



THANACHART GROUP

Company Overview

September 2007



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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

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

2006

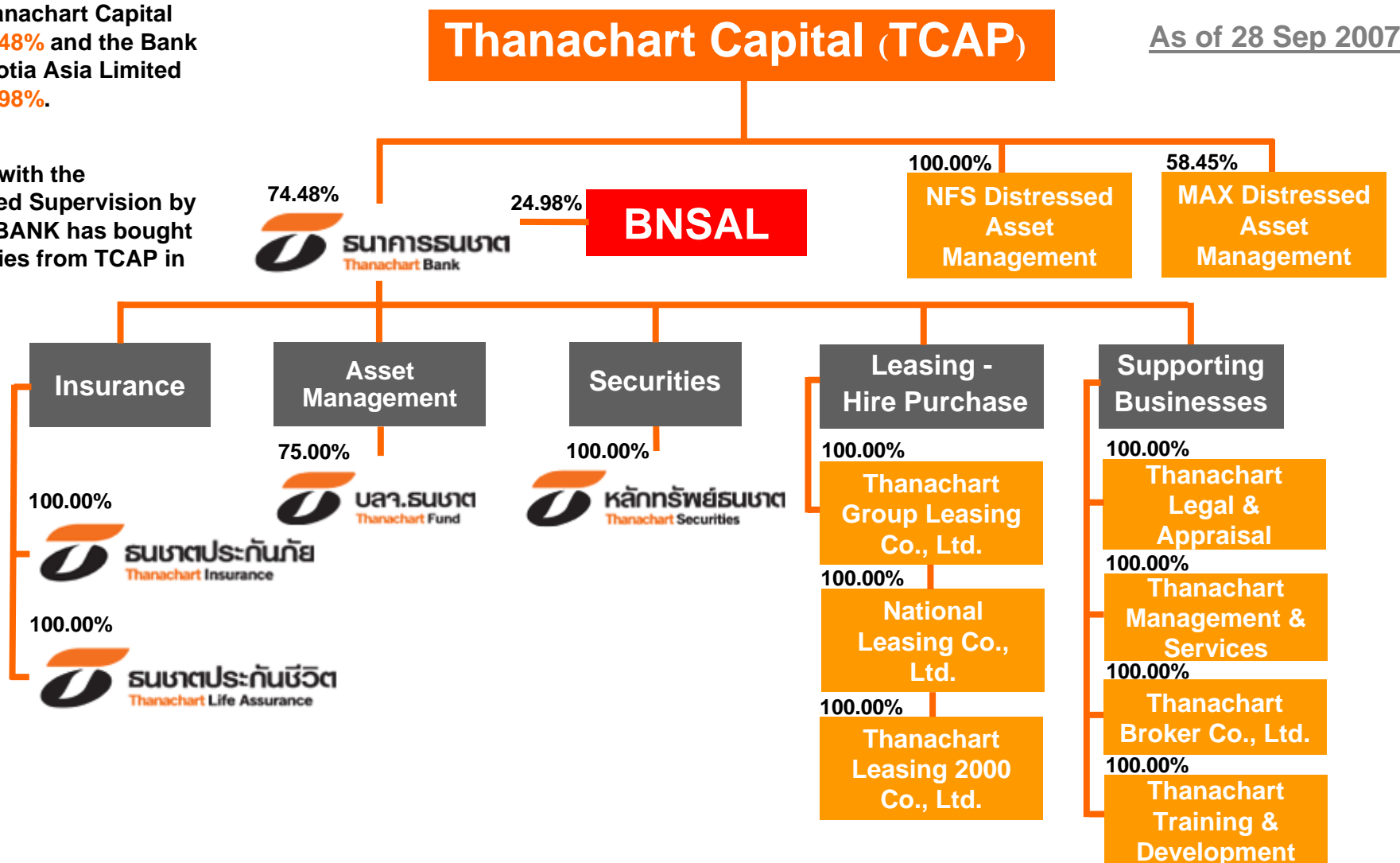
- In March 2006, Thanachart Capital returned its Finance Business License to the MOF.
- Thanachart Capital became the holding company of a fully integrated financial services group.

2007

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

TCAP the Holding Company

- Thanachart Bank is majority held by Thanachart Capital holding **74.48%** and the Bank of Nova Scotia Asia Limited holding **24.98%**.
- To comply with the Consolidated Supervision by the BOT, TBANK has bought 8 subsidiaries from TCAP in July 2007.



Thanachart Group Business Structure

Thanachart Capital



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

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..

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 Capital has been listed on the Stock Exchange of Thailand since 1982.
- 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 asset s size.

