



**BANK OF AYUDHYA**

Public Company Limited

## **ANNUAL REPORT 2003**



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# Financial Summary

	2003	2002	2001
<b>Consolidated Financial Data (Million baht)</b>			
Assets	524,122	468,520	443,566
Liabilities	495,300	451,434	428,263
Shareholders' equity	28,823	17,086	15,302
Total interest and dividend income	19,295	19,473	19,203
Net interest income	8,577	6,923	5,123
Non interest income	7,833	4,507	2,755
Total income	27,128	23,981	21,958
Net profit (loss)	3,053	2,119	(2,667)

## Financial Ratios

Net profit (loss) / total income	(%)	11.25	8.84	(12.15)
Return on average equity	(%)	13.30	13.08	(17.34)
Return on average assets	(%)	0.62	0.46	(0.61)
Net profit (loss) per share	(Baht)	1.39	1.15	(1.44)
Book value per share	(Baht)	10.11	9.23	8.27

	2003	2002	2001
<b>The Bank's Financial Data (Million baht)</b>			
Assets	515,938	463,584	438,560
Liabilities	487,365	446,678	423,402
Shareholders' equity	28,573	16,906	15,158
Total interest and dividend income	19,081	19,311	18,889
Net interest income	8,461	6,861	4,916
Non interest income	6,860	3,902	2,738
Total income	25,941	23,213	21,627
Net profit (loss)	3,053	2,119	(2,667)

## Financial Ratios

Net profit (loss) / total income	(%)	11.77	9.13	(12.33)
Return on average equity	(%)	13.42	13.22	(17.48)
Return on average assets	(%)	0.62	0.47	(0.61)
Net profit (loss) per share	(Baht)	1.39	1.15	(1.44)
Book value per share	(Baht)	10.02	9.14	8.19
Capital to risk assets ratio	(%)	13.92	10.80	11.01

## Message from the Chairman of the Board

The year 2003 saw the Thai economy experience higher-than expected growth of 6.3%, carrying on from the previous year's strong performance in spite of the outbreak of severe acute respiratory syndrome (SARS) in Asia early in the year. Domestic consumption, private-sector investment and expansion in the country's export sector accounted for much of the growth. The continued economic growth in conjunction with the low interest rate regime and the excess liquidity in the system that prevailed throughout the year, encouraged manufacturers to boost investment, which allowed the country's financial institutions to expand their loan portfolios and progress with their debt restructuring. As a result, the banking system as a whole posted significantly better results in 2003 than in the previous year.

Not only did the previous year mark improved financial performance for the banking sector, but it also saw some of Thailand's commercial banks take important steps to reduce the steep financing costs associated with the hybrid capital instruments, such as SLIPS/CAPS, issued after the 1997 economic crisis. Adhering to plan, the Bank successfully tapped the equity market in August 2003, raising new equity worth 10 billion baht by issuing one billion common shares in conjunction with 1.239 billion units of 5-year warrants allocated to both new and existing shareholders. Then, in November, the Bank issued 10-year subordinated debentures worth 12 billion baht with an annual 4% interest rate for the first five years and an annual interest rate of 4.75% for the remaining five-year period. The Bank also recalled an earlier issue of debentures worth 8 billion baht, which carried an annual interest rate of 12.5%. The last phase of the Bank's plan to cut long-term funding costs is to be completed in March 2004, with the redemption of 26 billion baht worth of hybrid capital (SLIPS), carrying an annual average interest rate of 11%. Altogether, this will result in an overall cost savings of around 3 billion baht per annum and add significantly to the Bank's ability to compete in the years ahead.

In the face of major changes in the banking sector and intensifying competition subsequent to the recent economic crisis, the Bank succeeded in posting a profit prior to allowance for doubtful accounts and taxes of 6.059 billion baht in 2003, or 3.053 billion baht after allowance for doubtful accounts and taxes. This is equivalent to 1.39 baht per share, a marked improvement over the previous year. The Bank's success in expanding its loan portfolio beyond original targets, as well as increased earnings on investments, fees and services, and repayment of some NPLs all contributed to the improved performance achieved in 2003.

To improve asset quality, an additional 3 billion baht in provisions was put aside in 2003, in line with both the guidelines and judgmental basis of the Bank of Thailand. As of the close of 2003, the Bank had NPLs totaling approximately 59.8 billion baht, or 15.1% of total loans, an improvement over the 20% figure at the end of 2002. This was not only the result of the Bank's decision to reduce NPLs as quickly as possible but also a clear indication of improving circumstances for customers impacted by the economic crisis which struck the country several years ago. In the years to come, the Bank will continue to work with its customers to help

restore their financial health. The Bank's sales of non-performing assets (NPAs) in 2003 totaled approximately 7 billion baht, which earned the Bank profits of 475 million baht. The fact that such sales netted a profit for the third successive year reflects the quality of the collateral held by the Bank.

The Bank's overall improved performance last year and its success in raising new capital and the sale of subordinated debentures would not have been possible had it not been for the tremendous support and trust of our shareholders, customers and investors. The confidence they have shown us has strengthened our resolve to be one of the country's top financial institutions. Our prudent management practices and ongoing commitment to good corporate governance, based on the principles of transparency and accountability, earned us the Disclosure Report Award 2003 from the Securities and Exchange Commission for the second consecutive year. In addition, our dedication to excellence in customer service was recognized by Money and Banking magazine, who honored us with their Best Consumer Finance Award in 2002 and again in 2003.

Looking ahead, the Bank has made all the necessary preparations to cope with changes in the financial sector to be brought about by the introduction of the Financial Sector Master Plan in 2004. Growth in assets will continue to be the Bank's main focus, targeting quality loan growth at a rate not less than the country's economic growth. To improve the overall quality of loan portfolio, the Bank will move quickly to make further reductions in NPLs and NPAs, while putting aside additional reserves to cover potential losses. In addition, the Bank reaffirms its commitment to raising non-interest earnings by expanding its range of financial products and services in response to the growing needs of customers.

In anticipation of heightened competition, the Bank has speeded up its efforts to improve the quality of its technological resources and operating procedures. The Bank also continues to focus its attention on the development of its human resources, which are among the Bank's most valuable assets. At the same time, the Bank is pledged to do everything possible to maintain its reputation for quality service and strengthen its brand recognition with the public through effective advertising, participation in socially beneficial activities, and the redesign of its branches throughout the country. In all these ways, the Bank intends to raise its profile and bolster its image as a responsible social partner and one of Thailand's leading banks.

At this time, the Bank would like to express its gratitude to all our customers, shareholders and the general public for the loyal support and trust they have shown us over the years. A warm appreciation is also extended to all our employees for their hard work and dedication. All of this support has enabled the Bank to weather difficult conditions and emerge strong.



Krit Ratanarak  
Chairman

# Economy

## Economic Conditions in 2003

In 2003, the Thai economy carried on from where it left off in the previous year, a combination of internal and external factors contributed to the steady growth. On the domestic front, the export sector, private consumption and investment were among the primary drivers. Government policies aimed at stimulating growth at the grass-roots level and at strengthening Small and Medium Enterprises (SMEs) and the local real-estate industry also contributed significantly to Thailand's economic growth. This, combined with the increase in confidence of the overall business sector, the general public and foreign investors, all had a positive impact on business growth, financial institutions and companies listed on the Stock Exchange of Thailand, and helped to drive up the capital markets. The overall investment climate was further enhanced by the low interest rates, while the value of the baht strengthened steadily in line with the country's strong economic fundamentals. On the international front, the US, Japan and countries in Asia all showed clear signs of stronger economic growth. Despite the outbreak of severe acute respiratory syndrome (SARS) in a number of Asian countries in the first half of the year, the impact of the disease on Thailand was limited. Meanwhile, the war in Iraq was quickly concluded. As a whole, economic growth in Thailand measured a healthy 6.3%, up from the 5.4% recorded in the previous year. Growth by sector is described in detail below.



**Production : Growth in all key sectors was up last year. *Agricultural production***, experienced 4.7% growth, an improvement over 2002 where growth was only 3.0%. Farm prices also rose as a result of the SARS outbreak and the aftermath of the US-Iraq war, when the demand for Thai food products increased significantly. For the ***non-agricultural production***, growth was also up from the previous year. Construction, trade, real estate and the manufacturing sectors all experienced impressive growth. The manufacturing sector, for example, grew at a rate of 9.5%, a healthy improvement over the 6.8% growth rate of 2002. Production was up as a result of stronger exports and higher purchasing power by domestic consumers. Manufacturing production index and capacity utilization were particularly strong in the automobile, electronics and electrical appliances, construction materials, block rubber, pulp and paper, and food and beverage industries. The strength of the economy, paired with government incentives, helped to power the construction and real estate sectors last year. Lower property transfer fees and cuts in specific business taxes were especially effective in boosting property sales.

Sector Growth		
	% change	
	2002	2003 E
GDP Growth	5.4	6.3
Agriculture	3.0	4.7
Non-Agriculture	5.7	6.6
Manufacturing	6.8	9.5
Construction	5.7	3.9
Trade	1.7	3.8
Others	6.2	4.8

**Domestic Spending : Domestic spending rose on the back of increased private-sector consumption and investment.** At 4.7%, domestic consumption rose at roughly the same rate as in 2002. ***Private-sector consumption*** was especially strong, growing by 5.7% as compared with 4.9% in the previous year. As unemployment fell and agricultural prices, stock prices and average real estate values all rose, consumer confidence and consumer purchasing power both showed considerable improvement. ***Government consumption***, in contrast, fell by 1.2%, a reflection of the shrinking state budget. Investments rose by 9.6%, compared with 6.5% in 2002. ***Private-sector investment*** continued to experience double-digit growth,

increasing from 13.2% in 2002 to 16.5% last year. The bulk of these investments were in machinery and equipment for the country's export and domestic manufacturing sectors. Growing demand in the local housing market also accounted for increased investment in the construction industry. Despite this, capacity utilization for the industrial sector as a whole fell short of 70% level due to remaining excess capacity. New capital investments contributed albeit small to the improving economy. Actual **government spending** fell short of targeted spending chiefly as a result of a slowdown in government infrastructure projects and cutbacks in other state-funded construction projects. Overall, government investment fell by 6.0% in 2003, as compared with a 5.8% decline in the previous year.



**International Trade : Exports surged as a result of growing demand from Asian markets** and generally improved economic conditions elsewhere. The government also took aggressive steps to open new markets for the country's export sector, especially with the signing of new free trade agreements (FTA). In U.S. dollar terms, the total value of Thai **exports** grew faster than expected, at 17.4%, as compared with just 5.7% the year before. The value of exports in key sectors rose in the ASEAN, Japanese and EU markets, while exports to the United States, as a proportion of the whole, declined. Thanks to the efforts of both the government and private sectors, Thailand's exports made real inroads into new markets, such as China and South Asia. Meanwhile, the combined value of **imports** also rose, by 17.1%, as compared with 4.4% in 2002. Because the value of exports exceeded the value of imports, the country had a favorable **trade balance** totaling US\$ 4.2 billion. The **current account** surplus decreased slightly to 5.6% of GDP last year, as compared with the 2002 figure of 6.0%. In 2003, there was a **net capital outflow** of US\$ 8.7 billion, as compared with US\$ 4 billion the previous year. The larger outflow was due in part to the Bank of Thailand's decision to pay off the country's IMF loans ahead of schedule and the repayment of short-term private-sector loans when the baht strengthened against the US dollar. At the same time, large sums of capital continued to flow out of non-resident baht accounts, even as foreign direct investment (FDI) and investment in the Thai stock exchange rose. Thailand's **balance of payments** surplus fell to US\$ 0.1 billion in 2003, as compared with a whopping US\$ 4.2 billion the previous year.

Local Spending		
	% change	
	2002	2003 E
Consumption	4.6	4.7
Private Sector	4.9	5.7
Public Sector	2.5	-1.2
Investment	6.5	9.6
Private Sector	13.2	16.5
Public Sector	-5.8	-6.0

**Treasury : Government earnings exceeded original targets** by a wide margin in fiscal year 2003, while the government continued to apply a deficit spending policy as a means of stimulating the economy. **Government spending** was set at 999.9 billion baht, down 2.3% from the previous year. At the close of the fiscal year, actual spending totaled 938.4 billion baht, a year-on-year decrease of 3.5%. The **government collected revenues** of 960.6 billion baht, an increase of 13.6% over 2002 and 16.4% higher than initial projections. The resulting surplus combined with the extra-budgetary surplus gave Thailand's fiscal position a cash surplus equivalent to 0.6% of GDP, as opposed to the original projected deficit of 2.3%.

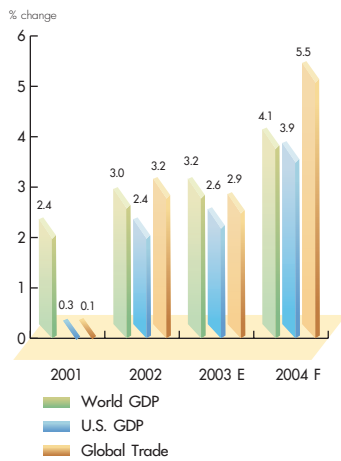
**Capital Market : Stock exchange index rose dramatically.** Thailand's SET index in 2003 increased at a high rate from the previous year, which was in line with the strong economic performance and improved profitability of listed firms on the stock exchange. Low domestic interest rates and high Thailand sovereign rating assigned by the world's leading agencies also helped to create confidence and induced the movement of funds into the local stock market by domestic and foreign investors. Daily average turnover value in the stock exchange increased to 18,908.02

million baht in comparison with only 8,356.91 million baht in the previous year. SET index at the end of 2003 rose to 772.15, up 116.6% from the end of 2002.

**Monetary Sector : Because of high liquidity, interest rates remained low.**

Excess liquidity in the system coupled with low inflation and stable interest rates in world money markets allowed for a further relaxation in monetary policy. 14-day R/P rates were cut from 1.75% per annum to just 1.25%. Meanwhile, commercial banks rolled back interest rates on deposits and loans to record lows. Major banks set the *MLR* rate at 5.50–5.75% by year’s end 2003, down from 6.50–7.00% a year earlier. Meanwhile, credit extended by Thai banks grew modestly as major organizations chose to raise funds through bond issues rather than bank loans. Deposits continued to grow in line with rising employment and higher public income levels, despite periodic fund mobilization in the capital markets, which made bank deposits relatively less attractive. Total *credit* and *deposits* rose by 3.6% and 4.4%, respectively in 2003, as compared with 7.5% and 2.5% increases in the previous year. The Thai currency strengthened against the U.S. dollar, thanks to the country’s impressive economic performance and a stronger Japanese yen. Overall, the baht moved within a narrow range, due to the Bank of Thailand’s actions to prevent the strengthening of the baht to the point that it jeopardized the country’s exports along with other measures aimed at warding off foreign currency speculators. In 2003, the *value of the baht* averaged 41.53 to the U.S. dollar, as compared with a rate of 43.0 in 2002.

**World GDP and Global Trade Growth**

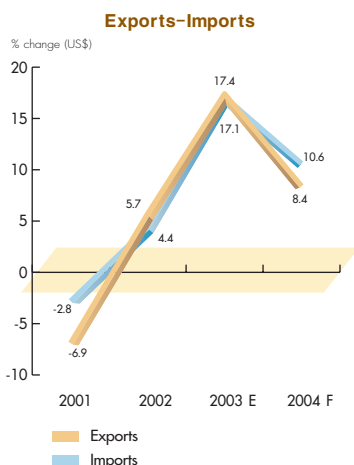
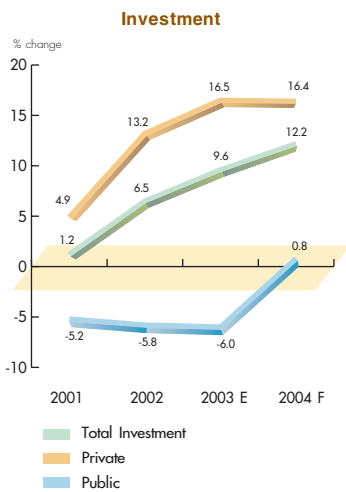
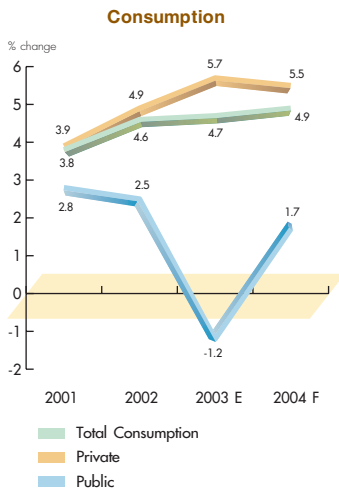


**Economic Outlook for 2004**

In 2004, Thailand’s economic growth is expected to exceed that of 2003, partly as a result of stronger economic performance in major markets around the world. Economic conditions are expected to improve in the United States, the European Union, the newly industrialized countries of Asia, and China. New free trade agreements and other forms of economic cooperation within and between different regions of the globe will be especially important in helping to boost the Thai export sector. In the meantime, a number of internal factors, such as higher private-sector consumption and investment, should further enhance the country’s economic performance in 2004. A number of government-funded strategic development projects will also contribute to increased growth. Even so, there are several external circumstances that pose a threat to the Thai economy. These include further erosion in the value of the U.S. dollar due to soaring current account deficits, and widening trade gaps between China and other major powers that threatens to bring about changes in the value of the yuan. In addition, the possibility of further terrorist attacks poses a threat to trade and investment in numerous countries around the world. The outbreak of avian flu in various Asian countries at the start of 2004 should have only limited impact on economic performance overall, provided that governments act quickly to control the disease. In general, then, the Thai economy in 2004 should grow at a healthy rate of approximately 7.2%. Unemployment totals are expected to decline, while the annual current account surplus and foreign reserves should remain high. Meanwhile, foreign debt is likely to decrease, and the rate of inflation will most likely remain relatively low. Thai baht will continue to strengthen against the U.S. dollar, averaging somewhere in the neighborhood of 39.50 to the greenback. By sector, the Thai economy should shape up as follows:

**Production : Thailand should continue to experience strong growth in 2004.** If the bird flu epidemic can be controlled, *agricultural production* should





grow in the second half of the year. The overall growth rate for 2004 is expected to be roughly that of the previous year and agricultural prices should also remain high. The **non-agricultural sector** is also expected to grow in line with stronger economic performance worldwide and improved conditions in Thailand's principal trading partners. Private-sector consumption and investment spending will also continue to grow at a rapid pace, providing a powerful stimulus for increased domestic production. Growth is anticipated to be particularly strong in the areas of vehicles and spare parts, foods, electronics and iron and steel products. The construction industry should also experience strong growth, with state-funded utilities projects and private housing, condominium, factory and commercial building projects all forging ahead. Trade will benefit from increased consumer confidence in the local economy and from government efforts to turn the country into a Sports and Tourism Capital of Asia as well as projects like Bangkok Fashion City.

**Spending : Consumption and investment in both government and private sectors should be major driving forces in the economy.** Overall consumption appears likely to grow by 4.9% in 2004, as compared with 4.7% in the previous year. **Private-sector consumption** will rise by 5.5%, a rate roughly equivalent to the 5.7% increase in 2003. Stronger consumer confidence, buoyed by the prospect of higher future earnings, and a positive outlook for the country's stock market should both contribute to increased spending in 2004. **Government spending** is likely to rise by 1.7% in 2004 after having shrunk slightly by 1.2% in 2003. The increase is due to higher government spending intended to stimulate consumption and investment aimed at keeping pace with private sector spending. Investments are likely to grow by 12.2% this year, with **private-sector investment** expected to surge by 16.4%, or roughly the same rate as in 2003. Improved economic conditions in the world as a whole should fuel increased international trade and investments. In addition, capacity utilization should also improve, signaling an increase in new investments in response to higher domestic consumption and growing exports. **Government investment** will likely grow by 0.8%, as compared with a 6.0% decline the previous year. Investments represent 21.5% of fiscal 2004's budget as compared with 21.1% in the previous fiscal year. Debt caps for the country's state enterprises were also raised in order to give them a role in stimulating economic growth. In addition, the 135 billion baht increase in the government's budget for 2004 should also spur greater private-sector investment. The government has allocated funds for a number of large-scale and top-priority investment projects as well as a nanotechnology scheme aimed at sharpening the country's competitive edge. This last project is slated to receive some 59 billion baht in state funds, as compared with the initial budget of 16 billion baht.

**International Trade : Exports are predicted to grow by 8.4% in 2004,** considerably less than the 17.4% increase in 2003. This decline is due to the strengthening of the Thai baht against the U.S. dollar, increased trade barriers, and the outbreak of the avian flu at the start of the year. These factors are largely offset, however, by improving economic conditions in Thailand's major trading partners, namely the United States, the European Union and countries in Asia. Bilateral trade agreements as well as joint efforts between the government and the private sector to boost exports should also contribute to the growth of the country's export sector. The automobile and auto accessories industry, rubber products, gems and jewelry, and electronics seem poised to experience particularly impressive growth. **Imports** are likewise predicted to rise in response to increasing demand for investment in Thailand and the rising demand in raw material for exports. At 10.6% growth rate,

imports are expected to outpace export growth in 2004, and as a result, the country's **trade balance** should show a smaller surplus than in 2003. Meanwhile, the **service and unrequited transfers** surplus is projected to increase slightly, in line with growth in the tourism industry. Overall, the **current account** surplus is expected to be equal to 4.2% of GDP, down from 5.6% in the previous year. **Net capital outflow** should drop to approximately US\$ 4.5 billion, as foreign debt repayments slow after efforts to speed up payments in 2003. Foreign direct investments are likely to increase as the overall investment climate improves leading to a favorable **balance of payments** in 2004.



**Treasury : Government revenues are expected to exceed targets again in 2004.** **Spending** is set at 1.028 trillion baht (exclusive of mid year additional budget of 135.5 billion baht), an increase of 2.8% over the previous year, representing a planned budget deficit of 99.9 billion baht, or 1.6% of GDP. The government expects that actual spending will be as high as 92% of the total budget. Although total **government revenue collection** is set at 928.1 billion baht, a 12.5% increase over the previous fiscal year, it is expected that actual earnings will exceed the target for the second consecutive year, further strengthening of the country's fiscal position. Therefore, it seems unlikely that the government will need to borrow funds to offset the projected budget shortfall. The goal of a balanced budget should be realizable as early as fiscal year 2005.

**Capital Market : The outlook for the local stock market appears hopeful,** due much to the healthy economic climate. Companies listed on the exchange are likely to show strong financial performance, while the privatization of state enterprises and the addition of new firms to the SET should attract the interest of foreign and Thai investors. As a result, the average daily volume of trade should increase in 2004, as should the level of SET index.

**Monetary Sector : Interest rates may rise in the second half of the year.** Excess liquidity should remain high throughout 2004 despite the introduction of new government measures aimed at absorbing excess liquidity in the system. The projected current account surplus, infusions of capital from abroad, and growing household and business savings will keep liquidity high. Even so, the prospect of higher economic growth coupled with increased government and private-sector investments will increase demand for loans from commercial banks, thus increasing banks' loan portfolios. The possibility that the US Federal Reserve may raise interest rates in the middle of the year as a means of halting the dollar's slide has also led to an expectation that local interest rates may rise slightly in the second half of 2004. The **MLR** rate should move between 5.50% and 6.00%, compared with 5.50-5.75% in 2003. **Credit** and **deposits** in the commercial banking industry should also increase by 5.5% and 4.0%, respectively. This compares with a 3.6% and a 4.4% increase in the previous year. **The baht** is expected to remain stable in relation to other regional currencies, helping to facilitate trade. It should average out at roughly 39.50 baht to the U.S. dollar in 2004, as compared with 41.53 baht last year. The complementary effects of low interest and stable exchange rates along with the government's pro-growth policies should enable Thailand's major financial institutions to successfully play its role in the country's economic growth as intended by the government. The domestic commercial banks and other financial institutions will also continue to develop new services in order to meet the challenges of increased competition. By boosting capabilities, Thailand's financial sector will lay the groundwork for continued economic expansion for many years to come.

# Competition in the Commercial Banking System

Thailand's commercial banking system, which comprises a total of 13 banks, experienced increasing competition with each bank introducing new products and services to large and small customers. Competition was particularly intense in the area of consumer credit, such as housing loans and credit card business, and loans to small and medium-sized enterprises (SMEs). Many of Thailand's commercial banks have invested heavily in IT resources as a means of expanding their range of financial products and services, and sharpening their competitive edge. Through the introduction of new e-Banking services, the banks are hoping to win a larger share of the market and generate additional income.

As of the close of 2003, deposits in the commercial banking system totaled 5,114,323 million baht, an increase of 4.09% over the previous year. Loans (exclusive of doubtful accounts) totaled 3,903,822 million baht, an increase of 6.12% over 2002. This increase was due to the country's healthy economic climate, which encouraged businesses to invest and expand.

In 2003, Bank of Ayudhya's assets grew by 11.29%, the fastest rate among the country's 5 largest commercial banks. As a result, in terms of the total value of assets, the Bank moved up one position, from sixth at the end of 2002 to fifth at the end of last year. In 2003, the Bank's deposits and loans (excluding doubtful accounts) grew by 7.34% and 5.53%, respectively, accounting for 8.23% and 9.58% of total market share, making the Bank the country's fifth largest bank in both categories.

In 2003, deposits in the commercial banking system as a whole rose by 200,900 million baht, while credit (exclusive of doubtful accounts) increased by 225,184 million baht. During the same period, the Bank's deposits grew by 28,753 million baht (14.31% of the system-wide increase), and its loans increased by 19,608 million baht (an 8.71% share of the total increase).



## Market Share of Bank of Ayudhya and the Commercial Banking System as of December 31, 2003

	Assets		Deposits		Credit <sup>1/</sup>		Operating profit <sup>2/</sup>		Net profit	
	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003
<b>Commercial Banking System <sup>3/</sup></b> (million baht)	5,770,099	6,122,122	4,913,423	5,114,323	3,678,638	3,903,822	56,546	81,415	11,139	39,474
% change	1.83	6.10	2.39	4.09	17.37	6.12	127.88	43.98	-86.92	254.37
<b>Bank of Ayudhya</b> (million baht)	463,584	515,938	391,913	420,666	354,523	374,131	2,722	6,059	2,119	3,053
% change	5.71	11.29	5.28	7.34	6.97	5.53	314.94	122.60	179.43	44.07
<b>Market share (%)</b>	8.03	8.43	7.98	8.23	9.64	9.58	4.81	7.44	19.02	7.73
<b>Rank</b>	6	5	6	5	5	5	6	6	4	6

Note : <sup>1/</sup> Loans (after deducting doubtful accounts)

<sup>2/</sup> Profit prior to special items and allowance for doubtful accounts

<sup>3/</sup> The Thai commercial banking system comprises 13 banks.

For the commercial banking system as a whole, operating profits, or profits prior to special items and allowance for doubtful accounts, totaled 81,415 million baht in 2003, up 43.98% from the year before, when the figure totaled 56,546 million baht. The percentage increase in the Bank's operating profits was the highest among the country's seven leading commercial banks. Specifically, the Bank's operating profits rose 122.60%, from 2,722 million baht in 2002 to 6,059 million baht last year.

Net profit for the entire commercial banking system rose from 11,139 million baht in 2002 to 39,474 million baht in 2003, an increase of 254.37%. Net profit for the Bank rose 44.07% from 2,119 million baht in 2002 to 3,053 million baht in 2003. The reason for the Bank's lower growth in net profit in comparison with the banking system as a whole is that the Bank allocated provisions for doubtful accounts at a higher rate than the banking system overall.

Thailand's commercial banking system should perform well again in 2004. As the country's economy is set to grow at an even higher rate than last year, and because of the government's financial sector master plan to bolster the financial system by providing support for the commercial banking sector, banks will need to raise efficiency levels and enhance their ability to compete. They will need to reexamine their business and marketing strategies, making efforts to reach out to new and wider markets through the introduction of innovative financial services. These steps are key to the banking system's ability to boost revenues in the current year and strengthen profitability in the long term.

## Review of Bank Operations

### Profitability

In 2003, the Bank (which, unless otherwise specified, includes the Bank's subsidiaries) performed significantly better than in the previous year. Profits before allowance for doubtful accounts, which totaled only 3,011 million baht in 2002, soared 117.25% to 6,542 million baht in 2003. After allowance for doubtful accounts, the Bank's net profits for the year totaled 3,053 million baht, an impressive 44.07% improvement over 2002, when net profits totaled 2,119 million baht. Per share earnings rose 20.87% from 1.15 baht to 1.39 baht in 2003. This dramatic rise was due to a number of factors, including increased net income from interest and dividends mainly resulted from lower costs of deposits, as well as the Bank's success in generating additional income from non-interest sources.



#### • Net Interest and Dividend Income

In 2003, the Bank's net interest and dividend income totaled 8,577 million baht, up 23.89% from the previous year's total of 6,923 million baht. Through loan expansion and increased earnings from its investment portfolios, the Bank significantly increased its income and dividend earnings. At the same time, it was able to lower interest payments thanks to lower interest rates on deposit accounts last year. The Bank's share of relatively low-cost savings deposit accounts as a percentage of total deposits also rose while its share of high-cost fixed deposit accounts fell.

#### • Non-Interest Income

In 2003, the Bank's non-interest income rose 73.78% from 4,507 million baht in 2002 to 7,833 million baht last year. This was partly due to higher gains on investment and from sales of foreclosed properties. The Bank also introduced a number of new products and services last year, which allowed it to boost income from service fees and other non-interest sources significantly.

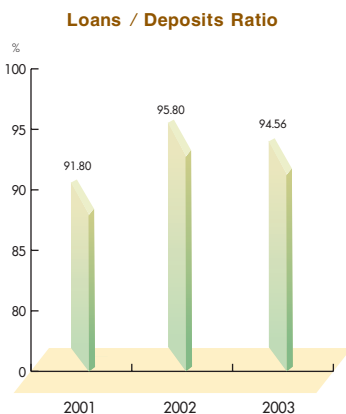
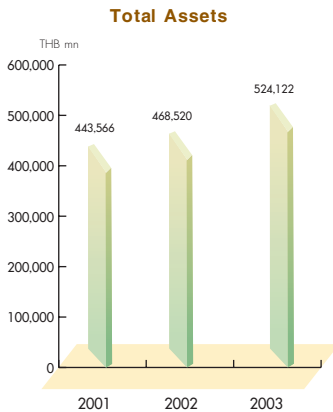
#### • Non-Interest Expense

Operating or non-interest expense other than the Bank's funding costs, rose from 8,419 million baht in 2002 to 9,868 million in 2003, an increase of 17.21%. Capitalization cost, higher staff salaries and welfare payments accounted for the bulk of the increase.

## Assets

The Bank's total assets rose from 468,520 million baht at the close of 2002, to 524,122 million baht at the end of 2003. This is an increase of 11.87% and is due to growth in the Bank's investment and loan portfolio with improved economic conditions.

The largest portion of the Bank's assets is in the form of loans and accrued interest receivables, which together account for 73.00% of total assets as of the end of 2003. Securities, permanent assets and interbank and money market items account for the next largest share of the Bank's assets. The breakdown of the Bank's total assets for 2002 and 2003 is shown in the table below.



Type	2002		2003	
	Million baht	%	Million baht	%
Cash	10,397	2.22	13,082	2.50
Interbank and money market items	20,317	4.34	11,671	2.23
Securities purchased under resale agreements	3,250	0.69	20,200	3.85
Investment in securities	38,800	8.28	60,863	11.61
Loans and accrued interest receivable	360,704	76.99	382,615	73.00
Properties foreclosed	18,984	4.05	18,095	3.45
Permanent assets	12,966	2.77	12,901	2.46
Others	3,102	0.66	4,695	0.90
<b>Total</b>	<b>468,520</b>	<b>100.00</b>	<b>524,122</b>	<b>100.00</b>

### • Liquid Assets

As of the close of 2003, the Bank's liquid assets, consisting of cash, interbank and money market items, securities purchased under resale agreements, and securities investments, had a combined value of 105,817 million baht, or 20.19% of total assets. This dramatic 45.42% year-on-year increase was the result of increased deposits, capitalization and the issue of subordinated debentures. The Bank also invested funds after those allocated for loans in the securities market.

The liquid assets to deposits ratio stood at 24.88% as of the end of 2003, higher than the 18.40% rate at the end of 2002, which is higher than the requirement set by the Bank of Thailand. This figure makes it possible for the Bank to redeem 26 billion baht worth of subordinated debentures cum preferred shares (SLIPS) in early 2004. The Bank's ratio of loans to deposits was 94.56% as compared with 95.80% at the end of 2002.

### • Investment in Securities

#### 1. Government securities

The Bank's purchase of government securities is intended chiefly to fulfill the Bank of Thailand's daily liquidity requirement and other specific requirements. For securities guaranteed by the Ministry of Finance (MOF) they are risk-free. Even those that are not guaranteed by the MOF, the risk of default is very low because most are securities of State Enterprises.

Because market prices may fluctuate in response to movements in interest rates, it is the Bank's policy to invest in different issues of government bonds with different maturities. Likewise, the Bank has a policy for managing the average duration of its investments in government securities.

The Bank's financial statements for December 31, 2002 and December 31, 2003, show that its investments in government securities consisted of treasury bills, government bonds, Financial Institutions Development Fund bonds, state enterprise bonds either guaranteed or not guaranteed by the Ministry of Finance, with durations ranging from 1 month to 8 years.

These government investments had a combined value of 24,743 million baht in 2002, and 30,024 million baht in 2003. Their market value is reassessed each month. The difference between these two values is booked in the Bank's profit and loss statement or in the shareholders' equity account, depending on the type of investment, according to standard accounting practice. In this way, the Bank's financial statements always reflect the current market value of its investment in government securities.

## 2. Private Securities

As of December 31, 2002, and December 31, 2003, the Bank's investment in private-securities totaled 13,892 million baht and 31,543 million baht, respectively. They were divided into investment in equity worth 8,253 million baht and 23,190 million baht and investment in debt instruments worth 5,639 million baht and 8,353 million baht, respectively. The reason for the increase in private-sector investments was the Bank's decision to invest more in unit trusts, which yield a relatively high rate of return.



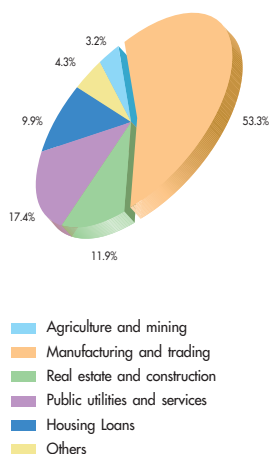
Types of Investments	Investment (million baht)	
	2002	2003
<b>Equity Investments</b>	<b>8,253</b>	<b>23,190</b>
Investments in listed companies	1,000	2,003
Investments in subsidiaries	3,147	3,131
Investments in associated companies	336	524
General investments	3,770	17,532
<b>Debt Instruments</b>	<b>5,639</b>	<b>8,353</b>
Securities for trading	11	328
Securities available for sale	2,620	3,219
Securities held to maturity	3,008	4,806
<b>Total</b>	<b>13,892</b>	<b>31,543</b>

For equity investments, the Bank has adopted a policy not to concentrate more than 25% of its total investments in a single sector within an industry, except in the case of investment in the Bank's own subsidiaries and associated companies.

### 3. Return on securities investments

An analysis of the rate of return on the Bank's investments shows that in 2003, the Bank received interest and dividend income on investments and had a gain on investment totaling 1,596 million baht and 3,033 million baht, respectively. This compares with the previous year's figures of 1,646 million baht and 818 million baht. Overall, the annual rate of return on the Bank's investments in 2003 was equivalent to 9.37%, a marked improvement over the 7.01% rate in 2002. Investment gain rose last year, owing to capital market performance and the strong growth of the Thai economy as a whole.

Loans by Business Sector in 2003



### 4. Provisioning for investment in securities

In compliance with guidelines set by the Bank of Thailand, the Bank set aside, as of December 31, 2003, reserves for securities investment totaling 773 million baht. This is 100% of the required sum.

#### • Investment Spending

Financial statements for the Bank show that, as of the end of 2003, the Bank had investments in subsidiaries and associated companies (based on equity method) worth 2,855 million baht. This represents an increase of 14.04% over the previous year's figure of 2,503 million baht.

#### • Loans

##### Total loans

The Bank's outstanding loan rose 6.17% from 378,836 million baht as of December 31, 2002 to 402,221 million baht at the close of 2003. The Bank was particularly successful in increasing loans to small and medium-sized enterprises (SMEs) and mortgage lending.

##### Loans by business sector

Broken down by business sector, the Bank's loan portfolio still emphasizes lending to the trade and manufacturing industries, which are two of the country's top income earners. Together, these two sectors accounted for 53.33% of the Bank's total loans, and the sectors are expected to post a year-on-year growth of 4.48%. Overall, the Bank's outstanding loans, exclusive of interbank and money market items, totaled 402,370 million baht as of the close of 2003.

Business	2002		2003	
	Million baht	%	Million baht	%
Agriculture and mining	12,595	3.32	12,867	3.20
Manufacturing and trade	205,361	54.20	214,568	53.33
Real-estate and construction	45,674	12.05	47,897	11.90
Utilities and services	68,234	18.01	69,868	17.36
Housing loans	33,477	8.84	39,727	9.87
Others	13,546	3.58	17,443	4.34
<b>Total</b>	<b>378,887</b>	<b>100.00</b>	<b>402,370</b>	<b>100.00</b>

**Remarks :** Loans prior to unearned discount on loans and excludes interbank and money market items.



### Loans by category of asset

A breakdown of the Bank's loans and accrued interest receivable, not including interbank and money market items, show that normal loans account for 331,487 million baht, or 81.62% of the total, an increase of 14.26% over the previous year's figure of 290,128 million baht. Loans in the substandard to doubtful of loss categories totaled 67,846 million baht, or 16.71% of total loans. This is a decrease of 18.52% or 83,270 million baht from the previous year.

Category	2002		2003	
	Million baht	%	Million baht	%
Normal	290,128	75.68	331,487	81.62
Special mention	9,987	2.60	6,789	1.67
Substandard	15,108	3.94	6,263	1.55
Doubtful	7,205	1.88	5,206	1.28
Doubtful of loss	60,957	15.90	56,377	13.88
<b>Total</b>	<b>383,385</b>	<b>100.00</b>	<b>406,122</b>	<b>100.00</b>

**Remarks :** Exclusive of interbank and money market items but inclusive of accrued interest receivable.

### Non-Performing Loans

As shown in the financial statements, non-performing loans (classified as substandard, doubtful, doubtful of loss, and loss) of the Bank and the Bank inclusive of Ayudhya Assets Management Company, as of December 31, 2003, totaled 59,747 million baht and 65,085 million baht, respectively. These figures were equivalent to 15.10% and 16.22% of total loans (exclusive of financial institutions), and compare favorably with the previous year's totals of 74,667 (19.86%) and 80,281 million baht (21.04%), respectively.

### Non-Performing Loans Transferred to the Thailand Assets Management Company (TAMC)

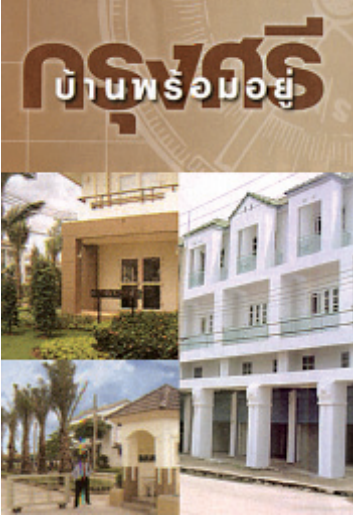
In 2001, 2002 and 2003, the Bank (exclusive of its subsidiaries) after meeting the Bank of Thailand's provisioning requirements, transferred 5,775 million baht, 1,409 million baht, and 249 million baht of non-performing assets respectively to the Thailand Assets Management Corporation (TAMC) in exchange for 10-year promissory notes (avalued by FIDF). As of December 31, 2002 and December 31, 2003, the Bank received an accumulated value of promissory notes of 5,384 million baht and 6,546 million baht, respectively. The remaining portion of transferred assets are still being inspected and appraised. The Bank's right to take receipt of promissory notes in exchange for the transfer of these assets is reported in the Bank's financial statements as long-term investments held to maturity (under government and state enterprise securities).

### Troubled Debt Restructuring

The Bank and its subsidiaries also restructured debt in the amount of 34,127 million baht in 2003. This is equivalent to 8.41% of total loans and represents a 6.22% increase over the previous year's total of 23,831 million baht. As of the end of 2003, outstanding restructured debt stood at 109,183 million baht. This is a 9.08% decrease from the previous year's figure of 120,081 million baht and attests to the progress of the Bank's debt restructuring efforts to date.

### Estimation of Allowance for Doubtful Accounts

As of December 31, 2003, using guidelines set by the Bank of Thailand, the Bank calculated its allowances for doubtful accounts to be in the amount of 21,835 and 20,415 million baht for the consolidated and the Bank's own financial statements, respectively. The Bank's actual accounting records, however, show allowances for the consolidated and Bank's financial statements of 23,360 million baht and 21,442 million baht, respectively, or 106.98% and 105.03% of the estimates, both figures are above the official guidelines.



### Limiting Risk from Credit Default

Extending credit to customers exposes the Bank to certain risks. But the Bank has taken steps to minimize this risk. First of all, the ability of any potential borrower to repay a loan is carefully scrutinized. A borrower must also provide some form of collateral or a guarantor to obtain credit. If the borrower fails to honor the terms of the loan agreement, the Bank has the right to seize or foreclose on the collateral and to sell it at a fair price. To ensure that the Bank is able to recoup losses, it has adopted a general policy to grant loans worth approximately 75% of the value of the collateral provided by the customer.

Bad debt is written off when it becomes clear that the debt is irrecoverable, and bad debt recovery is recorded as income on the Bank's income statement (See notes to the financial statements for the year ending December 31, 2003, Note 3.4).

#### • Properties Foreclosed

Properties foreclosed, which include both moveable and immovable assets, are listed at fair price or at the value of the outstanding debt plus interest due, including the interest to which the creditor is entitled on the day of taking possession of the assets, whichever is less. When the Bank determines that the selling price of a particular asset has fallen, it sets aside a corresponding allowance. Profits or losses from the sale of properties foreclosed are realized at the time of sale, and are recorded as non-interest income on the Bank's income statement (See notes to the financial statements for the year ending December 31, 2003, Note 3.6). As of the end of 2003, the Bank and its subsidiaries had properties foreclosed valued at 18,094 million baht, down from the previous year's total of 18,984 million baht. During 2003, the Bank realized gains on the sale of assets totaling 613 million baht.

### Sources and Uses of Funds

As of the end of December 2002 and 2003, deposits accounted for the largest share of the Bank's total source of funds at 84.40% and 81.15%, respectively. This was followed by borrowings inclusive of subordinated debt cum preferred shares at 8.16% and 8.01%, shareholder equity at 3.65% and 5.50%, and other sources at 3.79% and 5.34%, respectively.

Customer deposits amounted to 425,341 million baht at the end of 2003. This was an increase of 7.56%, over the 2002 year-end figure of 395,439 million baht. Deposits by category and period of deposits appear in the table below:



Category	2002		2003	
	Million baht	%	Million baht	%
Payable on demand	8,405	2.13	11,952	2.81
Savings	131,695	33.30	163,235	38.38
Fixed deposits				
• Less than 6 months	126,978	32.11	124,947	29.38
• 6 months to less than 1 year	8,718	2.20	10,017	2.35
• 1 year or more	119,643	30.26	115,190	27.08
<b>Total</b>	<b>395,439</b>	<b>100.00</b>	<b>425,341</b>	<b>100.00</b>

The Bank's borrowings (including subordinated debt cum preferred shares) as of the end of 2003 totaled 41,973 million baht, a decrease of 3,724 million baht, or 9.74%, over the previous year. The decrease was due to the Bank's redemption of the first and second issues of subordinated debentures with a combined value of 8 billion baht. The Bank also issued 12 billion baht in new subordinated debentures with a lower interest rate than that paid on the earlier issues (For details, see note 4.14 in the notes to the financial statements).

At the close of 2002 and 2003, the Bank's use of funds were divided among credit extension at 80.86% and 76.74%, respectively; liquid assets (consisting of cash, interbank and money market items, securities purchased under resale agreements, and investment in securities) at 15.53% and 20.19%, and other items at 3.61% and 3.07%.

An examination of the relationship between the Bank's sources and uses of funds shows that the majority of its sources of funds are from short-term domestic deposits with a maturity date of less than one year. Loans constitute the largest portion of its fund use. The remaining periods for the Bank's outstanding loans as of the end of 2002 and 2003 appear in the table below:

Period	Loans			
	2002		2003	
	Million baht	%	Million baht	%
One year or less	153,844	40.60	160,585	39.91
More than one year	225,043	59.40	241,785	60.09
<b>Total</b>	<b>378,887</b>	<b>100.00</b>	<b>402,370</b>	<b>100.00</b>

**Note:** Prior to unearned discount on loans and exclusive of interbank and money market items.

As of the close of 2003, the Bank's loans (prior to recognizing unearned discount on loans and excluding of interbank and money market items) totaled 402,370 million baht. Classified by expiry date, loans set to expire in one year or less (including those without an agreement and those whose agreements have expired) totaled 160,585 million baht, an increase of 4.38% over the previous year. Loans with an expiry date of more than one year totaled 241,785 million baht. This is an increase of 7.44% over the 2002 year-end figure.

As these figures show, the average loan period is longer than the average term of deposits, but because the typical depositor automatically rolls over their deposit,

there is a reasonable and reliable balance between the sources and uses of the Bank's funds.

The Bank's average yield earned in 2003 was 4.30%, down slightly from 4.64% in the previous year. Average cost of funds was 2.32% in 2003, also down from 2.91% in 2002. Both decreases were the result of lower money market interest rates last year. The spread between the Bank's return on use of funds and its costs rose from 1.73 in 2002 to 1.98 last year, due to the fact that cost of funds declined more quickly than earned interest rates.

### Cash Flow

The Bank's cash flow statements in 2003 show a net increase of cash and cash equivalents of 2,685 million baht, as compared with a net increase of 4,593 million baht in 2002. The increases of cash and cash equivalents in 2002 and 2003 were derived from the following sources:

- Cash outflows from investments totaled 30,850 million baht in 2003, compared with the previous year's net cash flow of 971 million baht.
- Net cash flow from fund raising activities amounted to 14,080 million baht, compared with a cash outflow of 183 million baht in 2002.
- Net cash flow from the Bank's operations brought in some 19,439 million baht in 2003, compared with 3,783 million baht in 2002.
- Impact of exchange rate movements on cash holdings earned the Bank 16.35 million baht in 2003, as compared with 20.94 million baht in 2002.

In short, liquid assets held by the Bank and its subsidiaries are well within the guidelines set by the Bank of Thailand.

### Shareholders' Equity

As of the end of 2003, shareholders' equity was 28,823 million baht, an increase of 68.69% from the previous year's figure of 17,086 million baht, due chiefly to raising 10,000 million in new capital through issuance of common shares. The Bank's net profit for the year totaled 3,053 million baht, whereas excess capital from the appraisal of land and buildings fell by 37 million baht, and the Bank's capital from changes in investment values likewise declined by 1,348 million baht. Overall, the Bank still has adequate capital to support future expansion, with shareholders' equity higher in 2003 than in the previous year.

### Capital Adequacy

The Bank's ability to successfully raise capital has enabled the Bank to maintain adequate capital to support its business activities and satisfy the legal provisioning requirements of the Bank of Thailand. As of December 31, 2003, Tier 1 capital totaled 36,765 million baht, or 8.58% of risk assets, higher than last year's figure of 5.97%, and significantly higher than the Bank of Thailand's requirement of 4.25%. Combined, tier 1 and tier 2 capital amounted to 59,667 million baht, for a capital adequacy ratio of 13.92%. Again, this is above the 2002 figure of 10.80% and well above the official requirement of 8.50%.

### Key Factors Which May Have an Impact on the Bank's Performance or Its Financial Position in the Future

See the section on Risk Management.

## Highlights in 2003

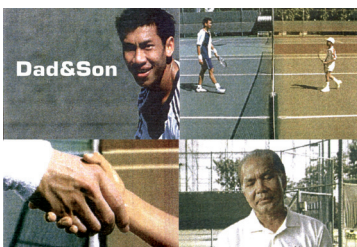


**January 28** The Bank hired FIDELITY Information Services (Thailand) Company Limited to install new credit approval software called “ALSCOM” - Advanced Loan Services Comprehensive Origination Manager. The new system compiles all necessary information and allows for instant preliminary credit approval. It also facilitates the preparation of loan agreements and calculation of fees and premiums.



**January 30** The Bank was chosen by the National Medical Council to issue a special Doctor Card, the first and only credit card of its kind in Thailand. Available only to licensed physicians, the card allows holders to charge for goods and services all around the world. It is also an ID card, with records of credits taken by the holder in continuing education programs.

**March 31** To mark the 25<sup>th</sup> anniversary of *Matichon* newspaper, the Bank contributed to the production of a VCD documentary feature on Thai history called “Sam Krungsri (Three Capitals),” which was distributed to school libraries all over Thailand.



**April 9** The Ministry of Social Development and Human Security honored the Bank for its commercial titled “Dad and Son” with a runner-up prize in the category of Best Family-Oriented Commercial. The ad can be seen on the Bank’s website at [www.krungsri.com](http://www.krungsri.com).

**May 18** The Bank was named Best Consumer Finance for the second consecutive year in the Suan Dusit Poll conducted at the 3<sup>rd</sup> Consumer Finance & Technology Fair (Money Expo 2003) sponsored by *Money and Banking* magazine held at Queen Sirikit National Convention Center.



**June 3** The Bank upgraded its Intranet Web facility “[www.krungsri.net](http://www.krungsri.net)” which is also called “Express Way of Knowledge for BAY”. The facility centralizes all important information for the purpose of intranet communications and self learning for all levels of Bank staff. New techniques to boost sales volume and enhance operating capacity are also included.

**June 5** The Bank became the first bank in Thailand to install automated barcode readers in its ATM machines, allowing customers to make bill payments quickly, correctly and conveniently.



**July 16** Three new lines of Krungsri ATM card designs were unveiled. The ATM Building card features pictures of buildings; the ATM Family card depicts a family, and the new ATM Faces card shows people from various walks of life.

**July 18** The Bank received the Quality Recognition Award for the Year 2002 from J.P. Morgan Chase Bank. This acknowledges the exceptional quality of the Bank's foreign transfer services.



**August 5** In conjunction with Ayudhya Allianz C.P. Life Insurance, the Bank introduced its Bancassurance service and has set a target to be the market leader of this new service, which allows customers to buy life insurance over the counter at branches in the greater Bangkok area.

**August 11** The Bank approved 1 billion capital increase through the issuance of ordinary shares offering at a per share value of 10 baht. Institutional investors both in Thailand and abroad responded very favorably to the offer, snapping up all the shares in a single day. This is a clear indication of investors' growing confidence in the financial health of the Bank. The Bank formally notified the Commerce Ministry of the increase in its registered capital from 18,503.25 million baht to 28,503.23 million baht on August 29, 2003.



**August 13** The Bank introduced a Centralized Clearing Center applying a new Imaging Workflow system that verifies data and signatures on checks, and sends information to the appropriate branch office for collection. The Bank also extended its check clearing hours to 3:00 p.m., the first local bank to do so, and launched a new service called Cheque Express that lets customers withdraw cash or deposit checks of up to 200,000 baht per transaction instantly.



**September 5** The Bank made upgrades to its KrungsriOnline system that allow customers to perform a range of transactions by palm and pocket PC from anywhere 24 hours a day.

**November 5** The Bank issued 12 million subordinated debentures #5 maturing in 2013 available to general and institutional investors at a unit price of 1,000 baht.

**November 19** The Bank won the Securities and Exchange Commission's Disclosure Report Award for the second consecutive year. The award recognizes excellence in reporting by a publically-listed company. As a two-time recipient, the Bank sets an excellent example for other listed firms to follow when preparing their annual reports.



**November 27** The Bank completed the installation of new Datawarehouse Module Profitability Analysis using an Oracle's OFSA Software. Profitability and cost structure can now be analyzed and processed in different dimensions such as by business units, product lines and individual customers. The system will enhance the Bank's overall efficiency.

**December 3** The Bank was one of just three banks chosen by Hutchinson CAT Wireless Multimedia to be a business partner and developer in its Hutchinson M-sites Program (CDMA 2000-1x). This program is aimed at improving the speed and convenience of mobile banking services.



**December 17** The Bank was the first bank in Thailand to be recognized by VISA International for improvements in its electronic data capture (EDC) system that enable tourists from all over the world to use their VISA Smart Debit and VISA Smart Credit Cards. The new system helps to reduce the possibility of credit card fraud and contributes to the country's reputation for safety and security.



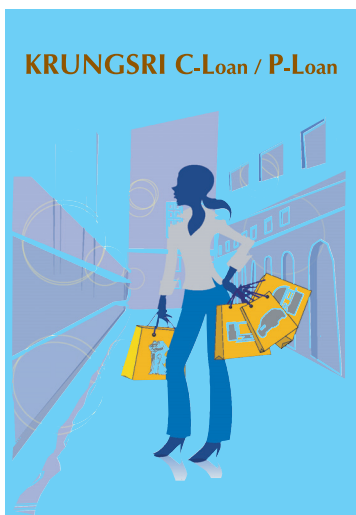
**December 18** The Bank's commercial "Memory" was named best commercial in 2003 by the Catholic Mass Media Association of Thailand, together with Saint John's University, Assumption University, and the Catholic Education Council of Thailand.

