Return on equity (%)	20.9	22.1	22.0
Net interest margin on total average assets (%)	2.00	1.95	1.89
Tier 1 capital ratio (%)	11.1	10.2	9.3
Total capital ratio (%)	13.2	11.7	10.5
Net impaired loans (\$ millions)	681	570	601
Dividends per share (\$)	1.32	1.50	1.74
Dividend yield (%)	3.3	3.3	3.4
Dividend payout ratio (4) (%)	41.4	41.8	43.1
Market capitalization (\$ millions)	42,568	48,783	52,612
Employees	46,631	54,199	58,113
Branches and offices	1,959	2,191	2,331
Loans and acceptances	178,003	212,329	238,685
Total assets	314,025	379,006	411,510
Deposits	217,445	263,914	288,458
Preferred shares	600	600	1,635

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

BNS Commitment to TBANK

BNS has demonstrated a long term commitment to Thailand:

- BNS have been on the ground 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 THB7.1 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

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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.