TCAP Shareholding Structure

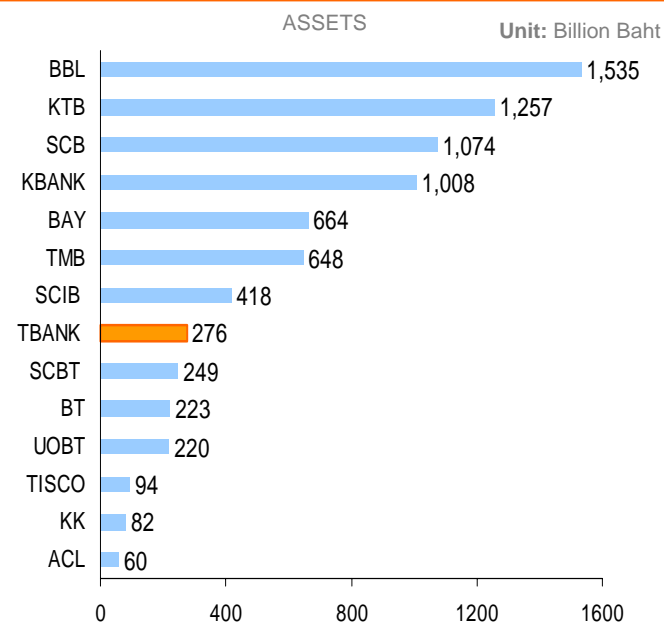
Top Ten Shareholders	%
1. Thai NVDR Co., Ltd.	11.16
2. Com-link Co., Ltd.	10.42
3. MBK Plc.	9.75
4. Chase Nominees Limited 42	4.71
5. Mr. Banpoj Damapong	4.28
6. Morgan Stanley & Co. International Plc.	2.31
7. The Southeast Life Insurance Co., Ltd.	2.08
8. Caceis Bank Luxembourg	2.07
9. Clearstream Nominees 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	31,692 MB

Source: Company Data (as at 30 Sep 2007)



Source: SET; BOT (as at 30 Sep 2007)
Based on C.B. 1.1 Form

Thanachart Bank Market Share

	Amount (MB)	Market Share (%)
Assets	275,918	3.5
Loans	207,592	4.2
Deposits	204,771	3.3
# Branches	157	3.2
# ATMs	280	1.2

Source: BOT; Company Data (as at 30 Sep 2007)
Based on C.B. 1.1 of 14 Banks Registered in Thailand.



Section 2

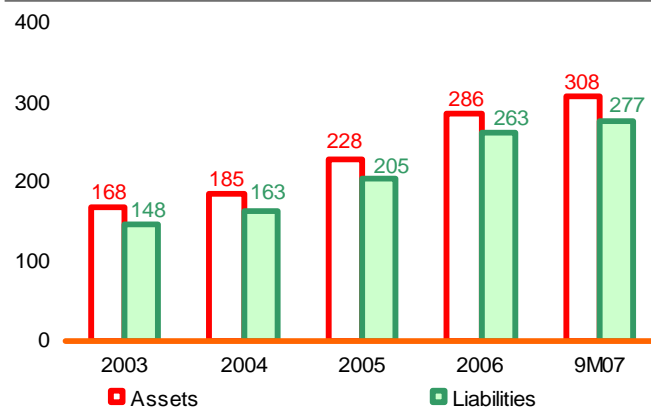
Thanachart Group Financial Highlights

Assets & Liabilities

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

Assets vs Liabilities

THB BN



Source: Company Data

Assets Breakdown

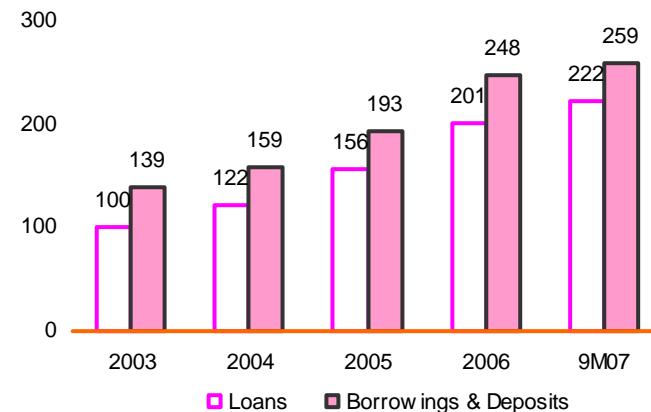
%



Source: Company Data (as at 30 June 2007)