## Innovations and New Product Developments

The Bank adopted a three-year IT Blueprint (2001–2003), with a budget of 3,500 million baht, targeting the introduction of new products and improvements in IT resources as a means of meeting the challenges of increased competition.



In 2003, the Bank implemented investment programs in IT upgrades, completing 27 computer infrastructure projects. These include the Internet Banking 7 Series, a package of Internet services for both small individual customers and major enterprises, consisting of Krungsri e-Trade, Krungsri e-Banking, KrungsriOnline Banking, Krungsri e-Mobile Banking, Krungsri e-Payment, Krungsri e-ATM, and Krungsri e-Cash Management. KrungsriOnline is a new Personal Digital Assistance (PDA) based service offered in conjunction with Hutchinson and the Communications Authority of Thailand (CAT). The Bank also launched e-Mobile Banking, which operates through the CDMA network, the latest 3G technology. Starting in September 2003, the Bank upgraded its Verified by Visa (VbV) system, part of the Krungsri e-Payment service, to facilitate foreign VISA credit card payments. In addition, VISA International announced that the Bank was the first Thai bank with a functioning EMV (Euro MasterCard VISA) system able to accommodate growth of the EDC (Electronic Data Capture) network.



In 2003, the Bank increased its ATM machines in service to 1,049. It introduced new, distinctive yellow ATM booths, part of the Bank’s campaign to modernize its image. In addition, the Bank launched a new personal loan service called Krungsri e-Loan, which lets customers make cash withdrawals under the loan limit through any of its ATM machines. And with the installation of barcode readers, customers can also make bill payments through the ATM network, which is a service unique to the Bank. Finally, the Bank joined hands with Sea Tran Ferry to allow customers to book and pay for tickets on the Don Sak–Koh Samui ferry by ATM.

Another important component of the Bank’s IT Blueprint was the successful introduction of a new centralized clearing center in 2002. Using Unisys Thailand’s Imaging Workflow software, the center is the first of its kind in Thailand. Thanks to technology that collects customer signatures from all over the country, the Bank was able to extend its hours for clearing checks from other banks from 1:30 p.m. to 3:00 p.m., the first commercial bank in Thailand to do so. The Bank also installed a new Centralized BC system that makes it possible to clear provincial checks in three days.



In 2003, the Bank launched its New Model Branch design, featuring Branch Automation Version 6.0 software, part of the WINDOWS GUI operating system, at 80 branches nationwide. The software, which lets the Bank offer faster, more efficient customer service, should be in place in 150 branches before the end of 2004. The Bank has also installed other new equipments at branches around the country, including automated passbook updating machines, barcode readers, and passbook printers. Foreign exchange services have been expanded, with the introduction of 30 redesigned Exchange Booths, featuring the latest technology and Western Union wire transfer services. The Bank has also installed Fidelity's ALSCOM, a loan origination system that helps to speed up the personal loan approval process for the Bank's individual customers. The system was installed at 30 branch locations in December 2003. Another innovation is the Bank's FCD (Foreign Currency Deposit) system. This system uses branch automation to allow customers to make foreign currency savings deposits at selected branch locations.

The Bank has installed its own Intranet system (Krungsri.net), an internal Web-based communications system for use by Bank staff. Krungsri.net gives the Bank's staff immediate access to important information and helps cut down on the use of paper. In addition, the installation of the Imaging Workflow system, a valuable tool in screening and approving loan applications, has helped the Credit Approval Committee cut expenses by eliminating the need for costly paper duplicates.

## Branch Development

2003 marked another year in which the Bank made dramatic changes in its extensive network of branches. Most of these changes are aimed at opening up new marketing opportunities and earning additional income, for the branch offices. The Bank opened a number of new branches in locations with high business potential and modernized the look of many of its branches and service centers to catch the customer's eye. It also upgraded the quality of its IT resources and appointed sales teams to offer banking services to both the Bank's institutional and other major branch customers.



### Branch Network

As of the close of 2003, Bank of Ayudhya had a total of 411 branch offices; 408 are located in Thailand, and the remaining three are located abroad, in Hong Kong, Vientiane and the Cayman Islands.

Location	Number of branches
Head Office	1
Bangkok	135
Suburban Bangkok (Nontaburi, Pathum Thani, Samut Prakarn, Samut Sakhon, and Nakorn Pathom)	39
Provinces	234
Abroad	3

### New Branches

In 2003, the Bank inaugurated 20 new offices. Most of them are mini-branches, which are small in terms of size and employee numbers but which are located in high business potential areas. Five new branches are situated on the premises of industrial estates; 5 in shopping centers; 5 in tourist spots; 4 in schools and colleges, and one at the National Convention Center. These are locations where the Bank estimates it can recoup its initial investment in a relatively short time.

### Changes in the Structure and Role of the Branches

In 2003, the Bank moved to streamline its branch operations to simplify management and appropriate to serve the new vision. The business and support divisions at the branch offices were clearly separated, making branch operations faster, simpler and more efficient. The Bank also set up a new Sales Administration Department directly responsible for the sale of banking products and services to institutional customers and other major customers of the branches. The creation of the new sales department provides the Bank with greater flexibility and dedication of resources to compete against other banks and financial institutions.



As a result of these changes, the branch offices are more focused on expanding business and generating additional income for the Bank through the sale of new products and services developed specifically for clients. These products include life insurance (or Bancassurance), and the sale of unit trusts and debt instruments. The fees charged for these products and services earn substantial income for the Bank annually.

### Modernizing the Image of the Branch Network

In 2003, the Bank redecorated its entire network of branches and service centers around the country. The branches have a smart, new, modern look that distinguishes the Bank from its competitors and complement its marketing policy to attract a younger clientele. The Bank has introduced a new logo and changed the signage color scheme at 273 existing branch offices and refurbished five bank buildings in strategic areas, where the volume of business is particularly heavy. The Bank has also repainted its ATM machines and revamped its exchange booths all around the country. They are now the same shade of yellow as the Bank's logo.



From this rebranding project, our customers and members of the press have begun to call us the "Yellow Bank," another clear indication of the Bank's success in building brand awareness.

### Improving Branch IT Resources

In 2003, the Bank invested in the purchase and installation of new electronic equipment at branch offices throughout the country. Devices like bar code readers, automated deposit and withdrawal machines, and automated passbook updating machines all help branch employees do their work more quickly, leaving them more time to concentrate on selling the Bank's products and services. The Bank also installed a Web Unisign system, an image reader for verifying customer signatures, at all provincial branches. This new development enables customers to withdraw cash from their checking accounts at any branch without having to wait for clearing process.

### Foreign Exchange Services

As of December 31, 2003, the Bank operated 32 foreign exchange counters and 3 mobile exchange vans for the ease and convenience of foreign tourists in Thailand. Eleven are located in Bangkok, and the other 24 are in major tourist centers out in the provinces. These are in addition to the exchange services offered at many of the Bank's branch offices.



The Bank has taken steps to expand the scope of its banking services done through foreign exchange outlets in response to recent Bank of Thailand measures relaxing service restrictions. These steps should all be in place sometime early in 2004.

### ATM Services

As of December 31, 2003, there were 1,046 Bank's ATM machines serving ATM and credit card customers of the Bank and other local and foreign banks. Of this total, some 541 machines are located in Bangkok, and the remaining 505 are allocated to the provinces.

The Bank has also significantly expanded the range of transactions that can be completed through its ATM network. By allowing customers to pay for various goods and services through the ATM, the Bank is providing more convenient service and cutting down on the volume of counter transactions at the branch offices.

## Organizational Restructuring

In 2003, the Bank made a number of re-organizations and structural changes to both the business and support departments of the Bank. These changes allow the Bank to better cope with the increasing competition in the country's banking sector and to provide more efficient banking services to both institutional and individual customers.



The Bank modified branch operating and management procedures to complement structural changes in the Bank's organization. The Bank's network IT resources were also upgraded, especially with regard to the establishment of banking operation centers, such as central and provincial cash and clearing centers, provincial registration centers and a centralized credit operation office. In providing support for these improvements, the Bank has raised the quality of its services, added to the volume of business, increased operating efficiency, and sharpened its competitive edge.

In 2004, the Bank has plans to carry out further restructuring in order to achieve its business goals and improve the quality of customer service. The Bank is especially eager to comply with the principles of good corporate governance, which include transparency, efficiency, and accountability. These principles are key to winning the confidence of all stakeholders and ensuring the Bank's long-term growth and stability.

## Human Resource Development

In line with the Bank's policy to expand its business horizons and raise management standards, the staff development program in 2003 focused on improving employees' ability to generate income and increase profits. Because of the increasing volume of business, the Bank also brought in new professionals to support operations in Bangkok, the provinces and at its headquarters.



Selecting new bank professionals is the work of the Bank's Assessment Center process, an important step in evaluating the skills and qualifications of potential Bank staff which brings about both immediate and long-term return by allowing the Bank to choose the right candidate for the right position and identifying individual development needs for the future. The Bank has also adopted the Competency-based model for evaluating staff performance, which is targeted to be used throughout the entire organization by the middle of 2004.

The Bank has implemented a system of Key Performance Indicators (KPIs), part of a larger program called the Balanced Scorecard, the first phase of which was completed in December 2003. In the second phase, the Bank will develop a set of criteria for assessing performance within individual departments, between different departments and the Bank as a whole. The results of the assessment will figure in the Bank's performance management reviewing process.

In 2003, staff training focused on building understanding of marketing skills, service quality, and knowledge of products. Other courses were intended to improve on-the-job efficiency and help Bank employees to obtain sales and product counseling licenses. These in-house training courses are either arranged under the Bank's regular training program or organized in response to specific needs. In all, 14,747 participants took part in some 70 different training courses at a total of 271 training sessions.

In addition, 310 employees also participated in some 112 training programs or seminars outside the Bank. These programs covered a total of 14 different subject areas. A total of 24 employees also received scholarships to pursue higher degrees in studies. Two enrolled in Ph.D. programs; 17 are enrolled in Master's programs, while the remaining five are involved in specialized training programs.

## Risk Management

The major risks facing commercial banks today are, first of all, constant fluctuations in interest rates, exchange rates and securities prices. Banks are also exposed to default risk from customers who may fail to comply with the terms of their loan agreements. The Bank realizes the seriousness of capital adequacy liquidity and other operational risks and devised means to limit impact within acceptable level. To honor its obligations to its depositors, creditors, shareholders, and the government, the Bank has adopted a comprehensive set of risk management policies, appropriate management procedures, and risk assessment and control measures.



Country	Value 1	Value 2	Value 3
ENGL	4094	4220	419
W.GER	4135	4230	
JAPAN	4179	4234	
HONG	4056	4164	4088
MALAY	6314	6483	6365
SINGAP	3465	3566	3503795
BRUNEI	2270	2426	238795
CHINA	529	545	53675
KOREA	2219	2320	2259
TAIWAN	2637	2724	268575
AUSTRALIA	2749	2826	27845
NEW ZEALAND	400	545	
	520	560	5515
	200	300	
	530	564	5595
	1833	2010	184325
	432	457	4405
	090	135	

To effectively manage the risks faced by the Bank, the Board of Directors appointed a Risk Management Committee, responsible for integrated risk management and implementation of effective strategies for assessing, monitoring and minimizing risks to the Bank, and keeping with the principles of good corporate governance. The Bank has also set up other committees, such as the Asset and Liability Management Committee and the Credit Management Committee, to take direct responsibility for risk management in specific areas of the Bank's operations. The Risk Management Department, an independent body that reports directly to the Risk Management Committee, is responsible for assessing risk, using standard instruments recognized by the Bank of Thailand and other leading banks. The work of the Risk Management Department complements the Bank's clearly stated policy to comply fully with the regulations of the Bank of Thailand.

### Market Risk

Market risk refers to risk resulting from fluctuations in interest rates, foreign exchange rates, and prices of securities instruments in the capital and money market. In one way or another, these fluctuations, which are unavoidable and beyond the Bank's control, have an impact on operations and the Bank's profit potential. The Bank has structures for monitoring, assessing and evaluating these risks and policies for keeping their potential impact within certain acceptable level. The Risk Management Department uses such tools as gap reports, value at risk (VaR) and scenario analysis to assess possible risk resulting from day-to-day operations. It also constantly evaluates the effect of changes in the macro picture. The Risk Management Department is also responsible for overall risk assessment and submits daily reports to Bank executives, and the Asset & Liability Management Committee (ALCO). ALCO uses these reports, first, to evaluate the risk currently confronting the Bank and then to formulate appropriate strategies for minimizing potential risk from changes in interest rates, exchange rates, and stock prices.

Internal studies have found that the principal capital and money market risk facing the Bank derives from changes in interest rates, as structures of interest rates and the Bank's assets and liabilities are in the form of mismatching funds. Meanwhile, because most cash inflows and outflows are in Thai baht, risks resulting from movements in foreign exchange rates are relatively low since the Bank has a policy limiting its net foreign currency holdings. Most of the Bank's foreign

currency transactions are done in support of its customers, and to minimize its risk exposure, the Bank enters forward contracts. Trading in derivatives with local and foreign financial institutions must be approved by ALCO. To avoid adverse impact of sudden changes in share prices, the Bank does not engage in speculative trading but instead makes long-term investments after a careful assessment of the companies' strengths and prospects for future growth. This also requires the Committee's approval and the setting of a discretionary limit.

### Credit/Default Risk

Credit risk refers to the possibility or probability that the counterparty will be unable to fulfill their contractual obligations, resulting in lost revenues and erosion in the Bank's capital. Credit risk is an extremely important issue as it affects one of the Bank's core business activities. There are both internal and external credit risk factors, and while external factors are beyond the Bank's control, there are measures the Bank can take to limit their potential impact. The internal factors, in contrast, can be controlled through prudent management.

To limit the potential risk posed by these factors, the Bank has a Credit Management Department and a Credit Management Committee, responsible for enforcing the Bank's policies and strategies designed to limit credit risk. These bodies are also responsible for reviewing and revising the Bank's strategies in light of changing economic circumstances in order to keep risk within acceptable limits. The Bank also has a Risk Management Committee and Risk Management Department to manage risk in general, and has a Credit Review Department functioning separately and independently from credit approval processes. The prudent management policies and practices adhered to by the Bank further helps protect it against risk. Before extending any credit, the Bank carefully considers the customer's cash flow as a gauge of the client's ability to repay the loan. There are also clear collateral requirements that protect the Bank against bad debt.

As further protection, the Bank has introduced a system of checks and balances to safeguard against internal risk factors. Within the loan approval process, for example, marketing and credit analysis are strictly separate departments. This ensures more thorough and more reliable analysis. The credit analysts employed by the Bank have experience and expertise in specific industrial sectors to help carry out accurate analyses of potential borrowers. As for operation in the post-approval process, the Bank has also clearly separated the function of the following departments from each other, namely, principal control documentation process, and the collateral appraisal.

In addition to the checks and balances which help to minimize internal risk, the Bank has adopted measures to limit its exposure to risk from certain external factors. To protect it against customers who do not meet the terms of their loan agreements, it is the Bank's policy, for instance, not to concentrate a disproportionate amount of credit in any one industry, customer or type of loans. Instead, it pursues a policy of diversification, extending loans to different types of customers throughout the country.

As of the close of December 2003, the manufacturing and trading sectors accounted for 53.33% of the Bank's total loans. Next in line were public utilities and services, which together represented 17.36% of the total.





At the same time, the Bank's normal loans (loans and accrued interest receivables, but not including interbank and money market items) were valued at 331,487 million baht, or 81.62% of total loans. This is an increase of 41,359 million baht over the previous year's figures, when these loans totaled 290,128 million baht and represented 75.68% of the total. Substandard, doubtful of loss and loss loans as of the end of December last year amounted to 67,846 million baht, or 16.71%, a decrease of 15,424 million baht, or 21.72% from the previous year's total of 83,270 million baht. This is the result of improving overall economic conditions resulting in clients' subsequent ability to restructure and repay problem loans.



Non-performing or classified loans continue to represent a serious issue and for which the Bank has stepped up its efforts to resolve as quickly as possible. These efforts are clearly paying off, as seen by the fact that non-performing loans as a proportion of the Bank's total loan portfolio fell last year. The Bank is also complying with the loan loss provisioning requirements of the Bank of Thailand (including provision of loss on debt restructuring). As of the close of December 2003, the Bank had completed provisioning in the amount of 23,360 million baht, which is equivalent to 106.98% of official requirements.

Furthermore, the Bank is subject to other credit risks in the case of contractual partners who fail to comply with the terms of agreements in the off balance sheet instruments. These include credit agreements with options to increase loan limits, standby letters of credit, and letters of guarantee. In these cases, the risk is equivalent to the value initially agreed upon in the contract, and the Bank applies the same methods for minimizing risk as for regular loans reported in the balance sheet. Even though the contract value has not yet reflected immediate loss, the cases are still subject to a particularly thorough approval process and careful scrutiny to ensure full compliance with the terms of the agreement made with the Bank.

### Liquidity Risk

Liquidity risk refers to the possible inability of the Bank to meet its payment obligations on time or to convert assets into cash quickly enough to prevent or minimize loss. It may also refer to the Bank's failure to raise adequate capital. As a safeguard against this risk, the Bank has adopted a policy of excess liquidity, which allows it to meet its operating needs and finance its expansion plans. The amount of liquidity is determined by customer behavior, deposit and loan patterns, competition, money market conditions, the state of the economy and the rate of return on funds. Liquidity is the key to the Bank's ability to offer customers new and better services. Not only does the Bank keep a liquid assets to deposits ratio in excess of 6%, it also complies strictly with Bank of Thailand's regulation for insuring deposits. Further, the Bank's liquidity risk is kept in check through close supervision by the Asset and Liability Committee. Their work ensures that the Bank has adequate cash resources on hand at all times and at affordable rates, in keeping with the guidelines of the Bank of Thailand. Although the Bank has never previously had liquidity problems, it has drawn up a contingency plan just in case.

As of the end of December 2003, the Bank's funding structure was composed of deposits (81.15%), borrowings inclusive of subordinated debt cum preferred shares (8.01%), shareholders' equity (5.50%) and others (5.34%). Funding allocations were as follows: loans (76.74%), interbank and money market items (2.23%), investment in securities (11.61%) and others (9.42%).

An analysis of changes in deposits, the Bank's principal source of revolving funds, reveals that between the end of December 2002 and the end of December 2003, deposits increased approximately 29,902 million baht, or roughly 7.56%. The ratio of savings deposits and demand deposits to total deposits was equal to 41.19%. Fixed deposits of less than one year accounted for 31.73%, and fixed deposits for one year or more represented 27.08%. Overall, the Bank's loans/deposits ratio was 94.56%. The Bank is confident that its exposure to liquidity risk remains within acceptable bounds. The reasons for this confidence include the Bank's own policies of excess liquidity and credit diversification. In addition, most customers automatically renew their deposit accounts once they reach maturity, and the proportion of early withdrawals is negligible. Consequently, the Bank is able to use its deposits as a source of long-term credits.

From the point of view of adequate funding, it can be seen that as of the end of 2003, the Bank's combined tier 1 and tier 2 capital totaled 59,667 million baht, giving the Bank a capital adequacy ratio of 13.92%. Tier 1 capital equalled 36,765 million baht, or 8.58% of total risk assets. Both of these figures are well above the minimum guidelines set by the Bank of Thailand at 8.5% for total capital and 4.25% for tier 1 capital.

### Operational Risk

The Bank is made up of numerous departments, including Auditing, Computer Auditing and Risk Management Department, which are responsible for evaluating operational risk throughout the Bank and its branch offices. It is the duty of these departments to assess key risk factors and identify appropriate measures for preventing damage that results from operational errors. A working committee has also been set up to review work manuals for departments in the Bank where operational risk is particularly high. It is Bank policy that its employees abide by the guidelines in these manuals at all times. In setting up the committee, the Bank hopes to keep risk within acceptable levels by upgrading principles and practices to international standards. In carrying out performance evaluations, the Bank uses the Risk Owner Concept to effectively manage risk.

The Bank has also established an independent Audit Committee consisting of experts with extensive experience in auditing and commercial banking. None of the committee members holds a management position within the Bank. Their job is to make sure that the Bank's financial statements are accurate and complete; that there are reliable internal and risk management systems, and that the Bank's operations comply fully with government rules and regulations as well as the principles of good corporate governance.

### Conclusion

Over the past year, the Bank has adhered to its risk management policies in order to limit potential impact of risk within acceptable levels. The Bank has also applied risk management guidelines and risk assessment instruments as approved by the Bank of Thailand to evaluate the Bank's overall risk. It has implemented a number of organizational changes in order to improve its ability to successfully manage risk.

As for the Bank's shareholders, despite the rapid recovery of the Thai economy, enabling the Bank to expand its business opportunities and generate profits for a second consecutive year after the economic crisis since 1997, under the Public Limited Companies Act of 1992, the Bank is prohibited from paying dividends again this year because of its accumulated losses.

## Social Contributions

In addition to the role as a commercial bank, the Bank is also a proud contributor to a variety of charitable activities in such areas as education, arts, culture and religion.



**Education and Sports** The Bank demonstrates its commitment to education by providing scholarships to needy children and lending its support to numerous educational activities. To mark National Youth Day, the Bank gave scholarships to boys at the Ban Mahamek Orphans Home, and on Children's Day, the Bank donated educational supplies to schools all around the country. The Bank also contributed to a special welfare fund for civil servants and other government employees and made scholarships available to the children of civil servants attached to the National Institute of Development Administration (NIDA). Support was also given to schools and colleges throughout Thailand for a range of sporting activities. It contributed to the "Walkathon on the auspicious occasion of H.M. the King's 75<sup>th</sup> Birthday," an event sponsored by the Don Muang Tollway. The Bank was a proud contributor to a tennis camp for young stars organized by the Lions Club of Thailand and to the 4<sup>th</sup> Annual Sukhothai Thammathiraj University Games. In addition, the Bank lent its support to charity bowling and golf tournaments organized by the Sasin Graduate School of Business Administration and the Assumption Alumni Association.

**Social Activities** In 2003, the Bank sponsored a charity event called "Up Close and Personal with Paradorn Srichapan," which gave young stars from the Maharaj Foundation Home for Boys an opportunity to learn from Thailand's tennis hero the value of hard work and perseverance. The Bank also contributed money and sports equipment to the Foundation and provided lunch for the young stars who attended the charity event. The Bank continued its "Tharn Nam Jai" program in which the Bank matches employee donations to fund a variety of charitable activities. For instance, money went to help people with HIV/AIDS; children in the care of the Dramarraksa Foundation at Wat Phrabatnampu in Lopburi province were given sports equipment, and the residents of the Bang Lamung Nursing Home in Choburi province were given food and other necessary items. In addition, the Bank made other cash donations to support numerous organizations and events, such as a charity ball in honor of Her Majesty the Queen sponsored by the Nopparat Rattanakosin Foundation, and a charity walk organized by the Faculty of Medicine, Siriraj Hospital. Money was also donated to the Kidney Foundation of Thailand, while the Bank's executives and staff took part in four blood drives to benefit the Thai Red Cross Society.



**Arts, Culture and Religion** For the past several years, the Bank has sponsored a television program broadcast on Channel 7 focusing on Thailand's rich cultural and artistic heritage. It has donated money to the upkeep of the Wat Muang Folk Museum in Ratchaburi province and sponsored the production of a VCD called "Sam Krungsri," (Three Capitals - Ayudhaya, Thonburi, Bangkok) an educational documentary on Thai history for use in secondary schools around the country. The Bank has also contributed to a large number of activities in support of the Buddhist religion. It has made offerings to temples, in conjunction with such organizations as the Royal Household Bureau, the Royal Thai Army, the Thailand Tobacco Monopoly, the Anti-Money Laundering Office, and the National Petrochemical Public Company Limited.

## Subsidiaries, Associated and Related Companies

### Details of companies where the Bank's holdings are 10% or more of paid-up capital.

As of December 31, 2003

Names	Business type	Issued Shares		Ownership (%)
		Share Type	No. of shares	
1. Ayudhya Asset Management Co., Ltd. Bank of Ayudhya Plc. Fl 11, 1222 Rama III Road, Bang Phongphang Yannawa, Bangkok 10120 Tel: 0-2296-4129 Fax : 0-2683-1400	Asset Management	Ordinary	200,000,000	99.99
2. Ayudhya Services and Management Co., Ltd. 550 Fl 2 Ploenchit Road, Patumwan, Bangkok 10330 Tel: 0-2208-2324-30 Fax : 0-2208-2325	Services	Ordinary	1,500,000	99.99
3. Siam Realty and Service Co., Ltd. 550 Fl 2 Ploenchit Road, Patumwan, Bangkok 10330 Tel : 0-2208-2700, 0-2208-2449 Fax : 0-2253-8609	Services	Ordinary	1,000,000	99.99
4. K.S. Law Office Co., LTD. 550 Fl 6 Ploenchit Road, Patumwan, Bangkok 10330 Tel : 0-2251-6581, 0-2251-6581	Services	Ordinary	200,000	99.99
5. Wongpaitoon Planner Co., Ltd. <sup>1/</sup> 70/19 Moo 6 Ekachai Road, Bangborn, Bangkok 10150 Tel : 0-2416-4647-9 Fax : 0-2416-1850	Planning Management	Ordinary Preferred	45,000 5,000	99.99
6. Ayudhya Investment and trust PCL. 898 Ploenchit Tower Building Fl 3, Patumwan, Bangkok 10330 Tel : 0-2263-0355 Fax : 0-2263-0388	Finance	Ordinary (listed) Preferred	235,000,000 50,000,000	79.33
7. Ayudhya International Factors Co., Ltd. Lumpini Tower Fl 20, 1168/55 Rama IV Road, Sathorn, Bangkok 10120 Tel : 0-2285-6326-32 Fax : 0-2285-6335, 0-2679-9159	Finance	Ordinary	50,000,000	49.99

Names	Business type	Issued Shares		Ownership (%)
		Share Type	No. of shares	
8. Krungsriyudhya Card Co., Ltd. 550 Fl 7 Ploenchit Road, Patumwan, Bangkok 10330 Tel : 0-2646-3000 Fax : 0-2254-6661	Services	Ordinary	40,000,000	49.99
9. Ploenchit Advisory Co., Ltd. Tonson Tower Fl 10, 900 Ploenchit Road, Lumpini Patumwan, Bangkok 10330 Tel : 0-2658-5995 Fax : 0-2658-5998	Services	Ordinary	4,000,000	49.66 <sup>4/</sup>
10. Ayudhya JF Asset Management Limited 898 Ploenchit Tower Building Fl 8A, Patumwan, Bangkok 10330 Tel : 0-2263-0200 Fax : 0-2263-0196-7	Investment	Ordinary	1,500,000	38.33
11. Wongpaitoon Group Public Co., Ltd. <sup>2/</sup> 70/19 Moo 6 Ekkachai Road, Bangborn, Bangkok 10150 Tel : 0-2416-4647-9 Fax : 0-2416-1850	Manufacturing (Shoes)	Ordinary (listed)	604,845,880	28.86
12. Advance Die Casting Service Co., Ltd. <sup>3/</sup> 588/29-30 Rama VI, Phayathai Ratchatavi, Bangkok 10400 Tel : 0-2613-7617-8 Fax : 0-2215-3704	Manufacturing (Vehicle parts)	Ordinary Preferred	1,328,550 10,797,300	27.05
13. Ayudhya Development Leasing Co., Ltd. Chamnan-Penchat Building Fl 22, 65/182-185 Rama IX Road, Huykwang, Bangkok 10320 Tel : 0-2643-1980 Fax : 0-2643-1059-60	Finance (Leasing)	Ordinary	47,000,000	26.65
14. Prasit Patana PCL. <sup>3/</sup> 943 Phaholyothin Road, Phayathai, Bangkok 10400 Tel : 0-2617-24444 Ext. 1970-1 Fax : 0-2617-2463	Hospital	Ordinary (listed)	433,011,880	15.76
15. UMC Metals Ltd. <sup>3/</sup> Sino-Thai Tower Fl 15, 32/37 Sukhumvit 21 Road, (Asoke) Wattana, Bangkok 10110 Tel : 0-2259-2942-5 Fax : 0-2259-2946	Manufacturing and Trading (Steel rod)	Ordinary	139,000,000	15.70
16. I.G.S. Public Co., Ltd. <sup>3/</sup> 47/31 Moo 4 Sukhabhiban 2 Pravet, Bangkok 10260 Tel : 0-2727-0022 Fax : 0-2727-0099	Construction & Real Estate	Ordinary	80,215,000	11.22

Names	Business type	Issued Shares		Ownership (%)
		Share Type	No. of shares	
17. The Ayudhya Insurance PCL. Ploenchit Tower Fl 7, 898 Ploenchit Road, Patumwan, Bangkok 10330 Tel : 0-2263-0335 Fax : 0-2263-0589	Insurance	Ordinary (listed)	250,000,000	10.82
18. Siam Steel Syndicate Co. Ltd. <sup>3/</sup> Italthai Tower Fl 31, 2034 New Petchaburi Road, Huykwang, Bangkok 10320 Tel : 0-2716-1600-9 Fax : 0-2716-1580-2	Manufacturing (Steel rod)	Ordinary Preferred	10,000,000 37,238,120	10.14
19. Prachuap Port Co., Ltd. 28/1 Prapawit Building Fl 6, Bangrak, Bangkok 10500 Tel : 0-2630-0323-32 Fax : 0-2236-7046, 0-2236-7057	Commercial	Ordinary	40,000,000	10.00
20. Thai Smart Card Co., Ltd. Silom Complex Fl 27, Room No. 2 191 Silom Road, Bangrak Bangkok 10500 Tel : 0-2646-2000 Fax : 0-2646-2001-2	Services	Ordinary	39,500,000	10.00
21. Thai U.S. Leather Co., Ltd. 39-98 Moo 2 Amphur Muang, Samutsakorn 74000 Tel : 0-3449-0082-7 Fax : 0-3449-0051	Manufacturing (Leather)	Ordinary	25,000,000	10.00
22. PrimaVest Asset Management Co., Ltd. Tonson Tower Fl 5, 900 Ploenchit Road, Lumpini Patumwan, Bangkok 10330 Tel : 0-2257-0555 Fax : 0-2257-0360	Asset Management	Ordinary	12,500,000	10.00
23. Asian Trade and Leasing Co., Ltd. 130-132 Sinthorn Building 3 Fl 24, Patumwan, Bangkok 10330 Tel : 0-2263-3841-8 Fax : 0-2263-3849-50	Leasing	Ordinary	1,500,000	10.00

Remarkd : <sup>1/</sup> Shares acquired from conditions of purchase of claims.

<sup>2/</sup> Shares acquired from debt restructuring process and conditions of purchase of claims.

<sup>3/</sup> Shares acquired from debt restructuring process.

<sup>4/</sup> Direct holding 10% and indirect 39.66%

## Income Structure of the Bank, Subsidiaries and Associated Companies

### (1) Financial Business

Names and Income Structure	2003		2002		2001	
	THBmn.	%	THBmn.	%	THBmn.	%
<b>1. Bank of Ayudhya PCL.</b>						
Income Structure						
Total Interest and Dividend Income	19,295.0	-	19,473.3	-	19,203.1	-
Net Interest and Dividend Income <sup>1/</sup>	5,184.0	39.8	6,065.9	57.4	3,799.5	58.0
Non-interest Income	7,833.0	60.2	4,507.3	42.6	2,754.7	42.0
<b>Total</b>	<b>13,017.0</b>	<b>100.0</b>	<b>10,573.2</b>	<b>100.0</b>	<b>6,554.2</b>	<b>100.0</b>
<b>2. Ayudhya Investment and Trust PCL.</b>						
Income Structure						
Total Interest and Dividend Income	310.8	-	304.8	-	340.1	-
Net Interest and Dividend Income <sup>1/</sup>	161.2	20.4	167.5	36.5	281.7	78.0
Non-interest Income	627.3	79.6	291.9	63.5	79.6	22.0
<b>Total</b>	<b>788.5</b>	<b>100.0</b>	<b>459.4</b>	<b>100.0</b>	<b>361.3</b>	<b>100.0</b>
<b>3. Ayudhya International Factors Co., Ltd.</b>						
Income Structure						
Total Interest and Dividend Income	49.4	-	51.7	-	64.3	-
Operating Income <sup>2/</sup>	31.5	60.8	21.5	54.0	10.4	29.2
Non-interest Income	20.3	39.2	18.3	46.0	25.2	70.8
<b>Total</b>	<b>51.8</b>	<b>100.0</b>	<b>39.8</b>	<b>100.0</b>	<b>35.6</b>	<b>100.0</b>
<b>4. Ayudhya Development Leasing Co., Ltd.</b>						
Income Structure						
Leasing Income	190.7	94.3	183.1	88.9	171.4	89.8
Other Income	11.5	5.7	22.8	11.1	19.4	10.2
<b>Total</b>	<b>202.2</b>	<b>100.0</b>	<b>205.9</b>	<b>100.0</b>	<b>190.8</b>	<b>100.0</b>

## (2) Service Business

Names and Income Structure	2003		2002		2001	
	THBmn.	%	THBmn.	%	THBmn.	%
<b>1. Ayudhya Services and Management Co., Ltd.</b>						
Income Structure						
Service Income	-	-	91.5	99.5	183.7	99.4
Other Income	N.M	-	0.5	0.5	1.2	0.6
<b>Total</b>	-	-	92.0	100.0	184.9	100.0
<b>2. Siam Realty and Services Co., Ltd.</b>						
Income Structure						
Car Leasing Income	139.7	32.5	133.9	42.1	147.6	59.9
Other Income	290.0	67.5	184.4	57.9	98.8	40.1
<b>Total</b>	429.7	100.0	318.3	100.0	246.4	100.0
<b>3. K.S. Law Office Co., Ltd.</b>						
Income Structure						
Operating Income	101.4	98.4	86.1	99.8	132.9	97.8
Other Income	1.6	1.6	0.2	0.2	3.0	2.2
<b>Total</b>	103.0	100.0	86.3	100.0	135.9	100.0
<b>4. Krungsriyudhya Card Co., Ltd.</b>						
Income Structure						
Service Income	1,002.8	71.5	755.8	57.9	349.0	54.2
Non-interest Income	400.6	28.5	550.4	42.1	294.4	45.8
<b>Total</b>	1,403.4	100.0	1,306.2	100.0	643.4	100.0
<b>5. Ploenchit Advisory Co., Ltd.</b>						
Income Structure						
Operating Income	13.8	97.9	-	-	-	-
Other Income	0.3	2.1	-	-	-	-
<b>Total</b>	14.1	100.0	-	-	-	-

## (3) Other Business

Names and Income Structure	2003		2002		2001	
	THBmn.	%	THBmn.	%	THBmn.	%
<b>1. Ayudhya Asset Management Co., Ltd.</b>						
Income Structure						
Total Interest and Dividend Income	45.7	7.7	25.7	6.1	1.4	96.6
Non-interest Income	546.5	92.3	395.1	93.9	0.1	3.4
<b>Total</b>	592.2	100.0	420.8	100.0	1.5	100.0
<b>2. Ayudhya JF Asset Management Limited</b>						
Income Structure						
Fee Income	581.0	99.4	329.8	100.0	248.8	99.7
Other Income	3.5	0.6	0.1	0.0	0.8	0.3
<b>Total</b>	584.5	100.0	329.9	100.0	249.6	100.0

Remarkd : Year 2003 data are unaudited except Bank of Ayudhya Plc., Ayudhya Investment and Trust Plc. and Ayudhya International Factors Co., Ltd., while Ayudhya Services and Management Co., Ltd. was during in the process of liquidation.

<sup>1/</sup> Refers to interest and dividend income after provision for bad and doubtful accounts and loss on debt restructuring.

<sup>2/</sup> Refers to operating income after interest expenses and allowance for doubtful debt.



# Report of the Audit Committee

To : The Shareholders of Bank of Ayudhya Public Company Limited

The Audit Committee, consisting of three independent members who are currently neither executives nor employees of the Bank, is responsible for overseeing the operations and improving the efficiency and effectiveness of the Bank's operations. The Committee is also assigned to monitor the Bank's compliance with the principles of good corporate governance as a means of increasing the value of the Bank.

In 2003, the Audit Committee met with the external auditors and/or the relevant management team from within the Bank a total of seven times. During each of the meetings, the Committee not only carried out its customary duties, which include the evaluation and audit of financial statements, internal control, risk management and internal audit, but also reviewed the following principles and guidelines set forth by the Bank:

- Good corporate governance principles and business ethics, for both the Bank and its employees;
- Charters and codes of ethics for the Bank's departments/units, as well as the internal auditors;
- Preventive measures and procedural guidelines for handling cases related to fraud, dishonesty, or misconduct;
- Adequacy and effectiveness of the Bank's information systems.

The Audit Committee proposed for approval of the appointment of Deloitte Touche Tohmatsu Jaiyos Company Limited as the Bank's auditors for fiscal year 2003 together with the proposed auditing fees.



(Mr. Surachai Prukbamroong)  
Chairman of the Audit Committee

March 18, 2004

# Financial Statements :

## Year Ended December 31, 2003

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**Responsibility of the Board of Directors for Financial Reporting**  
**Balance Sheets**  
**Statements of Income**  
**Statements of Changes in Shareholders' Equity**  
**Statements of Cash Flows**

**Notes to the Consolidated and the Bank's Financial Statements**

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## REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

TO THE SHAREHOLDERS AND BOARD OF DIRECTORS  
BANK OF AYUDHYA PUBLIC COMPANY LIMITED

We have audited the accompanying consolidated balance sheet of Bank of Ayudhya Public Company Limited and subsidiaries and the balance sheet of Bank of Ayudhya Public Company Limited as at December 31, 2003, and the related consolidated and the Bank's statements of income, changes in shareholders' equity and cash flows for the year then ended. These financial statements are the responsibility of the Bank's management as to their correctness and completeness of the presentation. Our responsibility is to express an opinion on these financial statements based on our audit. The consolidated and the Bank's financial statements for the year ended December 31, 2002, have been audited by another auditor of the same firm whose report thereon dated February 11, 2003 expressed an unqualified opinion with an explanatory paragraph regarding the impact of the economic situation.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the aforementioned consolidated and the Bank's financial statements present fairly, in all material respects, the financial position of Bank of Ayudhya Public Company Limited and subsidiaries and of Bank of Ayudhya Public Company Limited as at December 31, 2003, and the results of operations and cash flows for the year then ended in conformity with generally accepted accounting principles.



Permsak Jerajakwattana  
Certified Public Accountant (Thailand)  
Registration No. 3427

**BANGKOK**  
February 10, 2004

**DELOITTE TOUCHE TOHMATSU JAIYOS**

## RESPONSIBILITY OF THE BOARD OF DIRECTORS FOR FINANCIAL REPORTING

The Board of Directors is responsible for the Bank's financial statements, the consolidated financial statements of the Bank and its subsidiaries, and all financial information appearing in the annual report. These financial statements have been prepared in accordance with generally accepted accounting standards, which are based on appropriate accounting policies applied and practiced on a regular basis. The financial statements have also been prepared under careful consideration and the best estimation method. All material information has been sufficiently disclosed in the notes to the financial statements. In recognition of excellence in financial reporting, the Bank was honored with two consecutive years of awards from the Securities and Exchange Commission, namely, Disclosure Award 2002 and Disclosure Report Award 2003.

The Board of Directors has initiated the adoption and maintenance of an effective system of internal controls which provides reasonable assurance that accounting records are accurate, complete and adequate to protect the assets of the Bank. These controls also identify weaknesses requiring preventive measures against possible wrongdoing or other irregularities in the operation of the Bank.

In this regard, the Board of Directors has appointed an independent Audit Committee, consisting of 3 members, responsible for the quality of the Bank's financial reporting and internal control mechanisms. The opinion of the Audit Committee with regard to these matters appears in the Report of the Audit Committee, contained in the annual report.

The Board of Directors has the opinion that the Bank's internal controls are adequate and allow for reasonable confidence in the reliability of the Bank's financial statements and the consolidated financial statements of the Bank and its subsidiaries as of December 31, 2003.



(Krit Ratanarak)  
Chairman

(Jamlong Atikul)  
President

**BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**BALANCE SHEETS**  
**AS AT DECEMBER 31,**

BAHT

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2003	2002	2003	2002
<b>ASSETS</b>				
CASH	13,082,421,560	10,396,986,441	13,076,915,468	10,396,828,981
INTERBANK AND MONEY MARKET ITEMS (Note 4.2)				
Domestic items				
Interest bearing	1,168,494,785	2,306,586,019	907,128,123	2,024,974,381
Non-interest bearing	5,202,797,164	4,782,395,184	5,004,654,213	4,740,064,194
Foreign items				
Interest bearing	4,161,687,393	10,614,130,832	4,161,687,393	10,614,130,832
Non-interest bearing	1,137,876,225	2,614,262,552	1,137,876,225	2,614,262,552
Total interbank and money market items	<u>11,670,855,567</u>	<u>20,317,374,587</u>	<u>11,211,345,954</u>	<u>19,993,431,959</u>
SECURITIES PURCHASED UNDER RESALE AGREEMENTS (Note 4.3)	20,200,000,000	3,250,000,000	20,200,000,000	3,250,000,000
INVESTMENTS (Notes 3.2 and 4.4)				
Current investments, net	21,183,130,851	9,444,976,093	19,618,541,892	7,900,473,995
Long-term investments, net	38,763,306,525	28,659,416,846	38,156,521,430	28,271,545,963
Investments in subsidiaries and associated companies, net	916,893,073	695,773,625	2,854,781,535	2,503,253,534
Investments, net	<u>60,863,330,449</u>	<u>38,800,166,564</u>	<u>60,629,844,857</u>	<u>38,675,273,492</u>
LOANS AND ACCRUED INTEREST RECEIVABLE (Notes 3.3, 3.5 and 4.6)				
Loans	402,221,234,879	378,836,141,134	395,572,338,069	375,840,597,484
Accrued interest receivable	3,752,247,666	4,497,930,504	3,560,271,234	4,334,653,376
Total loans and accrued interest receivable	405,973,482,545	383,334,071,638	399,132,609,303	380,175,250,860
Less Allowance for doubtful accounts (Notes 3.4 and 4.7)	(21,895,783,784)	(20,966,112,907)	(20,074,530,901)	(19,784,273,520)
Less Revaluation allowance for debt restructuring (Notes 3.5 and 4.8)	(1,463,039,756)	(1,664,346,259)	(1,366,837,221)	(1,533,176,729)
Net loans and accrued interest receivable	<u>382,614,659,005</u>	<u>360,703,612,472</u>	<u>377,691,241,181</u>	<u>358,857,800,611</u>
PROPERTIES FORECLOSED, NET (Notes 3.6 and 4.9)	18,094,524,585	18,983,878,394	15,818,710,543	16,479,013,036
CUSTOMERS' LIABILITIES UNDER ACCEPTANCES	1,314,021,289	1,239,788,435	1,314,021,289	1,239,788,435
PROPERTY, PREMISES AND EQUIPMENT, NET (Notes 3.7 and 4.10)	12,901,382,086	12,965,730,046	12,832,729,036	12,898,112,459
CASH ADVANCE	711,339,716	319,331,039	676,231,198	313,199,578
EFFECT OF FOREIGN EXCHANGE RATES FROM UNDUE FORWARD EXCHANGE CONTRACTS	1,002,845,340	254,066,688	1,002,845,340	254,066,688
OTHER ASSETS	1,667,012,026	1,289,094,877	1,484,037,979	1,226,664,426
<b>TOTAL ASSETS</b>	<u>524,122,391,623</u>	<u>468,520,029,543</u>	<u>515,937,922,845</u>	<u>463,584,179,665</u>

Notes to the consolidated and the Bank's financial statements form an integral part of these statements

**BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**BALANCE SHEETS (CONTINUED)**  
**AS AT DECEMBER 31,**

BAHT

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2003	2002	2003	2002
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>				
<b>DEPOSITS (Note 4.11)</b>				
Deposits in Baht	424,139,194,290	394,223,850,226	419,464,114,326	390,698,470,255
Deposits in foreign currencies	1,201,752,253	1,214,753,825	1,201,752,253	1,214,753,825
Total deposits	<u>425,340,946,543</u>	<u>395,438,604,051</u>	<u>420,665,866,579</u>	<u>391,913,224,080</u>
<b>INTERBANK AND MONEY MARKET ITEMS (Note 4.12)</b>				
Domestic items				
Interest bearing	15,070,153,646	9,050,881,419	13,839,032,502	8,234,932,875
Non-interest bearing	1,666,720,759	994,156,908	1,740,127,031	1,036,954,181
Foreign items				
Interest bearing	212,724,902	10,791,139	212,724,902	10,791,139
Non-interest bearing	45,557,069	28,344,190	45,557,069	28,344,190
Total interbank and money market items	<u>16,995,156,376</u>	<u>10,084,173,656</u>	<u>15,837,441,504</u>	<u>9,311,022,385</u>
LIABILITIES PAYABLE ON DEMAND	2,211,945,021	790,586,632	2,211,945,021	790,586,632
SECURITIES SOLD UNDER REPURCHASED AGREEMENTS (Note 4.13)	80,000,000	-	-	-
<b>BORROWINGS (Note 4.14)</b>				
Long - term borrowings	28,976,554,540	25,252,566,540	28,963,632,540	25,239,644,540
Total borrowings	<u>28,976,554,540</u>	<u>25,252,566,540</u>	<u>28,963,632,540</u>	<u>25,239,644,540</u>
<b>SUBORDINATED DEBENTURES CUM PREFERRED SHARES (Notes 3.8 and 4.15)</b>				
	12,996,343,750	12,996,343,750	12,996,343,750	12,996,343,750
<b>BANK'S LIABILITIES UNDER</b>				
ACCEPTANCES	1,314,021,289	1,239,788,435	1,314,021,289	1,239,788,435
ACCRUED INTEREST PAYABLE	1,289,618,900	1,882,782,396	1,261,037,042	1,854,657,280
ACCRUED PENSION FUND (Note 4.24)	1,240,180,016	1,116,776,560	1,240,180,016	1,116,776,560
OTHER LIABILITIES	4,854,818,239	2,632,071,636	2,874,315,839	2,216,425,051
TOTAL LIABILITIES	<u>495,299,584,674</u>	<u>451,433,693,656</u>	<u>487,364,783,580</u>	<u>446,678,468,713</u>

**BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**BALANCE SHEETS (CONTINUED)**  
**AS AT DECEMBER 31,**

BAHT

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2003	2002	2003	2002
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>				
(CONTINUED)				
<b>SHAREHOLDERS' EQUITY</b>				
<b>SHARE CAPITAL (Note 4.16)</b>				
Authorized share capital				
325,000 preferred shares of Baht 10 each	3,250,000	3,250,000	3,250,000	3,250,000
7,850,000,000 ordinary shares of Baht 10 each	78,500,000,000	78,500,000,000	78,500,000,000	78,500,000,000
Issued and paid-up share capital				
325,000 preferred shares of Baht 10 each, fully paid	3,250,000	3,250,000	3,250,000	3,250,000
2,850,000,000 ordinary shares of Baht 10 each, fully paid	28,500,000,000		28,500,000,000	
1,850,000,000 ordinary shares of Baht 10 each, fully paid		18,500,000,000		18,500,000,000
<b>PREMIUM ON PREFERRED SHARE CAPITAL</b>	406,250	406,250	406,250	406,250
<b>PREMIUM ON ORDINARY SHARE CAPITAL</b>	20,263,389,004	20,263,389,004	20,263,389,004	20,263,389,004
<b>LAND REVALUATION SURPLUS</b>	2,751,885,746	2,751,885,746	2,751,885,746	2,751,885,746
<b>PREMISES REVALUATION SURPLUS</b>	919,525,720	956,331,580	919,525,720	956,331,580
<b>REVALUATION SURPLUS ON INVESTMENTS</b>	65,987,642	1,414,342,447	65,987,642	1,414,342,447
<b>RETAINED EARNINGS</b>				
Appropriated				
Statutory reserve (Note 4.17)	800,000,000	800,000,000	800,000,000	800,000,000
General reserve (Note 4.17)	11,821,791,500	11,821,791,500	11,821,791,500	11,821,791,500
Unappropriated (Deficits)	(36,553,096,597)	(39,605,685,575)	(36,553,096,597)	(39,605,685,575)
Total	28,573,139,265	16,905,710,952	28,573,139,265	16,905,710,952
<b>MINORITY INTEREST</b>	249,667,684	180,624,935	-	-
<b>TOTAL SHAREHOLDERS' EQUITY</b>	28,822,806,949	17,086,335,887	28,573,139,265	16,905,710,952
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	524,122,391,623	468,520,029,543	515,937,922,845	463,584,179,665

**BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**BALANCE SHEETS (CONTINUED)**  
**AS AT DECEMBER 31,**

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS		BAHT
	2003	2002	2003	2002	
<b>OFF - BALANCE SHEET</b>					
<b>ITEMS - CONTINGENCIES (Note 4.19)</b>					
AVALS TO BILLS AND GUARANTEES OF LOANS	5,464,535,805	6,456,448,412	5,314,535,805	6,451,448,412	
LIABILITY UNDER UNMATURED IMPORT BILLS	1,988,322,709	1,557,048,831	1,988,322,709	1,557,048,831	
LETTERS OF CREDIT	8,739,859,869	5,732,663,606	8,739,859,869	5,732,663,606	
OTHER CONTINGENCIES	151,180,882,574	119,611,549,863	151,041,765,497	119,342,611,435	

Notes to the consolidated and the Bank's financial statements form an integral part of these statements



(Mr. Krit Ratanarak)  
Chairman



(Mr. Jamlong Atikul)  
President



**BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF INCOME**  
**FOR THE YEARS ENDED DECEMBER 31,**

BAHT

	CONSOLIDATED		THE BANK'S	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2003	2002	2003	2002
<b>INTEREST AND DIVIDEND INCOME</b>				
Interest on loans	17,154,488,041	17,110,578,528	17,026,901,508	17,013,793,503
Interest on interbank and money market items	531,436,154	716,268,098	528,536,803	711,208,408
Hire purchase and financial lease income	13,050,363	391,872	-	-
Investments	1,595,996,673	1,646,111,155	1,525,360,453	1,585,599,591
Total Interest and Dividend Income	<u>19,294,971,231</u>	<u>19,473,349,653</u>	<u>19,080,798,764</u>	<u>19,310,601,502</u>
<b>INTEREST EXPENSES</b>				
Interest on deposits	6,663,467,362	8,249,908,105	6,579,059,200	8,172,789,437
Interest on interbank and money market items	112,540,607	252,951,596	99,628,649	230,935,736
Interest on long-term borrowings	3,942,022,806	4,047,533,959	3,940,730,606	4,046,241,759
Total Interest Expenses	<u>10,718,030,775</u>	<u>12,550,393,660</u>	<u>10,619,418,455</u>	<u>12,449,966,932</u>
Interest and Dividend Income, net	8,576,940,456	6,922,955,993	8,461,380,309	6,860,634,570
<b>BAD DEBT AND DOUBTFUL ACCOUNTS</b>				
(Note 4.7)	1,921,795,547	790,783,958	1,514,109,252	624,969,109
<b>LOSS ON DEBT RESTRUCTURING</b>				
(REVERSAL) (Note 4.8)	<u>1,471,156,674</u>	<u>66,253,592</u>	<u>1,485,890,748</u>	<u>(24,969,109)</u>
Interest and Dividend Income after Bad Debt and Doubtful Accounts and Loss on Debt Restructuring, net	<u>5,183,988,235</u>	<u>6,065,918,443</u>	<u>5,461,380,309</u>	<u>6,260,634,570</u>
<b>NON-INTEREST INCOME</b>				
Gain on investments	3,032,835,261	818,175,034	2,582,862,038	771,101,095
Gain on equity	41,228,211	115,304,854	233,951,737	193,946,917
Fees and service income				
Acceptances, aval and guarantees	103,171,910	89,608,434	97,120,380	86,733,815
Others	2,695,377,105	2,244,446,240	2,697,141,556	2,245,067,095
Gain on exchange	401,174,586	282,936,063	401,174,586	282,062,478
Bad debt recovered	218,445,605	107,316,690	194,727,730	78,088,716
Gain on sales of properties foreclosed	613,053,591	221,627,321	475,397,991	126,287,443
Other income	727,724,495	627,917,938	178,017,660	118,699,962
Total Non-Interest Income	<u>7,833,010,764</u>	<u>4,507,332,574</u>	<u>6,860,393,678</u>	<u>3,901,987,521</u>
<b>NON-INTEREST EXPENSES</b>				
Personnel expenses	3,265,461,403	2,667,683,665	2,911,867,936	2,469,775,245
Premises and equipment expenses	1,945,797,100	1,849,158,967	1,868,728,922	1,788,291,855
Taxes and duties	758,718,400	759,960,959	742,128,476	745,780,251
Fees and service expenses	729,504,992	201,857,108	727,739,750	200,574,877
Directors' remuneration	29,622,500	21,756,000	18,980,000	17,080,000
Contributions to the Financial Institution				
Development Fund	1,655,662,136	1,567,458,250	1,637,804,961	1,549,863,163
Other expenses	1,483,319,974	1,351,141,406	1,355,108,341	1,269,088,068
Total Non-Interest Expenses	<u>9,868,086,505</u>	<u>8,419,016,355</u>	<u>9,262,358,386</u>	<u>8,040,453,459</u>

**BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF INCOME (CONTINUED)**  
**FOR THE YEARS ENDED DECEMBER 31,**

BAHT

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2003	2002	2003	2002
INCOME BEFORE INCOME TAX	3,148,912,494	2,154,234,662	3,059,415,601	2,122,168,632
INCOME TAX EXPENSES (Notes 3.13 and 4.18)	38,612,985	3,387,632	6,826,623	3,387,632
INCOME BEFORE MINORITY INTEREST	3,110,299,509	2,150,847,030	3,052,588,978	2,118,781,000
MINORITY INTEREST IN NET INCOME OF SUBSIDIARIES	(57,710,531)	(32,066,030)	-	-
<b>NET INCOME</b>	<b>3,052,588,978</b>	<b>2,118,781,000</b>	<b>3,052,588,978</b>	<b>2,118,781,000</b>
<b>BASIC EARNINGS PER SHARE</b> (Note 3.14)	1.39	1.15	1.39	1.15
<b>WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES</b>	<b>2,192,465,753</b>	<b>1,850,000,000</b>	<b>2,192,465,753</b>	<b>1,850,000,000</b>

Notes to the consolidated and the Bank's financial statements form an integral part of these statements



(Mr. Krit Ratanarak)  
Chairman



(Mr. Jamlong Atikul)  
President

**BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE YEARS ENDED DECEMBER 31,**

BAHT

	CONSOLIDATED FINANCIAL STATEMENTS							Total
	Preferred Share Capital	Ordinary Share Capital	Premium on Share Capital	Appraisal Surplus	Revaluation Surplus (Deficit) on Investments	Retained Earnings (Deficits)	Minority Interests	
Balance as of December 31, 2001	3,250,000	18,500,000,000	20,263,795,254	3,780,810,170	1,712,558,937	(29,102,675,075)	144,364,706	15,302,103,992
Appraisal surplus	-	-	-	(72,592,844)	-	-	-	(72,592,844)
Revaluation deficit on investments	-	-	-	-	(298,216,490)	-	-	(298,216,490)
Net gain (loss) not recognised in the statement of income	-	-	-	(72,592,844)	(298,216,490)	-	-	(370,809,334)
Net income	-	-	-	-	-	2,118,781,000	-	2,118,781,000
Minority interests	-	-	-	-	-	-	36,260,229	36,260,229
Ending balance as of December 31, 2002	<u>3,250,000</u>	<u>18,500,000,000</u>	<u>20,263,795,254</u>	<u>3,708,217,326</u>	<u>1,414,342,447</u>	<u>(26,983,894,075)</u>	<u>180,624,935</u>	<u>17,086,335,887</u>
Balance as of December 31, 2002	3,250,000	18,500,000,000	20,263,795,254	3,708,217,326	1,414,342,447	(26,983,894,075)	180,624,935	17,086,335,887
Issued and fully paid-up share capital	-	10,000,000,000	-	-	-	-	-	10,000,000,000
Appraisal surplus	-	-	-	(36,805,860)	-	-	-	(36,805,860)
Revaluation deficit on investments	-	-	-	-	(1,348,354,805)	-	-	(1,348,354,805)
Net gain (loss) not recognised in the statement of income	-	-	-	(36,805,860)	(1,348,354,805)	-	-	(1,385,160,665)
Net income	-	-	-	-	-	3,052,588,978	-	3,052,588,978
Minority interests	-	-	-	-	-	-	69,042,749	69,042,749
Ending balance as of December 31, 2003	<u>3,250,000</u>	<u>28,500,000,000</u>	<u>20,263,795,254</u>	<u>3,671,411,466</u>	<u>65,987,642</u>	<u>(23,931,305,097)</u>	<u>249,667,684</u>	<u>28,822,806,949</u>

Notes to the consolidated and the Bank's financial statements form and integral part of these statements

**BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)**  
**FOR THE YEARS ENDED DECEMBER 31,**

BAHT

	THE BANK'S FINANCIAL STATEMENTS						
	Preferred Share Capital	Ordinary Share Capital	Premium on Share Capital	Appraisal Surplus	Revaluation Surplus (Deficit) on Investments	Retained Earnings (Deficits)	Total
Balance as of December 31, 2001	3,250,000	18,500,000,000	20,263,795,254	3,780,810,170	1,712,558,937	(29,102,675,075)	15,157,739,286
Appraisal surplus	-	-	-	(72,592,844)	-	-	(72,592,844)
Revaluation deficit on investments	-	-	-	-	(298,216,490)	-	(298,216,490)
Net gain (loss) not recognised in the statement of income	-	-	-	(72,592,844)	(298,216,490)	-	(370,809,334)
Net income	-	-	-	-	-	2,118,781,000	2,118,781,000
Ending balance as of December 31, 2002	<u>3,250,000</u>	<u>18,500,000,000</u>	<u>20,263,795,254</u>	<u>3,708,217,326</u>	<u>1,414,342,447</u>	<u>(26,983,894,075)</u>	<u>16,905,710,952</u>
Balance as of December 31, 2002	3,250,000	18,500,000,000	20,263,795,254	3,708,217,326	1,414,342,447	(26,983,894,075)	16,905,710,952
Issued and fully paid-up share capital	-	10,000,000,000	-	-	-	-	10,000,000,000
Appraisal surplus	-	-	-	(36,805,860)	-	-	(36,805,860)
Revaluation deficit on investments	-	-	-	-	(1,348,354,805)	-	(1,348,354,805)
Net gain (loss) not recognised in the statement of income	-	-	-	(36,805,860)	(1,348,354,805)	-	(1,385,160,665)
Net income	-	-	-	-	-	3,052,588,978	3,052,588,978
Ending balance as of December 31, 2003	<u>3,250,000</u>	<u>28,500,000,000</u>	<u>20,263,795,254</u>	<u>3,671,411,466</u>	<u>65,987,642</u>	<u>(23,931,305,097)</u>	<u>28,573,139,265</u>

Notes to the consolidated and the Bank's financial statements form and integral part of these statements

**BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31,**

BAHT

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2003	2002	2003	2002
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Net income	3,052,588,978	2,118,781,000	3,052,588,978	2,118,781,000
Adjustments to reconcile net income to net cash flows from operating activities:				
Depreciation and amortization	830,214,165	792,507,556	808,625,883	775,163,129
Accretion (discretion) of discount on investments	70,876,202	(30,913,152)	33,117,569	(54,968,527)
Bad debt and doubtful accounts	1,921,795,547	790,783,958	1,514,109,252	624,969,109
Loss on debt restructuring (reversal)	1,471,156,674	66,253,592	1,485,890,748	(24,969,109)
Reserve for TDR-NPV loss (reversal)	(9,249,085)	(29,990,909)	-	-
Interest income from assets acquired from debt repayment	(38,823,799)	(441,095,855)	(38,534,634)	(440,821,901)
Gain on reclassification from investment in receivable to loans	(710,337,350)	-	(434,223,681)	-
(Gain) loss on transfer of non-performing loans	314,490	(16,731,939)	314,490	-
Gain on investments	(2,305,474,472)	(839,810,720)	(2,253,250,755)	(802,916,665)
Loss on impairment of properties foreclosed	223,598,014	163,202,237	220,476,394	160,453,036
Gain on sales of property, premises and equipment	(42,215,697)	(8,038,186)	(40,582,910)	(3,470,259)
Gain on sales of property foreclosed	(475,397,991)	(126,287,443)	(475,397,991)	(126,287,443)
Loss on translation of balances in foreign currencies	1,077,735,188	197,380,372	1,077,735,188	197,380,372
Decrease in accrued interest and dividend income	911,990,696	567,300,740	948,280,598	404,448,700
Increase (decrease) in accrued interest payable	(593,163,495)	19,351,634	(593,620,238)	20,952,744
Decrease in other accrued expenses	(42,053,398)	(372,590,182)	(55,473,057)	(379,382,038)
Minority interest in net income of subsidiaries	57,710,531	32,066,030	-	-
Gain on equity	(41,228,211)	(115,304,854)	(233,951,737)	(193,946,917)
Income from operations before changes in operating assets and liabilities	5,360,036,987	2,766,863,879	5,016,104,097	2,275,385,231
Increase (decrease) in operating assets				
Interbank and money market items	8,079,629,660	5,052,016,980	8,215,196,646	5,033,414,681
Securities purchased under resale agreements	(16,950,000,000)	4,006,000,000	(16,950,000,000)	3,050,000,000
Current investments - securities for trading	9,466,326,459	(3,378,149,059)	9,412,803,288	(3,376,589,059)
Loans	(30,806,912,862)	(28,710,388,135)	(27,633,952,518)	(28,450,885,693)
Properties foreclosed	6,487,290,063	196,780,595	6,233,004,506	995,157,205
Other assets	(3,348,424,046)	114,709,815	(3,200,604,510)	(1,746,444)
Increase (decrease) in operating liabilities				
Deposits	29,993,782,631	19,617,635,178	28,844,082,639	19,689,967,897
Interbank and money market items	6,933,784,533	3,839,944,276	6,549,220,932	4,045,644,280
Securities sold under repurchase agreements	80,000,000	-	-	-
Liabilities payable on demand	1,421,358,389	(355,900,492)	1,421,358,389	(355,900,492)
Other liabilities	2,722,072,465	633,581,904	1,172,053,797	468,454,429
Net cash provided by operating activities	19,438,944,279	3,783,094,941	19,079,267,266	3,372,902,035

**BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF CASH FLOWS (CONTINUED)**  
**FOR THE YEARS ENDED DECEMBER 31,**

BAHT

	<b>CONSOLIDATED</b>		<b>THE BANK'S</b>	
	<b>FINANCIAL STATEMENTS</b>		<b>FINANCIAL STATEMENTS</b>	
	2003	2002	2003	2002
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Proceeds from sales of investments - securities available for sales and other investments	28,304,549,741	22,456,949,698	24,288,600,851	19,668,793,561
Cash paid for purchase of investments - securities available for sales and other investments	(58,558,590,149)	(20,838,760,537)	(54,208,624,306)	(17,670,521,227)
Proceeds from sales of property, premises and equipment	88,362,245	13,565,911	85,414,912	8,013,751
Cash paid for purchase of property, premises and equipment	(684,183,755)	(659,915,934)	(660,924,994)	(624,349,610)
Net cash provided by (used in) investing activities	<u>(30,849,861,918)</u>	<u>971,839,138</u>	<u>(30,495,533,537)</u>	<u>1,381,936,475</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Increase (decrease) in borrowings	4,080,000,000	(183,055,460)	4,080,000,000	(183,055,460)
Proceeds from issuance of ordinary shares	10,000,000,000	-	10,000,000,000	-
Net cash provided by (used in) financing activities	<u>14,080,000,000</u>	<u>(183,055,460)</u>	<u>14,080,000,000</u>	<u>(183,055,460)</u>
Total	2,669,082,361	4,571,878,619	2,663,733,729	4,571,783,050
Effect of exchange rate change on cash	<u>16,352,758</u>	<u>20,938,366</u>	<u>16,352,758</u>	<u>20,938,366</u>
Net increase in cash and cash equivalents	2,685,435,119	4,592,816,985	2,680,086,487	4,592,721,416
Cash and cash equivalents as at January 1,	<u>10,396,986,441</u>	<u>5,804,169,456</u>	<u>10,396,828,981</u>	<u>5,804,107,565</u>
<b>Cash and cash equivalents as at December 31,</b>	<u><b>13,082,421,560</b></u>	<u><b>10,396,986,441</b></u>	<u><b>13,076,915,468</b></u>	<u><b>10,396,828,981</b></u>

Notes to the consolidated and the Bank's financial statements form an integral part of these statements

**BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED AND THE BANK'S FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002**

**1. ECONOMIC SITUATION AND THE OPERATIONS OF THE BANK AND ITS SUBSIDIARIES**

1.1 Economic situation and the operations of the Bank and its subsidiaries

Thailand and many Asia-Pacific countries continue to experience economic difficulties. Such conditions have affected and many continue to adversely affect bank operations in Thailand, including Bank of Ayudhya Public Company Limited. The accompanying consolidated and the Bank's financial statements reflect management's assessment of the possible impact of the economic conditions on the financial position of the Bank and its subsidiaries.

1.2 Guideline regarding allowance for doubtful accounts

The allowance for doubtful accounts is established in accordance with the Bank of Thailand (the "BOT") regulations and guideline.

BOT guidelines require banks to categorize their loan portfolios into six categories subject to different levels of provisioning and establish new interest accrual and reversal policies and maximum collateral valuation limits for the purpose of calculating the allowance for doubtful accounts (see Notes 3.4 and 4.7). In addition, in March 2003, the BOT revised the guidelines on qualitative review of loans and all commitments for commercial banks including their related reports. The Bank has made such qualitative reviews of its loans in accordance with the revised guidelines and has prepared report according to the given forms.

In addition, the BOT has issued additional guidelines clarifying the above guidelines, regarding the basis for debt restructuring and collateral appraisal of the financial institutions, worthless or irrecoverable assets or assets with doubtful value of recoverability and reports to be submitted to the BOT.

1.3 Other regulatory requirements

The Bank is subject to various capital and regulatory requirements administered by the BOT. Under these capital adequacy guidelines and the regulatory framework for prompt corrective action, the Bank must satisfy specific capital guidelines that involve quantitative measures of its assets, liabilities and certain off-balance sheet items as calculated in accordance with regulatory accounting practices. In addition, the Bank's capital amounts and classification are also subject to qualitative judgements by the BOT about components, risk weightings, and other factors. Management believes that as at December 31, 2003 and 2002, the Bank met all capital adequacy requirements. However, these capital and regulatory requirements are subject to change, as considered necessary by the BOT.

**2. THE BANK'S INFORMATION AND BASIS FOR PREPARATION OF THE CONSOLIDATED AND THE BANK'S FINANCIAL STATEMENTS**

Bank of Ayudhya Public Company Limited is a public company registered in the Kingdom of Thailand with its head office located at 1222 Rama III Road, Bang Phongphang Subdistrict, Yannawa District, Bangkok. The Bank's main business is commercial banking and the Bank conducts its business through a network of branches throughout Thailand and some parts of the world. As at December 31, 2003 and 2002, the Bank has total staff of 7,580 and 7,670, respectively.

Siam Realty and Services Company Limited, the Bank's subsidiary, incorporated in Thailand since June 20, 1988 and located at 550 Ploenchit Road, Lumpini Subdistrict, Patumwan District, Bangkok. The main business is car leasing and personnel services.

K. S. Law Office Company Limited, the Bank's subsidiary incorporated in Thailand since February 2, 1996 and located at 550 Ploenchit Road, Lumpini Subdistrict, Patumwan District, Bangkok. The main business is legal advisory services.

Ayudhya Services and Management Company Limited, the Bank's subsidiary, incorporated in Thailand since March 27, 1997 and located at 550 Ploenchit Road, Lumpini Subdistrict, Patumwan District, Bangkok. The main business is personnel services. As of December 31, 2003, the subsidiary company is being in the process of liquidation.

Ayudhya Asset Management Company Limited, the Bank's subsidiary, incorporated in Thailand since August 18, 2000 and located at 1222 Rama III Road, Bang Phongphang Subdistrict, Yannawa District, Bangkok. The main business is to develop, manage and sell assets transferred from the Bank.

Ayudhya Investment and Trust Public Limited Company, the Bank's subsidiary, incorporated in Thailand since February 1, 1994 and located at 898 Ploenchit Tower Building, Fl 3, Lumpini Subdistrict, Patumwan District, Bangkok. The main business is related to finance and securities.

Ploenchit Advisory Company Limited, the Bank's subsidiary incorporated in Thailand since June 12, 2003 and located at 900 Tounson Tower Building, F1 10, Ploenchit Road, Lumpini Subdistrict, Patumwan District, Bangkok. The main business is related to financial advisory services.

- 2.1 The consolidated and the Bank's financial statements for the years ended December 31, 2003 and 2002, are presented in accordance with the BOT's Notification regarding the balance sheets and statements of income of commercial banks dated May 10, 2001 and its related letter of July 9, 2001.

The Bank prepares its statutory financial statements in Thai language in conformity with accounting standards in Thailand and as stated above. The accompanying financial statements are prepared in accordance with accounting principles and practices generally accepted in Thailand.

The consolidated and the Bank's balance sheets as at December 31, 2002, presented herein, have been derived from the consolidated and the Bank's financial statements for the year then ended which have been audited.

- 2.2 The consolidated financial statements for the years ended December 31, 2003 and 2002, included the accounts of all branches of the Bank, "The Preferred Shares-Subordinated Debentures of Bank of Ayudhya Public Company Limited Fund" (unaudited) which is considered as a special purpose entity for raising fund on behalf of the Bank, and Ayudhya Investment and Trust Public Company Limited (AITCO) (audited) whose shares are held by the Bank as follows :

	<b>December 31, 2003</b>		
	<b>Ordinary share</b>	<b>Preferred share</b>	<b>Total</b>
Number of shares issued and paid-up	235,000,000	50,000,000	285,000,000
Owned by the Bank	176,078,890	50,000,000	226,078,890
Percentage of total	74.93	100.00	79.33

	<b>December 31, 2002</b>		
	<b>Ordinary share</b>	<b>Preferred share</b>	<b>Total</b>
Number of shares issued and paid-up	235,000,000	50,000,000	285,000,000
Owned by the Bank	178,083,790	50,000,000	228,083,790
Percentage of total	75.78	100.00	80.03

In addition, the consolidated financial statements also include the account balances of AITCO's subsidiary, namely Ayudhya Securities Company Limited (audited) whose shares are 99.99% held by AITCO.

The preferred shareholders of AITCO are entitled to an annual noncumulative dividend of five percent per annum or equivalent to the dividend declared for ordinary shareholders whichever is higher and have the same voting rights as ordinary shareholders.

As at December 31, 2003 and 2002, AITCO held 2,478,750 ordinary shares of the Bank. The acquisition cost was Baht 98 million which was presented as investments in subsidiaries and associated companies-net in the consolidated balance sheet. Such investment was not deducted from shareholders' equity as the amount was immaterial.

The financial statements of AITCO which is the Bank's subsidiary for the years ended December 31, 2003 and 2002 have been audited. The auditor expressed an unqualified opinion with an explanatory paragraph regarding the going concern issues for the year ended December 31, 2003 and with an explanatory paragraph regarding the economic turmoil and going concern issues for the year ended December 31, 2002.



In addition, the consolidated financial statements for the years ended December 31, 2003 and 2002, also include the account balances of Ayudhya Asset Management Company Limited (audited) whose shares were held by the Bank as follows:

	<b>Ordinary shares</b>	<b>Baht</b>
Authorized share capital	200,000,000	2,000,000,000
Issued and paid - up share capital		
Ordinary shares issued and fully paid up	36,063,000	360,630,000
Ordinary shares issued and 25% paid up	163,937,000	409,842,500
Total capital issued and paid - up	<u>200,000,000</u>	<u>770,472,500</u>
Owned by the bank	199,999,994	770,472,440
Percentage of total	99.99	99.99

All material intercompany transactions and balances have been eliminated.

- 2.3 The consolidated financial statements as at December 31, 2003 and 2002, included the unaudited financial statements of special purpose entity namely The Preferred shares - Subordinated Debenture of Bank of Ayudhya Public Company Limited. Total assets after eliminating intercompany transaction are Baht 261 million and Baht 253 million or 0.05% each years of total assets in the consolidated financial statements as at December 31, 2003 and 2002, respectively. No revenues are recorded in the consolidated financial statements.

In addition, the consolidated and the Bank's financial statements for the years ended December 31, 2003 and 2002, included gain (loss) on equity of associated companies, which have not been audited as follows:

1. Ayudhya JF Asset Management Limited
2. Ayudhya Development Leasing Company Limited
3. Krungsriayudhya Card Company Limited
4. Ayudhya International Factors Company Limited

For the years ended December 31, 2003 and 2002, the aforementioned gain on equity of associated companies recorded gain of Baht 31 million and Baht 89 million, respectively, in the consolidated and the Bank's financial statements.

- 2.4 The consolidated financial statements do not include the account balances of Siam Realty and Services Company Limited (99.99% holding), K.S. Law Office Company Limited (99.99% holding) Ayudhya Services and Management Company Limited (99.99% holding) and Ploenchit Advisory Company Limited (49.66% for both direct and indirect holding) which are immaterial with regard to the Bank's financial position and results of operations.

The financial position and the results of operations of such companies are shown as additional information in Note 4.4 to the financial statements.

### 3. SIGNIFICANT ACCOUNTING POLICIES

#### 3.1 Cash and cash equivalents

For the Bank, cash and cash equivalents are those amounts included cash in the balance sheet under the caption of cash, which consists of cash on hand and cash on collection.

For the subsidiary company, cash and cash equivalents represent cash on hand and all types of deposits at financial institutions excluding negotiable certificate of deposits, in accordance with the Notification of the BOT. In the statements of cash flows, cash and deposits at financial institutions used as collateral are not included in cash and cash equivalents but are presented as part of other assets.

#### 3.2 Investment in securities

The Bank's investments which consist of debt securities and equity securities are classified as either trading securities, available for sale securities, held to maturity securities or general investments.

In addition, the Bank also complied with BOT's Notification dated May 10, 2001 regarding the balance sheets and statements of income of commercial banks which requires the commercial bank to present the investments as current investments-net, long-term investments-net and investments in subsidiaries and associated companies-net.

Trading securities which represent securities acquired with the intent to hold as short-term are current investments and management acquires those instruments with the intent to hold them for a short period of time in order to take advantage of anticipated changes in market values. Trading securities are carried at fair value. Realized gains and losses from the sales of trading securities and unrealized gain and loss on the changes in fair value are recognized as non-interest income. Interest earned and dividend on trading securities is recognized using the accrual basis of accounting as an interest and dividend income.

Debt securities for which the Bank has the positive intent and ability to hold until maturity are classified as held to maturity and carried at the amortized cost, net of valuation allowances for impairment, if any, and presented as long-term investments except for maturity within one year. Valuation allowances are established by recognizing an unrealized loss when the impairment of a security is assessed by management. In addition, the Bank classified the rights of the Bank against and not receivable the non-negotiable promissory notes, which is availed by the Financial Institutions Development Fund (FIDF) issued by the Thai Asset Management Corporation (TAMC) under the Asset Transfer Agreement for transfer of sub-quality assets, as long-term investment classified as debt securities held-to-maturity and interest received in form of promissory note is presented under other assets heading in the balance sheet.

Debt and equity securities with readily determinable market values that are not classified as either held to maturity securities or trading securities are classified as available for sale securities which may be presented as short-term or long-term investments depending on the intent of management and carried at fair value. The unrealized gains or losses related to available for sale securities are reported as a component of shareholders' equity until realized. Gains or losses on available for sale securities are recognized in the statement of income upon the sale or disposition of such securities.

Non-marketable equity securities and marketable equity securities acquired from trouble debt restructuring which are classified as general investments are presented as long-term investments, net and carried at cost, net of valuation allowances for impairment, if any. Valuation allowances are established by recognizing an unrealized loss in the statement of income when the impairment of a security is assessed by management.

Premiums and discounts are amortized and accreted into income as adjustments to interest income using the effective interest rate method.

In the consolidated and the Bank's financial statements, investments in subsidiary and associated companies are accounted for by the equity method.

When an investment is assessed as being impaired, the amount of impairment is recognized as expense in the statement of income.

Fair value or market value of securities is calculated on the following basis:

1. For Government bonds and state enterprises bonds, the fair values of these securities were estimated by using the BOT formula, based on Thai Bond Dealing center on the last business day of the year.
2. For private sector's debt and equity securities which are listed securities and securities in The Thai Bond Dealing Center, market values are estimated using the bidding prices at the Stock Exchange of Thailand and The Thai Bond Dealing Center on the last business day of the year.
3. For private sector's debt securities which are non-listed securities, the last closing prices of The Thai Bond Dealing Center are used to estimate fair value. In the absence of such prices, fair value is estimated by applying the aforementioned risk adjusted yield curve, in accordance with the criteria established by the BOT.

Equity securities which are non-listed securities are stated at cost, except in the case where a permanent decline in value is deemed to have occurred in which case the loss will be charged to the statement of income.

Cost of securities sold during the year is computed using the weighted average method. Realized gain and loss from sales of debt and equity securities are included in non-interest income.

### 3.3 Loans

Overdrafts are stated at the drawn amounts including interest. Other loans are stated at the principal amounts.

Unearned discounts on notes receivable are presented at the net amount in loans.

### 3.4 Allowance for doubtful accounts

The Bank estimated the minimum total allowance in accordance with BOT Guidelines and additional reserves based on managements assessment of the ultimate collectibility of loan and interest amounts.

Loans are written off in the period that they are determined to be irrecoverable. Bad debts recovered are recorded as income in statements of income.

Bad debts written off during the year are recorded as deductions from the allowance for doubtful accounts.

Bad debt and doubtful accounts are shown as an expense in the statement of income.

The significant factor in the determination of the allowance for doubtful accounts is the value of collateral. Collateral pledged as support for loans typically consists of land, buildings, and buildings under construction. Value of such collateral is based on independent and/or internally performed appraisals.

Loans classified as doubtful of loss which are in excess of collateral and fully provisioned were written off. This is in accordance to the BOT's Notification dated March 17, 2000, regarding worthless or irrecoverable assets or assets with doubtful value of recoverability and the management believes that they are uncollectible. For the year ended December 31, 2002, the Bank considered the possibilities of repayment from loans classified as doubtful of loss which had been written off and recorded the reversal of such loans classified as doubtful of loss which were considered to be recoverable amounting to Baht 14,802 million in accordance with Bank of Thailand's Notification dated February 18, 2002 regarding the worthless or irrecoverable assets or assets which are doubtful of being worthless or irrecoverable (see Notes 4.6 and 4.7). In addition, the Bank changes the basis of calculation of the minimum total allowance under such BOT Guidelines. The significant changes are in respect of the cancellation of the preference over the collateral for calculating the allowance.

### 3.5 Troubled Debt Restructuring

Loss on troubled debt restructuring resulting from the reduction of principal and accrued interest and other restructuring methodology including modification of terms, asset transfer, equity securities transfer, etc. are recognized as expenses in the statements of income.

In case of troubled debt restructuring using modification terms of restructuring, the Bank has applied in accordance with the BOT's criteria requiring the Bank to choose between the collateral method by which a loss amount is to be estimated and/or net present value method which represents expected cash flow in the future applying the discount market interest rates on the restructuring date. Loss from such debt restructuring recognized in the statements of income.

After restructuring the Bank has recalculated fair value of restructured debts based on aforementioned discount interest rate as of the date on the quarterly financial statements and made an adjustment of valuation on debt restructured, if the fair value has been changed. The recalculation made on the quarterly financial statements has been in accordance with the aforementioned BOT's criteria. The adjustment of valuation on restructured debt shall not cause the book value of restructured debt to exceed the investment value on restructured debt.

In case of restructured debt, assets or equity securities transferred for debt repayment either in whole or in part are recorded at the fair value, net of estimated selling expenses, which is not over the total amount of the investment value on such debt and the right-to-claim interest income. This has been in accordance with the Thai Accounting Standard No.34 "Accounting for troubled debt restructuring (Revised in 2002)".

In case of purchase of investments in receivables and subsequently being restructured, the Bank has calculated fair value of restructured debt on the restructuring date and recognized the difference between book value and fair value on that date as gain or loss in the statement of income for the period and classified investments in receivables as loans in accordance with the BOT's criteria.

### 3.6 Properties foreclosed

Properties foreclosed consist of immovable and movable properties which are recorded at the lower of net investment in the loan and accrued interest including previously unrecognized contractual interest or fair value of the property at the date of foreclosure. Should the carrying value of a property foreclosed become impaired, management would establish an impairment allowance.

Gains or losses on such properties are realized upon disposition of the underlying asset, including in non-interest income in the statements of income.

### 3.7 Property, premises and equipment

Land and premises are stated at the appraised value and equipment is stated at cost less accumulated depreciation.

#### 3.7.1 Revaluation of assets

Land and premises have been revalued by independent premises appraisers based on market value for land and depreciated replacement cost for premises. For the portion of land and premises which have been revalued, the increments above the previous appraisal were recorded in the aforementioned land revaluation surplus and premises revaluation surplus accounts. In case of revaluation decrease, the decline in value is deducted from such revaluation surplus to the extent that the new value is above original cost and recognized in the statements of income for the decrease in value below original cost.

Suite units in condominium used as branch office have been revalued by independent premises appraisers in accordance with BOT guideline using depreciated replacement cost for premises. The Bank has recorded the increment per appraisal of premises as revaluation surplus. In case of revaluation decrease which is still in excess of the original cost, such decrease is recorded by deducting from revaluation surplus.

#### 3.7.2 Depreciation

Depreciation of premises and equipment are calculated by the straight-line method, based on the estimated useful lives of the assets as follows :

Premises	20 - 50 years
Equipment	5 - 10 years

Depreciation of premises appraisal increase is recorded by reducing the premises revaluation surplus.

### 3.8 Subordinated debentures cum preferred shares

The Bank has complied with the Interpretation of Accounting Standard No.3, on the issue of compound financial instruments by financial institutions issued by the Institute of Certified Accountants and Auditors of Thailand (ICAAT). The interpretation requires that in summary,

- 1) The equity instrument component (preferred shares) is valued at fair value at the time of issue or by reference to ordinary share's market price if there is no market value for the preferred shares, and the face value is to be recorded separately from the premium.
- 2) The balance of the financial instruments, calculated by the net amount received from the issuance of the financial instruments, deducted by the fair value of equity instrument component, is shown as a liability in the balance sheet.
- 3) The payment for the right under the compound instrument is not recognized as an asset in the balance sheet.

### 3.9 Recognition of income

The Bank and its subsidiary have been required by the BOT to stop accruing interest income for debtors which are more than three months past due and reverse such accrued interest income which has been recorded as interest income. Thereafter, interest income from such debtors shall be recognized on cash basis.

The subsidiary that is the asset management company recognizes interest income from investment in receivables and loans and receivable by using the market interest rate for 2003 and the effective rate for 2002 that is discounted rate in calculating present value of future cash flows which expects be collected from receivables. Except for certain receivables that have in doubt in collectibility, the Company recognizes interest income from such investments in receivables and loans and receivables on cash basis.

Interest and dividend income on investment are recognized on an accrual basis.

Gains and losses on the sale of debt and equity securities are computed by the weighted average method and included in non-interest income in the statements of income.

### 3.10 Recognition of expenses

Interest expense is recognized on an accrual basis.

Goodwill on acquisition of additional share of subsidiary is totally amortized to be an expense in the statements of income.

### 3.11 Provident fund and pension fund

The individual's contributions for provident fund made by the Bank are recorded as an expense in the statements of income.

The Bank has recorded accrued pension fund after deducted provident fund which employees' length of services reaches 10 years and employees who have been in service before January 1, 1998 as an expense in the statements of income.

### 3.12 Contributions to the Financial Institutions Development Fund

Contributions to the Financial Institutions Development Fund are recognized as expenses in the statements of income.

### 3.13 Income tax

Income tax expense, if any, is based on tax paid and accrued for the year.

### 3.14 Earnings per share

Basic earnings per shares are calculated by dividing net income by the number of weighted average ordinary share outstanding during the year.

The preferred shares and warrants that can be converted into ordinary shares are not used for calculation of the diluted earnings per share since number of preferred shares is not material and the exercise date of warrants has not been due.

### 3.15 Foreign currency transactions

Transactions during the year denominated in foreign currencies are translated into Baht at the rates of exchange ruling on the transaction dates. Monetary assets and liabilities at the end of the year denominated in foreign currencies are translated into Baht at the exchange rates announced by Bank of Thailand on that date.

All foreign exchange gains or losses are recognized as income and expense in non-interest income in the statements of income.

### 3.16 Forward foreign exchange contracts

Income and expense from interest rate swaps used to manage interest rate exposures are recognized as adjustments to interest income or expense. Gains and losses on contracts designated as hedges of existing assets and liabilities are recognized as income and expenses in the statements of income.

The Bank uses the forward exchange rate for the remaining period (Mark-to-Market) in measuring undue forward exchange contracts outstanding at the end of the year in order to approximate their fair values. Such practice was approved by Bank of Thailand.

### 3.17 Translation of the financial statements of the foreign branches

The financial statements of foreign branches whose currency is foreign currency are translated into Baht by using the reference exchange rate established by the BOT at the end of the year for the translation of foreign monetary items, the historical exchange rate for the translation of foreign non-monetary items and the average exchange rate for the translation of transactions in the statements of income. Difference of exchange rate from translation of the financial statements of the foreign branches are recognized as gain or loss on foreign exchange in the statements of income.

### 3.18 Use of accounting estimates

Preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent assets and liabilities. Actual results may differ from those estimates.

### 3.19 Reclassifications

The financial statements of the year 2002 were reclassified into a new format so as to be in accordance with the presentation of the financial statements of the year 2003 as follows:

**The presentation of the financial statements of the year 2003**

- Other assets
- Other income
- Cash advance
- Effect of foreign exchange rates from undue forward exchange contracts

**The presentation of the financial statements of the year 2002**

- Accrued interest receivable from investment
- Gain on sales of investment in receivables
- Other assets
- Other assets

**4. ADDITIONAL INFORMATION**

4.1 Supplementary disclosures of cash flow information

4.1.1 Cash paid for interest and income tax for the year ended December 31, are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2003	2002	2003	2002
	Baht	Baht	Baht	Baht
Interest	11,311,194,271	12,531,042,027	11,213,038,692	12,429,014,188
Income tax	118,395,635	50,807,660	100,881,762	40,870,874

4.1.2 Non-cash transactions for the year ended December 31, are as follows :

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2003	2002	2003	2002
	Baht	Baht	Baht	Baht
Revaluation surplus on investments decrease presented as item in shareholder's equity	1,348,354,805	298,216,490	1,348,354,805	298,216,490
Accumulated depreciation of premises appraisal which was set up and deducted from premises revaluation surplus	36,805,860	37,115,744	36,805,860	37,115,744
Properties foreclosed acquired from debt repayment	4,234,622,627	2,635,516,246	4,207,004,727	2,620,614,997
Property foreclosed used as branch office	-	26,288,167	-	26,288,167
Property and premises transferred to be properties foreclosed due to the change of branch office's location	16,000,000	354,480,683	16,000,000	354,480,683
Net decrements resulting from land and premises appraisal which were presented as land and premises revaluation surplus	-	35,477,100	-	35,477,100
Investments from transfer of non - performing assets	241,153,057	1,426,419,863	241,153,057	1,409,687,924

4.1.3 Non-cash transactions of property, premises and equipment for the year ended December 31, are as follows :

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2003	2002	2003	2002
	Baht	Baht	Baht	Baht
Purchase of property, premises and equipment	725,546,993	677,363,564	701,728,981	641,682,740
Less Cash payment	(684,183,755)	(659,915,934)	(660,924,994)	(624,349,610)
Non-cash items	41,363,238	17,447,630	40,803,987	17,333,130

#### 4.1.4 Realized and unrealized gain (loss) on foreign exchange

For cash flows statement, realized gain (loss) on exchange is based on cash basis for the amount that the special business tax has been paid. Unrealized gain (loss) on foreign exchange is based on the amount of liabilities in foreign currencies as recorded in various accounts and based on the amount of assets in foreign currencies on the outstanding balances as recorded in each category.

#### 4.2 Interbank and money market items

##### (1) Domestic items

	CONSOLIDATED FINANCIAL STATEMENTS					
	At Call Baht	2003 Time Baht	Total Baht	At Call Baht	2002 Time Baht	Total Baht
Bank of Thailand and Financial Institution Development Fund	4,774,600,966	223	4,774,601,189	4,436,087,820	223	4,436,088,043
Commercial banks	422,964,144	259,276,948	682,241,092	623,670,763	1,142,434,162	1,766,104,925
Other banks	10,029,379	-	10,029,379	8,762,094	-	8,762,094
Finance companies, trust and securities companies, securities company and credit foncier companies	70,715	-	70,715	-	63,182,000	63,182,000
Other financial institutions	225,012,233	679,235,122	904,247,355	250,131,570	540,104,235	790,235,805
Total domestic items	5,432,677,437	938,512,293	6,371,189,730	5,318,652,247	1,745,720,620	7,064,372,867
Add Accrued interest receivables	-	102,219	102,219	7,030,754	17,577,582	24,608,336
<b>Total</b>	<b>5,432,677,437</b>	<b>938,614,512</b>	<b>6,371,291,949</b>	<b>5,325,683,001</b>	<b>1,763,298,202</b>	<b>7,088,981,203</b>

	THE BANK'S FINANCIAL STATEMENTS					
	At Call Baht	2003 Time Baht	Total Baht	At Call Baht	2002 Time Baht	Total Baht
Bank of Thailand and Financial Institution Development Fund	4,746,451,464	223	4,746,451,687	4,416,398,920	223	4,416,399,143
Commercial banks	250,879,681	10,000	250,889,681	319,417,035	1,142,434,162	1,461,851,197
Other banks	10,020,679	-	10,020,679	8,762,094	-	8,762,094
Finance companies, trust and securities companies, securities company and credit foncier companies	70,715	-	70,715	-	63,182,000	63,182,000
Other financial institutions	225,012,233	679,235,122	904,247,355	250,131,570	540,104,235	790,235,805
Total domestic items	5,232,434,772	679,245,345	5,911,680,117	4,994,709,619	1,745,720,620	6,740,430,239
Add Accrued interest receivables	-	102,219	102,219	7,030,754	17,577,582	24,608,336
<b>Total</b>	<b>5,232,434,772</b>	<b>679,347,564</b>	<b>5,911,782,336</b>	<b>5,001,740,373</b>	<b>1,763,298,202</b>	<b>6,765,038,575</b>

##### (2) Foreign items

	CONSOLIDATED FINANCIAL STATEMENTS					
	At Call Baht	2003 Time Baht	Total Baht	At Call Baht	2002 Time Baht	Total Baht
US Dollar	518,278,749	4,206,610,008	4,724,888,757	1,977,350,159	10,645,315,195	12,622,665,354
Yen	138,335,672	-	138,335,672	148,424,511	-	148,424,511
Other currencies	410,961,482	6,883,563	417,845,045	356,257,076	97,749,820	454,006,896
Total foreign items	1,067,575,903	4,213,493,571	5,281,069,474	2,482,031,746	10,743,065,015	13,225,096,761
Add Accrued interest receivables	-	19,382,258	19,382,258	-	4,433,185	4,433,185
Less Allowance for doubtful accounts	-	(888,114)	(888,114)	-	(1,136,562)	(1,136,562)
Total	1,067,575,903	4,231,987,715	5,299,563,618	2,482,031,746	10,746,361,638	13,228,393,384
Total domestic and foreign items	6,500,253,340	5,170,602,227	11,670,855,567	7,807,714,747	12,509,659,840	20,317,374,587

**THE BANK'S FINANCIAL STATEMENTS**

	2003			2002		
	At Call Baht	Time Baht	Total Baht	At Call Baht	Time Baht	Total Baht
US Dollar	518,278,749	4,206,610,008	4,724,888,757	1,977,350,159	10,645,315,195	12,622,665,354
Yen	138,335,672	-	138,335,672	148,424,511	-	148,424,511
Other currencies	410,961,482	6,883,563	417,845,045	356,257,076	97,749,820	454,006,896
Total foreign items	1,067,575,903	4,213,493,571	5,281,069,474	2,482,031,746	10,743,065,015	13,225,096,761
<u>Add</u> Accrued interest receivables	-	19,382,258	19,382,258	-	4,433,185	4,433,185
<u>Less</u> Allowance for doubtful accounts	-	(888,114)	(888,114)	-	(1,136,562)	(1,136,562)
Total	1,067,575,903	4,231,987,715	5,299,563,618	2,482,031,746	10,746,361,638	13,228,393,384
Total domestic and foreign items	6,300,010,675	4,911,335,279	11,211,345,954	7,483,772,119	12,509,659,840	19,993,431,959

4.3 Securities purchased under resale agreements

Securities purchased under resale agreements classified by type of securities and the related repurchase market are as follows :

**CONSOLIDATED FINANCIAL STATEMENTS**

	2003			2002		
	Repurchase Market at Bank of Thailand Baht	Other Repurchase Market Baht	Total Baht	Repurchase Market at Bank of Thailand Baht	Other Repurchase Market Baht	Total Baht
	Government bond	2,753,700,000	-	2,753,700,000	1,250,000,000	-
Private securities Financial Institution	3,010,000,000	-	3,010,000,000	-	-	-
Development Fund bonds	14,436,300,000	-	14,436,300,000	2,000,000,000	-	2,000,000,000
<b>Total</b>	<b>20,200,000,000</b>	<b>-</b>	<b>20,200,000,000</b>	<b>3,250,000,000</b>	<b>-</b>	<b>3,250,000,000</b>

**THE BANK'S FINANCIAL STATEMENTS**

	2003			2002		
	Repurchase Market at Bank of Thailand Baht	Other Repurchase Market Baht	Total Baht	Repurchase Market at Bank of Thailand Baht	Other Repurchase Market Baht	Total Baht
	Government bond	2,753,700,000	-	2,753,700,000	1,250,000,000	-
Private securities Financial Institution	3,010,000,000	-	3,010,000,000	-	-	-
Development Fund bonds	14,436,300,000	-	14,436,300,000	2,000,000,000	-	2,000,000,000
<b>Total</b>	<b>20,200,000,000</b>	<b>-</b>	<b>20,200,000,000</b>	<b>3,250,000,000</b>	<b>-</b>	<b>3,250,000,000</b>



4.4 Investment in securities  
4.4.1 Current Investments

Securities for Trading	2003				2002			
	Cost/Amortized	Unrealized	Unrealized	Fair	Cost/Amortized	Unrealized	Unrealized	Fair
	Cost	Gains	Losses	Value	Cost	Gains	Losses	Value
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Government and state enterprise securities	144,891,922	169,600	(1,387,811)	143,673,711	25,840,870	119,525	-	25,960,395
Private sector's debt securities	327,515,456	430,151	(7,259,892)	320,685,715	10,946,634	12,653	-	10,959,287
Domestic marketable equity securities	1,397,774,533	286,189,760	(112,102)	1,683,852,191	61,660,477	708,641	-	62,369,118
	1,870,181,911	286,789,511	(8,759,805)	2,148,211,617	98,447,981	840,819	-	99,288,800
Add Revaluation allowance	278,029,706			-	840,819			-
Total	2,148,211,617			2,148,211,617	99,288,800			99,288,800
<b>Securities Available for Sale</b>								
Government and state enterprise securities	16,997,785,799	63,662,268	(5,817,073)	17,055,630,994	7,625,241,098	69,428,329	(371,942)	7,694,297,485
Private sector's debt securities	1,514,799,753	7,253,539	(39,278,330)	1,482,774,962	699,882,895	8,685,638	-	708,568,533
	18,512,585,552	70,915,807	(45,095,403)	18,538,405,956	8,325,123,993	78,113,967	(371,942)	8,402,866,018
Add Revaluation allowance	25,820,404			-	77,742,025			-
Total	18,538,405,956			18,538,405,956	8,402,866,018			8,402,866,018
<b>Securities Held to Maturity</b>								
Government and state enterprise securities	496,513,278	329,468	-	496,842,746	942,821,275	647,893	-	943,469,168
Private sector's debt securities	110,000,000	-	-	-	110,000,000	-	-	-
	606,513,278	329,468	-	496,842,746	1,052,821,275	647,893	-	943,469,168
Less Allowance for impairment	(110,000,000)			-	(110,000,000)			-
Total	496,513,278			496,842,746	942,821,275			943,469,168
Total Current Investments, net	21,183,130,851			21,183,460,319	9,444,976,093			9,445,623,986

Securities for Trading	2003				2002			
	Cost/Amortized	Unrealized	Unrealized	Fair	Cost/Amortized	Unrealized	Unrealized	Fair
	Cost	Gains	Losses	Value	Cost	Gains	Losses	Value
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Government and state enterprise securities	144,891,922	169,600	(1,387,811)	143,673,711	25,840,870	119,525	-	25,960,395
Private sector's debt securities	327,515,456	430,151	(7,259,892)	320,685,715	10,946,634	12,653	-	10,959,287
Domestic marketable equity securities	1,389,637,227	286,189,760	-	1,675,826,987	-	-	-	-
	1,862,044,605	286,789,511	(8,647,703)	2,140,186,413	36,787,504	132,178	-	36,919,682
Add Revaluation allowance	278,141,808			-	132,178			-
Total	2,140,186,413			2,140,186,413	36,919,682			36,919,682
<b>Securities Available for sale</b>								
Government and state enterprise securities	16,440,688,414	63,481,266	(76,382)	16,504,093,298	6,559,851,049	46,103,550	(371,942)	6,605,582,657
Private sector's debt securities	573,092,084	5,386,431	(229,612)	578,248,903	389,337,074	3,807,143	-	393,144,217
	17,013,780,498	68,867,697	(305,994)	17,082,342,201	6,949,188,123	49,910,693	(371,942)	6,998,726,874
Add Revaluation allowance	68,561,703			-	49,538,751			-
Total	17,082,342,201			17,082,342,201	6,998,726,874			6,998,726,874
<b>Securities Held to Maturity</b>								
Government and state enterprise securities	396,013,278	-	-	396,013,278	864,827,439	5,582	-	864,833,021
Private sector's debt securities	110,000,000	-	-	-	110,000,000	-	-	-
	506,013,278	-	-	396,013,278	974,827,439	5,582	-	864,833,021
Less Allowance for impairment	(110,000,000)			-	(110,000,000)			-
Total	396,013,278			396,013,278	864,827,439			864,833,021
Total Current Investments, net	19,618,541,892			19,618,541,892	7,900,473,995			7,900,479,577

#### 4.4.2 Long-Term Investments

CONSOLIDATED FINANCIAL STATEMENTS								
Securities Available for Sale	2003				2002			
	Cost/Amortized Cost Baht	Unrealized Gains Baht	Unrealized Losses Baht	Fair Value Baht	Cost/Amortized Cost Baht	Unrealized Gains Baht	Unrealized Losses Baht	Fair Value Baht
Government and state enterprise securities	4,210,027,780	119,089,735	(123,062,641)	4,206,054,874	10,500,107,087	1,178,476,302	-	11,678,583,389
Private sector's debt securities	2,501,316,626	62,218,934	(32,502,077)	2,531,033,483	2,003,338,809	104,959,506	-	2,108,298,315
Domestic marketable equity securities	732,107,791	141,904,835	(72,997,480)	801,015,146	1,113,689,622	143,182,632	(136,996,723)	1,119,875,531
	7,443,452,197	323,213,504	(228,562,198)	7,538,103,503	13,617,135,518	1,426,618,440	(136,996,723)	14,906,757,235
Add Revaluation allowance	94,651,306			-	1,289,621,717			-
Total	7,538,103,503			7,538,103,503	14,906,757,235			14,906,757,235
<b>Securities Held to Maturity</b>								
Government and state enterprise securities	9,291,029,699	11,160,588	(59,459,076)	9,242,731,211	7,190,755,172	24,157,476	-	7,214,912,648
Private sector's debt securities	2,736,722,284	3,313,345	(25,221)	2,740,010,408	2,925,455,112	1,961,186	-	2,927,416,298
Foreign sector's debt securities	1,981,100,000	-	-	1,981,100,000	-	-	-	-
	14,008,851,983	14,473,933	(59,484,297)	13,963,841,619	10,116,210,284	26,118,662	-	10,142,328,946
Less Allowance for impairment	-			-	(25,000,000)			(25,000,000)
Total	14,008,851,983			13,963,841,619	10,091,210,284			10,117,328,946
<b>Securities for General Investments</b>								
Domestic non-marketable equity securities	17,679,606,506			20,693,546,225	3,904,968,692			3,797,579,986
Foreign non-marketable equity securities	25,919,052			14,948,382	27,605,753			14,948,383
	17,705,525,558			20,708,494,607	3,932,574,445			3,812,528,369
Less Allowance for impairment	(489,174,519)			-	(271,125,118)			-
Total	17,216,351,039			20,708,494,607	3,661,449,327			3,812,528,369
<b>Total Long-term Investments, net</b>	<b>38,763,306,525</b>			<b>42,210,439,729</b>	<b>28,659,416,846</b>			<b>28,836,614,550</b>

THE BANK'S FINANCIAL STATEMENTS								
Securities Available for Sale	2003				2002			
	Cost/Amortized Cost Baht	Unrealized Gains Baht	Unrealized Losses Baht	Fair Value Baht	Cost/Amortized Cost Baht	Unrealized Gains Baht	Unrealized Losses Baht	Fair Value Baht
Government and state enterprise securities	4,210,027,780	119,089,735	(123,062,641)	4,206,054,874	10,350,456,217	1,164,903,663	-	11,515,359,880
Private sector's debt securities	2,645,414,295	56,225,077	(32,502,077)	2,669,137,295	2,230,416,809	104,959,506	-	2,335,376,315
Domestic marketable equity securities	613,137,040	106,455,215	(9,363,009)	710,229,246	999,917,199	135,608,177	(53,696,887)	1,081,828,489
	7,468,579,115	281,770,027	(164,927,727)	7,585,421,415	13,580,790,225	1,405,471,346	(53,696,887)	14,932,564,684
Add Revaluation allowance	116,842,300			-	1,351,774,459			-
Total	7,585,421,415			7,585,421,415	14,932,564,684			14,932,564,684
<b>Securities Held to Maturity</b>								
Government and state enterprise securities	8,831,999,569	11,160,588	(50,208,652)	8,792,951,505	6,942,379,273	16,878,993	-	6,959,258,266
Private sector's debt securities	2,714,447,443	-	-	2,714,447,443	2,897,950,715	-	-	2,897,950,715
Foreign sector's debt securities	1,981,100,000	-	-	1,981,100,000	-	-	-	-
Total	13,527,547,012	11,160,588	(50,208,652)	13,488,498,948	9,840,329,988	16,878,993	-	9,857,208,981
<b>Securities for General Investments</b>								
Domestic non-marketable equity securities	17,506,808,470			20,450,090,226	3,742,170,656			3,601,257,690
Foreign non-marketable equity securities	25,919,052			14,948,382	27,605,753			14,948,383
	17,532,727,522			20,465,038,608	3,769,776,409			3,616,206,073
Less Allowance for impairment	(489,174,519)			-	(271,125,118)			-
Total	17,043,553,003			20,465,038,608	3,498,651,291			3,616,206,073
<b>Total Long-term Investments, net</b>	<b>38,156,521,430</b>			<b>41,538,958,971</b>	<b>28,271,545,963</b>			<b>28,405,979,738</b>

As at December 31, 2003 and 2002, long-term investments classified as debt securities held-to-maturity (as government and state enterprise securities) included the right over the promissory note in consolidated financial statements of Baht 6,940 million and Baht 6,698 million and in the Bank's financial statements of Baht 6,792 million and Baht 6,550 million, respectively, issued by the Thai Asset Management Corporation (TAMC) for asset transfer to TAMC. As at December 31, 2003, the Bank and its subsidiary received promissory notes of Baht 6,546 million and Baht 148 million, respectively, and as at December 31, 2002, the Bank and its subsidiary received promissory notes of Baht 5,384 million and Baht 22 million, respectively. The rest is being validated and confirmed by TAMC prior to issuing the 10 years term non-negotiable promissory notes availed by Financial Institutions Development Fund to the Bank and its subsidiary (see Notes 4.6 and 4.26).