Loans vs Borrowings & Deposits

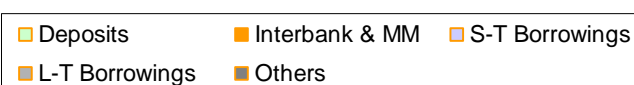
THB BN



Source: Company Data

Liabilities Breakdown

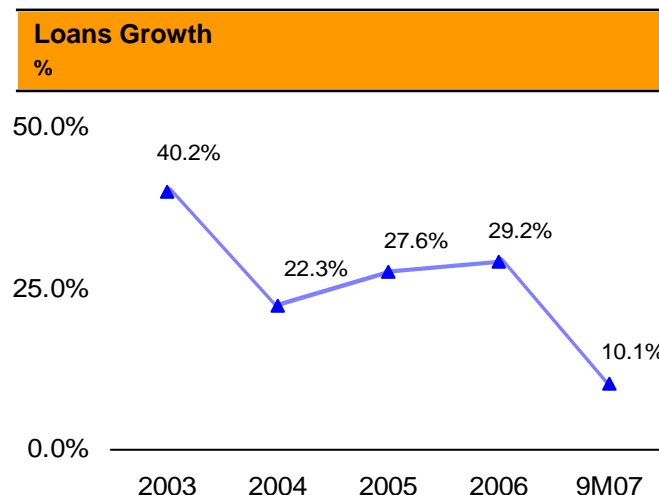
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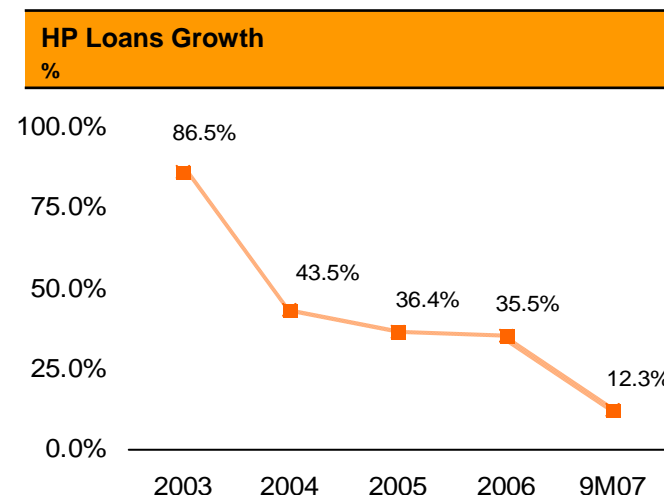
Source: Company Data (as at 30 Sep 2007)

Loans Portfolio

- As the economy slowdown, Thanachart has still been able to grow its loans especially from HP loans.
- Hire Purchase Loans accounted for **80.3%** and **59.8%** of total loans and total assets, respectively.
- Loans CAGR from 2003 to 9M07 = **23.7%**, and HP CAGR = **33.8%**.
- HP loans growth declining:
 - Bigger base
 - Huge repayment
 - Economy slowdown



Source: Company Data



Source: Company Data

Unit: Million Baht

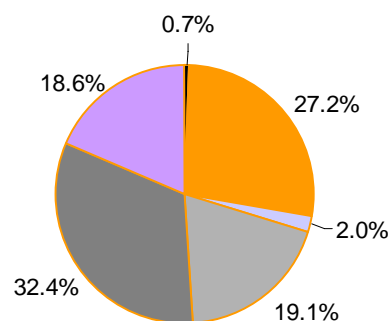
Loans and Accrued Interest	2005	%	2006	%	9M07	%
Manufacturing & Commerce	7,082	4.4	5,914	2.8	6,092	2.7
Real Estate & Construction	5,113	3.1	7,558	3.6	6,890	3.0
Public Utilities & Services	10,281	6.3	7,996	3.8	8,426	3.7
Hire Purchase	121,251	74.4	164,325	78.4	184,514	80.3
Housing Loans	11,120	6.8	9,793	4.7	8,662	3.8
Others	8,114	5.0	13,979	6.7	15,295	6.7
Total	162,961	100.0	209,565	100.0	229,879	100.0

Source: Company Data

Borrowings & Deposits

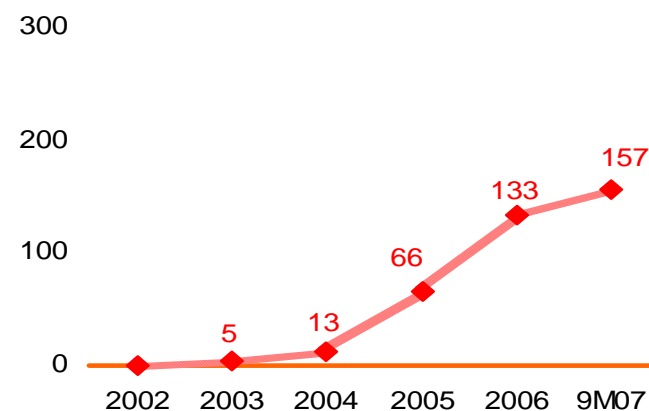
- As banking branches expand, an increased portion of funding will originate from public savings deposits.
- With the target of **300** branches, Thanachart has been continuously aggressive in opening its outlets. It is expected to have around **170** branches at the end of this year.
- In term of No. of branches, Mini vs Full branches **77 : 80**
BKK vs Up-country **83 : 74**.
- Expansion of banking branches will lead to more fund raising, stability of deposits, channels of distribution, and cost of funds reduction.