For the years ended December 31, 2003 and 2002, gain (loss) investment in the statement of income consists of the followings:

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2003	2002	2003	2002
	Baht	Baht	Baht	Baht
Gain on sale of securities				
- Securities for trading	195,611,355	38,827,111	99,242,498	25,898,268
- Securities available for sale	1,016,695,021	716,560,745	693,217,308	684,885,420
- Securities for general investments	479,744,667	52,793,253	479,744,667	51,260,723
	<u>1,692,051,043</u>	<u>808,181,109</u>	<u>1,272,204,473</u>	<u>762,044,411</u>
(Loss) on impairment securities reversal	(197,691,965)	9,621,567	(227,931,150)	9,392,967
Gain on reclassification of securities	1,260,579,086	-	1,260,579,086	-
Unrealized gain (loss) on securities for trading	277,897,097	372,358	278,009,629	(336,283)

For the years ended December 31, 2003 and 2002, unrealized gain on the change in value of investments presented in shareholders' equity consists of the followings:

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2003	2002	2003	2002
	Baht	Baht	Baht	Baht
Beginning balance	1,414,342,447	1,712,558,937	1,414,342,447	1,712,558,937
Decrease	<u>(1,348,354,805)</u>	<u>(298,216,490)</u>	<u>(1,348,354,805)</u>	<u>(298,216,490)</u>
Ending balance	<u>65,987,642</u>	<u>1,414,342,447</u>	<u>65,987,642</u>	<u>1,414,342,447</u>

#### 4.4.3 The maturities of debt securities

	CONSOLIDATED FINANCIAL STATEMENTS							
	2003				2002			
	Due within							
	1 Year	Greater than 1 Year-5 Years	Greater than 5 Years	Total	1 Year	Greater than 1 Year-5 Years	Greater than 5 Years	Total
Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	
<b>Securities Available for Sale</b>								
Government and state enterprise securities	16,746,034,566	3,239,867,727	2,068,440,155	22,054,342,448	6,685,467,567	7,718,436,996	3,571,792,751	17,975,697,314
Private sector's debt securities	<u>287,687,324</u>	<u>2,629,147,111</u>	<u>252,753,074</u>	<u>3,169,587,509</u>	<u>470,587,073</u>	<u>2,196,981,034</u>	<u>185,304,468</u>	<u>2,852,872,575</u>
Total	17,033,721,890	5,869,014,838	2,321,193,229	25,223,929,957	7,156,054,640	9,915,418,030	3,757,097,219	20,828,569,889
<b>Add Allowances for valuation</b>								
	<u>68,566,962</u>	<u>67,880,769</u>	<u>(84,883,375)</u>	<u>51,564,356</u>	<u>51,272,257</u>	<u>1,044,988,897</u>	<u>264,916,679</u>	<u>1,361,177,833</u>
<b>Total</b>	<u>17,102,288,852</u>	<u>5,936,895,607</u>	<u>2,236,309,854</u>	<u>25,275,494,313</u>	<u>7,207,326,897</u>	<u>10,960,406,927</u>	<u>4,022,013,898</u>	<u>22,189,747,722</u>

**CONSOLIDATED FINANCIAL STATEMENTS**

	2003				2002			
	Due within				Due within			
	1 Year	Greater than	Greater than	Total	1 Year	Greater than	Greater than	Total
	Baht	1 Year-5 Years	5 Years	Baht	Baht	1 Year-5 Years	5 Years	Baht
<b>Securities Held to Maturity</b>								
Government and state enterprise securities	496,513,278	703,154,231	8,587,875,469	9,787,542,978	942,821,275	585,169,033	7,090,255,171	8,618,245,479
Private sector's debt securities	110,000,000	2,152,495,135	584,227,148	2,846,722,283	110,000,000	1,044,916,140	1,395,869,940	2,550,786,080
Foreign sector's debt securities	-	1,981,100,000	-	1,981,100,000	-	-	-	-
<b>Total</b>	<b>606,513,278</b>	<b>4,836,749,366</b>	<b>9,172,102,617</b>	<b>14,615,365,261</b>	<b>1,052,821,275</b>	<b>1,630,085,173</b>	<b>8,486,125,111</b>	<b>11,169,031,559</b>
<b>Less Allowances for impairment</b>	<b>(110,000,000)</b>	<b>-</b>	<b>-</b>	<b>(110,000,000)</b>	<b>(110,000,000)</b>	<b>(25,000,000)</b>	<b>-</b>	<b>(135,000,000)</b>
<b>Total</b>	<b>496,513,278</b>	<b>4,836,749,366</b>	<b>9,172,102,617</b>	<b>14,505,365,261</b>	<b>942,821,275</b>	<b>1,605,085,173</b>	<b>8,486,125,111</b>	<b>11,034,031,559</b>
<b>Total Debt Securities</b>	<b>17,598,802,130</b>	<b>10,773,644,973</b>	<b>11,408,412,471</b>	<b>39,780,859,574</b>	<b>8,150,148,172</b>	<b>12,565,492,100</b>	<b>12,508,139,009</b>	<b>33,223,779,281</b>

**THE BANK'S FINANCIAL STATEMENTS**

	2003				2002			
	Due within				Due within			
	1 Year	Greater than	Greater than	Total	1 Year	Greater than	Greater than	Total
	Baht	1 Year-5 Years	5 Years	Baht	Baht	1 Year-5 Years	5 Years	Baht
<b>Securities Available for Sale</b>								
Government and state enterprise securities	16,726,093,173	2,702,711,735	2,068,440,155	21,497,245,063	6,559,851,049	7,036,543,418	3,313,912,798	16,910,307,265
Private sector's debt securities	287,687,324	2,023,877,442	60,412,743	2,371,977,509	389,337,073	2,107,452,675	122,964,136	2,619,753,884
<b>Total</b>	<b>17,013,780,497</b>	<b>4,726,589,177</b>	<b>2,128,852,898</b>	<b>23,869,222,572</b>	<b>6,949,188,122</b>	<b>9,143,996,093</b>	<b>3,436,876,934</b>	<b>19,530,061,149</b>
<b>Add Allowances for valuation</b>	<b>68,561,704</b>	<b>101,776,808</b>	<b>(82,026,714)</b>	<b>88,311,798</b>	<b>49,538,752</b>	<b>1,011,951,742</b>	<b>257,911,426</b>	<b>1,319,401,920</b>
<b>Total</b>	<b>17,082,342,201</b>	<b>4,828,365,985</b>	<b>2,046,826,184</b>	<b>23,957,534,370</b>	<b>6,998,726,874</b>	<b>10,155,947,835</b>	<b>3,694,788,360</b>	<b>20,849,463,069</b>
<b>Securities Held to Maturity</b>								
Government and state enterprise securities	396,013,278	392,000,000	8,439,999,570	9,228,012,848	864,827,439	484,669,033	6,942,379,272	8,291,875,744
Private sector's debt securities	110,000,000	2,132,756,102	581,691,340	2,824,447,442	110,000,000	1,019,916,140	1,393,365,543	2,523,281,683
Foreign sector's debt securities	-	1,981,100,000	-	1,981,100,000	-	-	-	-
<b>Total</b>	<b>506,013,278</b>	<b>4,505,856,102</b>	<b>9,021,690,910</b>	<b>14,033,560,290</b>	<b>974,827,439</b>	<b>1,504,585,173</b>	<b>8,335,744,815</b>	<b>10,815,157,427</b>
<b>Less Allowances for impairment</b>	<b>(110,000,000)</b>	<b>-</b>	<b>-</b>	<b>(110,000,000)</b>	<b>(110,000,000)</b>	<b>-</b>	<b>-</b>	<b>(110,000,000)</b>
<b>Total</b>	<b>396,013,278</b>	<b>4,505,856,102</b>	<b>9,021,690,910</b>	<b>13,923,560,290</b>	<b>864,827,439</b>	<b>1,504,585,173</b>	<b>8,335,744,815</b>	<b>10,705,157,427</b>
<b>Total Debt Securities</b>	<b>17,478,355,479</b>	<b>9,334,222,087</b>	<b>11,068,517,094</b>	<b>37,881,094,660</b>	<b>7,863,554,313</b>	<b>11,660,533,008</b>	<b>12,030,533,175</b>	<b>31,554,620,496</b>

The Bank's investment in companies in which the Bank holds more than 20% of the paid-up capital, with the percentage of beneficial ownership and amount of investments, are as follows:

## 4.4.4 Investments in subsidiaries and associated companies

## CONSOLIDATED FINANCIAL STATEMENTS

Company Name	Business Type	Securities Investment Type	2003	Investment	
			% Ownership	Cost Baht	Equity Baht
<b>Subsidiary companies</b>					
Siam Realty and Services Company Limited	Car rent, and personnel services	Common stock	99.99%	99,999,400	291,104,862
K.S. Law Office Company Limited	Legal advisory services	Common stock	99.99%	1,999,940	- 0 -
Ayudhya Services and Management Company Limited	Personnel services	Common stock	99.99%	14,999,940	12,028,639
Ploenchit Advisory Company Limited	Financial advisory services	Common stock	49.66%	23,999,930	23,754,456
<b>Associated companies</b>					
Ayudhya International Factors Company Limited	Factoring	Common stock	49.99%	147,497,460	115,799,513
Krungsriayudhya Card Company Limited	Credit card	Common stock	49.99%	199,999,960	189,050,368
Ayudhya JF Asset Management Limited	Investment management	Common stock	38.33%	51,263,810	121,426,831
Ayudhya Development Leasing Company Limited	Leasing	Common stock	26.65%	125,248,310	163,728,404
<b>Investment for subsidiaries and associated companies</b>				<u>665,008,750</u>	<u>916,893,073</u>

## CONSOLIDATED FINANCIAL STATEMENTS

Company Name	Business Type	Securities Investment Type	2002	Investment	
			% Ownership	Cost Baht	Equity Baht
<b>Subsidiary companies</b>					
Siam Realty and Services Company Limited	Car rent, and personnel services	Common stock	99.99%	99,999,400	273,503,850
K.S. Law Office Company Limited	Legal advisory services	Common stock	99.99%	1,999,940	- 0 -
Ayudhya Services and Management Company Limited	Personnel services	Common stock	99.99%	14,999,940	11,971,090
<b>Associated companies</b>					
Ayudhya International Factors Company Limited	Factoring	Common stock	49.99%	147,497,460	106,516,804
Krungsriayudhya Card Company Limited	Credit card	Common stock	49.99%	12,499,960	22,227,759
Ayudhya JF Asset Management Limited	Investment management	Common stock	38.33%	51,263,810	103,757,976
Ayudhya Development Leasing Company Limited	Leasing	Common stock	26.65%	125,248,310	177,796,146
<b>Investment for subsidiaries and associated companies</b>				<u>453,508,820</u>	<u>695,773,625</u>

**THE BANK'S FINANCIAL STATEMENTS**

Company Name	Business Type	Securities Investment Type	2003		Investment	
			% Ownership	Cost Baht	Equity Baht	
<b>Subsidiary companies</b>						
Siam Realty and Services Company Limited	Car rent, and personnel services	Common stock	99.99%	99,999,400	291,104,862	
K.S. Law Office Company Limited	Legal advisory services	Common stock	99.99%	1,999,940	- 0 -	
Ayudhya Services and Management Company Limited	Personnel services	Common stock	99.99%	14,999,940	12,028,639	
Ayudhya Asset Management Company Limited	Assets management	Common stock	99.99%	770,472,440	759,227,585	
Ayudhya Investment and Trust Public Company Limited	Finance	Common stock Preferred stock	79.33%	1,739,429,834	698,456,245	
				500,000,000	500,000,000	
Ploenchit Advisory Company Limited	Financial advisory services	Common stock	49.66%	4,000,000	3,959,088	
<b>Associated companies</b>						
Ayudhya International Factors Company Limited	Factoring	Common stock	49.99%	147,497,460	115,799,513	
Krungriayudhya Card Company Limited	Credit card	Common stock	49.99%	199,999,960	189,050,368	
Ayudhya JF Asset Management Limited	Investment management	Common stock	38.33%	51,263,810	121,426,831	
Ayudhya Development Leasing Company Limited	Leasing	Common stock	26.65%	125,248,310	163,728,404	
<b>Investment for subsidiaries and associated companies</b>				<u>3,654,911,094</u>	<u>2,854,781,535</u>	

**THE BANK'S FINANCIAL STATEMENTS**

Company Name	Business Type	Securities Investment Type	2002		Investment	
			% Ownership	Cost Baht	Equity Baht	
<b>Subsidiary companies</b>						
Siam Realty and Services Company Limited	Car rent, and personnel services	Common stock	99.99%	99,999,400	273,503,850	
K.S. Law Office Company Limited	Legal advisory services	Common stock	99.99%	1,999,940	- 0 -	
Ayudhya Services and Management Company Limited	Personnel services	Common stock	99.99%	14,999,940	11,971,090	
Ayudhya Asset Management Company Limited	Assets management	Common stock	99.99%	770,472,440	742,328,517	
Ayudhya Investment and Trust Public Company Limited	Finance	Common stock Preferred stock	80.03%	1,759,238,246	565,151,392	
				500,000,000	500,000,000	
<b>Associated companies</b>						
Ayudhya International Factors Company Limited	Factoring	Common stock	49.99%	147,497,460	106,516,804	
Krungriayudhya Card Company Limited	Credit card	Common stock	49.99%	12,499,960	22,227,759	
Ayudhya JF Asset Management Limited	Investment management	Common stock	38.33%	51,263,810	103,757,976	
Ayudhya Development Leasing Company Limited	Leasing	Common stock	26.65%	125,248,310	177,796,146	
<b>Investment for subsidiaries and associated companies</b>				<u>3,483,219,506</u>	<u>2,503,253,534</u>	

Information about financial position and results of operations which is summarized from the financial statements of subsidiary companies which are not included in the consolidated financial statements as stated above are as follows:

**SIAM REALTY AND SERVICES CO., LTD.  
CONDENSED BALANCE SHEETS  
AS AT DECEMBER 31,**

	<b>“UNAUDITED”</b>	<b>BAHT</b> <b>“AUDITED”</b>
	<b>2003</b>	<b>2002</b>
ASSETS	<u>373,769,268</u>	<u>280,779,955</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities	82,652,761	7,014,628
Shareholders' equity	<u>291,116,507</u>	<u>273,765,327</u>
	<u>373,769,268</u>	<u>280,779,955</u>

**SIAM REALTY AND SERVICES CO., LTD.  
CONDENSED STATEMENTS OF INCOME  
FOR THE YEARS ENDED DECEMBER 31,**

	<b>“UNAUDITED”</b>	<b>BAHT</b> <b>“AUDITED”</b>
	<b>2003</b>	<b>2002</b>
REVENUES	429,706,553	318,359,803
EXPENSES	<u>412,355,373</u>	<u>286,885,365</u>
NET INCOME	<u>17,351,180</u>	<u>31,474,438</u>
 BASIC EARNINGS PER SHARE	 17.35	 31.47

**K.S. LAW OFFICE CO., LTD.  
CONDENSED BALANCE SHEETS  
AS AT DECEMBER 31,**

	<b>“UNAUDITED”</b>	<b>BAHT</b> <b>“AUDITED”</b>
	<b>2003</b>	<b>2002</b>
ASSETS	<u>48,200,400</u>	<u>29,297,589</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities	69,629,953	37,544,567
Shareholders' equity	<u>(21,429,553)</u>	<u>(8,246,978)</u>
	<u>48,200,400</u>	<u>29,297,589</u>

**K.S. LAW OFFICE CO., LTD.  
CONDENSED STATEMENTS OF INCOME  
FOR THE YEARS ENDED DECEMBER 31,**

	<b>“UNAUDITED”</b>	<b>BAHT</b> <b>“AUDITED”</b>
	<b>2003</b>	<b>2002</b>
REVENUES	103,008,493	86,340,724
EXPENSES	116,191,068	87,750,088
NET LOSS	<u>(13,182,575)</u>	<u>(1,409,364)</u>
 BASIC LOSS PER SHARE	 (65.91)	 (7.05)

**AYUDHYA SERVICES AND MANAGEMENT CO., LTD.  
CONDENSED BALANCE SHEETS  
AS AT DECEMBER 31,**

	<b>“UNAUDITED”</b>	<b>BAHT</b> <b>“AUDITED”</b>
	<b>2003</b>	<b>2002</b>
ASSETS	<u>12,028,874</u>	<u>11,972,307</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities	90	1,071
Shareholders' equity	<u>12,028,784</u>	<u>11,971,236</u>
	<u>12,028,874</u>	<u>11,972,307</u>

**AYUDHYA SERVICES AND MANAGEMENT CO., LTD.  
CONDENSED STATEMENTS OF INCOME  
FOR THE YEARS ENDED DECEMBER 31,**

	“UNAUDITED”	BAHT “AUDITED”
	2003	2002
REVENUES	2,102	91,958,144
EXPENSES	(55,447)	96,524,023
NET INCOME (LOSS)	57,549	(4,565,879)
BASIC EARNINGS PER SHARE (LOSS)	0.04	(3.04)

**PLOENCHIT ADVISORY CO., LTD.  
CONDENSED BALANCE SHEETS  
AS AT DECEMBER 31,**

	“UNAUDITED”	BAHT “AUDITED”
	2003	2002
ASSETS	41,828,632	-
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities	2,237,756	-
Shareholders' equity	39,590,876	-
	41,828,632	-

**PLOENCHIT ADVISORY CO., LTD.  
CONDENSED STATEMENTS OF INCOME  
FOR THE YEARS ENDED DECEMBER 31,**

	“UNAUDITED”	BAHT “AUDITED”
	2003	2002
REVENUES	14,128,199	-
EXPENSES	14,537,323	-
NET INCOME (LOSS)	(409,124)	-
BASIC EARNING PER SHARE (LOSS)	(0.10)	-

Information about financial position, results of operations and cash flow which is summarized from the financial statements of Ayudhya Asset Management Company Limited is as follows:

**AYUDHYA ASSET MANAGEMENT COMPANY LIMITED  
CONDENSED BALANCE SHEETS  
AS AT DECEMBER 31,  
“AUDITED”**

	2003	BAHT 2002
	<b>ASSETS</b>	
Cash and financial institutions deposit	17,085,269	3,562,861
Investment, net	3,689,583	-
Investment in receivables, net	4,656,067,274	5,506,721,330
Loans, and accrued interest receivable, net	477,053,830	-
Properties foreclosed, net	2,180,505,171	2,402,395,788
Equipment, net	7,687,649	5,359,747
Amount due from parent company	24,053,353	16,550,105
Cash advance	35,108,518	6,131,460
Withholding tax	17,475,103	6,837,723
Other assets	3,069,941	1,857,899
TOTAL ASSETS	7,421,795,691	7,949,416,913
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Liabilities		
Borrowings	6,621,533,866	7,198,730,454
Other liabilities	41,032,417	8,356,160
Shareholders' equity	759,229,408	742,330,299
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	7,421,795,691	7,949,416,913



**AYUDHYA ASSET MANAGEMENT COMPANY LIMITED**  
**CONDENSED STATEMENTS OF INCOME**  
**FOR THE YEARS ENDED DECEMBER 31,**  
**“AUDITED”**

	<b>BAHT</b>	
	2003	2002
INTEREST AND DIVIDEND INCOME	45,698,136	25,683,183
INTEREST EXPENSES	119,410,923	144,971,012
NET INTEREST AND DIVIDEND INCOME	<u>(73,712,787)</u>	<u>(119,287,829)</u>
BAD DEBT AND DOUBTFUL ACCOUNTS	364,697,623	241,685,130
LOSS ON DEBT RESTRUCTURING	288,569	1,362,905
NET INTEREST AND DIVIDEND INCOME AFTER BAD DEBT AND DOUBTFUL ACCOUNTS AND LOSS ON DEBT RESTRUCTURING	<u>(438,698,979)</u>	<u>(362,335,864)</u>
NON-INTEREST INCOME	546,452,749	395,138,433
NON-INTEREST EXPENSES	94,120,154	54,488,113
NET INCOME (LOSS)	<u>13,633,616</u>	<u>(21,685,544)</u>
 BASIC EARNINGS PER SHARE (LOSS)	 0.18	 (0.28)

**AYUDHYA ASSET MANAGEMENT COMPANY LIMITED**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31,**  
**“AUDITED”**

	<b>BAHT</b>	
	2003	2002
<b>Cash flows from operation activities</b>		
Net income (loss)	13,633,616	(21,685,544)
Adjustments to reconcile net income (loss) to net cash flows from operating activities		
Bad debt and doubtful accounts	364,697,623	241,685,130
Loss on debt restructuring	288,569	1,362,905
Gain on reclassification from investment in receivable to loans	(276,113,669)	-
Depreciation	1,539,045	542,169
Interest income from assets acquired from debt repayment	(289,165)	(273,954)
Loss on impairment of properties foreclosed	3,514,020	-
Loss on sales of premises and equipment	196,772	-
Decrease in accrued interest expenses	(1,790,845)	(1,501,968)
Increase in other accrued expenses	3,798,679	2,722,673
Income from operations before change in operating assets and liabilities	<u>109,474,645</u>	<u>222,851,411</u>
Increase (decrease) in operating assets		
Investment in receivables	80,781,758	391,468,761
Loans and receivable	176,193,121	-
Properties foreclosed	246,732,457	(799,663,109)
Amounts due from parent company	(7,503,248)	151,262,663
Cash advance	(28,977,058)	(6,131,461)
Withholding income tax	(10,637,380)	(6,825,160)
Other assets	(1,212,042)	(1,599,990)
Increase (decrease) in operating liabilities		
Amounts due to parent company	2,086,851	(7,337,940)
Retention for rent assets	(91,062)	1,806,056
Deposits for purchasing of properties foreclosed	27,161,180	679,000
Other liabilities	706,162	408,427
Net cash provided by (used in) operating activities	<u>594,715,384</u>	<u>(53,081,342)</u>
<b>Cash flows from investing activities</b>		
Cash paid for purchase of equipment	<u>(3,996,388)</u>	<u>(5,832,053)</u>
Net cash used in investing activities	<u>(3,996,388)</u>	<u>(5,832,053)</u>
<b>Cash flows from financing activities</b>		
Increase (decrease) in borrowings	<u>(577,196,588)</u>	<u>37,823,749</u>
Net cash provided by (used in) financing activities	<u>(577,196,588)</u>	<u>37,823,749</u>
Net increase (decrease) in cash and cash equivalents	13,522,408	(21,089,646)
Cash and cash equivalents as at January 1,	3,562,861	24,652,507
Cash and cash equivalents as at December 31,	<u>17,085,269</u>	<u>3,562,861</u>
<b>Supplementary disclosures of cash flow information</b>		
Cash paid for interest and income tax		
Interest expense	121,201,768	146,472,980
Income tax	10,637,380	6,825,160

Investments in companies in which the Bank and subsidiary hold more than 10% of the paid-up capital in each company, classified according to industry groups, are as follows:

	CONSOLIDATED		THE BANK'S	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2003	2002	2003	2002
	Baht	Baht	Baht	Baht
Manufacturing	31,641,530	31,641,530	31,641,530	31,641,530
Trading	43,750,000	43,750,000	43,750,000	43,750,000
Banking and finance	19,180,000	19,180,000	12,500,000	12,500,000
Services	15,000,000	15,000,000	15,000,000	15,000,000
Others	45,000	-	45,000	-
<b>Total</b>	<b>109,616,530</b>	<b>109,571,530</b>	<b>102,936,530</b>	<b>102,891,530</b>

As at December 31, 2003 and 2002, securities available for sales and general investments in the Bank's financial statements included investment in companies subject to be delisted from SET which are investment in common shares and convertible preferred shares of such 4 companies and 6 companies with cost of Baht 590 million and Baht 752 million and market price of Baht 591 million and Baht 753 million, respectively. In the consolidated financial statements, there were investments in common shares, convertible preferred shares and convertible debentures of such 5 companies and 7 companies with cost of Baht 592 million and Baht 755 million and market price of Baht 597 million and Baht 757 million, respectively.

#### 4.5 Securities used as collateral

Government securities having face values of Baht 1,532 million and Baht 2,785 million were used as collateral for other commitments with government departments and state enterprises as at December 31, 2003 and 2002, respectively.

#### 4.6 Loans and accrued interest receivables

##### (1) Classified by products

	CONSOLIDATED		THE BANK'S	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2003	2002	2003	2002
	Baht	Baht	Baht	Baht
Overdrafts	57,437,559,618	57,127,082,999	57,281,547,733	56,991,289,280
Loan against contract	244,705,103,580	234,286,406,981	240,497,751,235	232,394,795,427
Trade bill	94,737,020,848	77,896,056,543	93,231,082,986	76,941,311,514
Hire purchase	869,934,076	14,028,989	-	-
Others	4,620,143,693	9,563,067,547	4,619,326,807	9,562,250,660
<b>Total</b>	<b>402,369,761,815</b>	<b>378,886,643,059</b>	<b>395,629,708,761</b>	<b>375,889,646,881</b>
<b>Less</b> Unearned discount on loans	<b>(148,526,936)</b>	<b>(50,501,925)</b>	<b>(57,370,692)</b>	<b>(49,049,397)</b>
<b>Total</b>	<b>402,221,234,879</b>	<b>378,836,141,134</b>	<b>395,572,338,069</b>	<b>375,840,597,484</b>
<b>Add</b> Accrued interest receivables	<b>3,752,247,666</b>	<b>4,497,930,504</b>	<b>3,560,271,234</b>	<b>4,334,653,376</b>
<b>Less</b> Allowance for doubtful accounts	<b>(21,895,783,784)</b>	<b>(20,966,112,907)</b>	<b>(20,074,530,901)</b>	<b>(19,784,273,520)</b>
Revaluation allowance for debt restructuring	(1,463,039,756)	(1,664,346,259)	(1,366,837,221)	(1,533,176,729)
<b>Total</b>	<b>382,614,659,005</b>	<b>360,703,612,472</b>	<b>377,691,241,181</b>	<b>358,857,800,611</b>

##### (2) Classified by maturity

	CONSOLIDATED		THE BANK'S	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2003	2002	2003	2002
	Baht	Baht	Baht	Baht
Not over 1 year*	160,585,288,315	153,843,430,809	155,004,870,789	151,095,990,512
Over 1 year	241,784,473,500	225,043,212,250	240,624,837,972	224,793,656,369
<b>Total</b>	<b>402,369,761,815</b>	<b>378,886,643,059</b>	<b>395,629,708,761</b>	<b>375,889,646,881</b>
<b>Less</b> Unearned discount on loans	<b>(148,526,936)</b>	<b>(50,501,925)</b>	<b>(57,370,692)</b>	<b>(49,049,397)</b>
<b>Total</b>	<b>402,221,234,879</b>	<b>378,836,141,134</b>	<b>395,572,338,069</b>	<b>375,840,597,484</b>
<b>Add</b> Accrued interest receivables	<b>3,752,247,666</b>	<b>4,497,930,504</b>	<b>3,560,271,234</b>	<b>4,334,653,376</b>
<b>Total</b>	<b>405,973,482,545</b>	<b>383,334,071,638</b>	<b>399,132,609,303</b>	<b>380,175,250,860</b>

\* Included those without agreements and past due agreements

## (3) Classified by currency and residence of debtors

## CONSOLIDATED FINANCIAL STATEMENTS

	2003			2002		
	Domestic Baht	Foreign Baht	Total Baht	Domestic Baht	Foreign Baht	Total Baht
Baht	387,726,638,057	43,934,661	387,770,572,718	365,431,023,062	36,929,299	365,467,952,361
US Dollar	12,501,951,615	582,608,931	13,084,560,546	11,287,412,855	710,160,731	11,997,573,586
Other currencies	1,078,556,546	436,072,005	1,514,628,551	898,144,305	522,972,807	1,421,117,112
Total	401,307,146,218	1,062,615,597	402,369,761,815	377,616,580,222	1,270,062,837	378,886,643,059
<b>Less</b> Unearned discount on loans			(148,526,936)			(50,501,925)
<b>Total</b>			402,221,234,879			378,836,141,134
<b>Add</b> Accrued interest receivables			3,752,247,666			4,497,930,504
<b>Total</b>			405,973,482,545			383,334,071,638

## THE BANK'S FINANCIAL STATEMENTS

	2003			2002		
	Domestic Baht	Foreign Baht	Total Baht	Domestic Baht	Foreign Baht	Total Baht
Baht	380,996,681,807	33,837,857	381,030,519,664	362,435,857,495	35,098,688	362,470,956,183
US Dollar	12,501,951,615	582,608,931	13,084,560,546	11,287,412,855	710,160,731	11,997,573,586
Other currencies	1,078,556,546	436,072,005	1,514,628,551	898,144,305	522,972,807	1,421,117,112
Total	394,577,189,968	1,052,518,793	395,629,708,761	374,621,414,655	1,268,232,226	375,889,646,881
<b>Less</b> Unearned discount on loans			(57,370,692)			(49,049,397)
<b>Total</b>			395,572,338,069			375,840,597,484
<b>Add</b> Accrued interest receivables			3,560,271,234			4,334,653,376
<b>Total</b>			399,132,609,303			380,175,250,860

## (4) Classified by business type and classification

## CONSOLIDATED FINANCIAL STATEMENTS

	2003					
	Normal	Special Mention	Substandard	Doubtful	Doubtful of Loss	Total
	Baht	Baht	Baht	Baht	Baht	Baht
Agriculture and mining	9,679,291,739	427,849,531	332,902,308	137,888,457	2,289,204,754	12,867,136,789
Manufacturing and trading	176,177,914,225	3,489,558,077	3,478,960,167	3,290,646,293	28,130,631,226	214,567,709,988
Real estate and construction	34,275,797,337	1,067,850,173	820,157,184	629,124,431	11,104,613,890	47,897,543,015
Public utilities and services	62,604,866,706	796,889,102	750,286,438	593,548,350	5,122,322,039	69,867,912,635
Housing loans	31,259,811,358	712,990,728	603,679,301	372,204,268	6,778,150,910	39,726,836,565
Others	15,617,741,566	160,289,493	106,320,180	113,995,181	1,444,276,403	17,442,622,823
Total	329,615,422,931	6,655,427,104	6,092,305,578	5,137,406,980	54,869,199,222	402,369,761,815
<b>Less</b> Unearned discount on loans						(148,526,936)
<b>Total</b>						402,221,234,879
<b>Add</b> Accrued interest receivables						3,752,247,666
						405,973,482,545

## CONSOLIDATED FINANCIAL STATEMENTS

	2002					
	Normal	Special Mention	Substandard	Doubtful	Doubtful of Loss	Total
	Baht	Baht	Baht	Baht	Baht	Baht
Agriculture and mining	8,827,898,442	536,904,989	292,493,706	297,198,835	2,640,626,015	12,595,121,987
Manufacturing and trading	159,112,993,772	4,612,201,995	8,535,432,429	5,072,443,737	28,027,762,013	205,360,833,946
Real estate and construction	27,698,383,155	734,290,938	1,621,404,935	478,337,450	15,141,177,048	45,673,593,526
Public utilities and services	56,005,242,829	2,721,095,568	3,529,166,645	623,772,135	5,355,263,223	68,234,540,400
Housing loans	24,771,744,073	952,491,512	674,200,015	463,208,692	6,615,360,207	33,477,004,499
Others	11,567,408,682	189,522,203	133,053,261	168,700,336	1,486,864,219	13,545,548,701
Total	287,983,670,953	9,746,507,205	14,785,750,991	7,103,661,185	59,267,052,725	378,886,643,059
<b>Less</b> Unearned discount on loans						(50,501,925)
<b>Total</b>						378,836,141,134
<b>Add</b> Accrued interest receivables						4,497,930,504
						383,334,071,638

**THE BANK'S FINANCIAL STATEMENTS**

2003

	Normal Baht	Special Mention Baht	Substandard Baht	Doubtful Baht	Doubtful of Loss Baht	Total Baht
Agriculture and mining	9,608,991,825	427,849,531	332,902,308	137,888,457	2,221,038,276	12,728,670,397
Manufacturing and trading	173,843,238,504	3,416,449,481	3,478,960,167	3,072,858,738	27,818,989,549	211,630,496,439
Real estate and construction	33,307,403,906	972,867,920	820,157,184	629,124,431	10,849,552,857	46,579,106,298
Public utilities and services	61,883,637,167	796,889,102	750,286,438	593,548,350	5,058,423,498	69,082,784,555
Housing loans	31,014,463,254	644,445,770	531,967,171	333,078,647	2,088,140,376	34,612,095,218
Others	19,829,415,284	137,320,040	99,269,242	104,365,547	826,185,741	20,996,555,854
<b>Total</b>	<u>329,487,149,940</u>	<u>6,395,821,844</u>	<u>6,013,542,510</u>	<u>4,870,864,170</u>	<u>48,862,330,297</u>	<u>395,629,708,761</u>
<b>Less</b> Unearned discount on loans						(57,370,692)
<b>Total</b>						395,572,338,069
<b>Add</b> Accrued interest receivables						3,560,271,234
						<u>399,132,609,303</u>

**THE BANK'S FINANCIAL STATEMENTS**

2002

	Normal Baht	Special Mention Baht	Substandard Baht	Doubtful Baht	Doubtful of Loss Baht	Total Baht
Agriculture and mining	8,757,898,442	536,904,989	292,493,706	247,198,835	2,622,159,623	12,456,655,595
Manufacturing and trading	157,122,410,522	4,550,449,941	8,308,131,122	5,072,443,737	27,842,867,033	202,896,302,355
Real estate and construction	26,881,270,411	734,290,938	1,621,404,935	470,993,527	14,903,526,968	44,611,486,779
Public utilities and services	55,830,051,413	2,717,876,778	3,526,396,405	623,772,135	5,299,758,452	67,997,855,183
Housing loans	24,585,862,106	931,416,774	672,438,186	457,168,948	1,601,810,899	28,248,696,913
Others	18,402,793,003	171,437,802	128,972,224	165,554,346	809,892,681	19,678,650,056
<b>Total</b>	<u>291,580,285,897</u>	<u>9,642,377,222</u>	<u>14,549,836,578</u>	<u>7,037,131,528</u>	<u>53,080,015,656</u>	<u>375,889,646,881</u>
<b>Less</b> Unearned discount on loans						(49,049,397)
<b>Total</b>						375,840,597,484
<b>Add</b> Accrued interest receivables						4,334,653,376
						<u>380,175,250,860</u>

(5) Classified by type of classification

**CONSOLIDATED FINANCIAL STATEMENTS**

2003

	Loans and Accrued Interest Receivable Baht	Outstanding Balance after Deduction of Collateral Baht	% Minimum set up	Provision Baht
Normal -Securities business receivable	1,626,682,845	-	-	-
Normal	329,860,323,830	86,855,639,292	1	5,383,990,392
Special mention	6,788,950,305	722,589,640	2	248,324,314
Substandard	6,263,449,444	1,739,531,810	20	618,848,671
Doubtful	5,205,807,848	1,075,042,448	50	558,238,261
Doubtful of loss	56,376,795,209	13,588,846,695	100	13,588,846,695
<b>Total</b>	<u>406,122,009,481</u>	<u>103,981,649,885</u>		<u>20,398,248,333**</u>
<b>Less</b> Unearned discount on loans		(148,526,936)		
<b>Total</b>		<u>405,973,482,545</u>		
Surplus Reserve				1,497,535,451*
				<u>21,895,783,784</u>

**CONSOLIDATED FINANCIAL STATEMENTS**

2002

	<b>Loans and Accrued Interest Receivable</b>	<b>Outstanding Balance after Deduction of Collateral</b>	<b>% Minimum set up</b>	<b>Provision</b>
	<b>Baht</b>	<b>Baht</b>		<b>Baht</b>
Normal-Securities business receivable	171,337,939	-	-	-
Normal	289,956,309,510	75,208,687,796	1	752,086,878
Special mention	9,986,796,630	1,612,901,291	2	32,258,026
Substandard	15,107,913,355	4,471,786,377	20	894,357,275
Doubtful	7,205,052,126	1,965,896,591	50	982,948,296
Doubtful of loss	60,957,164,003	13,170,441,278	100	13,170,441,278
<b>Total</b>	<b>383,384,573,563</b>	<b>96,429,713,333</b>		<b>15,832,091,753**</b>
<b>Less</b> Unearned discount on loans	<b>(50,501,925)</b>			
<b>Total</b>	<b>383,334,071,638</b>			
Surplus Reserve				5,134,021,154*
				<u>20,966,112,907</u>

(\* Including allowance for doubtful accounts of loans granted to Ayudhya Asset Management Company Limited as at December 31, 2003 and 2002, at the rate of 1% of Baht 6,622 million and Baht 7,199 million equaled Baht 66 million and Baht 72 million, respectively which is eliminated from loans classified as normal in consolidated financial statements)

(\*\* Excluding revaluation allowance for debt restructuring as at December 31, 2003 and 2002, of Baht 1,436 million and Baht 1,274 million, respectively and excluding allowance for doubtful accounts for interbank and money market items as at December 31, 2003 and 2002, of Baht 1 million and Baht 1 million, respectively.)

**THE BANK'S FINANCIAL STATEMENTS AND AYUDHYA  
ASSET MANAGEMENT COMPANY LIMITED**

2003

	<b>Loans and Accrued Interest Receivable</b>	<b>Outstanding Balance after Deduction of Collateral</b>	<b>% Minimum set up</b>	<b>Provision</b>
	<b>Baht</b>	<b>Baht</b>		<b>Baht</b>
Normal	325,003,598,943	83,844,091,807	1	5,166,926,493
Special mention	6,585,627,160	613,221,060	2	210,510,313
Substandard	6,252,522,538	1,738,149,984	20	618,572,307
Doubtful	4,972,050,421	856,471,571	50	442,640,923
Doubtful of loss	55,558,112,585	13,156,347,408	100	13,156,347,408
<b>Total</b>	<b>398,371,911,647</b>	<b>100,208,281,830</b>		<b>19,594,997,444</b>
<b>Less</b> Unearned discount on loans	<b>(57,370,692)</b>			
<b>Total</b>	<b>398,314,540,955</b>			
Surplus Reserve				1,148,412,795*
				<u>20,743,410,239</u>

**THE BANK'S FINANCIAL STATEMENTS AND AYUDHYA  
ASSET MANAGEMENT COMPANY LIMITED**

2002

	Loans and Accrued Interest Receivable	Outstanding Balance after Deduction of Collateral	% Minimum set up	Provision
	Baht	Baht		Baht
Normal	286,581,702,654	73,490,908,674	1	806,896,391
Special mention	9,878,780,037	1,554,160,659	2	31,083,213
Substandard	14,866,150,167	4,323,077,528	20	864,615,506
Doubtful	7,134,722,051	1,910,409,051	50	955,204,526
Doubtful of loss	60,374,508,586	12,982,026,083	100	12,982,026,083
<b>Total</b>	<u>378,835,863,495</u>	<u>94,260,581,995</u>		<u>15,639,825,719</u>
<b>Less</b> Unearned discount on loans	(49,049,397)			
<b>Total</b>	<u>378,786,814,098</u>			
Surplus Reserve				<u>4,520,616,820*</u>
				<u>20,160,442,539</u>

(\* Including allowance for doubtful accounts of loans granted to Ayudhya Asset Management Company Limited as at December 31, 2003 and 2002, at the rate of 1% of Baht 6,622 million and Baht 7,199 million equaled Baht 66 million and Baht 72 million, respectively which is eliminated from loans classified as normal in consolidated financial statements)

**THE BANK'S FINANCIAL STATEMENTS**

2003

	Loans and Accrued Interest Receivable	Outstanding Balance after Deduction of Collateral	% Minimum set up	Provision
	Baht	Baht		Baht
Normal	331,308,340,373	90,300,780,480	1	5,165,278,041**
Special mention	6,522,802,903	588,781,455	2	210,021,521
Substandard	6,184,406,019	1,708,318,967	20	612,606,102
Doubtful	4,934,120,519	838,767,077	50	433,788,676
Doubtful of loss	50,240,310,181	12,652,596,173	100	12,652,596,173
<b>Total</b>	<u>399,189,979,995</u>	<u>106,089,244,152</u>		<u>19,074,290,513***</u>
<b>Less</b> Unearned discount on loans	(57,370,692)			
<b>Total</b>	<u>399,132,609,303</u>			
Surplus Reserve				<u>1,000,240,388</u>
				<u>20,074,530,901</u>

**THE BANK'S FINANCIAL STATEMENTS**

2002

	Loans and Accrued Interest Receivable	Outstanding Balance after Deduction of Collateral	% Minimum set up	Provision
	Baht	Baht		Baht
Normal	293,677,387,062	80,688,304,759	1	806,883,048**
Special mention	9,878,154,769	1,554,148,154	2	31,082,963
Substandard	14,865,170,781	4,322,881,651	20	864,576,330
Doubtful	7,134,013,051	1,910,054,551	50	955,027,276
Doubtful of loss	54,669,574,594	12,744,232,978	100	12,744,232,978
<b>Total</b>	<u>380,224,300,257</u>	<u>101,219,622,093</u>		<u>15,401,802,595***</u>
<b>Less</b> Unearned discount on loans	(49,049,397)			
<b>Total</b>	<u>380,175,250,860</u>			
Surplus Reserve				<u>4,382,470,925</u>
				<u>19,784,273,520</u>

(\*\* Including allowance for doubtful accounts of loans granted to Ayudhya Asset Management Company Limited as at December 31, 2003 and 2002, at the rate of 1% of Baht 6,622 million and Baht 7,199 million equaled Baht 66 million and Baht 72 million, respectively.)

(\*\*\* Excluding revaluation allowance for debt restructuring as at December 31, 2003 and 2002, of Baht 1,340 million and Baht 1,143 million, respectively and excluding allowance for doubtful accounts for interbank and money market items as at December 31, 2003 and 2002, of Baht 1 million and Baht 1 million, respectively.)

For the years ended December 31, 2003, and 2002, the Bank transferred the impaired assets at the net amount after deducting the allowance for doubtful accounts pursuant to the BOT's notification of Baht 249 million and Baht 1,409 million, respectively to TAMC. Net amount of such impaired assets is being validated and confirmed by TAMC prior to issuing the non-negotiable promissory notes, 10 years term to the Bank and its subsidiary from date of transfer of assets. The Bank and its subsidiary recorded the transfer out of assets as a deduction from the loan and presented the right over the promissory notes issued by TAMC as the long-term investments classified as held-to-maturity (as government and state enterprise securities) in the financial statements (see Notes 4.4.2 and 4.26). As at December 31, 2003, the Bank and the subsidiary received the bill of exchange in the amount of Baht 6,546 million and Baht 148 million, respectively. As at December 31, 2002, the Bank and the subsidiary received the bill of exchange in the amount of Baht 5,384 million and Baht 22 million, respectively.

According to BOT's Notification dated March 26, 2003, non-performing loan (NPL) represents the loan classified as substandard, doubtful, doubtful of loss and loss in accordance with BOT's Notification dated February 28, 2003 regarding the worthless or irrecoverable assets or assets which are doubtful of being worthless or irrecoverable of banks or any amendments thereof.

As at December 31, 2003 and 2002, the Bank and AMC had non-performing loans as follows:

	<b>Unit : Million Baht</b>		
		<b>2003</b>	
	<b>Bank only</b>	<b>AMC</b>	<b>The Bank and AMC</b>
Non-performing loans	59,747	5,338	65,085
Percentage of total loans	15.10	93.36	16.22

	<b>Unit : Million Baht</b>		
		<b>2002</b>	
	<b>Bank only</b>	<b>AMC</b>	<b>The Bank and AMC</b>
Non-performing loans	74,667	5,614	80,281
Percentage of total loans	19.86	98.16	21.04

As at December 31, 2003 and 2002, the Bank's and its subsidiaries non-performing loans classified as substandard, doubtful, doubtful of loss and loss are Baht 66,099 million and Baht 82,152 million, respectively.

In determining an allowance for doubtful accounts, a major factor that has been taken into consideration is the value of collateral. Collateral supporting either certain significant loans or a portion of classified loans were reappraised by either internal appraisers of the Bank or independent appraisers approved by the BOT. For collateral valuation of special mention and normal loans, according to the BOT's guideline dated February 18, 2002, 90 percent of appraised value is permitted to be deducted from the debtor's balance before provision for collaterals that have been marked to market or appraised within 36 months. For collaterals that are less frequently appraised, 50 percent deduction is permitted. For collateral valuation of substandard, doubtful and doubtful of loss loans, 90 percent of appraised value is permitted to be deducted from the debtor's balance before provision for collaterals that have been marked to market or appraised within 12 months. For collaterals that are less frequently appraised, 50 percent deduction is permitted.

For debtor with balance of less than Baht 5 million, 90 percent of the appraised value of collateral is permitted to be deducted from the debtor's balance before provision if the collaterals have been marked to market or appraised within 36 months. For collaterals that are less frequently appraised, 50 percent deduction is permitted.

#### (6) Troubled Debt Restructuring

For the year ended December 31, 2003, the Bank and its subsidiaries have restructured the following debts :

	<b>FINANCIAL Number</b>	<b>CONSOLIDATED STATEMENTS Amount of Debt before Restructuring (Million Baht)</b>
Total debt restructured during the year ended December 31, 2003	2,785	34,127
Total debtors as at December 31, 2003	153,979	405,973

Details of restructured debts of the Bank and its subsidiaries for the year ended December 31, 2003 are as follows:

<b>CONSOLIDATED FINANCIAL STATEMENTS</b>				
<b>Form of Restructuring</b>	<b>Number</b>	<b>Debt per the Accounts before Restructuring (Million Baht)</b>	<b>Type of Assets Acquired</b>	<b>Fair Value (Million Baht)</b>
Transfer of assets	29	265	Land, Building, and Condominium	316
Conversion to equity	1	-		
Modification of terms	1,523	10,094		
Reduction of principal and interest	12	220		
Various forms of restructuring (including modification of terms)	<u>1,220</u>	<u>23,548</u>	Land, Building	<u>747</u>
Total	<u>2,785</u>	<u>34,127</u>		<u>1,063</u>

For the year ended December 31, 2003, the Bank and subsidiaries calculate the net realizable value for the trouble debt restructured by the modification of terms using the present value of future cash flows under the restructured loan agreement, discounted by the market rate, together with the fair value of collateral as per details follow:

<b>CONSOLIDATED FINANCIAL STATEMENTS</b>				
<b>Method</b>	<b>Average Aging</b>	<b>Number</b>	<b>Amount of Debt before Restructuring (Million Baht)</b>	<b>Amount of Debt after Restructuring (Million Baht)</b>
Present value of future cash flows	4.05	338	2,251	2,106
Fair value of collateral	7.03	1,185	7,843	6,012

As at December 31, 2003, the Bank and its subsidiaries had Baht 45,574 million of debtors who have been restructured by modification of repayment terms.

As at December 31, 2003, the Bank and its subsidiaries had restructured debt of Baht 109,183 million, including debts restructured during the year of Baht 28,788 million. Substantially all of the restructured loans are classified as normal. For the year ended December 31, 2003, the Bank and its subsidiaries recognized interest received from debt restructured of Baht 1,155 million. The loss on debt restructuring of Baht 1,497 million has been recognized in the statement of income.

For the year ended December 31, 2002, the Bank and its subsidiaries have restructured the following debts:

<b>CONSOLIDATED FINANCIAL STATEMENTS</b>		
	<b>Number</b>	<b>Amount of Debt before Restructuring (Million Baht)</b>
Total debt restructured during the year ended December 31, 2002	2,631	23,831
Total debtors as at December 31, 2002	138,270	383,334



Details of restructured debts of the Bank and its subsidiaries for the year ended December 31, 2002 are as follows:

<b>CONSOLIDATED FINANCIAL STATEMENTS</b>				
<b>Form of Restructuring</b>	<b>Number</b>	<b>Debt per the Accounts before Restructuring (Million Baht)</b>	<b>Type of Assets Acquired</b>	<b>Fair Value (Million Baht)</b>
Transfer of assets	14	1,253	Land, Building, Machine and Condominium	1,511
Conversion to equity	5	57		
Modification of terms	1,211	8,068		
Reduction of principal and interest	11	148		
Various forms of restructuring (including modification of terms)	1,390	14,305	Land, Building, Machine, Condominium, Vehicles and Securities	1,028
<b>Total</b>	<u>2,631</u>	<u>23,831</u>		<u>2,539</u>

For the year ended December 31, 2002, the Bank and subsidiaries calculate the net realizable value for the trouble debt restructured by the modification of terms using the present value of future cash flows under the restructured loan agreement, discounted by the market rate, together with the fair value of collateral as per details follow:

<b>CONSOLIDATED FINANCIAL STATEMENTS</b>				
<b>Method</b>	<b>Average Aging</b>	<b>Number</b>	<b>Amount of Debt before Restructuring (Million Baht)</b>	<b>Amount of Debt after Restructuring (Million Baht)</b>
Present value of future cash flows	5.01	219	1,409	1,398
Fair value of collateral	7.44	992	6,659	6,624

As at December 31, 2002, the Bank and its subsidiaries have Baht 30,004 million of debtors who have been restructured by modification of repayment terms.

As at December 31, 2002, the Bank and its subsidiaries have the balance of the restructured debt of Baht 120,081 million, including debts restructured during the year of Baht 21,139 million. Substantially all of the restructured loans are classified as normal. For the year ended December 31, 2002, the Bank and its subsidiaries recognized interest received from debt restructured of Baht 2,427 million and loss on debt restructuring of Baht 76 million has been recognized in the statement of income.

For the year ended December 31, 2003, the Bank has restructured the following debts:

<b>THE BANK'S FINANCIAL STATEMENTS</b>		
	<b>Number</b>	<b>Amount of Debt before Restructuring (Million Baht)</b>
Total debt restructured during the year ended December 31, 2003	2,451	33,634
Total debtors as at December 31, 2003	143,438	399,133

Details of restructured debts of the Bank are as follows:

<b>THE BANK'S FINANCIAL STATEMENTS</b>				
<b>Form of Restructuring</b>	<b>Number</b>	<b>Debt per the Accounts before Restructuring (Million Baht)</b>	<b>Type of Assets Acquired</b>	<b>Fair Value (Million Baht)</b>
Transfer of assets	19	257	Land, Building	303
Conversion to equity	-	-		
Modification of terms	1,221	9,840		
Reduction of principal and interest	8	210		
Various forms of restructuring (including modification of terms)	<u>1,203</u>	<u>23,327</u>	Land, Building	<u>747</u>
Total	<u>2,451</u>	<u>33,634</u>		<u>1,050</u>

For the year ended December 31, 2003, the Bank calculates the net realizable value for the trouble debt restructured by the modification of terms using the present value of future cash flows under the restructured loan agreement, discounted by the market rate, together with the fair value of collateral as per details follow:

<b>THE BANK'S FINANCIAL STATEMENTS</b>				
<b>Method</b>	<b>Average Aging</b>	<b>Number</b>	<b>Amount of Debt before Restructuring (Million Baht)</b>	<b>Amount of Debt after Restructuring (Million Baht)</b>
Present value of future cash flows	7.05	36	1,997	1,768
Fair value of collateral	7.03	1,185	7,843	6,012

As at December 31, 2003, the Bank has Baht 44,733 million of debtors who have been restructured by modification of repayment terms.

As at December 31, 2003, the Bank has the balance of the restructured debt of Baht 106,385 million, including debts restructured during the year of Baht 28,274 million. Substantially all of the restructured loans are classified as normal. For the year ended as of December 31, 2003, the Bank recognized interest received from debt restructured of Baht 1,064 million and loss on debt restructuring of Baht 1,486 million has been recognized in the statement of income.

For the year ended December 31, 2002, the Bank has restructured the following debts:

<b>THE BANK'S FINANCIAL STATEMENTS</b>		
	<b>Number</b>	<b>Amount of Debt before Restructuring (Million Baht)</b>
Total debt restructured during the year ended December 31, 2002	2,412	23,660
Total debtors as at December 31, 2002	129,090	380,175

Details of restructured debts of the Bank are as follows:

<b>THE BANK'S FINANCIAL STATEMENTS</b>				
<b>Form of Restructuring</b>	<b>Number</b>	<b>Debt per the Accounts before Restructuring (Million Baht)</b>	<b>Type of Assets Acquired</b>	<b>Fair Value (Million Baht)</b>
Transfer of assets	8	1,249	Land, Building, Machine and Condominium	1,506
Conversion to equity	5	57		
Modification of terms	1,011	7,915		
Reduction of principal and interest	8	144		
Various forms of restructuring (including modification of terms)	<u>1,380</u>	<u>14,295</u>	Land, Building, Machine, Condominium and Vehicles	<u>1,025</u>
Total	<u>2,412</u>	<u>23,660</u>		<u>2,531</u>

For the year ended December 31, 2002, the Bank calculates the net realizable value for the trouble debt restructured by the modification of terms using the present value of future cash flows under the restructured loan agreement, discounted by the market rate, together with the fair value of collateral as per details follow:

<b>THE BANK'S FINANCIAL STATEMENTS</b>				
<b>Method</b>	<b>Average Aging</b>	<b>Number</b>	<b>Amount of Debt before Restructuring (Million Baht)</b>	<b>Amount of Debt after Restructuring (Million Baht)</b>
Present value of future cash flows	7.89	19	1,256	1,245
Fair value of collateral	7.44	992	6,659	6,624

As at December 31, 2002, the Bank has Baht 29,403 million of debtors who have been restructured by modification of repayment terms.

As at December 31, 2002, the Bank has the balance of the restructured debt of Baht 117,716 million, including debts restructured during the year of Baht 21,018 million. Substantially all of the restructured loans are classified as normal. For the year ended December 31, 2002, the Bank recognized interest received from debt restructured of Baht 2,331 million and reversal of loss on debt restructuring of Baht 25 million has been recognized in the statement of income.

#### 4.7 Allowance for doubtful accounts

<b>CONSOLIDATED FINANCIAL STATEMENTS</b>							
2003							
	<b>Normal Baht</b>	<b>Special Mention Baht</b>	<b>Substandard Baht</b>	<b>Doubtful Baht</b>	<b>Doubtful of Loss Baht</b>	<b>General Reserve Baht</b>	<b>Total Baht</b>
Beginning balance	824,074,182	32,258,026	894,357,275	982,948,296	13,170,441,278	5,062,033,850	20,966,112,907
Doubtful accounts	4,559,916,210	216,066,288	(275,508,604)	(424,710,035)	1,292,576,785	(3,473,405,171)	1,894,935,473
Bad debts written off	-	-	-	-	(874,171,368)	-	(874,171,368)
Allowance for doubtful accounts transferred to							
- Thai Asset Management Corporation	-	-	-	-	-	(81,664,888)	(81,664,888)
Other	-	-	-	-	-	(9,428,340)	(9,428,340)
<b>Ending Balance</b>	<b>5,383,990,392</b>	<b>248,324,314</b>	<b>618,848,671</b>	<b>558,238,261</b>	<b>13,588,846,695</b>	<b>1,497,535,451</b>	<b>21,895,783,784</b>

<b>CONSOLIDATED FINANCIAL STATEMENTS</b>							
2002							
	<b>Normal Baht</b>	<b>Special Mention Baht</b>	<b>Substandard Baht</b>	<b>Doubtful Baht</b>	<b>Doubtful of Loss Baht</b>	<b>General Reserve Baht</b>	<b>Total Baht</b>
Beginning balance	769,010,881	29,973,703	996,834,709	595,908,612	2,042,895	7,304,144,481	9,697,915,281
Doubtful accounts	55,063,301	2,284,323	(102,477,434)	387,039,684	2,151,137,177	(1,851,690,867)	641,356,184
Bad debts written off Allowance for doubtful accounts transferred to							
- Thai Asset Management Corporation	-	-	-	-	11,017,261,206	22,422,858	11,039,684,064
- Ayudhya Asset Management	-	-	-	-	-	(314,334,875)	(314,334,875)
Other	-	-	-	-	-	(155,863,567)	(155,863,567)
Other	-	-	-	-	-	57,355,820	57,355,820
<b>Ending Balance</b>	<b>824,074,182</b>	<b>32,258,026</b>	<b>894,357,275</b>	<b>982,948,296</b>	<b>13,170,441,278</b>	<b>5,062,033,850</b>	<b>20,966,112,907</b>

**THE BANK'S FINANCIAL STATEMENTS**

	2003						
	Normal Baht	Special Mention Baht	Substandard Baht	Doubtful Baht	Doubtful of Loss Baht	General Reserve Baht	Total Baht
Beginning balance	806,883,048	31,082,963	864,576,330	955,027,276	12,744,232,978	4,382,470,925	19,784,273,520
Doubtful accounts	4,358,394,993	178,938,558	(251,970,228)	(521,238,600)	1,003,282,910	(3,291,137,309)	1,476,270,324
Bad debts written off Allowance for doubtful accounts transferred to	-	-	-	-	(1,094,919,715)	-	(1,094,919,715)
- Thai Asset Management Corporation	-	-	-	-	-	(81,664,888)	(81,664,888)
Other	-	-	-	-	-	(9,428,340)	(9,428,340)
<b>Ending Balance</b>	<b>5,165,278,041</b>	<b>210,021,521</b>	<b>612,606,102</b>	<b>433,788,676</b>	<b>12,652,596,173</b>	<b>1,000,240,388</b>	<b>20,074,530,901</b>

**THE BANK'S FINANCIAL STATEMENTS**

	2002						
	Normal Baht	Special Mention Baht	Substandard Baht	Doubtful Baht	Doubtful of Loss Baht	General Reserve Baht	Total Baht
Beginning balance	754,460,834	25,927,690	958,537,628	474,493,442	-	6,514,468,067	8,727,887,661
Doubtful accounts	52,422,214	5,155,273	(93,961,298)	480,533,834	1,627,535,646	(1,681,617,530)	390,068,139
Bad debts written off Allowance for doubtful accounts transferred to	-	-	-	-	11,116,697,332*	22,422,858	11,139,120,190
- Thai Asset Management Corporation	-	-	-	-	-	(314,334,875)	(314,334,875)
- Ayudhya Asset Management	-	-	-	-	-	(155,863,567)	(155,863,567)
Other	-	-	-	-	-	(2,604,028)	(2,604,028)
<b>Ending Balance</b>	<b>806,883,048</b>	<b>31,082,963</b>	<b>864,576,330</b>	<b>955,027,276</b>	<b>12,744,232,978</b>	<b>4,382,470,925</b>	<b>19,784,273,520</b>

(\* Bad debt written off included the reversal of bad debt written off for loans classified as doubtful of loss of Baht 14,802 million which provision was fully set up in accordance with BOT's guideline and the management believes that such loans are collectible).

As at December 31, 2003 and 2002, the Bank estimated the minimum total allowance under BOT Guidelines of Baht 21,835 million and Baht 17,107 million, respectively for the consolidated financial statements and Baht 20,415 million and Baht 16,546 million, respectively for the Bank's financial statements.

The Bank and its subsidiaries recorded allowance for doubtful accounts in financial statements as follows:

	Unit : Million Baht	
	2003	2002
Consolidated financial statements	23,360	22,632
The Bank and The Ayudhya Asset Management Company Limited	22,113	21,624
The Bank's financial statements	21,442	21,319

Such allowance for doubtful accounts consists of allowance for doubtful account for loans and accrued interest receivable, allowance for doubtful account for interbank and money market items and revaluation allowance for debt restructuring.

As at December 31, 2003 and 2002, the Bank and its subsidiaries had loans and accrued interest receivables to companies which have certain problems in financial position and result of operations as defined in the Guideline of SET dated July 8, 1998 regarding the Quality of Assets and Transactions with Related Parties and an allowance for doubtful accounts for such loans is as follows:

**CONSOLIDATED FINANCIAL STATEMENTS**

2003

	Number	Outstanding Baht	Appraisal Value of collateral Baht	Allowance for Doubtful Accounts Baht
Companies subject to be delisted by SET	13	3,748,845,104	2,027,016,616	1,205,661,389
<b>Total</b>	13	3,748,845,104	2,027,016,616	1,205,661,389

**CONSOLIDATED FINANCIAL STATEMENTS**

2002

	Number	Outstanding Baht	Appraisal Value of collateral Baht	Allowance for Doubtful Accounts Baht
Companies subject to be delisted by SET	18	6,852,113,502	1,777,678,598	263,654,935
<b>Total</b>	18	6,852,113,502	1,777,678,598	263,654,935

**THE BANK'S FINANCIAL STATEMENTS**

2003

	Number	Outstanding Baht	Appraisal Value of collateral Baht	Allowance for Doubtful Accounts Baht
Companies subject to be delisted by SET	10	3,578,897,186	2,027,016,616	1,069,205,534
<b>Total</b>	10	3,578,897,186	2,027,016,616	1,069,205,534

**THE BANK'S FINANCIAL STATEMENTS**

2002

	Number	Outstanding Baht	Appraisal Value of collateral Baht	Allowance for Doubtful Accounts Baht
Companies subject to be delisted by SET	14	6,682,070,391	1,777,678,598	160,023,113
<b>Total</b>	14	6,682,070,391	1,777,678,598	160,023,113

4.8 Revaluation allowance for debt restructuring

**CONSOLIDATED FINANCIAL STATEMENTS**

2003

2002

	Baht	Baht
Beginning Balance	1,664,346,259	2,293,944,325
Increase (decrease) during the year	1,460,177,821	(33,182,534)
Amortization	(1,661,484,324)	(596,415,532)
Ending Balance	1,463,039,756	1,664,346,259

**THE BANK'S FINANCIAL STATEMENTS**

2003

2002

	Baht	Baht
Beginning Balance	1,533,176,729	2,124,570,461
Increase (decrease) during the year	1,485,890,748	(24,969,109)
Amortization	(1,652,230,256)	(566,424,623)
Ending Balance	1,366,837,221	1,533,176,729

#### 4.9 Properties Foreclosed

##### CONSOLIDATED FINANCIAL STATEMENTS

	January 1, 2003	Acquisition	Disposition	December 31, 2003
	Baht	Baht	Baht	Baht
1. Assets acquired from debt repayment				
1.1 Immovable	18,002,572,344	6,706,382,129	(7,352,897,481)	17,356,056,992
1.2 Movable	176,633,229	28,505,315	(29,920,904)	175,217,640
Total	18,179,205,573	6,734,887,444	(7,382,818,385)	17,531,274,632
2. Others	1,308,615,995	516,499,083	(572,454,486)	1,252,660,592
Total properties foreclosed	19,487,821,568	7,251,386,527	(7,955,272,871)	18,783,935,224
<u>Less</u> Provision for impairment	(503,943,174)	(225,098,013)	39,630,548	(689,410,639)
Total properties foreclosed	18,983,878,394	7,026,288,514	(7,915,642,323)	18,094,524,585

##### CONSOLIDATED FINANCIAL STATEMENTS

	January 1, 2002	Acquisition	Disposition	December 31, 2002
	Baht	Baht	Baht	Baht
1. Assets acquired from debt repayment				
1.1 Immovable	15,472,924,650	5,123,840,455	(2,594,192,761)	18,002,572,344
1.2 Movable	184,070,607	6,352,297	(13,789,675)	176,633,229
Total	15,656,995,257	5,130,192,752	(2,607,982,436)	18,179,205,573
2. Others	910,463,359	823,014,308	(424,861,672)	1,308,615,995
Total properties foreclosed	16,567,458,616	5,953,207,060	(3,032,844,108)	19,487,821,568
<u>Less</u> Provision for impairment	(340,824,938)	(167,083,136)	3,964,900	(503,943,174)
Total properties foreclosed	16,226,633,678	5,786,123,924	(3,028,879,208)	18,983,878,394

##### THE BANK'S FINANCIAL STATEMENTS

	January 1, 2003	Acquisition	Disposition	December 31, 2003
	Baht	Baht	Baht	Baht
1. Assets acquired from debt repayment				
1.1 Immovable	15,495,560,375	6,060,401,112	(6,480,986,768)	15,074,974,719
1.2 Movable	176,633,229	28,505,315	(29,920,904)	175,217,640
Total	15,672,193,604	6,088,906,427	(6,510,907,672)	15,250,192,359
2. Others	1,299,651,395	516,499,083	(572,454,486)	1,243,695,992
Total properties foreclosed	16,971,844,999	6,605,405,510	(7,083,362,158)	16,493,888,351
<u>Less</u> Provision for impairment	(492,831,963)	(220,476,394)	38,130,549	(675,177,808)
Total properties foreclosed	16,479,013,036	6,384,929,116	(7,045,231,609)	15,818,710,543

##### THE BANK'S FINANCIAL STATEMENTS

	January 1, 2002	Acquisition	Disposition	December 31, 2002
	Baht	Baht	Baht	Baht
1. Assets acquired from debt repayment				
1.1 Immovable	13,771,085,115	3,863,703,599	(2,139,228,339)	15,495,560,375
1.2 Movable	184,070,607	6,352,297	(13,789,675)	176,633,229
Total	13,955,155,722	3,870,055,896	(2,153,018,014)	15,672,193,604
2. Others	910,463,359	814,049,708	(424,861,672)	1,299,651,395
Total properties foreclosed	14,865,619,081	4,684,105,604	(2,577,879,686)	16,971,844,999
<u>Less</u> Provision for impairment	(332,378,927)	(160,453,036)	-	(492,831,963)
Total properties foreclosed	14,533,240,154	4,523,652,568	(2,577,879,686)	16,479,013,036

During the year 2003 and 2002, the Bank entered into an agreement to sell the impaired assets and the rights over such assets to Ayudhya Asset Management Company Limited (AMC), a wholly owned subsidiary. The Bank sold the immovable foreclosed properties having the book value of Baht 405 million and Baht 1,150 million, respectively. No gain or loss was recognized from sale of such properties and the Bank has already collected such amount in full.

## 4.10 Property, premises and equipment

	CONSOLIDATED FINANCIAL STATEMENTS				
	January 1, 2003 Baht	Increase Baht	Decrease Baht	Others Baht	December 31, 2003 Baht
Land					
Cost	3,613,093,150	3,084,509	(554,875)	10,212,600	3,625,835,384
Appraisal increase	2,773,875,341	-	-	-	2,773,875,341
Appraisal decrease	(327,277,000)	-	-	-	(327,277,000)
Premises					
Cost	5,117,052,076	11,332,500	(718,200)	18,472,055	5,146,138,431
Appraisal increase	1,845,101,886	-	-	-	1,845,101,886
Appraisal decrease	(288,546,735)	-	-	-	(288,546,735)
Equipment	5,971,649,267	612,939,932	(223,003,196)	66,977,426	6,428,563,429
Construction in progress	117,317,002	98,190,052	-	(58,924,781)	156,582,273
Leasehold improvement	2,419,937	-	-	-	2,419,937
Total	18,824,684,924	725,546,993	(224,276,271)	36,737,300	19,362,692,946
Less Accumulated depreciation					
Premises					
- Cost	(1,255,311,643)	(167,780,251)	468,478	-	(1,422,623,416)
- Appraisal increase	(812,343,262)	-	-	(36,805,860)	(849,149,122)
Equipment	(3,791,299,973)	(626,060,409)	180,009,558	47,812,502	(4,189,538,322)
Total	(5,858,954,878)	(793,840,660)	180,478,036	11,006,642	(6,461,310,860)
Property, premises and equipment, net	12,965,730,046				12,901,382,086
				2003 Baht	2002 Baht
Depreciation for the year				793,840,660	762,531,169

	THE BANK'S FINANCIAL STATEMENTS				
	January 1, 2003 Baht	Increase Baht	Decrease Baht	Others Baht	December 31, 2003 Baht
Land					
Cost	3,613,093,150	3,084,509	(554,875)	10,212,600	3,625,835,384
Appraisal increase	2,773,875,341	-	-	-	2,773,875,341
Appraisal decrease	(327,277,000)	-	-	-	(327,277,000)
Premises					
Cost	5,117,052,076	11,332,500	(718,200)	18,472,055	5,146,138,431
Appraisal increase	1,845,101,886	-	-	-	1,845,101,886
Appraisal decrease	(288,546,735)	-	-	-	(288,546,735)
Equipment	5,787,564,426	593,142,401	(215,161,046)	61,908,632	6,227,454,413
Construction in progress	115,878,689	94,169,571	-	(53,855,987)	156,192,273
Leasehold improvement	2,419,937	-	-	-	2,419,937
Total	18,639,161,770	701,728,981	(216,434,121)	36,737,300	19,161,193,930
Less Accumulated depreciation					
Premises					
- Cost	(1,255,311,643)	(167,780,251)	468,478	-	(1,422,623,416)
- Appraisal increase	(812,343,262)	-	-	(36,805,860)	(849,149,122)
Equipment	(3,673,394,406)	(604,472,128)	173,361,676	47,812,502	(4,056,692,356)
Total	(5,741,049,311)	(772,252,379)	173,830,154	11,006,642	(6,328,464,894)
Property, premises and equipment, net	12,898,112,459				12,832,729,036
				2003 Baht	2002 Baht
Depreciation for the year				772,252,379	745,186,743

4.11 Deposits

(1) Classified by product

	CONSOLIDATED		THE BANK'S	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2003	2002	2003	2002
	Baht	Baht	Baht	Baht
Current deposit	11,952,380,945	8,404,628,287	11,489,025,552	7,847,551,545
Savings deposit	163,234,770,451	131,695,487,628	163,234,800,162	131,695,488,133
Time deposit				
- Less than 6 months	124,946,701,683	126,977,798,279	124,603,799,378	126,514,735,638
- 6 months and less than 1 year	10,016,585,186	8,718,165,635	7,340,168,770	7,101,942,386
- 1 year and over 1 year	115,190,508,278	119,642,524,222	113,998,072,717	118,753,506,378
Total	425,340,946,543	395,438,604,051	420,665,866,579	391,913,224,080

(2) Classified by maturity

	CONSOLIDATED		THE BANK'S	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2003	2002	2003	2002
	Baht	Baht	Baht	Baht
Not over 1 year*	373,551,313,187	354,830,761,226	369,197,882,636	351,315,381,255
Over 1 year	51,789,633,356	40,607,842,825	51,467,983,943	40,597,842,825
Total	425,340,946,543	395,438,604,051	420,665,866,579	391,913,224,080

\* Including matured time deposits

(3) Classified by currency and residence of depositors

	CONSOLIDATED FINANCIAL STATEMENTS						
	Domestic	2003			2002		
		Baht	Foreign	Total	Domestic	Foreign	Total
	Baht	Baht	Baht	Baht	Baht	Baht	
Baht	423,913,409,934	225,784,356	424,139,194,290	394,086,085,298	137,764,928	394,223,850,226	
US Dollar	660,478,192	513,218,276	1,173,696,468	655,994,145	538,831,665	1,194,825,810	
Other currencies	10,544,350	17,511,435	28,055,785	14,513,147	5,414,868	19,928,015	
Total	424,584,432,476	756,514,067	425,340,946,543	394,756,592,590	682,011,461	395,438,604,051	

	THE BANK'S FINANCIAL STATEMENTS						
	Domestic	2003			2002		
		Baht	Foreign	Total	Domestic	Foreign	Total
	Baht	Baht	Baht	Baht	Baht	Baht	
Baht	419,352,017,342	112,096,984	419,464,114,326	390,616,050,507	82,419,748	390,698,470,255	
US Dollar	660,478,192	513,218,276	1,173,696,468	655,994,145	538,831,665	1,194,825,810	
Other currencies	10,544,350	17,511,435	28,055,785	14,513,147	5,414,868	19,928,015	
Total	420,023,039,884	642,826,695	420,665,866,579	391,286,557,799	626,666,281	391,913,224,080	



4.12 Interbank and money market items

(1) Domestic items

	CONSOLIDATED FINANCIAL STATEMENTS					
	2003			2002		
	At Call Baht	Time Baht	Total Baht	At Call Baht	Time Baht	Total Baht
Bank of Thailand and Financial Institution Development Fund	-	6,892,232,200	6,892,232,200	-	3,926,423,912	3,926,423,912
Commercial banks	831,241,533	108,108,629	939,350,162	740,745,819	109,890,414	850,636,233
Other banks	379,650,731	147,172,000	526,822,731	355,218,909	198,806,000	554,024,909
Finance companies, trust and securities companies, securities companies and credit foncier companies	623,689,499	198,326,525	822,016,024	291,414,774	215,204,251	506,619,025
Other financial institutions	4,750,737,000	2,805,716,288	7,556,453,288	1,406,101,899	2,801,232,349	4,207,334,248
Total domestic items	6,585,318,763	10,151,555,642	16,736,874,405	2,793,481,401	7,251,556,926	10,045,038,327

	THE BANK'S FINANCIAL STATEMENTS					
	2003			2002		
	At Call Baht	Time Baht	Total Baht	At Call Baht	Time Baht	Total Baht
Bank of Thailand and Financial Institution Development Fund	-	6,892,232,200	6,892,232,200	-	3,926,423,912	3,926,423,912
Commercial banks	904,647,805	110,187,485	1,014,835,290	783,544,101	111,696,256	895,240,357
Other banks	379,650,731	147,172,000	526,822,731	355,218,909	198,806,000	554,024,909
Finance companies, trust and securities companies, securities companies and credit foncier companies	453,689,499	2,126,525	455,816,024	136,959,379	1,904,251	138,863,630
Other financial institutions	4,448,737,000	2,240,716,288	6,689,453,288	1,406,101,899	2,351,232,349	3,757,334,248
Total domestic items	6,186,725,035	9,392,434,498	15,579,159,533	2,681,824,288	6,590,062,768	9,271,887,056

(2) Foreign items

	CONSOLIDATED FINANCIAL STATEMENTS					
	2003			2002		
	At Call Baht	Time Baht	Total Baht	At Call Baht	Time Baht	Total Baht
US Dollar	212,724,902	-	212,724,902	10,687,412	-	10,687,412
Other currencies	45,557,069	-	45,557,069	103,727	28,344,190	28,447,917
Total foreign items	258,281,971	-	258,281,971	10,791,139	28,344,190	39,135,329
Total domestic and foreign items	6,843,600,734	10,151,555,642	16,995,156,376	2,804,272,540	7,279,901,116	10,084,173,656

	THE BANK'S FINANCIAL STATEMENTS					
	2003			2002		
	At Call Baht	Time Baht	Total Baht	At Call Baht	Time Baht	Total Baht
US Dollar	212,724,902	-	212,724,902	10,687,412	-	10,687,412
Other currencies	45,557,069	-	45,557,069	103,727	28,344,190	28,447,917
Total foreign items	258,281,971	-	258,281,971	10,791,139	28,344,190	39,135,329
Total domestic and foreign items	6,445,007,006	9,392,434,498	15,837,441,504	2,692,615,427	6,618,406,958	9,311,022,385

#### 4.13 Securities sold under repurchased agreements

Securities sold under repurchased agreements classified by type of securities and the related repurchase market are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS					
	2003			2002		
	Repurchase	Other	Total	Repurchase	Other	Total
	Market at Bank of Thailand Baht	Repurchase Market Baht	Baht	Market at Bank of Thailand Baht	Repurchase Market Baht	Baht
Government bond and Bank of Thailand bond	80,000,000	-	80,000,000	-	-	-
Total	80,000,000	-	80,000,000	-	-	-

#### 4.14 Borrowings

	CONSOLIDATED FINANCIAL STATEMENTS					
	2003			2002		
	Domestic	Foreign	Total	Domestic	Foreign	Total
	Baht	Baht	Baht	Baht	Baht	Baht
Subordinated Debentures # 1 and # 2	-	-	-	7,920,000,000	-	7,920,000,000
Subordinated Debentures	12,922,000	-	12,922,000	12,922,000	-	12,922,000
Subordinated floating rate notes (US\$ 100.0 million)	-	3,963,632,540	3,963,632,540	-	4,319,644,540	4,319,644,540
Subordinated Debentures # 4 of Bank Of Ayudhya Public Company Limited (see Note 4.15)	13,000,000,000	-	13,000,000,000	13,000,000,000	-	13,000,000,000
Subordinated Debentures #5	12,000,000,000	-	12,000,000,000	-	-	-
Total borrowings	25,012,922,000	3,963,632,540	28,976,554,540	20,932,922,000	4,319,644,540	25,252,566,540

	THE BANK'S FINANCIAL STATEMENTS					
	2003			2002		
	Domestic	Foreign	Total	Domestic	Foreign	Total
	Baht	Baht	Baht	Baht	Baht	Baht
Subordinated Debentures # 1 and # 2	-	-	-	7,920,000,000	-	7,920,000,000
Subordinated floating rate notes (US\$ 100.0 million)	-	3,963,632,540	3,963,632,540	-	4,319,644,540	4,319,644,540
Subordinated Debentures # 4 of Bank of Ayudhya Public Company Limited (see Note 4.15)	13,000,000,000	-	13,000,000,000	13,000,000,000	-	13,000,000,000
Subordinated Debentures # 5	12,000,000,000	-	12,000,000,000	-	-	-
Total borrowings	25,000,000,000	3,963,632,540	28,963,632,540	20,920,000,000	4,319,644,540	25,239,644,540

Borrowings consist of the following :

4.14.1 Domestic subordinated debentures in the amount of Baht 8,000 million with maturity in 2005 and carrying floating interest payable quarterly at the rate of the Bank's highest 3 month time deposit rate plus 3.75% per annum and the minimum interest rate set at 12.5% per annum. However, the Bank has the right to redeem the debentures before the maturity date at the end of the fifth year or in 2003. During the year 2002, the Bank has repurchased such subordinated debentures in the amount of Baht 80 million before due date that the Bank already informed to BOT. The remaining amount of Baht 7,920 million has been redeemed since November 11, 2003.

4.14.2 Subordinated floating rate notes in the amount of US\$ 100 million with maturity in 2006 and carrying interest at the higher rate of six-month LIBOR plus 0.92% per annum for the years 1-5 and the higher rate of six-month LIBOR plus 2.25% per annum for the years 6-10.

- 4.14.3 Subordinated debentures in the amount of Baht 12.92 million issued by a subsidiary with maturity in 2006 and carrying interest at the fixed rate 10% per annum. However, the bond may be redeemed before due date by the subsidiary at end of year 5 or in 2004.
- 4.14.4 Subordinated debentures # 4 of Bank of Ayudhya Public Company Limited maturing in 2006 “Subordinated Debentures # 4” consist of 13,000,000 units at a par value of Baht 1,000 per unit totaling Baht 13,000 million. The debentures bear an interest at the rate of 22.0% p.a. plus a margin which will cover fees and expenses relating to the operations of the Fund. The Bank has the option to redeem the Debentures # 4 after 5 years or in 2004. Such redemption will be in full amount at par and upon the approval of the BOT.
- 4.14.5 On November 5, 2003, the Bank issued subordinated debentures #5 in the amount of Baht 12,000 million with maturity in 2013 at the fixed rate of 4% per annum for the years 1-5 and the higher rate of 4.75% per annum for the years 6-10, payable quarterly on the fifth of February, May, August and November of each year. However, the Bank has the right to redeem the debentures #5 before the maturity date under the approval of BOT.

4.15 Subordinated debentures cum preferred shares

**THE CONSOLIDATED AND THE BANK'S FINANCIAL STATEMENTS**

	2003			2002		
	Domestic Baht	Foreign Baht	Total Baht	Domestic Baht	Foreign Baht	Total Baht
Subordinated Debentures						
Subordinated Debentures # 3						
cum Preferred Shares of						
Bank of Ayudhya Public						
Company Limited	25,996,343,750	-	25,996,343,750	25,996,343,750	-	25,996,343,750
Less Advance Payment to						
the Fund	(13,000,000,000)	-	(13,000,000,000)	(13,000,000,000)	-	(13,000,000,000)
Total	<u>12,996,343,750</u>	<u>-</u>	<u>12,996,343,750</u>	<u>12,996,343,750</u>	<u>-</u>	<u>12,996,343,750</u>

On March 17, 1999, the Bank issued certain securities to the Preferred Shares-Subordinated Debentures of Bank of Ayudhya Public Company Limited Fund (the “Fund”) under the following terms and conditions:

- 4.15.1 Preferred Shares class A consisting of 325,000 shares with a par value of Baht 10 per share, issued at Baht 40,000 per share totaling Baht 13,000 million. The Preferred Shares are noncumulative. In the year the Bank records a profit without accumulated loss and pays dividend on ordinary shares, the Bank shall also pay dividend on preferred shares at the following rate:
1. In case the Bank continues to pay interest on the Subordinated Debentures # 3 in full on a due date pursuant to the terms and conditions of the Subordinated Debentures # 3 or in case the Subordinated Debentures # 3 have been redeemed, at the rate of Baht 1.00 per share or,
  2. In case the Bank does not pay interest on the Subordinated Debentures # 3 in full on a due date pursuant to the terms and conditions of the Subordinated Debentures # 3, at the rate equivalent to an annual amount of interest payable on Subordinated Debentures # 3 as to be mentioned below minus the amount of interest on Subordinated Debentures which the Bank is able to pay in such year.
- 4.15.2 Subordinated Debentures # 3 Cum Preferred Shares of Bank of Ayudhya Public Company Limited maturing upon the liquidation of the Bank. The Subordinated Debentures # 3 consist of 325,000 units at a par value of Baht 40,000 totaling Baht 13,000 million. The Debentures bear interest at the rate of 23.0% p.a. payable semi-annually on the last business day of April and October of each year. Such interest is payable only when a dividend is paid on Preferred Shares. The Bank has an option to pay part or full interest if the Bank has the right to pay or not to pay dividend on Preferred Shares. The interest unpaid in any year shall not be cumulative for payment in the following year. In any case, the Bank shall pay interest in any year in an amount which would not incur any loss to the Bank in such accounting year.

Under certain conditions and with approval from the BOT, the Bank can at its option redeem Subordinated Debentures # 3 before maturity. The conditions are as follows :

1. On or subsequent to the maturity date 5 years after issuance of the Subordinated Debentures # 3, or
2. The Bank is informed by the BOT that Subordinated Debentures # 3 Cum Preferred Shares no longer qualify as tier 1 capital of the Bank, or
3. Interest payments on Subordinated Debentures # 3 are no longer deductible as an expense for income tax purposes.

As part of the above transaction with the Fund, the Bank entered into a Master Investment Contract (the "Contract") that set forth certain terms and conditions herein for the securities sold to the Fund. In accordance with the Contract the Bank paid Baht 13,000 million to the Fund.

In addition, the Contract also stipulates that prior to redemption of the Debentures # 3, the Preferred Shares may only be transferred to another person if the Fund simultaneously transfers the Debentures # 3 to the same person and such person agrees to be bound by all conditions in the Contract. Upon redemption of the Debentures # 3, the liquidation preference of the Preferred Shares is reduced to par and each Preferred Share shall be converted into one ordinary share of the Bank.

The Bank accounted for the issue of preferred shares and subordinated debentures # 3 cum preferred shares in accordance with the ICAAT's interpretation and the presentation in the balance sheet as at December 31, 2003 and 2002, is as follows:

	<b>Baht</b>
Borrowings	12,996,343,750
Preferred shares	3,250,000
Premium on preferred shares	406,250

Had the Bank accounted for the issue under the BOT's guideline, the presentation in the balance sheet as at December 31, 2003 and 2002, would be as follows:

	<b>Baht</b>
Preferred shares	3,250,000
Premium on preferred shares	12,996,750,000

#### 4.16 Share capital

	<b>2003 Baht</b>	<b>2002 Baht</b>
Registered capital	78,503,250,000	78,503,250,000
Issued and paid-up share capital	28,503,250,000	18,503,250,000
Capital funds		

The Bank maintains its capital funds as a proportion of risk assets in accordance with the criteria, methodologies, and conditions prescribed by the Bank of Thailand. As at December 31, 2003 and 2002, the Bank's total capital funds can be categorized as follows :

	<b>2003 Baht</b>	<b>2002 Baht</b>
Tier 1 capital		
Issued and paid-up share capital	28,503,250,000	18,503,250,000
Premium on share capital	20,263,795,254	20,263,795,254
Statutory reserve	800,000,000	800,000,000
Other reserve	11,821,791,500	11,821,791,500
Net loss after appropriations	(37,619,987,461)	(40,666,224,392)
Subordinated debentures # 3 cum preferred shares*	12,996,343,750	12,996,343,750
Total Tier 1 capital	<u>36,765,193,043</u>	<u>23,718,956,112</u>
Tier 2 capital		
Assets revaluation surplus	2,386,082,924	2,404,485,854
Subordinated unsecured floating rate notes	18,382,596,521	11,797,400,000
Net investment revaluation surplus in securities available for sale	43,691,492	-
Reserve for normal assets	2,180,153,791	4,963,648,855
Total Tier 2 capital	<u>22,992,524,728</u>	<u>19,165,534,709</u>
Total capital before less item	59,757,717,771	42,884,490,821
Less : Investment in Tier 2 capital of other financial institutions	90,831,200	-
Total capital fund	<u>59,666,886,571</u>	<u>42,884,490,821</u>

\* Included in tier 1 as approved by BOT.

As at December 31, 2003 and 2002, the Bank maintained its capital adequacy ratio to total risk assets and commitments according to the BOT's regulation and procedures as follows:

	Percentage	
	2003	2002
Total capital	13.92	10.80
Tier 1 capital	8.58	5.97

The above ratios exclude net profit for the 6 month-period ended December 31, 2003 in the amount of Baht 1,067 million due to the fact that the amount is to be approved in the ordinary shareholders meeting before the calculation as tier 1 capital. If it included the aforementioned net profit, the Bank's total capital as at December 31, 2003 will be 14.26% and tier 1 capital ratio will be 8.82%.

On April 22, 2002, the ordinary shareholders' meeting passed a resolution to approve the decrease in the registered capital from Baht 55,503 million to Baht 18,503 million. On that date, the ordinary shareholders' meeting passed another resolution to approve the increase in the registered capital from Baht 18,503 million to Baht 78,503 million by an issuance of 6,000,000,000 new ordinary shares with a par value of Baht 10 each. A resolution was also passed to approve an issuance of not more than 4,000,000,000 units of warrants to purchase the Bank's ordinary shares offered for sale to local and international investors, and/or to 17 types of institutional investors in accordance with the relevant Notifications of the Securities and Exchange Commission, and/or to general public, and/or to the Bank's shareholders pro rata to their existing shareholding and/or to shareholders who subscribe for new shares and/or to existing shareholders who subscribe for new share more than their rights and/or to an individual shareholder or group of shareholders. In this regards, the Board of Directors, the Executive Board of Directors, the Chairman, the President and any person approved by the Board of Directors or Executive Board of Directors are authorized to determine and change the details and conditions in relation to the offering of shares, for example, number of shares, offering prices, offering period, procedures and other details as they deem appropriate.

Regarding the allocation of the 6,000,000,000 shares, the shareholders' meeting passed a resolution to approve the followings :

1. 1,000,000,000 new ordinary shares with a par value of Baht 10 each, to be allocated to existing shareholders pro rata to their existing shareholding.
2. 1,000,000,000 new ordinary shares with a par value of Baht 10 each, to be allocated to specific investors and/or to 17 types of institutional investors in accordance with the relevant Notifications of Securities and Exchange Commission.
3. Not more than 4,000,000,000 new ordinary shares with a par value of Baht 10 each, to accommodate the exercise of the warrants to purchase ordinary shares of the Bank.

In August 2003, the Bank offered to sell 1,000 million new ordinary shares at Baht 10 per share (amount of capital increase Baht 10,000 million) to institutional investors or specific investors according to the Notification of the Securities and Exchange Commission altogether with the right to be allocated with warrants to exercise for ordinary shares of the Bank at the offered price of Baht 0 per unit at the ratio of two new capital increase ordinary shares to one unit of warrant which amounted to 500 million units of warrants. In addition, the Bank offered to sell the warrants to exercise for ordinary shares of the Bank in the amount of 739.07 million units to the existing shareholders at the ratio of five existing shares to two units of warrants at the offered price of Baht 0 per unit. In total the warrants offered to sell amounted to 1,239.07 million units. The Bank has received the proceeds and registered the increase of paid-up capital with the Ministry of Commerce on August 29, 2003. Expenses arising from capital raising process are included in fees and service expenses in the income statement.

The significant details of warrants are summarized as follows:

Exercise ratio	: One unit of warrant will be entitled to the purchase of one ordinary share
Number of ordinary shares issued to accommodate the warrants	: 1,239.07 million shares
Exercise price	: Baht 12.00 per share
Term of warrant	: 5 years
Exercise period	: 4 times per year, on the last business day of March, June, September, and December of each year throughout the warrant's term. The first exercise date shall be on March 31, 2004

On February 25, 1999, at the extraordinary shareholders' meeting the shareholders passed the resolution on additional matters as follows :

1. Special Purpose Vehicle

The shareholders' meeting passed a resolution to set up, or hold shares or other securities in a subsidiary or a Special Purpose Vehicle (SPV) or a mutual fund for the purpose of raising fund from both in and outside Thailand investors.

2. Capital Securities

The shareholders' meeting passed a resolution to issue and offer for sale the Capital Securities of the Bank and to authorize the establishment or use of its foreign branch or subsidiaries or Special Purpose Vehicle (SPV) overseas to issue such Capital Securities, in an amount of not exceeding US\$ 1,000 million or an equivalent amount in other currency. Such Capital Securities shall be offered to specific investors and/or institutional investors as specified under the SEC regulations both in and outside Thailand.

3. Debentures

The shareholders' meeting passed a resolution to issue and sell debentures in the aggregate principal amount of not exceeding US\$ 2,500 million by issuing in Baht or in other currency in the equivalent amount to public and/or specific investors and/or institutional investors pursuant to the notification of the Securities and Exchange Commission (Thailand), both in and outside Thailand.

Details and conditions of the above matters shall be decided by the Board of Directors or the Executive Board of Directors or any person authorized by the Board of Directors or the Executive Board of Directors, or the Chairman or the President.

4.17 Statutory reserve and other reserve

4.17.1 Pursuant to the Public Limited Companies Act B.E. 2535 (1992) the Bank must allocate to a reserve fund from the annual net profit, not less than five percent of the annual net profit deducted by the total accumulated loss brought forward (if any) until the reserve fund reaches an amount not less than ten percent of the registered capital.

4.17.2 The Bank appropriated a part of annual profit as other reserve, which is treated as general reserve with no specific purpose.

4.18 Income tax

Income tax for the years ended December 31, 2003 and 2002, mainly consisted of income tax for foreign branches calculated separately from head office.

4.19 Contingencies

	CONSOLIDATED FINANCIAL STATEMENTS					
	2003			2002		
	Baht	Foreign Currencies	Total	Baht	Foreign Currencies	Total
		Baht	Baht		Baht	Baht
Avals to bills	2,027,102,873	-	2,027,102,873	2,444,174,183	-	2,444,174,183
Guarantees of loans	1,795,531,385	1,641,901,547	3,437,432,932	1,549,286,815	2,462,987,414	4,012,274,229
Other guarantees	20,112,486,430	3,965,355,131	24,077,841,561	15,821,021,326	4,850,194,814	20,671,216,140
Letters of credit	1,187,633,882	7,552,225,987	8,739,859,869	294,197,801	5,438,465,805	5,732,663,606
Exchange rate contracts						
Bought	-	31,581,407,659	31,581,407,659	-	16,157,688,340	16,157,688,340
Sold	-	50,400,076,769	50,400,076,769	-	39,559,549,372	39,559,549,372
Currency swap contracts						
Bought	631,191,527	-	631,191,527	632,075,955	-	632,075,955
Sold	-	983,169,227	983,169,227	-	966,804,635	966,804,635
Interest rate swap						
Bought	378,000,000	990,550,000	1,368,550,000	-	1,081,000,000	1,081,000,000
Sold	378,000,000	990,550,000	1,368,550,000	-	1,081,000,000	1,081,000,000
Unused overdraft limit	40,375,363,838	-	40,375,363,838	38,891,909,997	-	38,891,909,997
Others	4,095,576	2,378,959,126	2,383,054,702	4,822,265	2,122,531,990	2,127,354,255
<b>Total</b>	<b>66,889,405,511</b>	<b>100,484,195,446</b>	<b>167,373,600,957</b>	<b>59,637,488,342</b>	<b>73,720,222,370</b>	<b>133,357,710,712</b>

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	2003			2002		
	Baht	Foreign Currencies	Total	Baht	Foreign Currencies	Total
		Baht	Baht		Baht	Baht
Avals to bills	1,882,102,873	-	1,882,102,873	2,444,174,183	-	2,444,174,183
Guarantees of loans	1,790,531,385	1,641,901,547	3,432,432,932	1,544,286,815	2,462,987,414	4,007,274,229
Other guarantees	19,695,944,353	3,965,355,131	23,661,299,484	15,554,057,898	4,850,194,814	20,404,252,712
Letters of credit	1,187,633,882	7,552,225,987	8,739,859,869	294,197,801	5,438,465,805	5,732,663,606
Exchange rate contracts						
Bought	-	31,581,407,659	31,581,407,659	-	16,157,688,340	16,157,688,340
Sold	-	50,400,076,769	50,400,076,769	-	39,559,549,372	39,559,549,372
Currency swap contracts						
Bought	631,191,527	-	631,191,527	632,075,955	-	632,075,955
Sold	-	983,169,227	983,169,227	-	966,804,635	966,804,635
Interest rate swap						
Bought	518,000,000	990,550,000	1,508,550,000	-	1,081,000,000	1,081,000,000
Sold	518,000,000	990,550,000	1,508,550,000	-	1,081,000,000	1,081,000,000
Unused overdraft limit	40,375,363,838	-	40,375,363,838	38,891,909,997	-	38,891,909,997
Others	1,520,576	2,378,959,126	2,380,479,702	2,847,265	2,122,531,990	2,125,379,255
Total	66,600,288,434	100,484,195,446	167,084,483,880	59,363,549,914	73,720,222,370	133,083,772,284

As at December 31, 2003 and 2002, the Bank has commitments with regard to information technology in the amount of Baht 68 million and Baht 60 million, respectively.

As at December 31, 2003, the Bank entered into interest rate swap agreements of USD 25 million with a foreign bank effective for a period of 4 years from November 4, 2002 and January 14, 2003. The Bank will pay interest semi-annually at a fixed rate in exchange for a floating rate received.

4.20 Long-term lease

**December 31, 2003**

TYPE OF LEASE	PERIOD	RENTAL	
		CONSOLIDATED FINANCIAL STATEMENTS Baht	THE BANK'S FINANCIAL STATEMENTS Baht
Land and/or premises	Jan. 1, 2004 - Dec. 31, 2004	87,850,440	66,606,026
	Jan. 1, 2005 - Dec. 31, 2005	56,889,315	51,318,131
	Jan. 1, 2006 - Dec. 31, 2006	33,643,167	32,478,591
	Jan. 1, 2007 - Dec. 31, 2007	11,682,909	11,682,909
	Jan. 1, 2008 - Dec. 31, 2008	9,935,803	9,935,803
	Jan. 1, 2009 - Dec. 31, 2009	6,067,272	6,067,272
	Jan. 1, 2010 - Mar. 2, 2027	70,051,850	70,051,850
		<u>276,120,756</u>	<u>248,140,582</u>

**December 31, 2002**

TYPE OF LEASE	PERIOD	RENTAL	
		CONSOLIDATED FINANCIAL STATEMENTS Baht	THE BANK'S FINANCIAL STATEMENTS Baht
Land and/or premises	Jan. 1, 2003 - Dec. 31, 2003	73,645,804	54,328,052
	Jan. 1, 2004 - Dec. 31, 2004	51,022,896	33,355,472
	Jan. 1, 2005 - Dec. 31, 2005	21,950,145	19,826,202
	Jan. 1, 2006 - Dec. 31, 2006	11,697,718	11,697,718
	Jan. 1, 2007 - Dec. 31, 2007	11,365,892	11,365,892
	Jan. 1, 2008 - Dec. 31, 2008	10,372,921	10,372,921
	Jan. 1, 2009 - Mar. 2, 2027	82,207,984	82,207,984
		<u>262,263,360</u>	<u>223,154,241</u>

#### 4.21 Related-party transactions

The Bank has business transactions with subsidiaries, associated and related companies. Those transactions are with companies that have shareholding and/or major shareholders and/or joint directors with the Bank. Such related transactions are in the arm-length and normal business of the Bank which the pricing is changed at the market rate and has the same condition with the other customers, including the policy of providing allowance for doubtful accounts. The Bank has complied with the same BOT regulation as those granted to other debtors.

4.21.1 Loans to and commitment with certain officers from the levels of departmental chief upwards and the companies in which they and/or the Bank directors and/or the Bank owned 10% or more of each company's paid-up capital are as follows:

	<b>THE BANK'S FINANCIAL STATEMENTS</b>	
	<b>2003</b>	<b>2002</b>
	<b>Baht</b>	<b>Baht</b>
<b>Loans</b>		
Balance as at December 31,	8,282,336,056	8,581,145,699
Average balance at the end of the month	8,607,937,942	8,456,328,809
<b>Allowance for doubtful accounts as at December 31,</b>	358,765,974	401,659,408
<b>Commitments</b>		
Balance as at December 31,	357,671,160	938,773,151
Average balance at the end of the month	572,735,086	499,979,135

Certain information related to the aforementioned loans and commitments as at December 31, 2003 and 2002, are as follows :

##### December 31, 2003

	<b>Total Amount (Million Baht)</b>	<b>Maturity Date</b>	<b>Outstanding Balance</b>	
			<b>Secured (Million Baht)</b>	<b>Unsecured (Million Baht)</b>
Loans	8,282	Sep. 10, 1996 to Jan. 1, 2058	152	8,488
Commitments	358	Oct. 24, 2003 to Aug. 25, 2006		

As at December 31, 2003, the Bank charges interest rates of 1.00% - 14.50% on loans to these related parties, 6.50% - 14.50% on default loans and 1.75% - 8.25% on other loans.

##### December 31, 2002

	<b>Total Amount (Million Baht)</b>	<b>Maturity Date</b>	<b>Outstanding Balance</b>	
			<b>Secured (Million Baht)</b>	<b>Unsecured (Million Baht)</b>
Loans	8,581	Sep. 10, 1996 to Apr. 2, 2019	68	9,452
Commitments	939	Jan. 15, 2000 to Sep. 30, 2003		

As at December 31, 2002, the Bank charges interest rates of 2.00% - 14.50% on loans to these related parties, 8.00-14.50% on default loans and 2.50% - 9.50% on other loans.

4.21.2 In addition to 4.21.1, the Bank has loans and commitments to the companies which are related to the directors and/or major shareholders of the Bank as identified by having the same executive officers as the Bank and/or the companies in which the directors and/or shareholders of the Bank having significant voting right both direct and indirect.



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	2003 Baht	2002 Baht
<b>Loans</b>		
Balance as at December 31,	2,597,308,016	3,943,216,716
Average balance at the end of the month	2,943,468,904	3,476,116,897
<b>Allowance for doubtful accounts as at December 31,</b>	2,550,920	10,943,521
<b>Commitments</b>		
Balance as at December 31,	409,483,016	322,748,110
Average balance at the end of the month	404,170,738	207,564,230

Certain information related to the aforementioned loans and commitments as at December 31, 2003 and 2002, are as follows:

**December 31, 2003**

	Total Amount (Million Baht)	Maturity Date	Outstanding Balance	
			Secured (Million Baht)	Unsecured (Million Baht)
Loans	2,597	Jan. 30, 2004 to Oct. 18, 2012	} 2,656	} 351
Commitments	410	Oct. 30, 2003 to Dec. 25, 2010		

**December 31, 2002**

	Total Amount (Million Baht)	Maturity Date	Outstanding Balance	
			Secured (Million Baht)	Unsecured (Million Baht)
Loans	3,943	Jan 27, 2003 to Oct. 18, 2012	} 3,104	} 1,162
Commitments	323	Oct. 10, 2002 to Sep. 30, 2005		

Interest rates of loan as at December 31, 2003 and 2002, are equal to 4.50% - 6.25% and 2.90% - 8.00%, respectively.

4.21.3 The Bank has investments in and loans to subsidiaries, associated and the related companies as follows :

1. Investment in subsidiaries, associated and related companies

December 31, 2003

CONSOLIDATED FINANCIAL STATEMENTS

	Business Type	Registered Share Capital Baht	Ownership	Investment Cost Baht	Equity Baht	Dividend Amount Baht
<b>Subsidiaries</b>						
Siam Realty and Services Company Limited	Car rent, and personnel services	100,000,000	99.99%	99,999,400	291,104,862	-
K.S.Law Office Company Limited	Legal advisory services	2,000,000	99.99%	1,999,940	- 0 -	-
Ayudhya Services and Management Company Limited	Personnel services	15,000,000	99.99%	14,999,940	12,028,639	-
Ploenchit Advisory Company Limited	Financial advisory services	40,000,000	49.66%	23,999,930	23,754,456	-
<b>Associated companies</b>						
Ayudhya International Factors Company Limited	Factoring	250,000,000	49.99%	147,497,460	115,799,513	-
Krungsriayudhya Card Company Limited	Credit card	400,000,000	49.99%	199,999,960	189,050,368	-
Ayudhya JF Asset Management Limited.	Investment management	150,000,000	38.33%	51,263,810	121,426,831	38,524,799
Ayudhya Development Leasing Company Limited	Leasing	470,000,000	26.65%	125,248,310	163,728,404	6,262,416
<b>Related companies (10% - 20% holding)</b>						
Ayudhya Insurance Public Company Limited	Insurance	250,000,000	10.82%	414,697,088	-	-
Prachaup Port Company Limited	Commercial	400,000,000	10.00%	24,000,000	-	-
Thai U.S. Leather Company Limited	Manufacturing	193,750,000	10.00%	- 0 -	-	-
Asian Trade and Leasing Company Limited	Service	150,000,000	10.00%	15,000,000	-	-
Primavest Asset Management Company Limited	Investment management	125,000,000	10.00%	12,500,000	-	-
Thai Smart Card Company Limited	Service	197,500,000	10.00%	19,750,000	-	-

December 31, 2002

CONSOLIDATED FINANCIAL STATEMENTS

	Business Type	Registered Share Capital Baht	Ownership	Investment Cost Baht	Equity Baht	Dividend Amount Baht
<b>Subsidiaries</b>						
Siam Realty and Services Company Limited	Car rent, and personnel services	100,000,000	99.99%	99,999,400	273,503,850	-
K.S. Law Office Company Limited	Legal advisory services	2,000,000	99.99%	1,999,940	- 0 -	-
Ayudhya Services and Management Company Limited	Personnel services	15,000,000	99.99%	14,999,940	11,971,090	4,124,984
<b>Associated companies</b>						
Ayudhya International Factors Company Limited	Factoring	250,000,000	49.99%	147,497,460	106,516,804	-
Krungsriayudhya Card Company Limited	Credit card	25,000,000	49.99%	12,499,960	22,227,759	-
Ayudhya JF Asset Management Limited.	Investment management	150,000,000	38.33%	51,263,810	103,757,976	16,099,916
Ayudhya Development Leasing Company Limited	Leasing	470,000,000	26.65%	125,248,310	177,796,146	-
<b>Related companies (10% - 20% holding)</b>						
Prachaup Port Company Limited	Commercial	400,000,000	10.00%	24,000,000	-	-
Thai U.S. Leather Company Limited	Manufacturing	193,750,000	10.00%	- 0 -	-	-
Asian Trade and Leasing Company Limited	Service	150,000,000	10.00%	15,000,000	-	-
Primavest Asset Management Company Limited	Investment management	125,000,000	10.00%	12,500,000	-	-
Thai Smart Card Company Limited	Service	197,500,000	10.00%	19,750,000	-	-

December 31, 2003

THE BANK'S FINANCIAL STATEMENTS

	Business Type	Registered Share Capital Baht	Ownership	Investment Cost Baht	Equity Baht	Dividend Amount Baht
<b>Subsidiaries</b>						
Siam Realty and Services Company Limited	Car rent, and personnel services	100,000,000	99.99%	99,999,400	291,104,862	-
K.S. Law Office Company Limited	Legal advisory services	2,000,000	99.99%	1,999,940	- 0 -	-
Ayudhya Services and Management Company Limited	Personnel services	15,000,000	99.99%	14,999,940	12,028,639	-
Ayudhya Asset Management Company Limited	Assets management	770,472,500	99.99%	770,472,440	759,227,585	-
Ayudhya Investment and Trust Public Company Limited	Finance	2,850,000,000	79.33%	2,239,429,834	1,198,456,245	-
Ploenchit Advisory Company Limited	Financial advisory Services	40,000,000	49.66%	4,000,000	3,959,088	-
<b>Associated companies</b>						
Ayudhya International Factors Company Limited	Factoring	250,000,000	49.99%	147,497,460	115,799,513	-
Krungsiayudhya Card Company Limited	Credit card	400,000,000	49.99%	199,999,960	189,050,368	-
Ayudhya JF Asset Management Limited	Investment management	150,000,000	38.33%	51,263,810	121,426,831	38,524,799
Ayudhya Development Leasing Company Limited	Leasing	470,000,000	26.65%	125,248,310	163,728,404	6,262,416
<b>Related companies (10% - 20% holding)</b>						
Ayudhya Insurance Public Company Limited	Insurance	250,000,000	10.82%	414,697,088	-	-
Prachaup Port Company Limited	Commercial	400,000,000	10.00%	24,000,000	-	-
Thai U.S. Leather Company Limited	Manufacturing	193,750,000	10.00%	- 0 -	-	-
Asian Trade and Leasing Company Limited	Service	150,000,000	10.00%	15,000,000	-	-
Primavest Asset Management Company Limited	Investment management	125,000,000	10.00%	12,500,000	-	-
Thai Smart Card Company Limited	Service	197,500,000	10.00%	19,750,000	-	-

December 31, 2002

THE BANK'S FINANCIAL STATEMENTS

	Business Type	Registered Share Capital Baht	Ownership	Investment Cost Baht	Equity Baht	Dividend Amount Baht
<b>Subsidiaries</b>						
Siam Realty and Services Company Limited	Car rent, and personnel services	100,000,000	99.99%	99,999,400	273,503,850	-
K.S. Law Office Company Limited	Legal advisory services	2,000,000	99.99%	1,999,940	- 0 -	-
Ayudhya Services and Management Company Limited	Personnel services	15,000,000	99.99%	14,999,940	11,971,090	4,124,984
Ayudhya Asset Management Company Limited	Assets management	770,472,500	99.99%	770,472,440	742,328,517	-
Ayudhya Investment and Trust Public Company Limited	Finance	2,850,000,000	80.03%	2,259,238,246	1,065,151,392	-
<b>Associated companies</b>						
Ayudhya International Factors Company Limited	Factoring	250,000,000	49.99%	147,497,460	106,516,804	-
Krungsriayudhya Card Company Limited	Credit card	25,000,000	49.99%	12,499,960	22,227,759	-
Ayudhya JF Asset Management Limited	Investment management	150,000,000	38.33%	51,263,810	103,757,976	16,099,916
Ayudhya Development Leasing Company Limited	Leasing	470,000,000	26.65%	125,248,310	177,796,146	-
<b>Related companies (10% - 20% holding)</b>						
Prachaup Port Company Limited	Commercial	400,000,000	10.00%	24,000,000	-	-
Thai U.S. Leather Company Limited	Manufacturing	193,750,000	10.00%	- 0 -	-	-
Asian Trade and Leasing Company Limited	Service	150,000,000	10.00%	15,000,000	-	-
Primavest Asset Management Company Limited	Investment management	125,000,000	10.00%	12,500,000	-	-
Thai Smart Card Company Limited	Service	197,500,000	10.00%	19,750,000	-	-

2. Loans to the subsidiaries, associated and related companies and allowance for doubtful accounts.

	CONSOLIDATED		THE BANK'S	
	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS
	December 31,	December 31,	December 31,	December 31,
	2003	2002	2003	2002
	Baht	Baht	Baht	Baht
<b>Subsidiaries</b>				
Ayudhya Asset Management Company Limited	-	-	6,621,533,866	7,198,730,454
Siam Realty and Services Company Limited	75,000,000	-	75,000,000	-
Total	75,000,000	-	6,696,533,866	7,198,730,454
<u>Less Allowance for doubtful accounts</u>	<u>650,000</u>	<u>-</u>	<u>66,850,589</u>	<u>71,987,305</u>
Total	<u>74,350,000</u>	<u>-</u>	<u>6,629,683,277</u>	<u>7,126,743,149</u>
<b>Associated companies</b>				
Ayudhya International Factors Company Limited	439,692,491	265,000,000	439,692,491	265,000,000
Ayudhya Development Leasing Company Limited	462,295,104	746,435,402	462,295,104	746,435,402
Total	901,987,595	1,011,435,402	901,987,595	1,011,435,402
<u>Less Allowance for doubtful accounts</u>	<u>12,019,254</u>	<u>10,113,732</u>	<u>12,019,254</u>	<u>10,113,732</u>
Total	<u>889,968,341</u>	<u>1,001,321,670</u>	<u>889,968,341</u>	<u>1,001,321,670</u>
<b>Related companies</b>				
<b>(10% - 20% holding)</b>				
Thai U.S. Leather Company Limited	352,311,958	349,353,549	352,311,958	349,353,549
Ayudhya Insurance Public Company Limited	7,467,371	-	7,467,371	-
Total	359,779,329	349,353,549	359,779,329	349,353,549
<u>Less Allowance for doubtful accounts</u>	<u>279,730,358</u>	<u>319,539,706</u>	<u>279,730,358</u>	<u>319,539,706</u>
Total	<u>80,048,971</u>	<u>29,813,843</u>	<u>80,048,971</u>	<u>29,813,843</u>
<b>Related companies having joint major shareholders or directors</b>				
Great Fortune Equity Company Limited	300,568,616	346,312,616	300,568,616	346,312,616
BBTV Equity Company Limited	1,401,760,000	1,741,120,000	1,401,760,000	1,741,120,000
G.L. Asset Company Limited	124,999,400	174,999,800	124,999,400	174,999,800
Karat Faucet Company Limited	45,000,000	60,000,000	45,000,000	60,000,000
Grand Fortune Company Limited	20,000,000	8,964,300	20,000,000	8,964,300
Conwood Company Limited	380,000,000	178,500,000	380,000,000	178,500,000
Royal Porcelain Public Company Limited	324,980,000	433,320,000	324,980,000	433,320,000
Siam City Public Company Limited	-	1,000,000,000	-	1,000,000,000
Total	2,597,308,016	3,943,216,716	2,597,308,016	3,943,216,716
<u>Less Allowance for doubtful accounts</u>	<u>2,550,920</u>	<u>10,943,521</u>	<u>2,550,920</u>	<u>10,943,521</u>
Total	<u>2,594,757,096</u>	<u>3,932,273,195</u>	<u>2,594,757,096</u>	<u>3,932,273,195</u>

The aforementioned loans carry interest at substantially the same rates and are subject substantially to the same conditions as those granted to the other customers.