Deposits Breakdown



Source: Company Data (as at 30 Sep 2007)

Branch Expansion



Source: Company Data

Unit: Million Baht

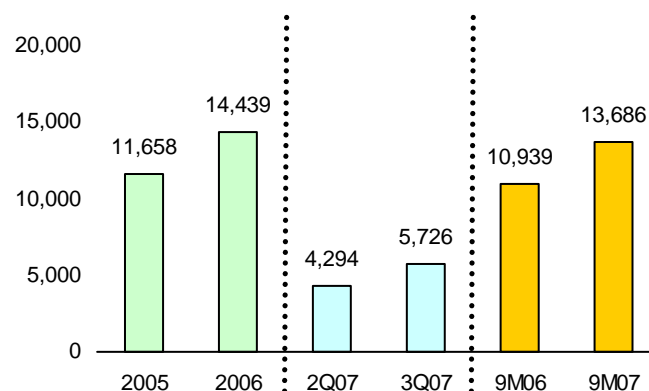
Borrowings & Deposits	2005	2006	9M07	%
Deposits + B/E from Public	148,371	203,341	216,842	83.8%
Public Deposits	148,371	198,527	201,664	78.0%
B/E from Public	-	4,814	15,178	5.9%
Interbank and Money Market Item:	2,601	4,507	4,732	1.8%
Borrowings	41,950	40,221	37,088	14.3%
Debentures	7,521	7,087	6,845	2.6%
Promissory Notes	15,964	15,665	16,666	6.4%
B/E and Others	18,465	17,469	13,577	5.2%
Total	192,922	248,069	258,662	100.0%

Source: Company Data

Performance

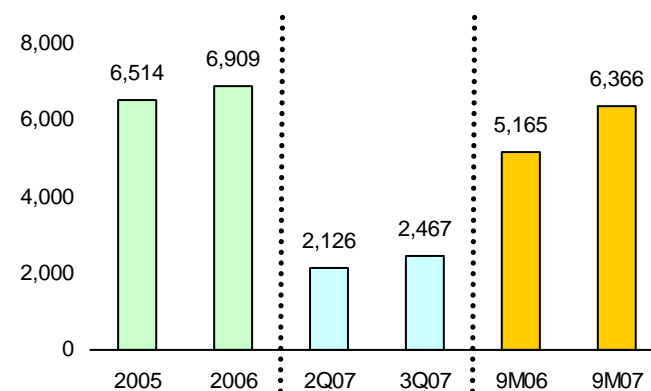
- Total Income up **33.3%** qoq:
 + NII up **16.0%**.
 + Non-Interest Income up **50.3%**,
 mainly from selling TBANK's
 shares.
 + Efficiency control on NPLs.
- Total Income up **25.1%** yoy:
 + NII up **23.3%**.
 + Non-Interest Income up **26.8%**,
 mainly from gain on selling
 TBANK's shares and income
 from HP related business.
- NII up **16.0%** qoq:
 + Interest Expenses on Deposits
 down **11.0%**.
 + HP Interest Income up **2.0%**.
- NII up **23.3%** yoy:
 + HP Interest Income up **29.6%**.
 - Interest Expenses on Deposits
 up only **10.6%**.
- Net Profit increased **29.8%** qoq and
28.5% yoy.

Total Income
THB MN



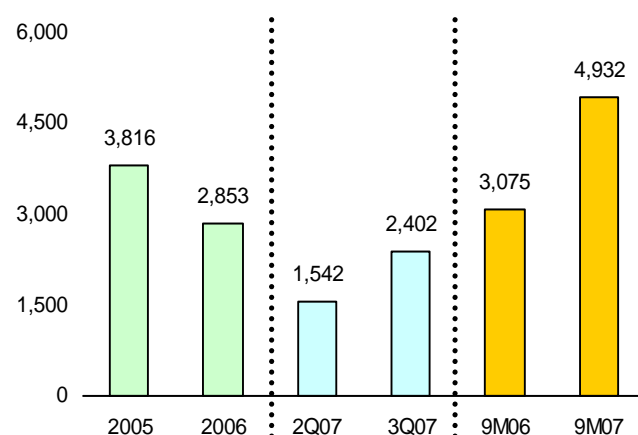
Source: Company Data

Net Interest Income
THB MN



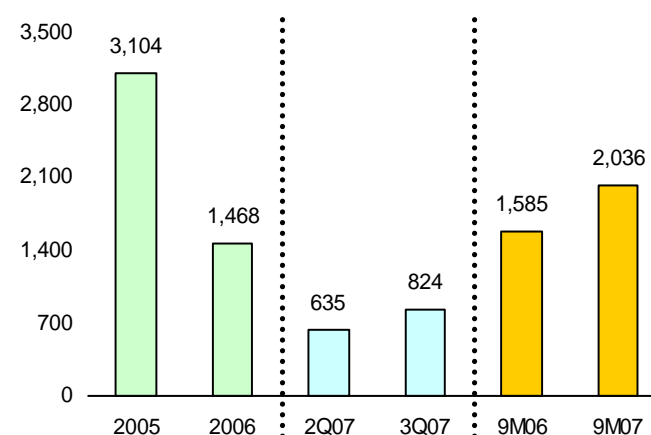
Source: Company Data

Pre-Provision Profit
THB MN



Source: Company Data

Net Profit
THB MN

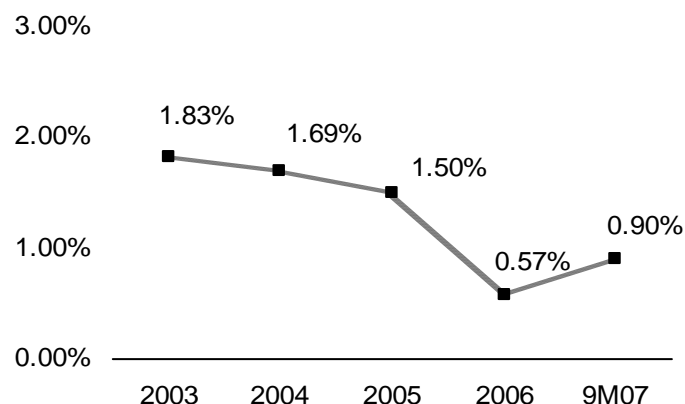


Source: Company Data

Financial Ratios

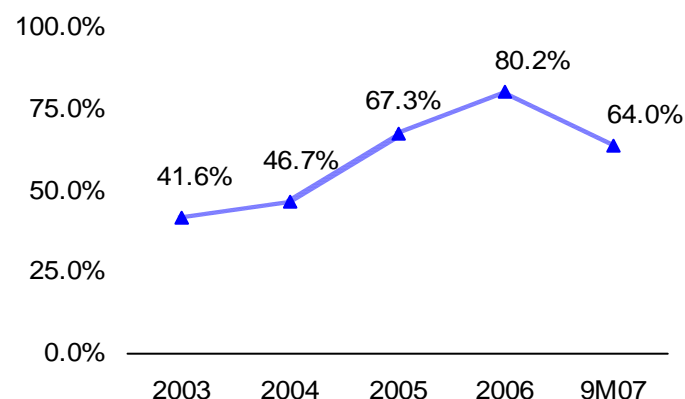
- Financial Ratios have improved since the beginning of this year.
 - + Interest and dividend income increased by **16.0%** yoy, mainly from interest income on HP.
 - + Non-Interest Income rose by **26.8%** yoy, mainly from gain on selling TBANK's shares and income from HP related business as mentioned.
 - + Amortization of the commission expense paid to the dealers.
- In the past years, financial ratios had been deteriorating.
 - Interest Expenses had been increasing from the increase in the market rate and from the expansion of Thanachart Bank's deposits base.
 - Non-Interest Expenses had also been increasing from the branch expansion.