As at December 31, 2003 and 2002, the Bank loaned to Ayudhya Asset Management Company Limited of Baht 5,353 million and Baht 5,597 million, respectively for 10-year term loan and Baht 1,269 million and Baht 1,602 million, respectively for 5-year term loan.

Contract date	Period	Interest Rate
Before July 29, 2003	Effective date to September 2, 2003 September 3, 2003 to due date	2% per annum
After July 29, 2003		Fixed deposit rate (12 - month)
	July 30, 2003 to due date	Fixed deposit rate (12 - month)

The repayment will be commenced in the fourth year onwards at the amount specified in the agreement.

4.21.4 Account balances between the Bank and its subsidiary company, associated companies and related companies as at December 31, 2003 and 2002, in the balance sheet and for the years ended December 31, 2003 and 2002, in statement of income are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2003	2002	2003	2002
	Baht	Baht	Baht	Baht
<b>Balance Sheets</b>				
<b>Subsidiaries</b>				
Investment securities				
- Debenture	-	-	227,078,000	227,078,000
Cash advance	210,710,874	211,242,984	210,710,874	211,242,984
Other assets	-	-	4,467,710	3,294,833
Deposit	42,602,016	93,090,893	54,282,170	96,566,737
Interbank and money market items (liabilities)	-	-	75,485,129	44,604,124
Other liabilities	-	-	24,219,103	16,697,605
Contingencies	-	-	149,438,443	7,963,180
<b>Associated companies</b>				
Other assets	87,691,815	1,432,726	87,691,815	1,432,726
Deposit	400,868,161	354,093,698	400,868,161	354,093,698
Other liabilities	746,000	-	746,000	-
Contingencies	335,699,252	884,250,446	335,699,252	884,250,446
<b>Statements of Income</b>				
<b>Subsidiaries</b>				
Interest and dividend income	1,273,459	6,307	143,530,989	167,691,154
Interest expenses	274,398	174,786	323,414	195,181
Non-interest income	990,060	61,694	7,078,236	1,985,433
Non-interest expenses	495,155,320	457,239,324	498,331,118	458,412,488
<b>Associated companies</b>				
Interest and dividend income	59,224,241	50,652,493	59,224,241	50,652,493
Interest expenses	354,958	418,920	354,958	418,920
Non-interest income	143,987,223	72,062,273	143,987,223	72,062,273
Non-interest expenses	5,384,000	18,441,749	5,384,000	18,441,749

Significant transactions between the Bank, subsidiaries, associated and related companies are determined using the borrowing cost as in the normal business practice and same conditions as other customers.

4.21.5 For the years ended December 31, 2003, and 2002, the Bank entered into agreements to sell the impaired assets and the related rights with Ayudhya Asset Management Company Limited, a wholly owned subsidiary. The Bank sold the immovable properties foreclosed having the book value of Baht 405 million and Baht 1,150 million, respectively. The Bank has no gain or loss occurred from sale of such properties and the Bank has already collected such amount in full. The Bank also sold impaired assets which are classified as doubtful of loss according to BOT's notification and had no carrying value. The Bank had the intention to sell out such impaired assets to its subsidiary without any obligation to refund or buy back or transfer back.

For the year ended December 31, 2003, the Bank entered into an Assets Transfer Agreement with Ayudhya Asset Management Company Limited in order to transfer impaired assets including rights over the collateral of which its net book value at the date of transfer is Baht 29 million and the Bank has already collected such amount in full.

4.22 Benefits given to the Directors and Executive Officers

The Bank has no special benefits given to the directors and executive officers beyond the general benefits made as usual, i.e. remuneration, transportation, salary and bonus (if any).

4.23 Position and results of operations classified by domestic and foreign business.

(1) Position classified by type of business segment

**CONSOLIDATED FINANCIAL STATEMENTS**

2003

	<b>Domestic Baht</b>	<b>Foreign Baht</b>	<b>Elimination Baht</b>	<b>Total Baht</b>
Total assets	518,748,432,468	9,751,332,242	4,377,373,087	524,122,391,623
Interbank and money market items	9,225,470,865	2,445,384,702	-	11,670,855,567
Investments, net	57,857,129,958	3,006,200,491	-	60,863,330,449
Loans	401,168,716,086	1,052,518,793	-	402,221,234,879
Deposits	425,184,212,267	156,734,276	-	425,340,946,543
Interbank and money market items	16,995,156,376	-	-	16,995,156,376
Borrowings	25,012,922,000	3,963,632,540	-	28,976,554,540
Total commitments	158,376,310,548	8,997,290,409	-	167,373,600,957

**CONSOLIDATED FINANCIAL STATEMENTS**

2002

	<b>Domestic Baht</b>	<b>Foreign Baht</b>	<b>Elimination Baht</b>	<b>Total Baht</b>
Total assets	464,950,092,824	6,899,747,199	3,329,810,480	468,520,029,543
Interbank and money market items	19,087,748,468	1,229,626,119	-	20,317,374,587
Investments, net	37,669,936,492	1,130,230,072	-	38,800,166,564
Loans	377,567,908,907	1,268,232,227	-	378,836,141,134
Deposits	395,306,803,025	131,801,026	-	395,438,604,051
Interbank and money market items	10,084,173,656	-	-	10,084,173,656
Borrowings	20,932,922,000	4,319,644,540	-	25,252,566,540
Total commitments	129,180,856,537	4,176,854,175	-	133,357,710,712

**THE BANK'S FINANCIAL STATEMENTS**

2003

	<b>Domestic Baht</b>	<b>Foreign Baht</b>	<b>Elimination Baht</b>	<b>Total Baht</b>
Total assets	510,563,963,690	9,751,332,242	4,377,373,087	515,937,922,845
Interbank and money market items	8,765,961,252	2,445,384,702	-	11,211,345,954
Investments, net	57,623,644,366	3,006,200,491	-	60,629,844,857
Loans	394,519,819,276	1,052,518,793	-	395,572,338,069
Deposits	420,509,132,303	156,734,276	-	420,665,866,579
Interbank and money market items	15,837,441,504	-	-	15,837,441,504
Borrowings	25,000,000,000	3,963,632,540	-	28,963,632,540
Total commitments	158,087,193,471	8,997,290,409	-	167,084,483,880

**THE BANK'S FINANCIAL STATEMENTS**

2002

	<b>Domestic Baht</b>	<b>Foreign Baht</b>	<b>Elimination Baht</b>	<b>Total Baht</b>
Total assets	460,014,242,946	6,899,747,199	3,329,810,480	463,584,179,665
Interbank and money market items	18,763,805,840	1,229,626,119	-	19,993,431,959
Investments, net	37,545,043,420	1,130,230,072	-	38,675,273,492
Loans	374,572,365,257	1,268,232,227	-	375,840,597,484
Deposits	391,781,423,054	131,801,026	-	391,913,224,080
Interbank and money market items	9,311,022,385	-	-	9,311,022,385
Borrowings	20,920,000,000	4,319,644,540	-	25,239,644,540
Total commitments	128,906,918,109	4,176,854,175	-	133,083,772,284



## (2) Results of operations classified by type of business segment

**CONSOLIDATED FINANCIAL STATEMENTS**

	2003			
	Domestic Baht	Foreign Baht	Elimination Baht	Total Baht
Interest and dividend income	19,146,415,747	148,555,484	-	19,294,971,231
Interest expenses	10,563,473,317	154,557,458	-	10,718,030,775
Net interest income	8,582,942,430	(6,001,974)	-	8,576,940,456
Non-interest income	13,196,255,459	217,754,796	5,580,999,491	7,833,010,764
Non-interest expenses	18,747,051,652	94,986,565	5,580,999,491	13,261,038,726
Income before tax	3,032,146,237	116,766,257	-	3,148,912,494

**CONSOLIDATED FINANCIAL STATEMENTS**

	2002			
	Domestic Baht	Foreign Baht	Elimination Baht	Total Baht
Interest and dividend income	19,349,516,319	123,833,334	-	19,473,349,653
Interest expenses	12,345,307,368	205,086,292	-	12,550,393,660
Net interest income	7,004,208,951	(81,252,958)	-	6,922,955,993
Non-interest income	8,877,160,314	243,138,292	4,612,966,032	4,507,332,574
Non-interest expenses	13,817,667,314	71,352,623	4,612,966,032	9,276,053,905
Income before tax	2,063,701,951	90,532,711	-	2,154,234,662

**THE BANK'S FINANCIAL STATEMENTS**

	2003			
	Domestic Baht	Foreign Baht	Elimination Baht	Total Baht
Interest and dividend income	18,932,243,280	148,555,484	-	19,080,798,764
Interest expenses	10,464,860,997	154,557,458	-	10,619,418,455
Net interest income	8,467,382,283	(6,001,974)	-	8,461,380,309
Non-interest income	12,223,638,373	217,754,796	5,580,999,491	6,860,393,678
Non-interest expenses	17,748,371,312	94,986,565	5,580,999,491	12,262,358,386
Income before tax	2,942,649,344	116,766,257	-	3,059,415,601

**THE BANK'S FINANCIAL STATEMENTS**

	2002			
	Domestic Baht	Foreign Baht	Elimination Baht	Total Baht
Interest and dividend income	19,186,768,168	123,833,334	-	19,310,601,502
Interest expenses	12,244,880,640	205,086,292	-	12,449,966,932
Net interest income	6,941,887,528	(81,252,958)	-	6,860,634,570
Non-interest income	8,271,815,261	243,138,292	4,612,966,032	3,901,987,521
Non-interest expenses	13,182,066,868	71,352,623	4,612,966,032	8,640,453,459
Income before tax	2,031,635,921	90,532,711	-	2,122,168,632

Income and expenses between the head office and branches or inter-branches are determined by the head office at the rate which approximates actual cost.

## 4.24 Provident and pension funds

The Bank has both a staff leaving gratuities plan where employees are beneficiary in the form of pension for those leaving and provident fund for its employees who are required to make contributions. The pension shall be paid to employees leaving after having completed at least 10 years of continuous services determined on the basis of length of service and the amount of the last pay received. The staff leaving gratuities plan shall be effective for employees who have been in service before January 1, 1998 only.

On January 1, 1998, the Bank established the provident fund for its employees to replace the staff leaving gratuities plan previously set up. Every employee being a member of the fund is required to make contributions at the rate of not less than 3% of salary but not more than the Bank's contribution. The Bank will contribute 3% for employees whose service periods are less than 10 years, 7% and 10% for those whose service periods reach 10 years and 20 years, respectively. The Bank's contributions are recorded as an expense in the statement of income. The fund is managed by an authorized fund manager.

After the establishment of provident fund, an amount to be paid to an entitled employee when leaving shall be firstly disbursed from the provident fund. If the estimated contributions made by the Bank and interest thereon are less than the pension receivable under the staff leaving gratuities plan, the Bank shall make payment for the difference through disbursement from the pension fund.

#### 4.25 Disclosure of financial instruments

The Bank has disclosed the financial instruments both on-balance sheet and off-balance sheet in accordance with the Thai Accounting Standard No. 48, Presentations and Disclosure of Financial Instruments.

For off-balance sheet financial instruments, the Bank is a party to financial instruments with off-balance sheet risk in the normal course of business to meet the financing needs of its customers and to reduce its own exposure to fluctuations in interest rates and foreign exchange rates. These financial instruments include commitments to extend credit, standby letters of credit, financial guarantees, interest rate swap and forward foreign exchange contracts. Those instruments involve, to varying degrees, elements of credit and foreign exchange risk in excess of the amount recognized in the financial statements. The contract or notional amounts of those instruments reflect the extent of the Bank's involvement in particular classes of financial instruments.

The Bank does not speculate in or engage in the trading of any derivative financial instruments.

#### **Accounting policies**

Details of significant accounting policies and methods adopted, including criteria of recognition, the basis of measurement and the basis on which revenues and expenses are recognized, in respect of each class of financial assets and financial liabilities are disclosed in Note 3.

#### **Credit risk**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Bank. The Bank has adopted the policy of dealing with counterparts and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial losses from defaults.

In the case of recognized financial assets, the carrying amount of the assets recorded in the balance sheet, net of a portion of allowance for doubtful accounts (see Note 4.7), represents the Bank's maximum exposure to credit risk.

The Bank considers that there is no significant concentration of credit risk due to a large number of customers and counterparties in different industries.

Credit risk also arises from the possibility that the counterparty to off-balance-sheet financial instrument will not adhere to the terms of the contract with the Bank when settlement becomes due.

The Bank's exposure to credit loss in the event of nonperformance by the other party to the financial instrument for commitments to extend credit, standby letters of credit, and financial guarantees written is represented by the contractual notional amount of those instruments. The Bank uses the same credit policies in making commitments and conditional obligations as it does for on balance sheet instruments. For interest rate swap and forward foreign exchange contracts, the contract or notional amounts do not represent exposure to credit loss. The Bank controls the credit risk of its derivatives instruments through prudent credit approvals, limits, and strict monitoring procedures.

As at December 31, 2003 and 2002, the Bank has credit equivalent of off-balance sheet financial instruments which remained undue as follows :

	<b>Unit : Million Baht</b>	
	<b>2003</b>	<b>2002</b>
Spot and forward foreign bought exchange contracts	179	220
Spot and forward foreign sold exchange contracts	773	73

### Interest rate risk

Interest rate risk in the balance sheet arises from the potential for a change in interest rates to have an adverse effect on the net interest earnings of the Bank in the current reporting period, and in future years. Interest rate risk arises from the structure and characteristics of the Bank's assets, liabilities and equity, and in the mismatch in repricing dates of its assets and liabilities.

### Foreign exchange rate risk

The Bank serves primarily as intermediary agent in foreign exchange transactions to its customers. For asset and liability management purposes, the Bank manages foreign exchange risk and interest rate risk by entering into forward foreign exchange contract and currency and interest rate swap contract.

The Bank enters into forward foreign exchange contracts as part of its risk management strategy primarily to manage the market risk arising from the Bank underlying assets and liabilities and to offset risk created by its customers. The utilization of forward foreign exchange contracts for these purposes is governed by policies and guidelines approved by Board of Directors and controlling procedures set by the Assets and Liabilities Committee.

The Bank and its subsidiaries have summarized financial assets and liabilities classified on maturity of interest repricing period as at December 31, 2003 and 2002, as follow :

CONSOLIDATED FINANCIAL STATEMENTS							
2003							
	0 - 3 Months	3 - 12 Months	1 - 5 Years	Greater than 5 Years	Non - Performing Loans	Non - Interest Bearing	Total
	Baht	Baht	Baht	Baht	Baht	Baht	Baht
<b>Financial assets</b>							
Interbank and money market items and securities purchased under resale agreement	21,434,531,579	27,346,569	62,834,911	1,326,406,357	-	9,019,736,151	31,870,855,567
Investments, net	6,967,309,188	10,785,898,452	10,475,805,112	10,661,159,523	-	21,973,158,174	60,863,330,449
Loans	265,918,413,840	6,704,702,849	15,808,680,605	45,931,279,420	66,098,841,799	1,759,316,366	402,221,234,879
<b>Financial liabilities</b>							
Deposits	306,654,571,998	55,023,028,574	52,236,422,914	-	-	11,426,923,057	425,340,946,543
Interbank and money market items and securities sold under repurchase agreement	12,446,099,302	1,440,862,396	1,168,044,159	293,072,000	-	1,727,078,519	17,075,156,376
Borrowings	3,963,632,540	-	13,012,922,000	12,000,000,000	-	-	28,976,554,540
Subordinated debentures cum preferred shares	-	-	-	12,996,343,750	-	-	12,996,343,750

CONSOLIDATED FINANCIAL STATEMENTS							
2002							
	0 - 3 Months	3 - 12 Months	1 - 5 Years	Greater than 5 Years	Non - Performing Loans	Non - Interest Bearing	Total
	Baht	Baht	Baht	Baht	Baht	Baht	Baht
<b>Financial assets</b>							
Interbank and money market items and securities purchased under resale agreement	6,369,981,245	-	7,636,935	83,867,300	-	17,105,889,107	23,567,374,587
Investments, net	6,418,549,459	4,106,127,578	11,522,610,105	12,295,240,310	-	4,457,639,112	38,800,166,564
Loans	110,335,916,479	9,015,908,214	53,369,475,833	124,633,823,052	81,154,664,303	326,353,253	378,836,141,134
<b>Financial liabilities</b>							
Deposits	280,891,697,194	67,553,624,166	39,149,206,485	-	-	7,844,076,206	395,438,604,051
Interbank and money market items and Securities sold under repurchase agreement	6,538,046,137	708,463,296	1,667,991,125	147,172,000	-	1,022,501,098	10,084,173,656
Borrowings	4,319,644,540	-	20,932,922,000	-	-	-	25,252,566,540
Subordinated debentures cum preferred shares	-	-	-	12,996,343,750	-	-	12,996,343,750

**THE BANK'S FINANCIAL STATEMENTS**

2003

	0 - 3 Months	3 - 12 Months	1 - 5 Years	Greater than 5 Years	Non - Performing Loans	Non - Interest Bearing	Total
	Baht	Baht	Baht	Baht	Baht	Baht	Baht
<b>Financial assets</b>							
Interbank and money market items and securities purchased under resale agreement	21,173,164,917	27,346,569	62,834,911	1,326,406,357	-	8,821,593,200	31,411,345,954
Investments, net	6,664,050,532	10,704,534,643	9,091,264,982	10,530,557,203	-	23,639,437,497	60,629,844,857
Loans	269,074,603,220	6,372,420,378	14,642,908,627	45,644,172,931	59,746,736,977	91,495,936	395,572,338,069
<b>Financial liabilities</b>							
Deposits	303,850,691,946	53,461,797,921	51,914,773,501	-	-	11,438,603,211	420,665,866,579
Interbank and money market items and securities sold under repurchase agreement	11,737,899,302	1,085,862,396	920,123,015	293,072,000	-	1,800,484,791	15,837,441,504
Borrowings	3,963,632,540	-	13,000,000,000	12,000,000,000	-	-	28,963,632,540
Subordinated debentures cum preferred shares	-	-	-	12,996,343,750	-	-	12,996,343,750

**THE BANK'S FINANCIAL STATEMENTS**

2002

	0 - 3 Months	3 - 12 Months	1 - 5 Years	Greater than 5 Years	Non - Performing Loans	Non - Interest Bearing	Total
	Baht	Baht	Baht	Baht	Baht	Baht	Baht
<b>Financial assets</b>							
Interbank and money market items and securities purchased under resale agreement	6,088,370,616	-	7,636,935	83,867,300	-	17,063,557,108	23,243,431,959
Investments, net	6,089,434,429	3,855,626,915	10,671,813,754	12,056,493,570	-	6,001,904,824	38,675,273,492
Loans	115,371,035,776	8,479,236,600	52,791,320,853	124,532,020,492	74,666,983,763	-	375,840,597,484
<b>Financial liabilities</b>							
Deposits	278,604,540,479	66,321,925,570	39,139,206,485	-	-	7,847,551,546	391,913,224,080
Interbank and money market items and securities sold under repurchase agreement	6,073,290,742	355,463,296	1,669,797,976	147,172,000	-	1,065,298,371	9,311,022,385
Borrowings	4,319,644,540	-	20,920,000,000	-	-	-	25,239,644,540
Subordinated debentures cum preferred shares	-	-	-	12,996,343,750	-	-	12,996,343,750

### Interest bearing financial instruments

The following table presents the Bank's average balance and interest amount for the years ended December 31, 2003 and 2002, as follows :

	Unit : Million Baht					
	CONSOLIDATED FINANCIAL STATEMENTS					
	2003			2002		
	Average Balance (12 months)	Interest Amount	Average Rate %	Average Balance (12 months)	Interest Amount	Average Rate %
Interest earning financial assets						
Interbank and money market items	8,504	164	1.9	11,830	323	2.7
Securities purchased under resale agreement	24,195	337	1.4	19,473	365	1.9
Investments	48,315	1,253	2.6	38,370	1,523	4.0
Loans	381,426	16,991	4.5	369,241	17,137	4.6
Total	<u>462,440</u>	<u>18,745</u>		<u>438,914</u>	<u>19,348</u>	
Interest bearing financial liabilities						
Deposits	404,883	6,664	1.6	380,313	8,250	2.2
Interbank and money market items	12,608	103	0.8	8,721	151	1.7
Securities sold under repurchase agreement	1	-	-	1	-	-
Borrowings	39,297	3,942	10.0	38,285	4,047	10.6
Total	<u>456,789</u>	<u>10,709</u>		<u>427,320</u>	<u>12,448</u>	

	Unit : Million Baht					
	THE BANK'S FINANCIAL STATEMENTS					
	2003			2002		
	Average Balance (12 months)	Interest Amount	Average Rate %	Average Balance (12 months)	Interest Amount	Average Rate %
Interest earning financial assets						
Interbank and money market items	8,500	164	1.9	11,822	323	2.7
Securities purchased under resale agreement	23,968	334	1.4	19,188	360	1.9
Investments	46,335	1,198	2.6	37,024	1,450	3.9
Loans	382,711	16,902	4.4	365,135	16,939	4.6
Total	<u>461,514</u>	<u>18,598</u>		<u>433,169</u>	<u>19,072</u>	
Interest bearing financial liabilities						
Deposits	400,150	6,579	1.6	376,866	8,173	2.2
Interbank and money market items	11,921	90	0.8	8,058	129	1.6
Borrowings	38,743	3,941	10.2	38,272	4,046	10.6
Total	<u>450,814</u>	<u>10,610</u>		<u>423,196</u>	<u>12,348</u>	

## Maturities of financial assets and liabilities

The following table presents the Bank and its subsidiaries' maturities of financial assets and liabilities as at December 31, 2003 and 2002, as follows :

CONSOLIDATED FINANCIAL STATEMENTS								
2003								
	Call	0 - 3 Months	3 - 12 Months	1 - 5 Years	Greater than 5 Years	Non-Performing Loans	No Maturity	Total
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
<b>Financial assets</b>								
Interbank and money market								
items and securities purchased								
under resale agreement	9,053,072,168	21,330,678,590	27,346,569	62,834,911	1,326,406,357	-	70,516,972	31,870,855,567
Investments	-	6,649,747,144	11,045,665,384	10,976,845,683	11,572,960,789	-	20,618,111,449	60,863,330,449
Loans	65,327,666,543	58,863,478,003	20,388,910,274	49,590,229,382	118,183,373,041	66,098,841,799	23,768,735,837	402,221,234,879
<b>Financial liabilities</b>								
Deposits								
175,906,236,119	142,502,158,925	55,142,918,143	51,789,633,356	-	-	-	-	425,340,946,543
Interbank and money market								
items and securities sold under								
repurchase agreement								
6,843,600,734	7,329,778,088	1,440,661,395	1,168,044,159	293,072,000	-	-	-	17,075,156,376
Borrowings								
-	-	-	16,976,554,540	12,000,000,000	-	-	-	28,976,554,540
Subordinated debentures cum								
preferred shares								
-	-	-	-	-	-	-	12,996,343,750	12,996,343,750
CONSOLIDATED FINANCIAL STATEMENTS								
2002								
	Call	0 - 3 Months	3 - 12 Months	1 - 5 Years	Greater than 5 Years	Non-Performing Loans	No Maturity	Total
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
<b>Financial assets</b>								
Interbank and money market								
items and securities purchased								
under resale agreement	17,243,716,577	6,085,720,251	14,010,963	7,636,935	83,867,300	-	132,422,561	23,567,374,587
Investments	434,822,005	5,733,868,710	4,062,964,486	11,576,772,846	12,534,099,405	-	4,457,639,112	38,800,166,564
Loans	31,407,079,927	70,849,882,751	11,909,544,955	49,870,017,446	117,161,371,238	81,154,664,303	16,483,580,514	378,836,141,134
<b>Financial liabilities</b>								
Deposits								
147,409,166,127	141,023,279,054	66,937,732,924	40,068,425,946	-	-	-	-	395,438,604,051
Interbank and money market								
items and securities sold under								
repurchase agreement								
2,884,631,195	4,727,550,039	656,829,297	1,667,991,125	147,172,000	-	-	-	10,084,173,656
Borrowings								
-	-	-	25,252,566,540	-	-	-	-	25,252,566,540
Subordinated debentures cum								
preferred shares								
-	-	-	-	-	-	-	12,996,343,750	12,996,343,750
THE BANK'S FINANCIAL STATEMENTS								
2003								
	Call	0 - 3 Months	3 - 12 Months	1 - 5 Years	Greater than 5 Years	Non-Performing Loans	No Maturity	Total
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
<b>Financial assets</b>								
Interbank and money market								
items and securities purchased								
under resale agreement	8,854,913,066	21,069,328,079	27,346,569	62,834,911	1,326,406,357	-	70,516,972	31,411,345,954
Investments	-	6,549,247,144	11,025,718,733	9,537,422,797	11,233,065,412	-	22,284,390,771	60,629,844,857
Loans	62,658,374,115	64,540,469,543	19,751,736,488	47,093,622,808	118,012,662,301	59,746,736,977	23,768,735,837	395,572,338,069
<b>Financial liabilities</b>								
Deposits								
175,442,910,437	140,173,284,709	53,581,687,490	51,467,983,943	-	-	-	-	420,665,866,579
Interbank and money market								
items and securities sold under								
repurchase agreement								
6,445,007,006	7,093,578,088	1,085,661,395	920,123,015	293,072,000	-	-	-	15,837,441,504
Borrowings								
-	-	-	16,963,632,540	12,000,000,000	-	-	-	28,963,632,540
Subordinated debentures cum								
preferred shares								
-	-	-	-	-	-	-	12,996,343,750	12,996,343,750

**THE BANK'S FINANCIAL STATEMENTS**

2002

	Call	0 - 3 Months	3 - 12 Months	1 - 5 Years	Greater than 5 Years	Non-Performing Loans	No Maturity	Total
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
<b>Financial assets</b>								
Interbank and money market items and securities purchased under resale agreement								
	17,173,248,341	5,832,245,859	14,010,963	7,636,935	83,867,300	-	132,422,561	23,243,431,959
Investments								
	434,822,005	5,654,612,424	3,855,626,915	10,671,813,754	12,056,493,570	-	6,001,904,824	38,675,273,492
Loans								
	30,625,666,112	70,518,108,891	11,332,461,453	50,261,081,827	121,952,714,924	74,666,983,763	16,483,580,514	375,840,597,484
<b>Financial liabilities</b>								
Deposits								
	146,830,901,044	139,317,862,763	65,706,034,327	40,058,425,946	-	-	-	391,913,224,080
Interbank and money market items and securities sold under repurchase agreement								
	2,772,973,073	4,417,250,039	303,829,297	1,669,797,976	147,172,000	-	-	9,311,022,385
Borrowings								
	-	-	-	25,239,644,540	-	-	-	25,239,644,540
Subordinated debentures cum preferred shares								
	-	-	-	-	-	-	12,996,343,750	12,996,343,750

**Estimated fair value of financial instruments**

The fair values of financial instruments have been estimated by the Bank using available market information and appropriate valuation methodologies for each type of financial instrument. A summary of carrying amounts and fair value of financial instruments as at December 31, 2003 and 2002, is as follows :

**CONSOLIDATED FINANCIAL STATEMENTS**

2003

2002

	Carrying Amount Baht	Fair Value Baht	Carrying Amount Baht	Fair Value Baht
<b>Financial assets :</b>				
Cash, interbank and money market items	24,753,277,127	24,753,277,127	30,714,361,028	30,714,314,870
Securities purchased under resale agreements	20,200,000,000	20,200,000,000	3,250,000,000	3,250,000,000
Current investments, net	21,183,130,851	21,183,460,319	9,444,976,093	9,445,623,986
Long-term investment, net	38,763,306,525	42,210,439,729	28,659,416,846	28,836,614,550
Investment in subsidiary and associated companies, net	916,893,073	916,893,073	695,773,625	695,773,625
Loans receivable and accrued interest receivable, net	382,614,659,005	382,614,659,005	360,703,612,472	360,703,612,472
Customers' liabilities under acceptances	1,314,021,289	1,314,021,289	1,239,788,435	1,239,788,435
<b>Financial liabilities :</b>				
Deposits	425,340,946,543	423,947,474,485	395,438,604,051	393,010,680,686
Interbank and money market items	16,995,156,376	16,995,003,311	10,084,173,656	10,080,746,078
Liabilities payable on demand	2,211,945,021	2,211,945,021	790,586,632	790,586,632
Securities sold under repurchase agreements	80,000,000	80,000,000	-	-
Borrowings	28,976,554,540	28,112,081,199	25,252,566,540	28,525,717,016
Subordinated debentures cum preferred shares	12,996,343,750	12,867,215,184	12,996,343,750	9,551,951,076
Bank's liabilities under acceptances	1,314,021,289	1,314,021,289	1,239,788,435	1,239,788,435
Accrued interest payable	1,289,618,900	1,289,618,900	1,882,782,396	1,882,782,396

**THE BANK'S FINANCIAL STATEMENTS**

	2003		2002	
	Carrying Amount Baht	Fair Value Baht	Carrying Amount Baht	Fair Value Baht
<b>Financial assets :</b>				
Cash, interbank and money market items	24,288,261,422	24,288,261,422	30,390,260,940	30,390,260,940
Securities purchased under resale agreements	20,200,000,000	20,200,000,000	3,250,000,000	3,250,000,000
Current investment, net	19,618,541,892	19,618,541,892	7,900,473,995	7,900,479,577
Long-term investment, net	38,156,521,430	41,538,958,971	28,271,545,963	28,405,979,738
Investment in subsidiary and associated companies, net	2,854,781,535	2,854,781,535	2,503,253,534	2,503,253,534
Loans receivable and accrued interest receivable, net	377,691,241,181	377,691,241,181	358,857,800,611	358,857,800,611
Customers' liabilities under acceptances	1,314,021,289	1,314,021,289	1,239,788,435	1,239,788,435
<b>Financial liabilities :</b>				
Deposits	420,665,866,579	419,290,364,419	391,913,224,080	389,503,753,215
Interbank and money market items	15,837,441,504	15,837,441,504	9,311,022,385	9,311,022,385
Liabilities payable on demand	2,211,945,021	2,211,945,021	790,586,632	790,586,632
Borrowings	28,963,632,540	29,517,640,278	25,239,644,540	30,164,098,771
Subordinated debentures cum preferred shares	12,996,343,750	12,867,215,184	12,996,343,750	9,551,951,076
Bank's liabilities under acceptances	1,314,021,289	1,314,021,289	1,239,788,435	1,239,788,435
Accrued interest payable	1,261,037,042	1,261,037,042	1,854,657,280	1,854,657,280

**Off - balance sheet financial instruments**

	Unit : million Baht					
	2003			2002		
	Notional < 1 year	Market value	Fair Value	Notional > 1 year	Market value	Fair value
Spot and Forward Bought Foreign Exchange Contracts	29,600	29,525	(75)	84	94	10
Spot and Forward Sold Foreign Exchange Contracts	48,849	48,264	(585)	219	229	10

	Unit : million Baht					
	2003			2002		
	Notional < 1 year	Market value	Fair Value	Notional > 1 year	Market value	Fair value
Spot and Forward Bought Foreign Exchange Contracts	15,416	15,548	132	1,638	1,650	12
Spot and Forward Sold Foreign Exchange Contracts	39,008	39,481	473	79	89	10

The Bank has estimated the fair value of the above instruments to be estimated from notional amount less market value at the end of year.

**Methods and assumptions in estimating fair value of financial instruments**

The following methods and assumptions were used by the Bank in estimating fair value of financial instruments as disclosed herein:

**Cash, interbank and money market items**

The carrying amounts of cash and interbank and money market items presented in balance sheet are approximate their fair value.

**Securities purchased under resale agreements**

The carrying value of securities purchased under resale presented in balance sheet agreements approximate their fair value.

**Current investments, net**

Fair value for current investments, net, is as disclosed in note 3.2 to the financial statements.

**Long-term investments, net**

The determination of fair value for long-term investments, net, is as disclosed in note 3.2 to the financial statements except for non-listed equity securities which are presented as net book value and listed equity securities acquired from troubled debt restructuring and having obligation to hold such securities according to debt restructuring agreement which are presented at cost.

**Investments in subsidiaries and associated companies, net**

Fair value for investments in subsidiaries and associated companies, net, is as disclosed in note 3.2.



**Loans and accrued interest receivables**

The Bank's loans and accrued interest receivables include variable interest rate loans, fixed rate loans with relatively short maturities and non-performing loans. Most loans bear floating interest rate. As such, management believes that as at December 31, 2003 and 2002, the fair value is the outstanding balance of loans and accrued interest receivables less allowance for doubtful accounts per book.

**Customers' liability under acceptances**

The carrying amounts of customers' liability under acceptances presented in balance sheet approximates fair value.

**Deposits**

The carrying amount is approximate the fair value except for deposits which term more than 90 days, fair value is calculated base on discounted cash flow.

**Interbank and money market items (Liabilities)**

The carrying amount of interbank and money market items (liabilities) approximate fair value, except for floating rate certificates of deposit (FRCD) is based on quoted market price.

**Liabilities payable on demand**

The carrying amount of liabilities payable on demand approximates fair value.

**Borrowings**

The fair value of borrowings is based on carrying value except for subordinated floating rate note which is based on the actual market price.

**Subordinated debentures cum preferred shares**

The fair value is determined by discounting the expected cash flows, using market interest rate currently offered to the Bank for debt of same remaining maturity

**Accrued interest payable**

The carrying amounts of accrued interest payable presented in balance sheet approximate its fair value due to short term of maturity.

**Derivative financial instruments**

Derivative financial instruments mainly comprise forward foreign exchange contracts of which derive their value from underlying interest rates, and foreign exchange rates. The fair value of derivatives are determined using quoted market prices, prevailing market rates for instruments with similar characteristics and maturities.

**4.26 Transfer of Impaired Assets to Thai Asset Management Corporation**

On October 12, 2001, the Bank and a subsidiary entered into Assets Transfer Agreement with the Thai Asset Management Corporation ("TAMC") in order to transfer sub-quality assets including rights over the collateral as specified in the agreement. The sub-quality assets to be transferred should be those which have outstanding balances as at December 31, 2000 and possess certain characteristics as specified in the Emergency Decree on TAMC B.E. 2544 ("TAMC Decree"). The price of the sub-quality assets shall equal the value of the collateral which should not exceed the loan value less allowance for doubtful accounts, which was determined based on the BOT guideline. The Company will receive a non-negotiable promissory note when TAMC confirms the price. The note matures in 10 years and bears the interest rate calculated based on the average rate of deposits, payable annually. The note is availed by Financial Institutions Development Fund.

The Bank, its subsidiary and TAMC agreed to allocate any profits or losses from managing the sub-quality assets at the end of the fifth and the tenth year starting from July 1, 2001. Profits or losses are calculated based on the amount collected on a cash basis less TAMC's costs of transfer and operations including the total interests which have to be paid by TAMC to the Bank and subsidiary. The allocation of gain or loss shall be made only for those sub-quality assets that TAMC has completed the collection from repayment or completed the transfer of assets as a repayment of debts. In addition, pursuant to the TAMC Decree, in case when profits are realized, the first portion of the profits, not exceeding 20% of the transfer price of the impaired assets transferred to TAMC, will be allocated equally between TAMC, the Bank and subsidiary. The second portion of the profits will be allocated in full to the Bank and subsidiary. The two portions of the Company's profits combined together shall not exceed the difference between the book value and the transfer price of the impaired assets transferred to TAMC. The residual amount of the profits after allocation of the second portions will be given to TAMC. In case when losses are realized, this will be shared between TAMC, the Bank and subsidiary. The Bank and subsidiary will absorb the first portion of the losses, not exceeding 20% of the transfer price of the impaired assets transferred to TAMC. The second portion of losses, the residual amount of the first portion, not exceeding 20% of the transfer price of the impaired assets transferred to TAMC, will be shared equally between TAMC, the Bank and subsidiary. The residual amount of the losses after allocation of the second portions will be absorbed by TAMC.

**4.27 Events Occurring After the Balance Sheet Date**

On January 28, 2004, the Board of Directors' meeting passed a resolution to approve the redemption of securities before due date which include Subordinate Debentures # 3 Cum Preferred Shares of Bank of Ayudhya Public Company Limited maturing upon liquidation (Subordinated Debentures # 3) in the amount of Baht 13,000 million and Subordinate Debentures # 4 of Bank of Ayudhya Public Company Limited maturing in 2006 (Subordinate Debentures # 4) in the amount of Baht 13,000 million. On March 17, 1999, the Bank issued the mentioned securities under the condition that the Subordinated Debentures # 3 and # 4 may be redeemed at the Bank's option before due date upon the approval of BOT provided that after the redemption the Bank's capital fund per risk assets ratio shall not be less than 9%.

The Bank has already informed to SET on January 28, 2004 that the redemption of securities shall take place on March 17, 2004.

## 2003 Profit Summary

Retained Earnings (Deficits) carried forward from December 31, 2002	Baht	(39,605,685,574.42)
Net Profit for 2003	Baht	<u>3,052,588,978.09</u>
Total Retained Earnings (Deficits)	Baht	<u>(36,553,096,596.33)</u>

According to the Public Limited Companies Act B.E. 2535, a payment of dividend is not allowed if there exist retained losses. Thus the Bank would not pay dividend for the year 2003 operations.

# Organization and Management

## Registration and Capital Structure

### Name and Type of Business

Name of the Bank	: Bank of Ayudhya Public Company Limited
Company Registration Number	: Plc. 181
Type of Business	: Commercial bank
Nature of Business	:

The Bank of Ayudhya Public Company Limited was established on January 27, 1945, registered as a company limited on March 8, and started its operations on April 1 of that same year. The Bank was converted into a public company limited on September 28, 1993. As a commercial bank, the company accepts deposits, which it puts to a variety of uses, including : credit extension, purchases of bills of exchange or negotiable instruments, and trade in foreign exchange, etc.

The Bank is also licensed to conduct business pertaining to or resulting from commercial banking or other businesses traditionally undertaken by commercial banks, for example: bills collection, bills acceptances, avals to bills, issuing letters of credit, providing custodian services, acting as an agent for the sale of government and state enterprise debt securities, acting as a representative of debenture holders, a custodian of mutual fund, a registrar of securities, an agent for sell of unit trusts of mutual funds, and an agent for the business of life and non-life insurance.

### Types and Total Number of Shares Sold

Ordinary shares	: 2,850 million shares, par value 10.00 baht
Preferred shares	: 0.325 million shares, par value 10.00 baht

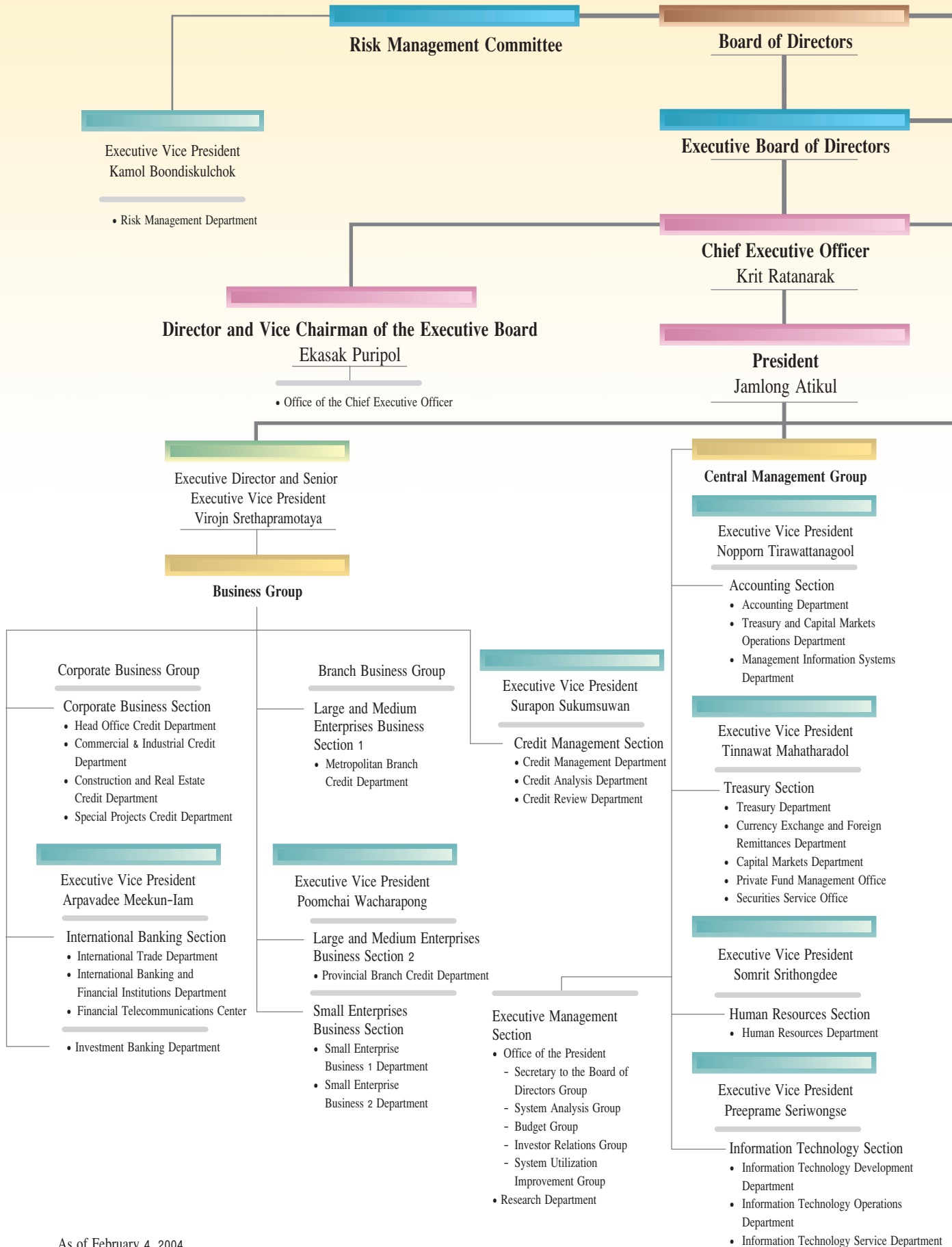
### 10 Largest Shareholders

The Bank's 10 largest ordinary shareholders as of the close of the shareholders register on August 28, 2003 (issued and paid-up ordinary shares totalled 18,500 million baht) were as follows:

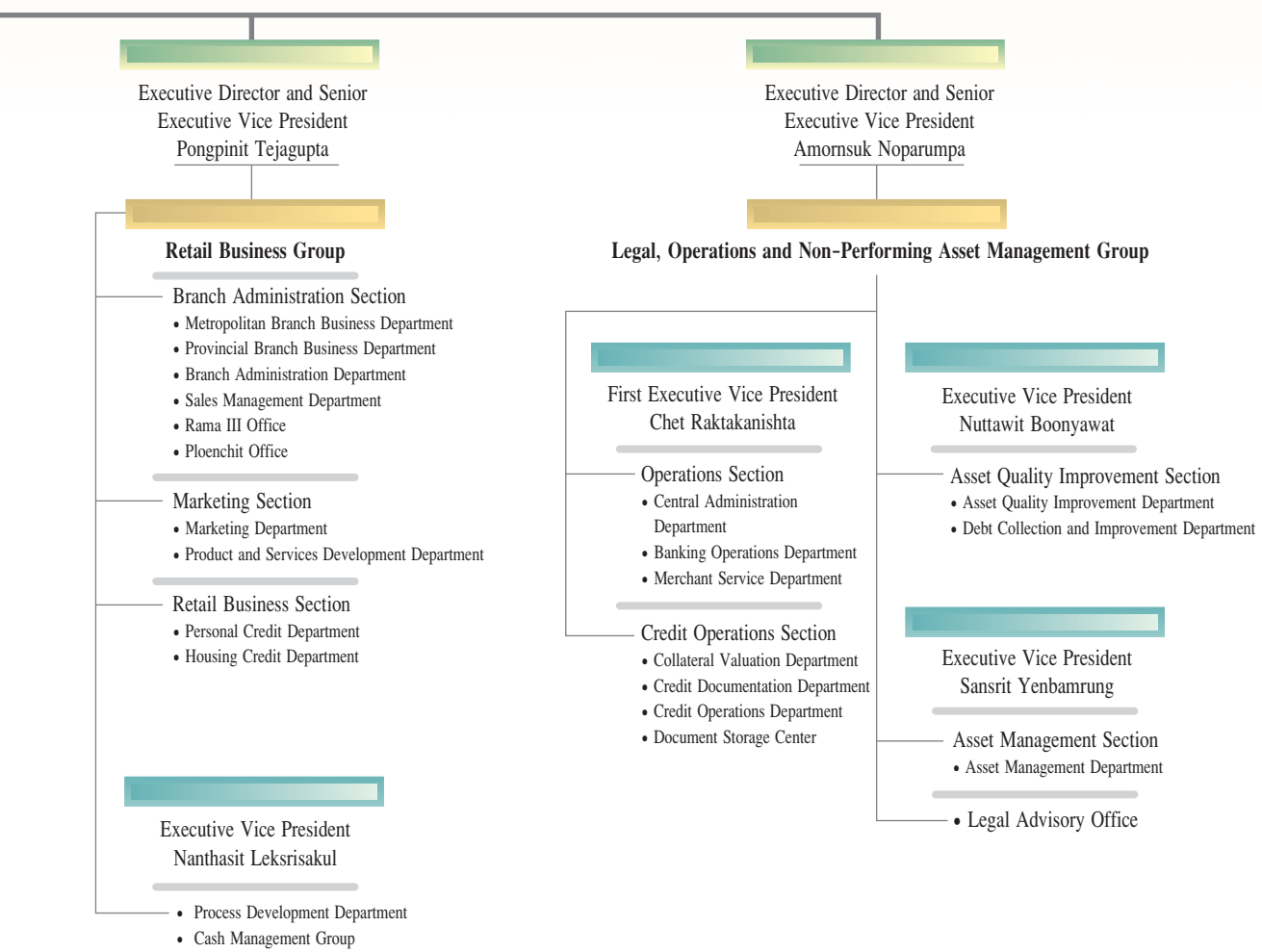
Name	Number of Shares	% of Total Shares
1. Stronghold Assets Co., Ltd.	92,201,200	4.98
2. Mahakij Holdings Co. Ltd.	92,200,650	4.98
3. Bangkok Boardcasting and T.V. Co., Ltd.	91,992,300	4.97
4. BBTV Asset Management Co., Ltd.	91,825,500	4.96
5. BBTV Satelvision Co., Ltd.	91,242,000	4.93
6. Tun Rungrueng Co., Ltd.	90,422,100	4.89
7. Thai NVDR Co., Ltd.	87,023,025	4.70
8. The Great Luck Equity Co., Ltd.	84,749,600	4.58
9. HSBC (Singapore) Nominees Pte. Ltd.	83,426,925	4.51
10. GL Assets Co., Ltd.	49,982,100	2.70

**Remark :** In August 2003, a resolution was approved for the Bank to issue 1,000 million capital increase ordinary shares offering for sale at Baht 10.- per share. The Bank registered an increase of paid-up capital from Baht 18,503.25 million to Baht 28,503.25 million on August 29, 2003. This results in a change in the list and holding of the 10 largest shareholders.

# Organization Chart



As of February 4, 2004



## Board of Directors

### Board of Directors

Mr. Krit Ratanarak

*Chairman*

Mr. Thipsamat Na Chiangmai

Mr. Ekasak Puripol

Mr. Pakorn Thavisin

Mr. Yongyuth Withyawongsaruchi

Mr. Virat Phairatphiboon

Mr. Surachai Prukbamroong

Mr. Anek Srisawat

Mr. Jamlong Atikul

*Directors*

Mr. Suwat Suksongkroh

*Secretary to the Board of Directors*

### Executive Board of Directors

Mr. Krit Ratanarak

*Chairman*

Mr. Ekasak Puripol

*Vice Chairman*

Mr. Jamlong Atikul

Mr. Virojn Srethapramotaya

Mr. Pongpinit Tejagupta

Mr. Amornsuk Noparumpa

*Executive Directors*

Miss Nopporn Tirawattanagool

*Secretary to the Executive Board of Directors*

Mr. Yong Luangrangsee

*Adviser*

### Audit Committee

Mr. Surachai Prukbamroong

*Chairman*

Mr. Anek Srisawat

Mr. Virat Phairatphiboon

*Members*

Mr. Kanit Arjariya

*Secretary to the Audit Committee*

### Risk Management Committee

Mr. Krit Ratanarak

*Chairman*

Mr. Ekasak Puripol

*Vice Chairman*

Mr. Jamlong Atikul

Mr. Virojn Srethapramotaya

Mr. Pongpinit Tejagupta

Mr. Chalernpol Vuttisombut

Miss Nopporn Tirawattanagool

*Members*

Mr. Kamol Boondiskulchok

*Member and Secretary to the Risk Management Committee*

## Executive Officers

**Mr. Krit Ratanarak**  
Chief Executive Officer

**Mr. Ekasak Puripol**  
Director and Vice Chairman of the Executive Board

**Mr. Jamlong Atikul**  
President

**Mr. Amornsuk Noparumpa**  
Executive Director and Senior Executive Vice President

**Mr. Virojn Srethapramotaya**  
Executive Director and Senior Executive Vice President

**Mr. Pongpinit Tejagupta**  
Executive Director and Senior Executive Vice President

**Mr. Chet Raktakanishta**  
First Executive Vice President

**Mrs. Charlotte Donovanik**  
Executive Vice President and Acting Manager, Public Relations Department

**Mr. Kamol Boondiskulchok**  
Executive Vice President

**Mrs. Arpavadee Meekun-Iam**  
Executive Vice President

**Mr. Nanthasit Lekrisakul**  
Executive Vice President

**Mr. Somrit Srithongdee**  
Executive Vice President and Acting Manager, Human Resources Department

**Mr. Chalernpol Vuttisombut**  
Executive Vice President

**Mr. Tinnawat Mahatharadol**  
Executive Vice President

**Mrs. Preeprame Seriwongse**  
Executive Vice President

**Mr. Nuttawit Boonyawat**  
Executive Vice President and Acting Manager, Asset Quality Improvement Department and Acting Manager, Office of the Chief Executive Officer

**Mr. Surapon Sukumsuwan**  
Executive Vice President

**Miss Nopporn Tirawattanagool**  
Executive Vice President

**Mr. Poomchai Wacharapong**  
Executive Vice President

**Mr. Sansrit Yenbamrung**  
Executive Vice President and Acting Manager, Asset Management Department

**Mr. Kanit Arjariya**  
Senior Vice President and Manager, Audit Department

**Mr. Somporn Ongsakorn**  
Senior Vice President and Manager, Credit Review Department

**Mr. Suwat Summashipvitsavakul**  
Senior Vice President, Head Office Credit Department

**Mr. Chansak Charoenpoj**  
Senior Vice President and Manager, Metropolitan Branch Credit Department

**Mr. Teerayut Sirichayaporn**  
Senior Vice President and Manager, Provincial Branch Credit Department

**Mr. Isra Chitradhara**  
Senior Vice President and Manager, Small Enterprises Business 1 Department

**Mr. Vorasit Vongphaibul**  
Senior Vice President and Manager, Debt Collection and Improvement Department

**Mrs. Krongthip Suthasoonthorn**  
Senior Vice President and Acting Manager, Credit Documentation Department

**Mrs. Rassana Wangphoka**  
Senior Vice President and Manager, Marketing Department

**Mr. Tak Bunnag**  
Senior Vice President, Treasury Department

**Mr. Suvichai Lovichit**  
Senior Vice President and Manager, Information Technology Development Department

**Mr. Werachat Wahawisan**  
Senior Vice President and Manager, Information Technology Operations Department

**Mr. Poonsak Charoonsiri**  
Senior Vice President and Manager, Rama III Office

**Mr. Kaitisak Lohitanon**  
Senior Vice President and Manager, Metropolitan Branch Business Department

**Mr. Yongyut Yodinlom**  
Senior Vice President, Office of the President

**Mr. Suvinai Tosirisuk**  
Senior Vice President, Training Center, Human Resources Department

**Mr. Kriengkrai Viriyaatthakit**  
Senior Vice President

**Mr. Kongchakara Kunjara Na Ayuthaya**  
Senior Vice President

**Mr. Sa-win Akkharayut**  
Legal Adviser

**PMG. Preecha Prasert**  
Legal Adviser

**Miss Vacharee Pinyai**  
Assistant Legal Adviser

**Mr. Veerapoj Rakwongsa**  
Vice President and Manager, Legal Advisory Office and Assistant Legal Adviser

**Miss Malee Supabovonvivat**  
Vice President and Group Manager, Risk Management and Special Audit Group, Audit Department

**Mr. Jirachai Chansurb**  
Vice President and Group Manager, Head Office and Overseas Branch Audit Group, Audit Department

**Mr. Somsakdi Siriwatanachok**  
Vice President and Group Manager, Branch Audit Group, Audit Department

**Mr. Prasan Pattarathamrong**  
Vice President and Manager, Information Technology Audit Department

**Mr. Yingyong Athisirikul**

Vice President and Acting Manager,  
Risk Management Department

**Miss Umpa Panyasrivarom**

Vice President and Manager,  
Head Office Credit Department

**Mrs. Sirinthip Silapacharanan**

Vice President and Group Manager,  
Large Enterprises Business Group,  
Metropolitan Branch Credit Department

**Mrs. Pimon Tharapan**

Vice President and Group Manager,  
Medium Enterprises Business 1 Group,  
Metropolitan Branch Credit Department

**Mr. Suvit Janthamrongkul**

Vice President and Group Manager,  
Medium Enterprises Business 2 Group,  
Metropolitan Branch Credit Department

**Mr. Khomkrit Chantapo**

Vice President and Group Manager,  
Medium Enterprises Business 3 Group,  
Metropolitan Branch Credit Department

**Mrs. Sunee Nontikarn**

Vice President and Group Manager,  
Medium enterprises Business 4 Group,  
Metropolitan Branch Credit Department

**Mr. Suvit Ungphakorn**

Vice President and Manager,  
Provincial Branch Credit Department

**Miss Jitra Sirikoon**

Vice President, Provincial Branch Credit  
Department

**Mrs. Salimon Wiriyaorawech**

Vice President and Group Manager,  
Large Enterprises Business 1 Group,  
Provincial Branch Credit Department

**Mr. Phairot Jaruwatthanapradit**

Vice President and Group Manager,  
Large Enterprises Business 3 Group,  
Provincial Branch Credit Department

**Mr. Koonkiat Watanavitaya**

Vice President and Group Manager,  
Large Enterprises Business 4 Group,  
Provincial Branch Credit Department

**Miss Panudda Varithorn**

Vice President and Manager, Commercial and  
Industrial Credit Department

**Mr. Suphachai Techawanchai**

Vice President and Manager, Construction and  
Real Estate Credit Department

**Mr. Putchong Tanthasri**

Vice President and Manager,  
Housing Credit Department, Acting Manager,  
Personal Credit Department

**Miss. Maneevan Covavisaruch**

Vice President and Manager,  
Special Projects Credit Department

**Mrs. Duangkamol Sailasuta**

Vice President and Group Manager,  
Small Enterprises Business 1 Group,  
Small Enterprises Business 1 Department

**Mrs. Jitpapa Yutasulthorn**

Vice President and Group Manager,  
Small Enterprises Business 4 Group,  
Small Enterprises Business 1 Department

**Mr. Manoj Ruamsuk**

Vice President and Group Manager,  
Small Enterprises Business 1 Group,  
Small Enterprises Business 2 Department

**Mrs. Nirasa Praparasmee**

Vice President and Group Manager,  
Small Enterprises Business 2 Group,  
Small Enterprises Business 2 Department

**Miss Nataya Khoohaswan**

Vice President and Group Manager,  
Small Enterprises Business 3 Group,  
Small Enterprises Business 2 Department

**Mrs. Sritana Phandhufung**

Vice President and Group Manager,  
Small Enterprises Business 5 Group,  
Small Enterprises Business 2 Department

**Mr. Thongprecha Kulthamrongsri**

Vice President and Group Manager,  
Small Enterprises Business 7 Group,  
Small Enterprises Business 2 Department

**Mr. Ganchanaget Thumavatanagul**

Vice President and Manager,  
Credit Management Department

**Miss Pitakul Pakchotanon**

Vice President and Manager,  
Credit Analysis Department

**Mrs. Siengratt Chawapand**

Vice President and Manager,  
Credit Operations Department

**Mrs. Nitaya Ounhirunskul**

Vice President and Group Manager,  
Asset Quality Improvement 1 Group,  
Asset Quality Improvement Department

**Mr. Thanavudh Sakornsin**

Vice President and Group Manager,  
Asset Quality Improvement 2 Group,  
Asset Quality Improvement Department

**Mr. Kiatisak Jotanuphap**

Vice President and Manager,  
Collateral Valuation Department

**Mrs. Sukritta Suwannakrit**

Vice President and Group Manager,  
Debt Collection and Improvement Department

**Mr. Chai Asavakarn**

Vice President and Group Manager,  
Debt Collection and Improvement Department

**Mr. Wutthipong Jaruwongkul**

Vice President and Manager,  
Banking Operations Department

**Mr. Tammavit Metchanun**

Vice President and Manager,  
Merchant Service Department

**Mr. Rungsun Tamanakitprasart**

Vice President and Group Manager,  
Cash Management Group,

**Mr. Chalit Utayanwutigul**

Vice President and Group Manager,  
Corporate Sales Group,  
Sales Management Department

**Mrs. Sumalee Puangpakisiri**

Vice President and Group Manager,  
Institutional Sales Group,  
Sales Management Department

**Mr. Sophon Thamkirati**

Vice President and Group Manager,  
Sales Planning and Monitoring Group,  
Sales Management Department

**Mr. Pravitt Saitongkum**

Vice President,  
International Trade Department

**Mrs. Ninna Korrapun**

Vice President,  
International Trade Department

**Mr. Thiravut Trairatana**

Vice President,  
International Trade Department

**Mr. Sawang Thaisriwongse**

Vice President and Manager,  
International Banking and  
Financial Institutions Department



**Mrs. Phuangthong Mungkararat**  
Vice President and Acting Manager,  
Financial Telecommunications Center

**Mrs. Sukanya Tulyayon**  
Vice President and Manager,  
Treasury Department

**Mr. Chainarong Isadawong**  
Vice President and Manager, Treasury and  
Capital Markets Operations Department

**Mrs. Pongsima Koslathip**  
Vice President and Manager,  
Currency Exchange and Foreign Remittances  
Department

**Miss Ladawan Kongkruapun**  
Vice President and Manager,  
Capital Markets Department

**Mr. Somsak Deemongkolsuk**  
Vice President and Manager,  
Investment Banking Department

**Miss Vatinee Suksathier**  
Vice President and Group Manager,  
Deposit Account System Group,  
Information Technology Development  
Department

**Mr. Somboon Tangjaikajor**  
Vice President and Group Manager,  
System Programming Group, Information  
Technology Operations Department

**Mrs. Duangporn Srirongmuang**  
Vice President and Manager, Information  
Technology Service Department

**Miss Sudaphan Watanalappoonpol**  
Vice President and Group Manager,  
Information Technology Security Group

**Mr. Pichai Archapairoj**  
Vice President and Manager,  
Ploenchit Office

**Mr. Somchai Nopsuwan**  
Vice President, Ploenchit Office

**Mr. Worawit Simachai**  
Vice President and Manager,  
Provincial Branch Business Department

**Mr. Phanyod Viyakornvilas**  
Vice President and Manager,  
Branch Administration Department

**Mr. Yuke Sutarat**  
Vice President and Group Manager,  
Strategic Management Group, Acting  
Group Manager, Analysis and Evaluation  
Group, Office of the Executive Officer.

**Mrs. Hathaya Wiranuvatr**  
Vice President and Group Manager,  
Budget Group, Office of the President

**Mr. Suwat Suksongkroh**  
Vice President and Secretary to the Board  
of Directors, Office of the President

**Mr. Chertkiat Chanakit**  
Vice President and Manager,  
Central Administration Department,  
Acting Group Manager,  
System Analysis Group,  
Office of the President

**Mr. Roongsak Satutum**  
Vice President and Manager,  
Research Department

**Mr. Nattawut Goysookho**  
Vice President and Manager,  
Management Information Systems Department

**Miss Jiraporn Popairoj**  
Vice President and Manager,  
Accounting Department

**Miss Sompis Vathanaphundhumkomol**  
Vice President, Credit Operations Department

**Mr. Natee Juengniponsakul**  
Vice President, Credit Documentation  
Department

**Mr. Apinun Hornopparat**  
Vice President, Credit Documentation  
Department

**Mrs. Narinrat Thongchankaeo**  
Vice President, Merchant Service Department

**Mr. Pornchai Wongsonvanee**  
Vice President, International Banking  
and Financial Institutions Department  
and Manager, Hong Kong Branch

**FLT. LT. Peerabol Promvong**  
Vice President, Information Technology  
Operations Department

**Miss Pannee Warapasakul**  
Vice President, Branch Administration  
Department

**Mr. Wirat Sathapornpat**  
Vice President, Central Administration  
Department

**Mr. Saprunng Sinchalong**  
Vice President and Manager,  
Metropolitan Region 1,  
Metropolitan Branch Business Department

**Mr. Thana Osathanond**  
Vice President and Manager,  
Metropolitan Region 2,  
Metropolitan Branch Business Department

**Mr. Visut Suvannasankha**  
Vice President and Manager,  
Metropolitan Region 4,  
Metropolitan Branch Business Department

**Mr. Thanin Pornpiphatpong**  
Vice President and Manager,  
Metropolitan Region 5,  
Metropolitan Branch Business Department

**Mr. Suchin Srisurangkul**  
Vice President and Manager,  
Metropolitan Region 6,  
Metropolitan Branch Business Department

**Miss Pongporn Vongpratipsiri**  
Vice President and Manager,  
Provincial Region 1,  
Provincial Branch Business Department

**Mr. Niwat Sivaruj**  
Vice President and Manager,  
Provincial Region 2,  
Provincial Branch Business Department

**Mr. Somnarm Amimtum**  
Vice President and Manager,  
Provincial Region 3,  
Provincial Branch Business Department

**Mr. Surapong Tungtagulwong**  
Vice President and Manager,  
Provincial Region 4,  
Provincial Branch Business Department

**Mr. Charal Suttiwong**  
Vice President and Manager,  
Provincial Region 5,  
Provincial Branch Business Department

**Mr. Adisorn Worawongkraisri**  
Vice President and Manager,  
Provincial Region 6,  
Provincial Branch Business Department

**Mr. Chumpon Wongpanich**  
Vice President and Manager,  
Provincial Region 7,  
Provincial Branch Business Department

**Mr. Prapon Jiravipakorn**  
Vice President and Manager,  
Provincial Region 8,  
Provincial Branch Business Department

**Mr. Anek Tuntisirin**  
Vice President and Manager,  
Provincial Region 9,  
Provincial Branch Business Department

## Management

### 1. Committees and Executive Officers

#### 1.1 Committee Structures

The Bank's committee structure consists of four executive committees: the Board of Directors, the Executive Board of Directors, the Audit Committee and the Risk Management Committee. The membership, selection methods, and the scope of authority for each of these bodies are described in detail below:

- **Board of Directors**

- ***Qualifications and Number of Members***

- All Board members must meet the qualifications set by the relevant laws, the regulations of the Bank of Thailand, the Stock Exchange of Thailand, and the Securities and Exchange Commission as well as guidelines established by the Bank's Board of Directors.

- Independent members must have relevant experience and expertise and may not have an interest or stake, either directly or indirectly, in the Bank. They must possess excellent judgement and be fair and free from prejudice.

- The Bank's Board of Directors consists of nine members, not more than one-third of whom may occupy executive positions in the Bank. At least three of the members, or not less than one-fourth of the total membership, must be independent members, whichever number is higher.

- As of December 31, 2003, the Board of Directors had nine members. Their names appear in the section "Board of Directors." Members with the authority to sign on behalf of the company are Mr. Krit Ratanarak, Mr. Ekasak Puripol, and Mr. Jamlong Atikul. To be valid, any two of these three Board members must affix their signatures along with the Company seal.

- ***Scope of Authority***

- 1. Under Item 22 of the Bank's rules and regulations, the Board of Directors has the power and duty to supervise the management of the Company in compliance with the law, shareholders resolutions, and the objectives and regulations of the Company. The Board of Directors is responsible for protecting the interests of shareholders and may make decisions on all matters concerned with the running of the Bank, except as specified below, when the law requires prior shareholders' approval:

- (1) With regard to matters for which the law requires shareholders' approval, e.g. increasing or decreasing capital, declaring liquidation, and deciding on takeovers and mergers.
    - (2) In the case of related party transactions for which the Stock Exchange of Thailand requires prior shareholders' approval, e.g. related party transactions not covered by the exceptions in Items 8 and 9 of the Stock Exchange of Thailand's announcement concerning principles, methods and disclosure of related party transactions for publicly-listed companies.
    - (3) Acquisition or sale of assets for which the Stock Exchange of Thailand regulations require prior shareholders' approval, e.g. major transactions, related-party transactions, etc.

- 2. In addition to the rights and responsibilities of the Board of Directors to supervise and manage the Bank as specified in 1 above, the Board of Directors has the following powers and duties:

- (1) To set overall directions and strategic goals for the Bank;
    - (2) To approve directions and policies proposed by the Bank executives;
    - (3) To ensure that the Bank executives perform effectively in accordance with stated policies in order to protect the interests of the Bank and its shareholders;
    - (4) To establish a system for avoiding possible conflicts of interest;
    - (5) To draw up a codes of ethics for the Bank's business and for employees at both executive and general staff levels, and ensure that they are distributed to Bank employees at all levels;
    - (6) To monitor the Bank's business to ensure that the executives comply with the law at all times;
    - (7) To oversee implementation of an effective set of internal controls and internal audit mechanisms;

- (8) To monitor Bank executives to ensure implementation of effective risk management procedures and to carry out periodic reviews of policies and strategies.
- (9) To approve the roles and responsibilities of various committees and major changes in their scope of authority;
- (10) To be responsible for ensuring an effective system of reporting that enables the Board of Directors to receive adequate information from the Bank's executives to exercise their authority and perform their responsibilities completely and professionally.
- (11) To be responsible for the consolidated financial statements of the Bank and its subsidiaries and for all other financial information which appears in the annual report. The Board is responsible for adequate and accurate disclosure of all relevant information.

### ***Selection Process***

Directors are not chosen by a nominating committee. Instead, they are selected in one of the two following ways:

(1) **Board members may be elected by a vote of the general shareholders**, for example, when replacing a member whose term has expired, and/or appointing a new Board member. In such cases, the Board of Directors nominates a suitable candidate for the shareholders' consideration, and a vote is taken in accordance with the procedures set down in Item 16 of the Bank's rules and regulations, which reads:

- a. Each shareholder shall have one vote for each share held.
- b. The selection of Board members may be on a one-by-one or group basis, as the shareholders see fit, but in either case, individual shareholders must cast all of their votes pursuant to (a) for only one candidate or one set of candidates. Votes may not be distributed among different candidates.
- c. Candidates who receive the most votes are elected Directors. In the event of a tie, the Chairman shall cast the deciding vote.

(2) **When a seat on the Board becomes vacant for any other reason than the expiry of a member's term**, the remaining Board members shall appoint a legally qualified individual to fill the seat. Selection is made in accordance with Article 75 of the Public Company Limited Act of 1992 and Item 19 of the Bank's rules and regulations, which states that the candidate must receive approval from not less than three-quarters of the remaining Board members. Each of the remaining Board members is responsible for identifying suitable candidates, and voting shall take place at the next Board of Directors meeting.

### **• Executive Board of Directors**

#### ***Qualifications and Number of Members***

The Executive Board of Directors is appointed by the Board of Directors and consists of not fewer than 5 members who are members of the Board of Directors and/or one or more than one of other persons as deems suitable. One of these members is appointed as Chairman.

The Executive Board of Directors currently consists of 6 members. Their names appear in the section "Board of Directors."

#### ***Scope of Authority***

The Executive Board of Directors is assigned by the Board of Directors to supervise the operations of the Bank. Its duties include the following: .

- (1) To screen the business and strategic plans submitted by the management for the approval by the Board of Directors;
- (2) To assist the Board of Directors in setting optimal policies and plans by providing full and accurate information;
- (3) To ensure that operations comply with Bank policy, strategies and business plans in order to achieve stated goals.
- (4) To supervise the Bank's operations to ensure compliance with all relevant laws and the regulations of the Bank;
- (5) To report on the Bank's results and progress on all major activities to the Board of Directors;
- (6) To perform any other duties assigned by the Board of Directors.

- **Audit Committee**

- ***Qualifications and Number of Members***

- (1) The Audit Committee consists of not fewer than three independent members;
- (2) Audit Committee members, who serve a three-year term, must meet the requirements of the Bank of Thailand and the Stock Exchange of Thailand. Members are appointed by the Bank's Board of Directors and/or by a resolution of the shareholders meeting.
- (3) The Chairman of the Audit Committee must not hold a position in any other subcommittee of the Bank.

On May 21, 1999, the Board of Directors appointed the members of the Audit Committee to three-year terms. Upon the completion of their terms on May 8, 2002, the Board of Directors appointed the three independent members of the Audit Committee to a second three-year term. Their names appear in the section "Board of Directors."

- ***Scope of Authority***

- (1) To ensure that the Bank's financial reporting is accurate and adequate;
- (2) To ensure that the Bank has an adequate and effective system of internal controls and audit mechanisms;
- (3) To verify the Bank's compliance with all relevant laws and regulations;
- (4) To nominate the Bank's auditor and to propose auditing fees;
- (5) To ensure that disclosures of information relevant to an interrelated transaction or to a possible conflict of interest are accurate and complete;
- (6) The Audit Committee has the authority to examine all Bank documents or data, and to summon any Bank employee for questioning;
- (7) To prepare a governance report which is contained in the Bank's annual report;
- (8) To carry out any other duties assigned by the Board of Directors and in compliance with the principles of good corporate governance.
- (9) The Audit Committee reports directly to the Board of Directors.

- **Risk Management Committee**

- ***Qualifications and Number of Members***

The Risk Management Committee, appointed by the Board of Directors, is composed of not fewer than five Bank Directors and/or Bank executives.

The Risk Management Committee was first appointed on October 9, 2002. Currently there are eight members. The Chief Executive Officer serves as Committee Chairman. All the Committee members satisfy the requirements set by the Bank of Thailand to promote good corporate governance in the commercial banking business. Their names appear in the section "Board of Directors."

- ***Scope of Authority***

- (1) To make policy recommendations relating to Integrated Risk Management to the Bank's Board of Directors. Recommendations are in line with the Bank of Thailand's Risk-based approach to commercial banking, which sets guidelines for assessing core risks such as strategic risk, credit risk, market risk, liquidity risk, operational risk, legal risk and other forms of risk which may have an impact on the reputation of the Bank.
- (2) To set strategies in line with the Bank's overall risk management policies. The Risk Management Committee is responsible for monitoring and assessing risk and ensuring that it remains within acceptable limits.
- (3) To ensure that the Bank's overall risk management is in line with the principles of good corporate governance.
- (4) To review the Bank's policies and risk management practices in order to find ways to improve the quality and effectiveness of the Bank's approach to risk management.
- (5) The Risk Management Committee has the authority to appoint additional committees/working committees to oversee management of different types of risk, as it sees fit. These committees/working committees report directly to the Risk Management Committee.
- (6) The Risk Management Committee has the right to inspect any Bank documents and to question any Bank employee as necessary for the successful completion of the Committee's work.
- (7) The Risk Management Committee notifies the Audit Committee of all operations in need of improvement or adjustment for the successful completion of the Committee's work.
- (8) The Risk Management Committee reports directly to the Bank's Board of Directors.

## 1.2 Background of Directors and Management

as of February 3, 2004

Name/Education	Age	Experience		
		Year	Position	Name of Organization
<b>Mr. Krit Ratanarak</b> M.B.A., Eastern New Mexico University, U.S.A.	57	2002-Present  1993-Present  Present	Chairman of the Risk Management Committee  Chairman Chairman of the Executive Board Chief Executive Officer  Chairman Chairman Chairman	Bank of Ayudhya Plc.      Siam City Cement Plc. Bangkok Boardcasting & T.V. Co., Ltd. Media of Medias Plc.
<b>Mr. Thipsamat Na Chiengmai</b> <ul style="list-style-type: none"> <li>• AFA (Associateship Diploma of the Institute of Financial Accountants, England)</li> <li>• Diploma in Accounting and Auditing, City of London College, England</li> </ul>	72	1993-Present 1993-2001	Director Vice Chairman of the Executive Board	Bank of Ayudhya Plc.
<b>Mr. Ekasak Puripol</b> M.B.A., SASIN Graduate Institute of Business Administration Chulalongkorn University	59	2002-Present  1993-Present  Present	Vice Chairman of the Risk Management Committee  Director Vice Chairman of the Executive Board  Chairman	Bank of Ayudhya Plc.      Ayudhya Asset Management Co., Ltd.
<b>Mr. Pakorn Thavisin</b> <ul style="list-style-type: none"> <li>• Dulwich College, London.</li> <li>• The Chartered Institute of Bankers, London</li> <li>• Chairman 2000 and Directors Certification Program and Directors Diploma, Thai Institute of Directors Association</li> <li>• National Defence College</li> </ul>	64	2002-Present Present	Director Chairman Independent Director Chairman of the Audit Committee Vice Chairman	Bank of Ayudhya Plc. Colgate Palmolive (Thailand) Co., Ltd. Royal Orchid Hotel (Thailand) Co., Ltd.   LPN Development Plc.

Name/Education	Age	Experience		
		Year	Position	Name of Organization
<b>Mr. Yongyuth Withyawongsaruchi</b> <ul style="list-style-type: none"> <li>Bachelor of Accounting (Honor) and Bachelor of Commerce (Honor) Thammasat University</li> <li>Directors Certification Program, Thai Institute of Directors Association</li> </ul>	63	1998-Present 1998-2001 1997-2000 Present	Director Executive Director Executive Vice President Director Chairman of the Audit Committee Director Director of the Audit Committee	Bank of Ayudhya Plc.  Media of Medias Plc.  Eastern Star Real Estate Plc.
<b>Mr. Virat Phairatphiboon</b> <ul style="list-style-type: none"> <li>B.A. in Economics and Business Administration, Adams State College, Colorado, U.S.A.</li> <li>Directors Certification Program, Thai Institute of Directors Association</li> </ul>	55	1999-Present 1998-Present	Director of the Audit Committee Director	Bank of Ayudhya Plc.
<b>Mr. Surachai Prukbamroong</b> <ul style="list-style-type: none"> <li>Bachelor of Accounting and Bachelor of Commerce, Thammasat University</li> <li>Chairman 2000 and Directors Accreditation Program, Thai Institute of Directors Association</li> </ul>	65	1999-Present  Present	Director Chairman of the Audit Committee Director Chairman of the Audit Committee	Bank of Ayudhya Plc.  The Ayudhya Insurance Plc.
<b>Mr. Anek Srisawat</b> Bachelor of Accounting and Bachelor of Commerce, Thammasat University	71	1999-Present	Director Director of the Audit Committee	Bank of Ayudhya Plc.
<b>Mr. Jamlong Atikul</b> Ph.D. (City & Regional Planning), Cornell University, U.S.A.	55	2002-Present 2000-Present 1999-Present 1998-2000 1997-1998 Present	Director of the Risk Management Committee President Director Executive Director Senior Executive Vice President Executive Vice President Director	Bank of Ayudhya Plc.  Siam City Cement Plc.

Name/Education	Age	Experience		
		Year	Position	Name of Organization
<b>Mr. Amornsuk Noparumpa</b> <ul style="list-style-type: none"> <li>• Barister-at-Law, Council of Legal Education, Thailand</li> <li>• Barister-at-Law, Lincoln's Inn, England</li> <li>• Directors Certification Program, Thai Institute of Directors Association</li> </ul>	58	Feb'04-Present 2003-Present 1995-Feb'04  Present	Senior Executive Vice President Executive Director First Executive Vice President Legal Adviser Chairman Chairman  Chairman	Bank of Ayudhya Plc.  K.S. Law Office Co., LTd. Ayudhya Services and Management Co., Ltd.  Siam Realty and Services Co., Ltd.
<b>Mr. Virojn Srethapramotaya</b> <ul style="list-style-type: none"> <li>• M.B.A., Jacksonville State University, U.S.A.</li> <li>• Directors Certification Program (Graduate Member) and Directors Diploma (Fellow Member) Thai Institute of Directors Association</li> </ul>	51	Feb'04-Present 2002-Present  1999-Feb'04 1994-1998 Present	Senior Executive Vice President Executive Director Director of the Risk Management Committee First Executive Vice President Executive Vice President Director Director and Chairman of the Executive Board Director and Executive Director  Director Director Director Director	Bank of Ayudhya Plc.    Ayudhya Insurance Co., Ltd. Ayudhya Investment and Trust Plc.  The Thai Institute of Banking and Finance Association Prasit Patana Plc. Phyathai 1 Hospital Co., Ltd. Phyathai 2 Hospital Co., Ltd. Phyathai 3 Hospital Co., Ltd.
<b>Mr. Pongpinit Tejagupta</b> M.B.A., University of Detroit, U.S.A.	49	Feb'04-Present 2002-Present  2001-Feb'04 1994-2001 Present	Senior Executive Vice President Executive Director Director of the Risk Management Committee First Executive Vice President Executive Vice President Director Director Director	Bank of Ayudhya Plc.      Ayudhya Securities Co., LTd. Siam Purimongkol Co., Ltd. Ayudhya Allianz CP Insurance Plc.

Name/Education	Age	Experience		
		Year	Position	Name of Organization
<b>Mr. Chet Raktakanishta</b> <ul style="list-style-type: none"> <li>Bachelor of Science (Management), Brigham Young University, U.S.A.</li> <li>Directors Certification Program, Thai Institute of Directors Association</li> </ul>	62	1995-Present 1993-1994 Present	First Executive Vice President Executive Vice President Chairman Director Director and Director of the Audit Committee Director and Director of the Audit Committee	Bank of Ayudhya Plc.  Krungsriayudhya Card Co., LTD. The Ayudhya Insurance Plc. Siam City Cement Plc.  Media of Medias Plc.
<b>Mr. Tinnawat Mahatharadol</b> M.B.A. Ball State University, U.S.A.	45	2000-Present  1996-2000	Executive Vice President (In charge of Treasury Section) Senior Vice President	Bank of Ayudhya Plc.
<b>Miss Nopporn Tirawattanagool</b> Master of Commerce and Accountancy (Accountancy) Thammasat University	49	2002-Present  Present	Secretary to the Executive Board Director of the Risk Management Committee Executive Vice President (In charge of Accounting Section) Director Director  Director Director	Bank of Ayudhya Plc.  K.S. Law Office Co., LTD. Ayudhya Services and Management Co., Ltd. Ayudhya Asset Management Co., Ltd. Ayudhya Investment and Trust Plc.
<b>Miss Jiraporn Popairoj</b> <ul style="list-style-type: none"> <li>Master of Commerce and Accountancy (Accountancy) Thammasat University</li> <li>Certified Public Accountant (Thailand)</li> </ul>	42	2002-Present  2000-2002  2000  1999  Present	Vice President and Manager, Accounting Department Vice President, Accounting Department Assistant Vice President, Accounting Department Assistant Vice President, Asset Management Department Director	Bank of Ayudhya Plc.      Siam Realty and Services Co., Ltd.



### 1.3 Bank shares held by Directors and Management

Name	Dec. 31, 2002		Dec. 31, 2003		
	Ordinary shares	%	Ordinary shares	%	Warrants (unit)
Mr. Krit Ratanarak	1,828,324	0.0988	1,828,324	0.0642	731,329
Mr. Thipsamat Na Chiengmai	5,228	0.0003	5,228	0.0002	2,091
Mr. Ekasak Puripol	15	0.0000	-	-	-
Mr. Pakorn Thavisin	1,024	0.0001	1,024	0.0000	-
Mr. Yongyuth Withyawongsaruchi	8,082	0.0004	8,082	0.0003	3,232
Mr. Virat Phairatphiboon	-	-	-	-	-
Mr. Surachai Prukbamroong	-	-	-	-	-
Mr. Anek Srisawat	-	-	-	-	-
Mr. Jamlong Atikul	-	-	-	-	-
Mr. Amornsuk Noparumpa	-	-	300,000	0.0105	-
Mr. Virojn Srethapramotaya	-	-	-	-	-
Mr. Pongpinit Tejagupta	-	-	25,000*	0.0009	100,000*
Mr. Chet Raktakanishta	10,025	0.0005	110,050*	0.0039	-
Mr. Tinnawat Mahatharadol	-	-	-	-	-
Miss Nopporn Tirawattanagool	-	-	-	-	-
Miss Jiraporn Popairoj	-	-	-	-	-

Remark : \*Including marriage couple

## 2. Compliance with the 15 Principles of Good Corporate Governance

### 2.1 Policies for Good Corporate Governance

The Bank recognizes the importance of good corporate governance as one of the keys to long-term stability and growth. By complying with the principles of good corporate governance, the Bank can improve its business standards and build greater confidence among its shareholders, customers, employees, stakeholders, and society in general. These principles include:

- (1) **Accountability & Responsibility.** The Bank's management and staff carry out their duties honestly, responsibly and prudently, keeping in mind the best interests of the Bank.
- (2) **Equitable Treatment.** It is Bank policy to treat all stakeholders fairly and equitably, respecting their rights at all times.
- (3) **Transparency.** The Bank's operations and management are transparent and accountable. Full disclosures of information are made when appropriate and in accordance with all relevant laws and regulations.
- (4) **Vision.** The Bank has clearly defined vision, directions and strategic goals, which add value to the business and build long-term strength and stability.
- (5) **Code of Ethics.** The Bank adheres to a strict code of ethics at all times.

### 2.2 Shareholders: Rights and Equality

The Bank respects shareholders' rights and treats all shareholders fairly and equitably, in accordance with the law. For the convenience of shareholders, the Bank conducts all shareholder meetings in accordance with a set of simple rules and procedures.

Shareholders' meetings are held on regular business days at approximately 2 p.m. at the head office of the Bank. Shareholders are notified of meetings at least ten days in advance and are sent details of the agenda and the recommendations of the Board of Directors for their consideration prior to the meeting. On the day of the meeting, shareholders may register to attend not less than two hours prior to the scheduled start of the meeting.

All shareholders are entitled to attend the meetings and to cast their vote. If they prefer, they may appoint a proxy to attend and vote in their stead. Alternatively shareholders may choose to authorize an independent members of the Board of Directors proposed by the Bank to attend the meeting as the shareholder's representative and vote in accordance with the shareholder's wishes. Each share represents one vote, and all shares are considered equal. A complete and accurate report of each shareholders meeting is made available to shareholders for their inspection.

### **2.3 Stakeholders' Rights**

The Bank appreciates the need to respect the rights of all its stakeholders, whether they are groups within the Bank itself, such as shareholders, staff and the management, or external groups such as customers, competitors, creditors, government agencies, and other relevant organizations. The rights of stakeholders shall be protected in accordance with the related laws as the Bank realizes that the support of all these stakeholders is essential to its ability to survive in an increasingly competitive environment and achieve long-term success.

### **2.4 Shareholders' Meetings**

It is the duty of the members of the Board and the Audit Committee to be present at all shareholders' meetings. At each meeting, the Chairman gives equal opportunity to all shareholders in attendance to inspect the Bank's operations, to make inquiries, and to offer their views and suggestions. The more noteworthy opinions and recommendations are included in the minutes that are prepared at the conclusion of each meeting. Such minutes are also submitted to the relevant government agencies within the given time period.

At the 91<sup>st</sup> annual general shareholders' meeting, held on April 21, 2003, the meeting was informed of the number of votes in favor and the number of votes opposed to each item on the agenda. The results of each vote were noted and later recorded in the minutes of the shareholders' meeting.

### **2.5 Leadership and Vision**

The Board of Directors has a role in setting the overall direction and strategic goals of the Bank. In protecting the interests of the Bank and its shareholders, the Board oversees the decisions of the executives and ensures their compliance with stated policy. It is the responsibility of the Board of Directors to make sure that all executives obey all relevant laws and adhere to the Bank policy.

In defining the Bank's vision and obligations, the Board of Directors has chosen the slogan "***Conservative and Progressive.***" The Bank will remain committed to conservative policies and management practices intended to give added value to the Bank's operations and build long-term financial stability. At the same time, the Bank will introduce progressive, new financial products and services that take full advantage of technological resources to meet the growing needs of customers. The Bank is also pledged to a program of human resource development that enhances staff management skills and raises the standards of customer service.

### **2.6 Conflicts of Interest**

The Board of Directors and the Bank executives take all possible precautions to avoid conflicts of interest. For example, at meetings of the Board, if it is felt that any particular Board member has a vested interest in the matter under discussion, such member is required to abstain from voting, and the name of the member and the reason for the abstention are duly noted in the meeting's records.

It is the duty of the Audit Committee to consider when it is warranted to release complete and accurate information relating to possible conflicts of interest.

### **2.7 Business Ethics**

The Bank has compiled a code of ethics, defining the standards of honesty and integrity to which the Board of Directors, executive officers and the staff are expected to conform in the performance of their duties. The code has been revised and amended from time to time and distributed to all levels of staff throughout the Bank. Related training courses and observations have also been arranged so as to assure effectiveness as desired.

## 2.8 Checks and Balances: Non-Executive Directors

The Board of Directors is composed of the following nine members:

(1) 3 members holding executive positions in the Bank:

Mr. Krit	Ratanarak
Mr. Ekasak	Puripol
Mr. Jamlong	Atikul

(Members holding executive positions in the Bank represent one-third of the total Board membership.)

(2) 3 members not holding executive positions in the Bank:

Mr. Thipsamat	Na Chiangmai
Mr. Pakorn	Thavisin
Mr. Yongyuth	Withyawongsaruchi

(Members not holding executive positions in the Bank represent one-third of the total Board membership.)

(3) 3 independent members

Mr. Surachai	Prukbamroong
Mr. Anek	Srisawat
Mr. Virat	Phairatphiboon

(Independent members comprise one-third of the total Board membership.)

## 2.9 Merging and Separating Positions

The Chairman of the Board of Directors and the President are two separate positions and are not occupied by the same individual. There is a clear separation of powers and duties between these two posts, and neither post may exercise unlimited authority.

## 2.10 Compensation Given to Board Members and Executive Officers

- **Compensation for the Members of the Board** : The Bank has clear and transparent policies for compensating the members of the Board. Compensation is comparable to that paid in the industry and has been approved at the annual general shareholders meeting. Members appointed to the Audit Committee receive additional compensation reflecting the amount of work assigned.
- **Compensation for Bank executives** : Compensation for Bank executives corresponds to the principles and policies set by the Board of Directors. Payment is based on the Bank's annual operating results and on the individual performance of each executive.
- **Total compensation paid in 2003** : Details of the total compensation paid to Board members and Bank executives in 2003 are as follows:

(1) Cash compensation

- Compensation paid to the 9 members of the Board of Directors (pensions, transportation, and meeting fees) totaled 18,680,000 baht.
- Compensation paid to the 7 Bank executives (Executive Directors and First Executive Vice Presidents) totaled 43,772,032 baht.

(2) Other compensation

- A total of 2,527,962 baht was paid into the provident funds of the Bank's executive officers.  
The Bank does not offer any non-cash benefits (e.g. shares or warrants) other than cash compensation to its executives.

The cash compensation paid to each member of the Board of Directors in 2003 is shown below:

Board members		Amount received
<b>Executive members</b>		
1. Mr. Krit	Ratanarak	2,720,000 baht
2. Mr. Ekasak	Puripol	960,000 baht
3. Mr. Jamlong	Atikul	960,000 baht

**Non-executive members**

4. Mr. Thipsamat	Na Chiangmai	2,160,000 baht
5. Mr. Pakorn	Thavisin	2,160,000 baht
6. Mr. Yongyuth	Withyawongsaruchi	2,160,000 baht

**Independent members**

7. Mr. Surachai	Prukbamroong	2,520,000 baht
8. Mr. Anek	Srisawat	2,520,000 baht
9. Mr. Virat	Phairatphiboon	2,520,000 baht

**Total**

<b>18,680,000 baht</b>
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**2.11 Board of Directors Meetings**

The Board of Directors has agreed to convene regular meetings on the third Wednesday of every month and to hold other special meetings as needed. Each meeting has a clear and specific agenda, and the Directors regularly review the performance of the Bank over the previous period. Notification of upcoming meetings, together with the agenda and any other accompanying documents, is sent to the Board members 7 days in advance in order to give them sufficient time to prepare. Meetings begin at 9:30 a.m. and generally last two-three hours. The Chairman encourages the members to discuss, raise questions, and make recommendations about any of the agenda items. Written minutes of each meeting are taken, and a report is subsequently prepared and approved by the members of the Board. These reports are available for inspection by the Board and any other interested party.

Board members are present at all Board meetings unless urgent business prevents them from attending. Such circumstances include meetings with relevant government agencies and business trips abroad.

In 2003, the Bank's Board of Directors met a total of 13 times. Twelve of these meetings were regularly scheduled monthly meetings, and one was a special meeting. Attendance at these meetings by each of Board members is shown in the table below:

Board members		Number of time attended/Total number of meetings		
		Regular monthly meeting	Special meeting	Total
<b><u>Executive members</u></b>				
1. Mr. Krit	Ratanarak	11/12	1/1	12/13
2. Mr. Ekasak	Puripol	12/12	1/1	13/13
3. Mr. Jamlong	Atikul	10/12	1/1	11/13
<b><u>Non-executive members</u></b>				
4. Mr. Thipsamat	Na Chiangmai	12/12	1/1	13/13
5. Mr. Pakorn	Thavisin	12/12	1/1	13/13
6. Mr. Yongyuth	Withyawongsaruchi	12/12	1/1	13/13
<b><u>Independent members</u></b>				
7. Mr. Surachai	Prukbamroong	12/12	1/1	13/13
8. Mr. Anek	Srisawat	12/12	1/1	13/13
9. Mr. Virat	Phairatphiboon	10/12	1/1	11/13

**2.12 Committees**

The Board of Directors has appointed an Executive Board of Directors, Audit Committee and Risk Management Committee to assist with the supervision of the Bank.

1. *Executive Board of Directors* Currently, the Executive Board of Directors has six members. Their names appear in the sections "Board of Directors" and "Committee Structures". The Board convened 16 meetings in 2003 - 14 regularly scheduled meetings and two special meetings.

2. *Audit Committee*. The Board of Directors appointed the Audit Committee to a three-year term on May 21, 1999. When this term expired on May 8, 2002, the Board of Directors reappointed the same committee members to a second three-year term. The names of the three independent members who comprise the Committee can be found under "Board of Directors" and "Committee Structures". The Audit Committee meets regularly, convening 7 times in 2003.

3. *Risk Management Committee.* Appointed by the Board of Directors on October 9, 2002, and chaired by the Bank's Executive Chairman, the Risk Management Committee consists of 8 members and is responsible for promoting the practice of good corporate ethics, as defined by the Bank of Thailand. The specific duties of the Committee are described in the section "Committee Structures". The Risk Management Committee convened 4 meetings in 2003.

#### 2.13 Internal Audit and Control Mechanisms

The Bank places tremendous importance on its system of internal controls at both the management and operational levels. As evidence, it has adopted the following measures:

(1) There is a written job description, spelling out the precise duties and responsibilities of every position in the Bank. There is an effective system for monitoring the use of the Bank's assets. Operational staff is distinctly separate from staff responsible for monitoring and evaluating Bank procedures. This creates an effective system of checks and balances. The Bank also has a system of financial controls with financial reporting submitted to relevant executives.

(2) The Bank has an internal audit team charged with ensuring that the Bank's main business and its important financial operations comply with set guidelines. There is a separate and independent IT audit team that inspects and evaluates the Bank's IT controls. Together, these internal audit structures create a system of checks and balances that ensures that the Bank's operations and activities comply with set guidelines. It is the duty of the Compliance Unit to verify the Bank's compliance with all laws and regulations pertaining to the commercial banking and securities business. The Compliance Unit and the internal audit teams report directly to and their performance is evaluated by the Audit Committee.

(3) The Bank has adopted a risk-based approach to business as a means of guarding against potential loss. The Bank has appointed a Risk Management Committee that is charged with setting parameters and policies for risk management. It has also created a Risk Management Department that is responsible for limiting the Bank's exposure to risk and preparing regular risk management reports for submission to the Risk Management Committee.

#### 2.14 Board of Directors Reports

The Board of Directors bears ultimate responsibility for the Bank's financial statements, the consolidated financial statements of the Bank and its subsidiaries, and all financial data which appear in the annual report. The Board of Directors has also prepared a statement of responsibility for financial reporting, which follows the auditor's report.

#### 2.15 Investor Relations

It is important to the Bank that investors have access to complete, accurate and updated information about its financial status and any other information which may have a bearing on the price of the Bank's stock. The Bank regularly releases financial statements and other Bank-related news to investors and other stakeholders through a variety of channels, including the Stock Exchange of Thailand and the Bank's own website.

On January 16, 2002, the Bank created the Investor Relations Group, which has the following responsibilities:

(1) To promote good investor relations by coordinating with and providing information to investors, fund managers, credit rating agencies, correspondent banks, and other relevant organizations;

(2) To keep abreast of current trends and conduct comparative analyses of commercial banks and other financial institutions in order to be able to provide accurate information to analysts, investors, financial institutions, credit rating agencies and other pertinent organizations.

Investors can contact the Investor Relations Group by telephone at 0-2296-2971, or by e-mail at [irgroup@krungsri.com](mailto:irgroup@krungsri.com). Investors can also reach the group through the Bank's website at [krungsri.com](http://krungsri.com).

### 3. Monitoring the Use of Insider Information

The Bank has a policy to prevent executives from abusing their access to insider information. All top-level Bank staff must comply with Article 59 of the Securities and Securities Exchange Act of 1992, which requires them to make a full declaration of their stock holdings to the SEC and the Bank's Board of Directors within a stipulated period of time.

The Code of Conduct, contained in the Bank's good corporate governance, specifies that all information related to the Bank and its customers is to be kept confidential. It must not be abused for the benefit of any employee or the benefit of any other individual, either directly or indirectly. This is a discipline which has to be strictly observed by all directors, executive officers and staff. Violators are subject to the following disciplinary actions, as the case may be:

1. Verbal warning
2. Written warning
3. Suspension
4. Termination of employment

#### 4. Internal Controls

At the Board of Directors meeting (7/2546) held on July 9, 2003, and attended by the three members of the Audit Committee, the Board evaluated the adequacy of the Bank's internal control mechanisms in the following areas : Organizational and environmental management, risk management, executive inspection and control on operations, information technology and communications, and monitoring systems. The Board determined that existing control procedures and mechanisms are adequate and conform to the official guidelines set down by the Securities and Exchange Commission.

In its dealings with major shareholders, directors, executive officers and other interested parties, the Bank complies with commercial banking laws and laws pertaining to securities and securities exchange, which prevent the parties named above from making unauthorized use of the Bank's assets. The Board of Directors is in general accord with the Audit Committee on these matters.

The members of the Audit Committee are present at all meetings of the Board of Directors, unless urgent business prevents one of the members from attending. In any case, there are at least two Audit Committee members present at each meeting.

The Bank appointed Deloitte Touche Tohmatsu Company Limited to audit the Bank's financial statement for 2003. A complete examination of the Bank's internal accounting system was conducted within the necessary parameters and in accordance with generally accepted accounting standards. Previously the auditors found no reason to believe that the financial statements contained any inaccuracies or failed to comply with generally accepted principles of accounting.

#### 5. Related Party Transactions

The Bank disclosed information regarding related-party transactions under section 4.21 of the notes to the Consolidated and the Bank's financial statements for the year ended December 31, 2003.

The Bank has business transactions with subsidiary, associated and related companies, which are companies that have shareholding in and /or major shareholders and/or joint directors in common with the Bank. Such related transactions are part of the normal business of the Bank and are subject to the same conditions as other customers. Fees are charged at the market rate. With regard to the Bank's policy of providing allowance for doubtful accounts, the Bank has complied with the same Bank of Thailand regulations as those applied to other debtors.

The Bank's policies and prospects for related party transactions in the future will remain unchanged from the previous year. Such transactions will continue to be considered as part of the Bank's normal business and will be charged at current market rates.

##### (1) Major Related Party Transactions

In December 2003, the Bank extended long-term loans to the Bank of Ayudhya Asset Management Company Limited, a subsidiary in which the Bank has 99.99% ownership. The Bank extended a 10-year loan of 5,353 million baht and an additional five-year loan of 1,269 million baht.

##### (2) Necessity and Justification for the Transactions

These related party transactions were necessary and justified in order to obtain maximum benefits for the Bank. The loans to and commitments with certain officers from the levels of departmental chief upwards and the related firms with shareholders or directors in common with the Bank are considered as part of the normal business of the Bank.

##### (3) Approval Process for Related Party Transactions

All of the Bank's related party transactions are part of its normal business and, as such, are subject to the Bank's normal loan approval procedures. Loan applications are screened by the appropriate panel or panels, based on the amount of credit requested. Executives with a stake in the transaction in question are strictly excluded from the approval process.

##### (4) Policies for and Likelihood of Related Party Transactions in the Future

The Bank's policies and prospects for related party transactions in the future will remain unchanged from the previous year. Such transactions will continue to be considered as part of the Bank's normal business and will be charged at current market rates.