ROAA
%



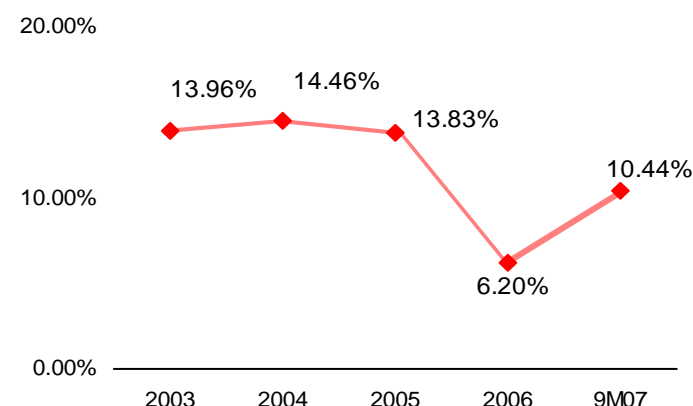
Source: Company Data

Cost to Income
%



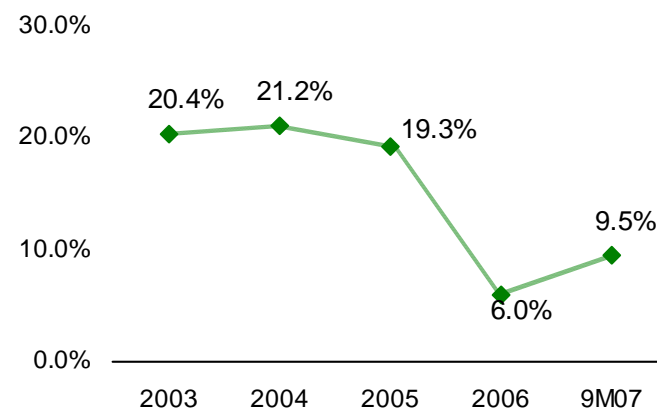
Source: Company Data

ROAE
%



Source: Company Data

Net Profit Margin
%



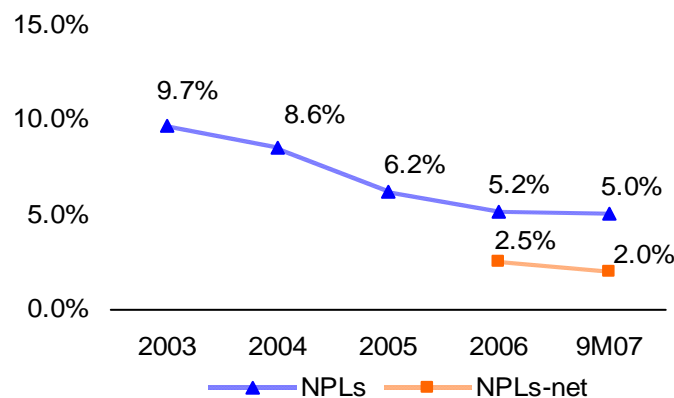
Source: Company Data

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 Sep 2007, NPLs = **11,532 MB** up from 10,842 MB at the end of 2006. Allowance for doubtful accounts = **8,269 MB** up from 8,139 MB.
- 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 done setting aside its provision in line with the IAS 39 since 1Q07.

NPLs / Total Loans

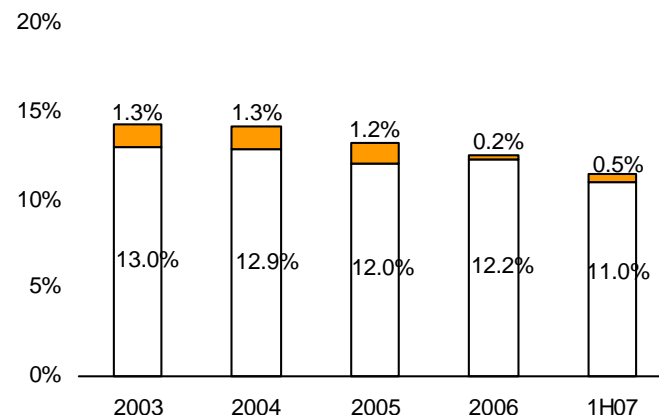
%



Source: Company Data

BIS Ratio*

%

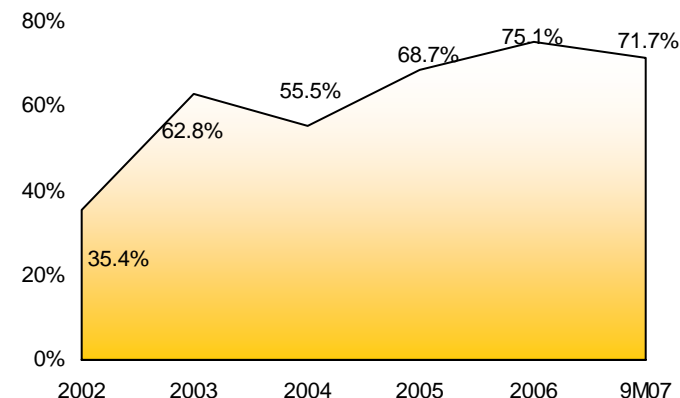


Source: Company Data

Remark: BIS Ratio of 9M07 will be announced later.

LLR / NPLs

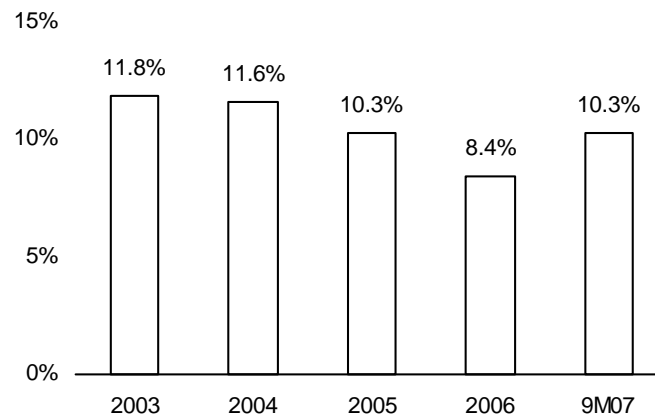
%



Source: Company Data

Equity / Asset

%



Source: Company Data

Subsidiaries Performance

Unit: Million Baht

Million Baht	% of Holding	3Q06	2Q07	3Q07	9M06	9M07
Thanachart Bank Plc.	74.5%	57.3	164.4	422.6	250.8	715.7
Thanachart Securities Plc.	74.5%	45.8	33.4	180.0	112.9	202.3
Thanachart Fund Management	55.9%	13.1	21.2	30.3	43.5	66.9
Thanachart Insurance	74.5%	38.0	45.2	20.0	22.2	54.3
Thanachart Life Assurance	74.5%	-17.2	61.5	37.2	44.5	147.1
NFS-AMC	100.0%	-101.7	113.0	25.0	344.7	10.8
MAX-AMC	58.5%	101.6	20.9	37.1	248.0	53.7
Total		136.9	459.6	752.2	1066.6	1250.8



Section 3

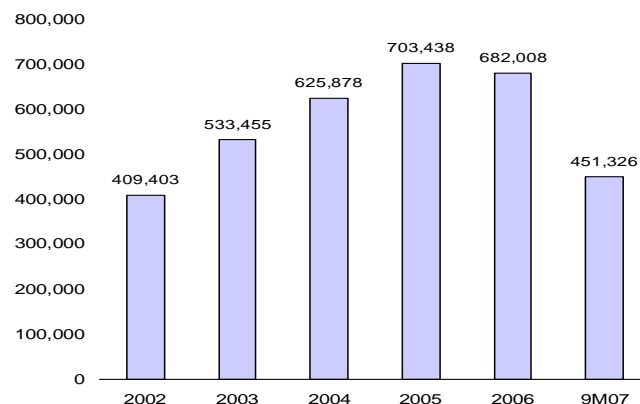
Summary of Hire Purchase Business

Strong Positions in Growing Markets

- 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.

New Automobile Sales in Thailand

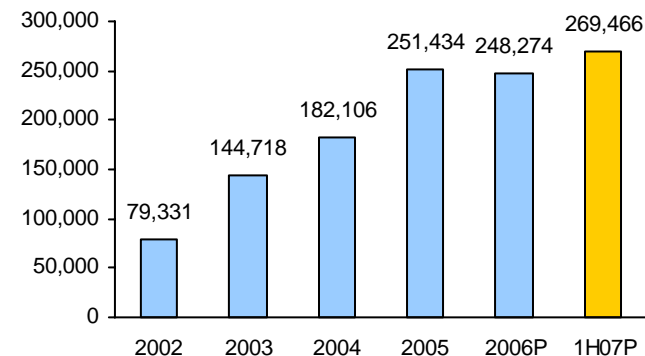
Units



Source: Bank of Thailand; Company Data

Outstanding HP Loans in Thailand

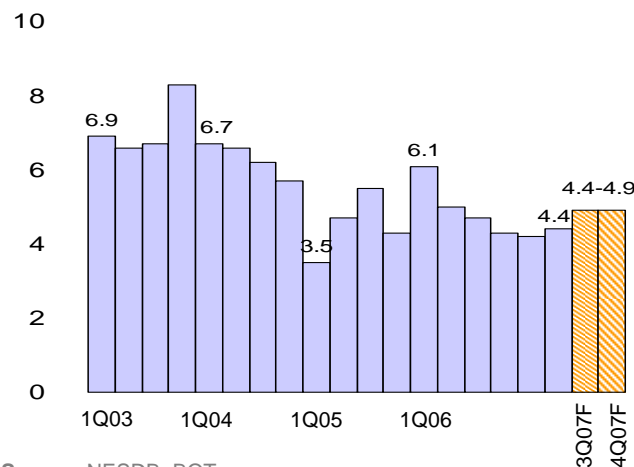
THB MN



Source: Bank of Thailand

Quarterly Gross Domestic Product

%



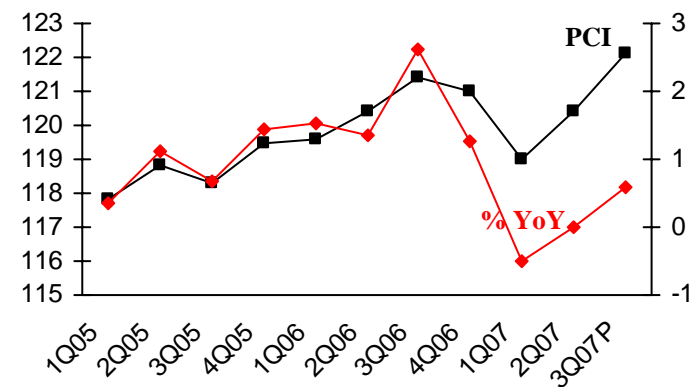
Source: NESDB; BOT

Private Consumption Index

Index 2000 =

100

% YoY



Source: Bank of Thailand

Hire Purchase Growth

- The Thanachart hire purchase loan portfolio has experienced high growth rate since the beginning up until now.

	2006	9M06	9M07	% Growth Y on Y
Domestic New Car Sales (Units)	682,008	488,295	451,326	-7.6%
Number of Thanachart Group HP Lease (Units)	217,318	159,216	151,517	-4.8%
Total Number of Thanachart Group HP Lease (Units)	584,252	545,223	679,808	24.7%
Amount of Thanachart Group HP Loans (Baht Million)	91,013	66,393	64,856	-2.3%
Total Outstanding Thanachart Group HP Loans (Baht Million)	163,259	152,796	184,514	20.8%

Source: Bank of Thailand; Company Data

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%.

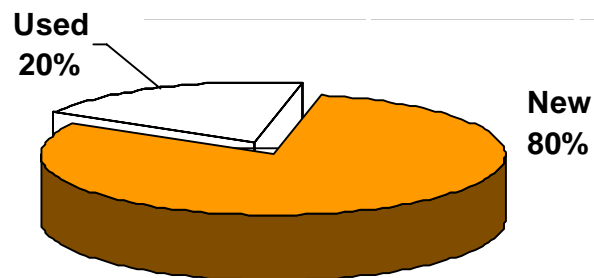
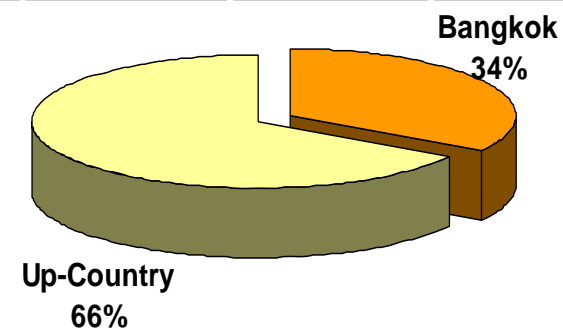
Unit: Million Baht

9M07	New Cars		Used Cars		Car Fleet	Total
	Bangkok	Other Areas	Bangkok	Other Areas		
PL	48,983	90,428	10,173	25,037	1,375	175,996
	98.63%	98.61%	97.38%	98.20%	99.93%	98.48%
NPL	681	1,276	304	459	1	2,721
	1.37%	1.39%	2.62%	1.80%	0.07%	1.52%

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 4

Scotiabank

TBANK Partnership

About the deal with the Bank of Nova Scotia Asia Limited (BNSAL)

The share purchase agreement was signed on March 29, 2007. The purchase was divided into 2 stages, depending on the approval from the authority.

- Stage 1) 24.98% was completed on July 19, 2007
 - Bought 157 million shares from TCAP at 16.37 Baht per share
 - Bought 276 million new shares from TBANK at 16.37 Baht per share
- Stage 2) another 24.00%. This was divided into 2 periods
 - Obligation Period –Buy at 1.6x adjusted book value. This period will be expired by the end of 2008.
 - Call Period –Valid for 4 years after the expiration of the obligation period. BNSAL must buy at 1.7x adjusted book value.

Board seats: BNSAL has 2 directors and 1 independent director participating in TBANK's BOD.

Management Team: They will send their senior team to cover 5 areas which are Risk Management, Treasury, Corporate Lending, Consumer Lending, and Operation. (will be No.1 in Risk Management but the rest will be No. 2)



About Scotiabank

- Scotiabank was established in 1832.
- Scotiabank is the most international of Canada's major banks.



Scotiabank and its affiliates serve approximately 12 million customers through close to 2,200 branches and offices in some 50 countries around the world.*

North America

Canada
Mexico
United States

Caribbean and Central America

Anguilla
Antigua and Barbuda
Aruba
Bahamas
Barbados
Belize
British Virgin Islands
Cayman Islands
Costa Rica
Dominica
Dominican Republic
El Salvador
Grenada
Haiti

Jamaica
Netherlands Antilles (St. Maarten, Curaçao, Bonaire and St. Eustatius)
Panama
Puerto Rico
St. Kitts and Nevis
St. Lucia
St. Vincent and the Grenadines
Trinidad and Tobago
Turks and Caicos
U.S. Virgin Islands

South America

Brazil
Chile
Guyana
Peru
Venezuela

Europe and Middle East

Dubai
Egypt
Ireland
United Kingdom

Asia/Pacific

China
Hong Kong SAR, PRC
India
Japan
Korea (Republic of)
Malaysia
Singapore
Taiwan
Thailand
Vietnam

* Each dot indicates a branch or office in a major centre.

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