# DIRECTORY

Office	Manager	Tel	Fax
<b>REGIONAL AND AREA OFFICES</b>			
<b>METROPOLITAN</b>			
Regional Office 1 Samrong	Mr. Saprunng Sinchalong	0-2758-2855-6	0-2394-1503
Area 1 Samrong	Mr. Saprunng Sinchalong (Acting)	0-2758-2855-6	0-2394-1503
Area 2 Thanon Sukhumwit 71	Mrs. Kalaya Ravirujipan (Senior)	0-2390-0021	0-2390-2913
Regional Office 2 Chok Chai 4	Mr. Tana Osathanonda	0-2931-1617-9	0-2931-1617-8
Area 3 Chok Chai 4	Mrs. Tana Osathanonda (Acting)	0-2931-1617-9	0-2931-1617
Area 4 Thanon lam luk ka (Khlong 2)	Mr. Waris Akanich (Senior)	0-2995-8823	0-2995-9391
Regional Office 3 Saphan Pra Nangklae	Mr. Kaitisak Lohitanon (Acting)	0-2969-8304-6	0-2969-8301-2
Area 5 Saphan Pra Nangklae	Mr. Kaitisak Lohitanon (Acting)	0-2969-8304-6	0-2969-8301
Area 6 Thanon Boromarajajonani (Taling Chan)	Mrs. Patchra Mookdasatit	0-2969-8300-3	
Regional Office 4 Saphan Pha Pinklao	Mr. Visut Suvannasankha	0-2433-7044	0-2433-4682
Area 7 Saphan Pha Pinklao	Mr. Ruangvate Wongsakulthong (Senior)	0-2433-7044	0-2433-4682
Area 8 Rat Burana	Mrs. Chanpen Puthivorachai (Senior)	0-2463-2723	0-2463-2723
Regional Office 5 Samaeak	Mr. Thanin Pornpiphatpong	0-2222-4530	0-2221-5333
Area 9 Samaeak	Mr. Chatchrin Kulswet (Senior)	0-2221-0893	0-2221-5333
Area 10 Samaeak	Mr. Thanin Pornpiphatpong (Acting)	0-2223-5088	0-2223-4978
Regional Office 6 Ploenchit Office	Mr. Suchin Srisurangkul	0-2208-2775-9	0-2208-2778
Area 11 Ploenchit Office	Mr. Somchai Viraboonchai (Senior)	0-2208-2770-3	0-2208-2778
Area 12 Ploenchit Office	Mr. Sothorn Suthasunthorn	0-2208-2771-8	0-2208-2778
<b>PROVINCIAL</b>			
Regional Office 1 Wang Noi	Miss Pongporn Vongpratipsiri	0-3521-5434-5	0-3521-5434-5
Area 5 Thanon Phahon Yothin Saraburi	Mr. Manop Sriganjana	0-3631-8405	0-3622-2255-66
Area 21 Ang Thong	Mr. Pramote Ngamsrikum	0-3562-5152-3	0-3562-5153
Regional Office 2 Thanon Sukhumwit Cholburi	Mr. Niwat Sivaruj	0-3828-5831	0-3827-7741
Area 6 Noen Teng Cholburi	Mrs. Srivarn Sathkhum (Senior)	0-3828-3324	0-3827-8155-6
Area 7 Rayong	Mrs. Tida Thamsaraj (Senior)	0-3861-5177	0-3861-5178
Area 23 Bang Khla	Mr. Pairoch Wongsupphaluk	0-3854-1608	0-3854-1608

Office	Manager	Tel	Fax
Regional Office 3 Thanon Mittraphap Khon Kaen	Mr. Somnam Aimimtham	0-4322-2070	0-4322-2070
Area 1 Thanon Mittraphap Khon Kaen	Mr. Mongkol Kasemrunghaikit (Senior)	0-4322-0858	0-4322-2200
Area 17 Udon Thani	Mr. Chatchai Plangsiri (Senior)	0-4224-1771	0-4224-1981
Area 24 Sakon Nakhon	Mr. Jirayoud Anuntasak	0-4271-2329	0-4271-2329
Regional Office 4 Hua Thale Nakhon Ratchasima	Mr. Surapong Tungtagulwong	0-4424-2193	0-4423-0462
Area 2 Roi Et	Mr. Visoot Choosamai	0-4351-5165-6	0-4351-5165-6
Area 3 Ubolrajdhani	Miss Araya Lertritsirikul	0-4524-4694-5	0-4524-4887
Area 4 Hua Thale Nakhon Ratchasima	Mr. Chertsak Anuratwechaikul	0-4424-3972	0-4424-3972
Area 25 Surin	Mr. Vinus Chinsupaluck	0-4453-8148-9	0-4453-8148-9
Regional Office 5 Thanon Chotana Chiang Mai	Mr. Charul Suttiwong	0-5335-7108-11	0-5335-7108-11
Area 8 Thanon Chotana Chiang Mai	Mr. Borirak Tungjang	0-5322-2944	0-5322-2957
Area 27 Ha Yaek Phokhun Mengrai Subbranch	Mr. Jirasak Kroechai	0-5371-2350	0-5371-1460
Regional Office 6 Phitsanulok	Mr. Adison Worawongkraisri	0-5522-1239-41	0-5522-1339-41
Area 9 Phitsanulok	Mr. Nipon Chakkrawut	0-5522-1579-81	0-5522-1579-81
Area 10 Thanon Sawanwithi Nakhon Sawan	Mr. Winai Koothong	0-5622-8211-2	0-5622-8213
Area 18 Petchaboon	Mr. Suriya Sripodok	0-5672-0313	0-5672-2890
Regional Office 7 Ratchaburi	Mr. Chumpon Wongpanich	0-3231-0461	0-3231-0462
Area 12 Phra Prathon	Mr. Somkiat Krasantisuk	0-3428-4036-8	0-3428-4036-8
Area 13 Phetchaburi	Mr. Ampon Chareonkul	0-3241-3496-7	0-3241-3496
Area 19 Suphanburi	Mr. Raphephan Bhumibhanit (Senior)	0-3552-1918	0-3552-1922
Area 28 Ratchaburi	Mr. Peera Eimburanaprat	0-3231-0461-3	0-3231-0462
Regional Office 8 Makham Tia Surat Thani	Mr. Prapon Jeravipakorn	0-7722-1650-2	0-7722-1652
Area 14 Surat Thani	Miss Arunee Dalodom	0-7728-6006	0-7728-3112
Area 15 Thanon Poon Phol Phuket	Mrs. Oralak Amornpyroj	0-7621-7112-3	0-7621-7000
Regional Office 9 Haadyai	Mr. Anek Tuntisirin	0-7435-1508-10	0-7435-1510
Area 16 Thanon Kanchanawanit Hat Yai	Mr. Chupong Chantavadee (Acting)	0-7421-7300-1	0-7421-7300
Area 20 Thanon Phatthanakan	Mr. Thaweesak Thanuk (Acting)	0-7531-8767-70	0-7531-8767-9
Khu Khwang Nokhon Si Thammarat			

Branch/Office	Address	Tel	Fax	Branch/Office	Address	Tel	Fax
<b>DOMESTIC BRANCHES</b>							
<b>BANGKOK</b>							
ARUN-AMARIN	799/2 Arun Amarin Rd., BKK 10700	0-2412-6186-8	0-2418-4789	FORTUNE TOWN	5 Ratchada Phisek Rd., BKK 10400	0-2248-3380-3	0-2248-3384
ASSUMPTION UNIVERSITY (HUA MARK)*	682 Ramkhamhaeng Rd., BKK 10240	0-2300-4452-4	0-2300-4452-4	FUTURE MART RAMA III	295 Rama III Rd., BKK 10120	0-2292-0674 0-2689-0658	0-2291-1962
BANG BON	103/127-128 Ekkachai Rd., BKK 10150	0-2416-8366 0-2416-8316	0-2416-8367	HUAMARK	2229/11-12-13 Ramkhamhaeng Rd., BKK 10240	0-2314-6746-7	0-2318-0565
BANG MOT	2/91-93 Rama II Rd., BKK 10105	0-2428-4389-90	0-2870-0120-2	KASETSART UNIVERSITY*	50 Phahon Yothin Rd., BKK 10900	0-2561-3490-1	0-2579-7727
BANG SU	616/120 Techa Wanit Rd., BKK 10800	0-2587-0635-6	0-2585-9661	KLONG PRAPA	136 Rama VI Rd., BKK 10400	0-2270-0829 0-2271-3171	0-2278-0260
BANGKAPI	149/5 Lat Phrao Rd., BKK 10240	0-2377-1724 0-2377-5352	0-2377-1774	KLONGSARN	1153 Charoen Nakhon Rd., BKK 10600	0-2437-1377 0-2437-2646	0-2437-1351 0-2860-1223
BANGKHAE	186 Phet Kasem Rd., BKK 10160	0-2454-2947-50 0-2413-1231	0-2454-2951	KLONGTEOI	209/7-12 Na Ranong Rd., BKK 10110	0-2249-8012-4	0-2240-0528
BANG-KHEN	1979 Phahon Yothin Rd., BKK 10900	0-2561-3017-8 0-2579-1225	0-2579-9929	LAD PHRAO	1284,1286,1288,1290 Lat Phrao Rd., BKK 10900	0-2511-3149 0-2511-1698	0-2513-5918
BANGKOK NOI	631/16 Charan Sanit Wong Rd., BKK 10700	0-2424-0599 0-2424-0600	0-2435-2259	LAT KRABANG	146/2 Lat Krabang Rd., BKK 10520	0-2326-8815-8	0-2326-8816
BANGKRABUE	873/3 Samsen Rd., BKK 10300	0-2243-3256 0-2243-3262	0-2243-7988-9	LAT PHRAO 102	2238 Lat Phrao Rd., BKK 10310	0-2539-4508-11	0-2931-9753
BANGLAMPOO	83 Chakrabongse Rd., BKK 10200	0-2282-8253-4	0-2281-1698	LUMPINI	Lumpini Tower, 1168/1 Rama IV Rd., BKK 10120	0-2285-6696-9	0-2286-5792
BANG-O	397,399 Charan Sanit Wong Rd., BKK 10700	0-2424-0948 0-2435-2257	0-2435-2258	MIN BURI*	140/2-3 Ram Intra Rd., BKK 10510	0-2517-9897-9	0-2517-9900
BANGRAK	318 Silom Rd., BKK 10500	0-2237-7177 0-2237-7140-59	0-2237-7151	NONG KHAEM	14/23-25 Phet Kasem Rd., BKK 10160	0-2444-2958-9	0-2808-8508
CENTRAL LAT PHRAO*	1691 Phahon Yothin Rd., BKK 10900	0-2541-1176-7	0-2541-1177	ON NUJ 23*	1097, 1099 On Nuj Rd., BKK 10250	0-2332-2737 0-2332-2837	0-2332-6243
CENTRAL RAMA II	128 Rama II Rd., BKK 10150	0-2416-1619 0-2416-1622	0-2872-1480	ON NUJ 69*	22/14 On Nuj Rd., BKK 10250	0-2726-0475-8	0-2726-0475-8
CHAENG	29/189-191 Chaeng- Wattana Rd., BKK 10210	0-2574-6174-6	0-2573-7377	PAKKLONG-TALAD	73/1 Chakkraphet Rd., BKK 10200	0-2223-0530 0-2222-9637	0-2222-6360
WATTHANA 14	192-194 Chakkrawat Rd., BKK 10100	0-2222-1677 0-2222-1848	0-2221-5804	PETCHBURI	Krungthep Tower, 2170 Phetchaburi Rd., BKK 10310	0-2308-0041-5	0-2308-0040
CHAKKRAWAT	314 Chakkaphatdi Phong Rd., BKK 10100	0-2280-1757-8	0-2281-7330	NEW EXT. RD.	119 Phahurat Rd., BKK 10200	0-2221-1604 0-2221-7740	0-2224-4834
CHAKRAPHAT PHONG	160,160/1-2 Charu Muang Rd., BKK 10400	0-2214-2352-3	0-2216-1338	PHAHURAD	992/10-11 Phran Nok Rd., BKK 10700	0-2411-4543 0-2418-2515	0-2411-4345
CHARU MUANG	22/329 Soi Lat Phrao 53 (Chok Chai 4), BKK 10231	0-2530-1696 0-2530-3790	0-2530-2959	PHRAN NOK*	550 Phloen Chit Rd., BKK 10330	0-2208-2081 0-2208-2175	0-2208-2116
CHOK CHAI 4	198 Phaya Thai Rd., BKK 10330	0-2219-1624-6	0-2219-1626	PLOENCHIT OFFICE	898 Phloen Chit Rd., BKK 10330	0-2263-0667-9	0-2263-0170
CHULALONGKORN 42*	1033-35,37 Somdet Phrachao Taksin Rd., BKK 10600	0-2476-0036 0-2476-5369	0-2468-1162	PLOENCHIT TOWER	88/136-137 Thetsaban Songkhro Rd., BKK 10900	0-2954-3880-2	0-2580-7108-9
DAO-KHANONG	2/14 Pracha Songkhro Rd., BKK 10320	0-2642-8838-40	0-2245-4732	PRACHA NIWET 1*	1149,1151,1153 Charoen Krung Rd., BKK 10500	0-2233-4372-3	0-2237-7147
DIN-DAENG	342/137 Phahon Yothin Rd., BKK 10220	0-2972-5644-7	0-2521-3596	PRAI-SANEE KLANG	640/2 Phetchaburi Rd., BKK 10400	0-2251-3277 0-2253-8963	0-2251-5389
DONMUANG (NEW BRIDGE)	1473 Sukhumvit Rd., BKK 10110	0-2714-0082-5	0-2714-0082	PRATUNAM	60 Ratchaphisek Rd., BKK 10110	0-2229-5592-4	0-2251-5389
EKAMAI				QUEEN SIRIKIT NATIONAL CONVENTION CENTER*	295 Ratchasima Rd., BKK 10300	0-2241-8325-6	0-2241-8325-6
				RAJABHAT INSTITUTE	1256/5 Nakhon Chaisi Rd., BKK 10300	0-2241-3978 0-2241-4143	0-2241-3842



Branch/Office	Address	Tel	Fax	Branch/Office	Address	Tel	Fax
RAJWONGSE	299 Ratchawong Rd., BKK 10110	0-2224-5510 0-2224-5626	0-2224-5681	SOI THONG LO*	936/6 Sukhumvit 55 Rd., BKK 10110	0-2392-2838-9	0-2381-6428
RAMA II (KHEHA THONBURI 3)*	110/988-989 Rama II Rd., BKK 10150	0-2451-4094-8	0-2451-4094-8	SRINAKARIND-ON NUJ*	2201 On Nuj Rd., BKK 10250	0-2321-1584 0-2321-8838	0-2321-7910
RAMA IX-SRINAKARIND	31-31/1 Rama IX Rd., BKK 10250	0-2300-1642 0-2300-1645	0-2300-1619	SUAN MALI	494,494/1-4 Bamrung Muang Rd., BKK 10100	0-2223-5413 0-2223-7305	0-2223-5414
RAT BURANA	103/1 Suk Sawat Rd., BKK 10140	0-2463-5772-3 0-2464-1445-6	0-2463-5774	SUAN-PHLU	7 Soi Suan-Phlu, South Sathon Rd., BKK 10120	0-2287-3011-3	0-2287-4979
RATCHADAPHISEK (HUAI KHWANG)	286 Ratchada Phisek Rd., BKK 10310	0-2275-4906-10 0-2275-8222	0-2277-9962	SUKHUMWIT 101/2	3131/27-30 Sukhumvit Rd., BKK 10260	0-2747-5566-8	0-2398-5402
RATCHADAPHISEK (THA PHRA-TAKSIN)	97/7-9 Ratchada Phisek Rd., BKK 10600	0-2477-9692-4 0-2477-9689	0-2477-8577	SUKHUMWIT 103 (UDOM SUK)*	749, 751, 753 Sukhumvit Rd., BKK 10260	0-2383-8793-7	0-2383-8793-7
RATCHATHEVI	75/11 Phaya Thai Rd., BKK 10400	0-2653-6720-2	0-2253-8962	SUKHUMWIT 14	304, 306 Sukhumvit Rd., BKK 10110	0-2229-4433 0-2229-4435	0-2225-0773
SALA DAENG	Charn Issara Tower, 942/32 Rama IV Rd., BKK 10500	0-2237-7143-4	0-2236-7615	SUKHUMWIT 35	593/7-9 Sukhumvit Rd., BKK 10110	0-2259-0020-3	0-2258-5062
SAM LIAM DIN DAENG	520 Din Daeng Rd., BKK 10400	0-2642-4020-1	0-2245-6038	SURAWONG	A.I.G Tower, 182 Surawong Rd., BKK 10500	0-2631-4050-9	0-2631-4055
SAM YOD	10,12,14 Sap Sin Rd., BKK 10200	0-2223-7855-7	0-2225-9853	SUTTHISAN	365 Sutthisan Winitchai Rd., BKK 10400	0-2270-0164-5	0-2278-0210
SAMRAY	407/9-10 Somdet Phrachao Taksin Rd., BKK 10600	0-2438-6811-2	0-2860-6457	TALAT PHLU	439, 441, 443 Thoet Thai Rd., BKK 10600	0-2466-9766 0-2466-9672	0-2465-9218
SAMYAEK	34-37 Lamphun Chai Rd., BKK 10100	0-2221-1520-9	0-2222-4532	TAO PUN	7/2-3 Krungthep- Nonthaburi Rd., BKK 10800	0-2585-4217 0-2585-6799	0-2585-9655
SANAM PAO	S.P.E. Tower, 252 Phahon Yothin Rd., BKK 10400	0-2615-0198-9	0-2278-0223	THA DIN DAENG	360-362 Tha Din Daeng Rd., BKK 10600	0-2437-2509 0-2437-3359	0-2437-7885
SAO-CHINGCHA	174 Bamrung Muang Rd., BKK 10200	0-2222-5206 0-2224-8805	0-2225-9856	THA PHRA	226/4 Phet Kasem Rd., BKK 10600	0-2457-0067 0-2457-0534	0-2457-1431
SAPAN-KWAI	Shinawatra Tower 2, 1291/1 Phahon Yothin Rd., BKK 10400	0-2272-2991-4	0-2278-0236	THANON BANG	8/128,20/37 Bang Khun Thian Rd., BKK 10150	0-2416-3481-2 0-2416-3489	0-2416-4389
SAPHAN LUANG	1317,1319,1321 Rama IV Rd., BKK 10330	0-2215-4593-4	0-2215-4794	KHUN THIAN *	1093/3 Bangna-Trat Rd., BKK 10260	0-2361-0625-6	0-2361-0562-4
SAPHAN PHRA	32 Charan Sanit Wong Rd., BKK 10700	0-2433-0085-8	0-2434-3829	THANON BANG NA-TRAT (CENTRAL CITY)	46/1 Bangna-Trat Rd., BKK 10260	0-2751-4036-9	0-2751-4036-9
PINKLAO	79 Krung Thonburi Rd., BKK 10600	0-2437-0230 0-2438-7726	0-2437-9980	THANON BANG NA-TRAT (NATION TOWER)	640,642 Boromratchonnani Rd., BKK 10700	0-2433-1468 0-2433-4985	0-2433-3273
SIAM SQUARE	430/30-32 Rama I Rd., BKK 10330	0-2255-1116-7	0-2251-7622	RAJAJONANI (PINKLAO)*	49/8 Boromratchonnani Rd., BKK 10170	0-2880-9908-9 0-2433-4386	0-2433-6910
SIYAEK ASOK	Serm-Mit Tower, 159 Sukhumvit 21 Rd.,BKK 10110	0-2261-8119-21	0-2661-7675	RAJAJONANI (TALING CHANG)	7/62-64 Chan Rd., BKK 10120	0-2287-4384-8	0-2287-4387
SIYAEK SAPAN	644 Charan Sanit Wong Rd., BKK 10700	0-2424-0125	0-2435-5469	THANON CHAN	1503 Charoen Nakhon Rd., BKK 10600	0-2439-1104 0-2439-6448	0-2439-1158
KRUNGDHON	387,389 Charoen Krung Rd., BKK 10100	0-2223-5334-5	0-2225-9501	NAKHON SOI 35*	96,98,100 Charoen Nakhon Rd., BKK 10600	0-2437-9978-9	0-2438-9982
SIYAEK SUAPA	6/15-16 Lat Phrao Wang Hin Rd., BKK 10230	0-2570-5584-7	0-2570-5586	THANON CHAROEN	14 Chom Thong Rd., BKK 10150	0-2476-5741 0-2468-8096	0-2476-5740
SIYAEK WANG HIN	115 Wisut Kasat Rd., BKK 10200	0-2282-4688-9	0-2281-1694	THONG	95/3 Nang Linchi Rd., BKK 10120	0-2678-3016-8	0-2287-4885
SIYAEK WISUTKASAT	1405/2-3 Krungthep- Nonthaburi Rd., BKK 10800	0-2585-9990-2 0-2585-7352	0-2585-9993	THANON NANG	3300 Phahon Yothin Rd., BKK 10900	0-2937-4983-92	0-2937-4983-90
SIYAEK WONG SAWANG	853/3-4 Charan Sanit Wong 13 Rd., BKK 10600	0-2864-0977-8 0-2411-4264	0-2864-0977	YOTHIN 26 (ELEPHANT TOWER)			

Branch/Office	Address	Tel	Fax
THANON PHATTHANAKAN	1150 Phatthanakan Rd., BKK 10250	0-2318-3289 0-2314-7700	0-2318-9679
THANON PHET	110 Phet Kasem Rd., BKK 10160	0-2454-8702-7	0-2454-8701
KASEM 33 (FUTURE PARK PLAZA)*			
THANON PHET KASEM 55*	603/14-15 Phet Kasem Rd., BKK 10160	0-2454-6969 0-2454-9966	0-2454-9922
THANON PHRARAM THI 4 (KLONGTEOI)*	2697-2699 Rama IV Rd., BKK 10110	0-2260-9506-10	0-2260-9509
THANON PRACHA UTHIT*	644/73-76 Pracha Uthit Rd., BKK 10140	0-2427-1041 0-2427-1415	0-2427-1324
THANON PRACHARAT SAI 1*	1094/1 Pracha Rat Sai 1 Rd., BKK 10800	0-2585-2610 0-2586-8897	0-2585-9418
THANON RAM INDRA KM.2	9/36-39 Rarm Intra Rd., BKK 10220	0-2971-6678-82	0-2971-6682
THANON RAM INDRA KM.8	39/165-167 Ram Intra Rd., BKK 10230	0-2509-5880-3	0-2509-5884
THANON RAM INDRA- VACHARAPHOL*	68/16 Rarm Intra Rd., BKK 10230	0-2509-4993 0-2509-5095	0-2509-4993
THANON RAMKHAMHAENG 19	S.P. Arcade, 2555 Ramkhamhaeng Rd., BKK 10240	0-2314-6261	0-2719-9646
THANON RAT BURANA (BANG PAKOK)	331/25-26 Rat Burana Rd., BKK 10140	0-2428-4534-7	0-2428-4536
THANON RATCHADA- PHISEK (CENTRAL RAMA III)	79/325 Sathu Pradit Rd., BKK 10120	0-2673-6309-14	0-2673-6309-14
THANON RATCHADA- PHISEK (OLYMPIA THAI TOWER)	444 Ratchada Phisek Rd., BKK 10310	0-2513-8731-5	0-2511-2491
THANON SATHON NUA (A.I.-CENTER)*	138 North Sathon Rd., BKK 10500	0-2637-7276-85	0-2637-7279
THANON SATHU PRADIT	570/14 Sathu Pradit Rd., BKK 10120	0-2295-1104-5	0-2295-1104-5
THANON SONG PRAPHA (DON MUANG)	310/75-77 Song Prapha Rd., BKK 10210	0-2566-4291-3	0-2566-4536-7
THANON SRINAKARIND (SERI CENTER)*	12/90 Sinakharintara Rd., BKK 10260	0-2746-0194-9	0-2746-0200
THANON SRINAKARIND- KRUNG THEP KRITHA*	T.F.Group, 278 Sinakharintara Rd., BKK 10240	0-2375-1249 0-2375-3917	0-2375-4271
THANON SUKHAPHIBAN 1	105/457-460 Nawamin Rd., BKK 10240	0-2375-5801-2	0-2377-5648
THANON SUKHAPHIBAN 2	62/138 Sukha Phiban 2 Rd., BKK 10240	0-2374-1935-9	0-2374-8490
THANON SUKHAPHIBAN 3* (SUKHUMVIT CENTER)*	45/30-31 Sukha Phiban 3 Rd., BKK 10240	0-2375-6174 0-2375-6824	0-2735-0088
THANON SUKHUMWIT 63	S.S.P. Tower, 555/3-4 Sukhumvit Rd., BKK 10110	0-2711-4600-6	0-2711-4606
THANON SUKHUMWIT 71	956/1-2 Sukhumvit Rd., BKK 10110	0-2390-1936 0-2381-2171	0-2381-0022-3
THANON THIAM RUAM MIT	280,282,284 Thiam Ruam Mit Rd., BKK 10310	0-2274-4008-10	0-2274-4011

Branch/Office	Address	Tel	Fax
THANON VIBHAVADI- RANGSIT (SUNTOWERS)	123 Wiphawadi Rangsit Rd., BKK 10900	0-2617-6486-90 0-2617-6430	
THE MALL BANG KAE*	275 Phet Kasem Rd., BKK 10160	0-2455-3921 0-2455-3930-1	
THE MALL BANG KAPI*	3522 Lat Phrao Rd., BKK 10240	0-2374-6177-8	0-2374-6294
URUPHONG	46/28 Rama VI Rd., BKK 10400	0-2215-7000-1	0-2613-6658
VORACHAK	69-71 Luang Rd., BKK 10100	0-2221-7678 0-2223-7118	0-2221-9507
WONGWIEN 22	380 Rob Wongwien 22	0-2222-7585	0-2223-4370
KARAKADA	Karakada Rd., BKK 10100	0-2223-0760	
WONGWIEN-YAI	649 Prachathipok Rd., BKK 10600	0-2437-0173-4 0-2437-8029	0-2437-8030
YAOWARAT	437 Yaowarat Rd., BKK 10100	0-2223-5336-7	0-2223-1097
<b>BANGKOK SUBURBAN</b>			
<b>Nakhon Pathom</b>			
PHRA PRATHON	183 Phet Kasem Rd., NPT 73000	0-3424-2826-7	0-3424-2826
NAKHON PATHOM	78/2 Song Phon Rd., NPT 73000	0-3425-1155-7	0-3421-9425
KAMPHAENG SAEN	151/1 Phon Damri Rd., NPT 73140	0-3435-1705-6 0-3435-1809-10	0-3435-1705
NAKHON CHAISAI	62/20-21 Phet Kasem Rd., NPT 73120	0-3433-3640-4	0-3433-1885
SAM PHRAN	242-242/1 Sukha Phiban 1 Rd., NPT 73110	0-3432-2796-9	0-3432-2795
<b>Nonthaburi</b>			
NONTHABURI	5/3 Phibun Songkhram Rd., NBI 11000	0-2967-2000-1 0-2525-2764	0-2525-3282
SAPHAN PRA NANGKLAO	47/18 Rattanathibet Rd., NBI 11000	0-2527-0241-4	0-2527-0245
THANON CHAENG WATTHANA (SOFTWARE PARK)	99/39, 99/43 Chaeng Watthana Rd., NBI 11120	0-2962-3104-8	0-2962-3104-8
THANON NGAM WONG WAN*	49/32-34 Ngam Wong Wan Rd., NBI 11000	0-2951-8403-4 0-2591-7526	0-2588-2784
TIWANON (KHAERAI)	64/9 Tiwanon Rd., NBI 11000	0-2588-3986 0-2588-4638	0-2589-6693
BANG BUA THONG	267 Bang Kruai-Sai Noi Rd., NBI 11110	0-2571-3530-4 0-2923-1093	0-2571-3531
BANG YAI	48/3 Rattanathibet Rd., NBI 11140	0-2594-0608-9 0-2594-1777	0-2594-0605
PAK KRET	100/4 Chaeng Watthana Rd., NBI 11120	0-2960-7961-2 0-2583-8593	0-2583-4387
THANON TIWANON (KHLONG BANG TALAT)*	54/88-89 Tiwanon Rd., NBI 11000	0-2580-6611 0-2580-6622	0-2580-6644
Pathum Thani PATHUM THANI	26/9-10-11 Pathum Samphan Rd., PTI 12000	0-2581-3908-10	0-2581-3933

Branch/Office	Address	Tel	Fax
MAJOR RANGSIT*	439 Phahon Yothin Rd., PTI 12130	0-2567-5010 0-2567-5042-4	0-2532-0018
NAVANAKORN	58/606-608 Phahon Yothin Rd., PTI 12120	0-2529-2076-8	0-2529-2086
RAJABHAT INSTITUTE PETCHBURIWITTA- YALONGKORN*	"1 Phahon Yothin Rd.," PTI 13180	0-2529-5309 0-2529-5346	0-2529-5309
RANGSIT	Future Park Plaza Rangsit, 161 Phahon Yothin Rd., PTI 12130	0-2958-0245-9	0-2958-0245-9
TALAT SI MUM MUANG	600/465-468 Phahon Yothin Rd., PTI 12150	0-2536-8154-6	0-2536-8155
THANON LAM LUK KA (KHLONG 2)	20/6 Lam Luk Ka Rd., PTI 12130	0-2523-3933-5	0-2523-3933-5
THANON RANGSIT- NAKHON NAYOK (KLONG 2)* Samut Prakan	77/143-146 Rangsit-Nakhon Nayok Rd., PTI 12110	0-2966-0916-8	0-2533-1051
SAMUT PRAKAN	85 Prakhon Chai Rd., SPK 10270	0-2387-1814-5	0-2395-3353
BANG PU*	999/15-16 Sukhumvit Rd., SPK 10270	0-2323-9838-42	0-2323-9838-42
SAMRONG	2119 Thepharak Rd., SPK 10270	0-2384-3623-4	0-2394-1503
THANON PHRAEKSA SAMUT PRAKAN*	529/1-2 Phraeksa Rd., SPK 10280	0-2387-0081-2	0-2387-0081-2
THANON SRINAKARIND- SUKHUMWIT*	220/15-16 Sinakharintara Rd., SPK 10270	0-2389-1443 0-2389-1465	0-2389-1568
THANON SRINAKARIND- THEPHARAK	411/1-2-3 Sinakharintara Rd., SPK 10270	0-2385-7120-1	0-2385-7120-1
THANON THEPHARAK	2119 Thepharak Rd., SPK 10270	0-2385-0975-9	0-2385-0975-9
ASSUMPTION UNIVERSITY (THANON BANGNA-TRAD KM. 26)*	88 Bang Na-Trat Rd., SPK 10540	0-2707-0350-4	0-2707-0350-4
BANG BO	250/2 Bang Na-Trat Rd., SPK 10560	0-2708-5393 0-2708-5419	0-2708-4920
PHRA-PRADAENG	528,530 Nakhon Khaekhan Rd., SPK 10130	0-2463-5230 0-2463-1012	0-2463-0115
THANON SUKSAWAT 53*	58/19 Suk Sawat Rd., SPK 10130	0-2463-2510 0-2463-2920	0-2463-2560
THANON WAT KINGKAE0	46/9 Wat King Kaeo Rd., SPK 10540	0-2316-9495-6	0-2750-1722
THANON WAT KINGKAE0 (RACHA TEWA) Samut Sakhon	9/109-110 Wat King Kaeo Rd., SPK 10540	0-2312-4795-7	0-2312-4795-7
SAMUT SAKHON	923/27 Setthakit 1 Rd., SKN 74000	0-3441-1986-7	0-3442-6475
THANON RAT BANCHOP SAMUT SAKHON*	887/1-3 Rat Banchop Rd., SKN 74000	0-3442-8126-7	0-3442-8127
KRATHUMBAEN	773-774/1 Setthakit 1 Rd., SKN 74110	0-3447-2580-1	0-3447-1477
OM NOI*	307/11-12 Phet Kasem Rd., SKN 74130	0-2431-0131-6	0-2431-0131-6

Branch/Office	Address	Tel	Fax
<b>PROVINCES</b>			
<b>CENTRAL</b>			
Ang Thong			
ANG THONG	64 Ang Thong-Pho Thong Rd., ATG 14000	0-3562-5150-1	0-3562-5150-1
Chai Nat			
CHAINAT	100 Wong To Rd., CNT 17000	0-5641-2696	0-5641-2697
Lop Buri			
LOP BURI	101 Sura-Songkhram Rd., LRI 15000	0-3641-1599-600	0-3641-1600
WONG WIEN SA KAE0	227/36-37 Narai Maharat Rd.,	0-3642-2601-2	0-3661-2691
LOP BURI*	LRI 15000		
LAM NARAI	424 Sura Narai Rd., LRI 15130	0-3646-1994-5	0-3646-1994-5
Phra Nakhon Si Ayutthaya			
AYUDHYA	Kho Khwai 108/6 U Thong Rd., AYA 13000	0-3524-5718-20	0-3524-1783
BANG PA-IN	44/26-29 Udom Sorrayut Rd., AYA 13160	0-3522-1071-4	0-3522-1071-4
BANG SAI	120 Pathum Thani-Samkok- Sena Highway, AYA 13190	0-3537-1444-5	0-3537-1124
LAT BUA LUANG*	33/49-52 Bangkok-Suphan Buri Highway, AYA 13230	0-3537-9350	0-3537-9352
PRATUNAM PHRA-IN	55/10 Phahon Yothin Rd., AYA 13180	0-3521-9851-4	0-3521-9851-4
ROJANA INDUSTRIAL PARK*	1/145-148 Rotchana Rd., AYA 13210	0-3533-0515 0-3533-0525	0-3533-0505
SENA	Ko Kai 407/2 Wilai Sena Rd., AYA 13110	0-3520-2009	0-3520-2279
THA RUA	223 Thetsaban 1 Rd., AYA 13130	0-3534-1969-70	0-3534-1129
WANG NOI	409 Phahon Yothin Rd., AYA 13170	0-3527-1882-3	0-3527-1882-3
Saraburi			
SARABURI	55/2 Sut Banthat Rd., SRI 18000	0-3622-2277 0-3631-5696	0-3622-1325
THANON PHAHON YOTHIN SARABURI	510/34 Phahon Yothin Rd., SRI 18000	0-3631-8401-4	0-3631-8401-4
DON PHUT*	119 Pho Phraya-Ang Thong- Tha Rua Rd., SRI 18210	0-3638-5112-4	0-3638-5113
HIN-KONG	218-220 Phahon Yothin Rd., SRI 18230	0-3637-9013-4	0-3637-9013
KAENG KHOI	119 Sut Banthat Rd., SRI 18110	0-3624-5320-3	0-3624-5320-3
MUAKLEK	48/7 Sukha Phiban Rd., SRI 18180	0-3634-1076-7	0-3634-1076-7
NONG DON	320 Sukha Phiban Rd., SRI 18190	0-3639-7225-8	0-3639-7225-8
NONG KHAE	48 Setthasamphan Rd., SRI 18140	0-3632-6400-3	0-3632-6400-3
PHRABUDHABATH	43 Sai Ek Rd., SRI 18120	0-3626-8022-4	0-3626-8022-4
Sing Buri			
SING BURI	809-812 Khun San Rd., SBR 16000	0-3652-0697-8	0-3652-0699

Branch/Office	Address	Tel	Fax
KHAI BANG RACHAN*	74/1-2 Sing Buri-Suphan Buri Highway, SBR 16150	0-3659-7050-2	0-3659-7050
<b>EAST</b>			
<b>Chachoengsao</b>			
CHACHOENGSAO	5/1 Prem Pracha Rd., CCO 24000	0-3851-4272-3	0-3851-4273
BANG KHLA	57 Bang Khla-Plang Yao Rd., CCO 24110	0-3854-2014-6	0-3854-2014-6
BANG PAKONG	73 Sukhumvit Rd., CCO 24130	0-3853-1250-1	0-3853-1250-1
PHANOM SAKAKHAM	1144/1 Chachoengsao-Kabin Buri Rd., CCO 24120	0-3855-1840-3	0-3855-1842
<b>Chanthaburi</b>			
CHANTABURI	181 Khwang Rd., CTI 22000	0-3934-6385-8	0-3934-6385-8
SIYAEK KHAO RAI YA	48/14 Rak Sak Chamun Rd., CTI 220000	0-3933-5398-9	0-3933-5398-9
<b>Chonburi</b>			
CHOLBURI	170 Wachira Prakan Rd., CBI 20000	0-3879-2318-9	0-3879-2318-9
AMATA NAKORN	700/203 Bangna-Trat Rd., CBI 20000	0-3845-8950-2	
<b>INDUSTRIAL ESTATE</b>			
<b>CHON BURI*</b>			
NOEN TENG CHOLBURI	413/67 Chon Buri-Ban Bung Rd., CBI 20000	0-3826-1101-3	0-3826-1101-3
THANON SUKHUMWIT CHOLBURI	64/1 Sukhumvit Rd., CBI 20000	0-3827-4520-1	0-3827-4520-1
AO UDOM	166/403 Sukhumvit Rd., CBI 20230	0-3835-2466-9	0-3835-2466-9
BAN BUNG	325 Chon Buri-Ban Bung Rd., CBI 20170	0-3844-4019-20	0-3844-3623
BAN RONG PO	39 Sukhumvit Rd., CBI 20150	0-3824-1031-4	0-3824-1033
PATTAYA	513 Central-Pattaya Rd., CBI 20260	0-3842-6907-8	0-3842-6907-8
PHANAT NIKHOM	36/1 Si Kunchon Rd., CBI 20140	0-3846-1378-9	0-3846-1378-9
SATTAHIP	0526/17-18-19 Ban Na Rd., CBI 20180	0-3843-7781-3	0-3843-7781-4
SI RACHA	122 Sukhumvit Rd., CBI 20110	0-3831-1375	0-3831-1375
		0-3831-1852	0-3831-1852
THANON PATTAYA TAI	37/37-41 South-Pattaya Rd., CBI 20260	0-3842-5524-5	0-3841-1992
THANON SURASAK 1	1/18 Thetsaban 1 Rd., CBI 20110	0-3832-4272-6	0-3832-4272-6
<b>SI RACHA*</b>			
<b>Nakhon Nayok</b>			
NAKHON NAYOK	Kho Khai / 1-400 Sena Phinit Rd., NYK 26000	0-3731-2644-5	0-3731-2644-5
ONGKHARAK	54 Ongkharak-Bang Nam Prieo Rd., KYK 26120	0-3732-2268-9	0-3739-1594
<b>Prachin Buri</b>			
PRACHIN BURI	81 Thetsaban Damri Rd., PRI 25000	0-3721-3217-8	0-3721-3217-8
304 INDUSTRIAL PARK	260 M.10, PRI 25140	0-3720-8314	
<b>PRACHIN BURI*</b>			

Branch/Office	Address	Tel	Fax
KABIN BURI	599 Suwannason Rd., PRI 25240	0-3720-3015-9	0-3720-3015-9
<b>Rayong</b>			
RAYONG	125/11 Sukhumvit Rd., RYG 210000	0-3861-1534	0-3861-6073
		0-3861-6072-3	
KACHET*	209 Sukhumvit Rd., RYG 21160	0-3864-8295-6	0-3864-8001
MAP TA PHUT	195 Sukhumvit Rd., RYG 21000	0-3860-8991-4	0-3860-8991-4
TPI RAYONG*	299 Sukhumvit Rd., RYG 21000	0-3862-3839-41	0-3862-3841
EASTERN SEABOARD	24/1 Hemmarat Avernu Rd., RYG 21140	0-3865-0256-7	
<b>INDUSTRIAL ESTATE*</b>			
KLAENG	141/1 Sukhumvit Rd., RYG 21110	0-3867-4427-8	0-3867-4427-8
NIKHOM PHATTHANA	382/19-20 Wiwat Wanit Rd., RYG 21180	0-3863-7585-6	0-3889-1810-3
RAYONG*			
STAR PLAZA RAYONG*	115 Sukhumvit Rd., RYG 21000	0-3862-3842-4	0-3862-3844
<b>Sa Kaeo</b>			
SA KAEO	304 Suwannason Rd., SKW 27000	0-3724-1810-3	0-3724-1810-3
<b>Trat</b>			
TRAD	421 Sukhumvit Rd., TRT 23000	0-3952-1151-3	0-3952-1151-3
THANON SUKHUMWIT	56 Sukhumvit Rd., TRT 23000	0-3952-0969	0-3952-1326
TRAD*		0-3952-0993	
<b>UPPER NORTHEAST</b>			
<b>Chaiyaphum</b>			
CHAIYAPHOOM	141/20 Chaiyaphum-Si Kheu Rd., CPM 36000	0-4482-1339-41	0-4482-1340
<b>Kalasin</b>			
KALASIN	297/1 Thetsaban 23 Rd., KSN 46000	0-4381-1556-7	0-4382-1882
<b>Khon Kaen</b>			
KHON-KAEN	114 Si Chan Rd., KKN 40000	0-4322-0856-7	0-4322-2800
KHON KAEN UNIVERSITY*	123 Mittraphap Rd., KKN 40002	0-4320-2260-1	
THA PHRA KHON KAEN*	426-429 Mittraphap Rd., KKN 40260	0-4326-1661-5	0-4326-1661-5
THANON MALIWAN	84 Maliwan Rd., KKN 40000	0-4323-7952	0-4323-7965
		0-4324-2565	
THANON MITTRAPHAP	359/3 Mittraphap Rd., KKN 40000	0-4332-5411-5	0-4332-5411-5
KHON KAEN			
BANPHAI	147 Ratchanikun Rd., KKN 40110	0-4327-2108	0-4327-2501
		0-4327-2162	
CHUM PHAE	1249 Maliwan Rd., KKN 40130	0-4331-1309-10	0-4331-2258
NAM PHONG	68/1 Phadung Panich Rd., KKN 40140	0-4343-1341-2	0-4343-1113
PHU WIANG	490 Phu Wiang-Gut Chim Rd., KKN 40150	0-4329-1290-2	0-4329-1290-2
<b>Loei</b>			
LOEI	24/10 Ruam Chit Rd., LEI 42000	0-4281-2619-20	0-4281-2620
<b>Mukdahan</b>			
MUKDAHAN	12 Wiwit Surakan Rd., MDH 49000	0-4261-3035-6	0-4261-3035
<b>Nakhon Phanom</b>			
NAKHON PHANOM	275/1 Nittayo Rd., NPN 48000	0-4251-3082-5	0-4251-3086

Branch/Office	Address	Tel	Fax
PHON SAWAN*	473 Kusuman-Tha Uthen Rd., NPN 48190	0-4259-5119 0-4259-5091	0-4259-5044
Nong Bua Lam Phu			
NONG BUA LAM PHU	16/1 Wisai Udon Kit Rd., NBP 39000	0-4231-2536-40	0-4231-2540
NA KLANG	66 Wang Saphung-Udon Thani Highway, NBP 39170	0-4235-9023-4	0-4235-9023-4
Nong Khai			
NONG KHAI	038/2 Prachak Rd., NKI 43000	0-4242-0743-4	0-4242-0743
SRI CHIENGMAI	640 Si Ming Muang Rd., NKI 43130	0-4245-1336-8	0-4245-1336-8
Sakon Nakhon			
SAKON NAKHON	1575/7 Suk Kasem Rd., SNK 47000	0-4271-3001-2	0-4271-3002
KASETSART UNIVERSITY (SAKON NAKHON)*	59 Sakon Nakhon-Nakhon Phanom Highway., SNK 47000	0-4275-4228-30	
RAJABHAT INSTITUTE	680 Nittayo Rd., SNK 47000	0-4271-4303	0-4271-7109
SAKNO NAKHON*		0-4271-7109	
WANON NIWAT	379 Watthanatham Watthana Rd., SNK 47120	0-4279-1165-6	0-4279-1165
Udon Thani			
UDORNDHANI	229/9 Prachak Sinlapakhom Rd., UDN 41000	0-4224-6511 0-4222-1497	0-4222-1523
BIG C UDON THANI *	415 Nittayo Rd., UDN 41000	0-4221-2733-4	0-4220-4920
NONG BUA UDON THANI	999 Udon-Sakon Nakhon Highway, UDN 410000	0-4224-3434 0-4224-8494	0-4224-8636
THANON PHO SI UDON THANI*	112-112/1 Pho Si Rd., UND 41000	0-4224-9736-7	0-4224-9736
LOWER NORTHEAST			
Amnat Charoen			
AMNAT CHAROEN	890 Chayangkun Rd., ACR 37000	0-4551-1731-4	0-4551-1731-4
Buri Ram			
BURI RAM	57,57/1 Soonthon Thep Rd., BRM 31000	0-4461-4128-30	0-4461-4128-30
RAJABHAT INSTITUTE	439 Jira Rd., BRM 31000	0-4460-1519	0-4461-7653
BURI RAM *			
NANG RONG	605 Chok Chai-Det Udom Rd., BRM 31110	0-4462-4318-22	0-4462-4318-22
PHUTTHAISONG	322 Aphairat Rd., BRM 31120	0-4468-9114-5	0-4468-9164
Maha Sarakham			
MAHA SARAKHAM	1168/5 Worabut Rd., MKM 44000	0-4372-2227-8	0-4372-2227
Nakhon Ratchasima			
NAKORNRAJSIMA	168 Chom Phon Rd., NMA 30000	0-4425-1340-2 0-4424-2388	0-4425-1340-2
HUA THALE	66/1 Thao Sura Rd.,	0-4426-6042-6	0-4426-6042-6
NAKHON RATCHASIMA	NMA 30000		
RAJABHAT INSTITUTE	340 Sura Narai Rd.,	0-4424-8405-6	0-4425-8867
NAKHON RATCHASIMA*	NMA 30000		
THANON MITTRAPHAP (NAKHON RATCHASIMA)	672 Mittraphap Rd., NMA 30000	0-4425-6866 0-4425-6899	0-4425-3257

Branch/Office	Address	Tel	Fax
THANON MITTRAPHAP- YAEK PAK THONG CHAI*	1279/1 Mittraphap Rd., NMA 30000	0-4427-7324-5	0-4427-7324-5
NON SUNG	17 Non Sung-Mittraphap Rd., NMA 30160	0-4437-9111-3	0-4437-9111-3
PAKCHONG	680 Mittraphap Rd., NMA 30130	0-4431-3908-9	0-4431-3908-9
SIKHIU	323-325 Chum Ka Rd., NMA 30140	0-4441-2465-6	0-4441-2465-6
Roi Et			
ROI ET	166 Theva Phiban Rd., RET 45000	0-4351-1615-6	0-4351-1615-6
THANON HAI SOKE ROI ET*	4/2-3 Hai Sok Rd., RET 45000	0-4351-4830 0-4351-3307	0-4351-1830
PHANOM PHRAI	169 Pracha Khet Raksa Rd., RET 45140	0-4359-1141-2	0-4359-1143
PHON THONG	218 Selaphum-Phon Thong Rd., RET 45110	0-4357-1035-7	0-4357-1035-7
Si Sa Ket			
SI SAKET	0980/6 Khu-Khan Rd., SSK 33000	0-4561-2293-4	0-4561-2293-4
Surin			
SURIN	44 Thanasan Rd., SRN 32000	0-4451-5061-2	0-4451-2850
Ubon Ratchathani			
UBOLRAJDHANI	304-310 Phrommarat Rd., UBN 34000	0-4524-4885 0-4525-5214	0-4525-4064
RAJABHAT INSTITUTE	2 Ratchathani Rd., UBN 34000	0-4520-9139	0-4525-5416
UBON RATCHATHANI*		0-4525-5537	
THANON CHAYANGKUN	183 Chayangkun Rd., UBN 34000	0-4524-4594-5	0-4524-4594-5
UBON RATCHATHANI			
DET-UDOM	299 Sathonlamak Rd., UBN 34160	0-4536-1001-2	0-4536-1500
MUANG SAMSIP*	331 Chayangkun Rd., UBN 34140	0-4548-9004-5	0-4548-9119
PHIBUN MANGSAHAN	67/22 Phibun Rd., UBN 34110	0-4544-1400-1	0-4544-1400-1
WARIN CHAMRAP	151/2 Warin-Phibun Rd., UBN 34190	0-4526-9470-4	0-4526-9470-4
Yasothon			
YASOTHON	109 Uthai Ram Rit Rd., YST 35000	0-4571-2954-6	0-4571-2954-6
UPPER NORTH			
Chiang Mai			
CHIENG MAI	222, 224, 226 Tha Pae Rd., CMI 50300	0-5325-1811-2	0-5325-1811-2
NONG PRATHIP	84/13 Charoen Muang Rd., CMI 50000	0-5324-0241-3	0-5324-0243
CHIANG MAI			
PRATU CHANG PHUAK	70 Chang Phuak Rd., CMI 50200	0-5321-1700-1	0-5321-7576
SIYAEK SANAM BIN	125 Chiang Mai-Hot Highway, CMI 50200	0-5328-0525-7	0-5328-0525-7
CHIANG MAI			
THANON CHANG KHLAN	164/52-53 Chang Khlam Rd., CMI 50100	0-5327-0431-4	0-5327-0434
CHIANG MAI			

Branch/Office	Address	Tel	Fax
THANON CHOTANA	51/22 Chotana Rd.,	0-5340-9420-4	0-5340-9420-4
CHIANG MAI	CMI 50300		
THANON HUAI KAE0	203/16 Huai Kaeo Rd.,	0-5321-9804-6	0-5321-9804
CHIANG MAI*	CMI 50200		
THANON MAHIDOL	202-204 Mahidol Rd.,	0-5380-1700-3	0-5380-1703
(SI YAEK NONG HOI)	CMI 50000		
SAN KAMPHAENG	90/5 Chiang Mai- San Kampaeng Rd., CMI 50130	0-5339-2592-6	0-5339-2592-6
FANG	50/2 Chiang Mai-Fang Rd., CMI 50110	0-5338-2813-7	0-5338-2815
HANG DONG*	35 Chiang Mai-Hot Highway, CMI 50230	0-5344-1986-7	0-5344-1987
MAE RIM	458 Chiang Mai-Fang Rd., CMI 50180	0-5329-9916-9	0-5329-9916-9
<b>Chiang Rai</b>			
CHIANG RAI	231-232 Tanalai Rd., CRI 57000	0-5374-4641-3	0-5374-4642
HA YAEK PHO KHUN	116/6-8 Chiang Rai-Mae Chan	0-5371-1292	0-5371-2373
MENGRAI*	Highway, CRI 57000	0-5371-1793	
MAE FAH LUANG	333 Phahon Yothin Rd.,	0-5378-7121	0-5378-7467
UNIVERSITY*	CRI 57100	0-5378-7185	
RAJABHAT INSTITUTE	80 Phahon Yothin Rd.,	0-5377-6038	0-5377-6079
CHIANG RAI*	CRI 57100	0-5377-6066	
MAE SAI	490/2-5 Phahon Yothin Rd., CRI 57130	0-5364-0769-71	0-5364-0769-71
PHAN	1262 Phahon Yothin Rd., CRI 57120	0-5372-1251-2	0-5372-1251
<b>Lampang</b>			
LAMPANG	427 Tip Chang Rd., LPG 52100	0-5432-3270	0-5421-8303
		0-5422-5077	
RAJABHAT INSTITUTE	119 Lampang-Mae Tha	0-5431-7950-2	0-5431-7950-2
LAMPANG*	Highway, LPG 52000		
THANON BOONYAWAT	67-71 Bunyawat Rd.,	0-5422-8184-6	0-5422-8184-6
LAMPANG*	LPG 52100		
<b>Lamphun</b>			
LAMPHUN	175/28 Rob Muang Nai Rd., LPN 51000	0-5351-0246-50	0-5351-0248
<b>Mae Hong Son</b>			
MAE HONG SON	61 Khun Lum Praphat Rd., MSN 58000	0-5361-1868-9	0-5361-2334
<b>Nan</b>			
NAN	92/1 Anantaworariththidet Rd., NAN 55000	0-5477-2584-6	0-5477-2584-6
<b>Phayao</b>			
PHAYAO	478 Phahon Yothin Rd., PYO 56000	0-5448-1863-4	0-5448-1863-4
<b>Phrae</b>			
PHRAE	163 Yantrakit Kosol Rd., PRE 54000	0-5451-1595-6	0-5451-1595-6
<b>LOWER NORTH</b>			
<b>Kamphaeng Phet</b>			
KAMPHAENG PHET	95 Wichit Rd., KPT 62000	0-5571-3013-4	0-5571-3981

Branch/Office	Address	Tel	Fax
<b>Nakhon Sawan</b>			
NAKHON SAWAN	433-433/1 Kosi Rd., NSN 60000	0-5622-8017-8	0-5622-2598
THANON SAWANWITHI	269/4 Sawan Withi Rd.,	0-5622-7866-7	0-5622-7866-7
NAKHON SAWAN	NSN 60000		
CHUMSAENG	26/1 Saeng Thinakon Rd., NSN 60120	0-5628-2247-8	0-5628-2544
TAKHLI	10 Takhli Phathana Rd., NSN 60140	0-5626-1249	0-5626-1530
0-5632-2042			
<b>Phetchabun</b>			
PETCHABOON	88/2 Samakkh Chai Rd., PBN 67000	0-5672-2572-3	0-5672-2572-3
THANON SUEKSA	6,8,10 Sueksa Charoen Rd.,	0-5672-2247-8	0-5672-2247
CHAROEN PHETCHABOON*	PBN 67000	0-5674-4154-5	
LOM SAK	152/6 Samakkh Chai Rd., PBN 67110	0-5670-2009-11	0-5670-2009-11
NONG-PHAI	51 Saraburi-Lomsak Rd., PBN 67140	0-5678-1411-5	0-5678-1412
<b>Phichit</b>			
PHICHIT	2/285 Si Mala Rd., PCT 66000	0-5661-2512-4	0-5661-3517
BANG MUN NAK	286/1 Pravet Nua Rd., PCT 66120	0-5663-1844-7	0-5663-1845
TAPHAN-HIN	10 Ratsadon Kasem Rd., PCT 66110	0-5662-2313-4	0-5662-2313-4
<b>Phitsanulok</b>			
PHITSANULOK	275/1 Phichai Songkhram Rd., PLK 65000	0-5522-1721-3	0-5522-1721-3
NARESUAN UNIVERSITY*	99 Phitsanulok- Nakhon Sawan Rd., PLK 65000	0-5526-1125-6	0-5526-1125-6
THANON AKATOSAROT	112/19 Ekathosarot Rd.,	0-5522-5173-7	0-5522-5173-7
PHITSANULOK*	PLK 65000		
<b>Sukhothai</b>			
SUKHOTHAI	292/24 Charot Withi Thong Rd., STI 64000	0-5561-2671-2	0-5562-1989
<b>Tak</b>			
TAK	561/3 Taksin Rd., TAK 63000	0-5551-3511-3	0-5551-3513
BAN TAK*	195 Trok Soi Rd., TAK 63120	0-5559-1249-50	0-5559-1246
MAE SOT	519 Inthara Khiri Rd., TAK 63110	0-5553-3781-3	0-5553-3784
<b>Uthai Thani</b>			
UTHAI THANI	5-5/1-5/2 Thoep Siri Rd., UTI 61000	0-5651-2561-4	0-5651-2561-4
<b>Uttaradit</b>			
UTTARADIT	1/62 Sumran Ruan Rd., UTT 53000	0-5541-1357	0-5541-2443
		0-5541-1457	
RAJABHAT INSTITUTE	27 Injaimee Rd., UTT 53000	0-5541-3736	0-5541-7505
UTTARADIT*		0-5541-4072	
<b>WEST</b>			
<b>Kanchanaburi</b>			
KANCHANABURI	73/18 U Thong Rd., KPI 71000	0-3451-5058-9	0-3451-2396-7
BO PHLOI	1/15 Lad Ya-Bo Phloi Rd., KPI 71160	0-3458-1055-6	0-3458-1055-6

Branch/Office	Address	Tel	Fax
LUK KAE	75/2,76-78 Saeng Chuto Rd., KPI 71120	0-3456-6423-4	0-3456-6423-4
THA MUANG	974/184 Saeng Chuto Rd., KPI 71110	0-3461-1412-3	0-3461-1412-3
THA RUA PHRA THAEN Phetchaburi	439 Saeng Chuto Rd., KPI 71130	0-3456-2005-6	0-3456-2005-6
PHETCHABURI	87/11 Phet Kasem Rd., PBI 76000	0-3242-8611-2	0-3242-5880
SAPHAN CHOM KLAO PHETCHABURI*	7 Thevet Rd., PBI 76000	0-3241-3185-7	0-3241-3185-7
CHA-AM	402/4-7 Phet Kasem Rd., PBI 76120	0-3247-2047-51	0-3247-2049
KHAO YOI	120/34-38 Phet Kasem Rd., PBI 76140	0-3249-9057-8	0-3249-9057-8
NONG YA PLONG*	130 Highway 3349, PBI 76160	0-3249-4246-50	0-3249-4246-50
THA YANG Prachuap Khiri Khan	328/4 Yai Rd., PBI 76130	0-3246-1826-7	0-3246-1826-7
PRACHUAP KHIRI KHAN	196 Sala Cheep Rd., PKN 77000	0-3261-1980-1	0-3261-1980-1
BANG SAPHAN	339/109 Bang Saphan- Chai Talay Rd., PKN 77140	0-3254-8404-7	0-3269-1574
HUA HIN	77/20-23 Phet Kasem Rd., PKN 77110	0-3251-1120	0-3251-1444
PRANBURI	30/8 Phet Kasem Rd., PKN 77160	0-3254-4105-6	0-3254-4105-6
Ratchaburi			
RATCHABURI	286/24 Si Suriyawong Rd., RBR 70000	0-3232-5650-2	0-3233-7991
THANON ROTFAI RATCHABURI *	36/4-6 Rot Fai Rd., RBR 70000	0-3232-2388-92	0-3232-2392
BAN PONG	7/38 Saeng Chuto Rd., RBR 70110	0-3220-1949-50	0-3220-1949-50
HUAI KRA BOK*	361/3-5 Sukha Phiban 1 Rd., RBR 70190	0-3229-1091-2	0-3229-1091
PHOTHARAM	116 Photharam Rd., RBK 70120	0-3235-4317-8	0-3223-3291-4 0-3223-3291-4
Samut Songkhram			
SAMUT SONGKHRAM	133/25 Thang Khao Muang Rd., SKM 75000	0-3471-3039-40	0-3471-3039
Suphan Buri			
SUPHANBURI	64/23 Nen Kaeo Rd., SPB 72000	0-3552-3961-3	0-3552-3961-3
THANON PHRAPANVASA SUPHANBURI*	251 Phra Phanvasa Rd., SPB 72000	0-3552-5128-32	0-3552-5130\
BANG PLA MA	295/1 Mu 5 Tumbol Khok Khram, Amphoe Bang Pla Ma, SPB 72150	0-3558-7623-4	0-3558-7623
SONGPHINONG	62 Banglee-Nongvanprieng Rd., SPB 72110	0-3553-1491-2	0-3553-1491-2
U THONG	748 Malai Maen Rd., SPB 72160	0-3552-3022-3	0-3555-1933

Branch/Office	Address	Tel	Fax
UPPER SOUTH			
Chumphon			
CHUMPHON	14/3 Chumphon-Ranong Highway, CPN 86000	0-7751-1491	0-7750-3044 0-7751-1493
THANON SALADAENG CHUMPHON*	91 Saladaeng Rd., CPN 8600	0-7750-5032	0-7750-5032 0-7750-5034
LANG SUAN Krabi	157 Kao Ngoen Rd., CPN 86110	0-7758-2513-5	0-7758-2514
KRABI	533/2 Uttarakit Rd., KBI 81000	0-7562-1258-61	0-7562-1258-61
AO NANG KRABI*	191 Ao Nang-Susanhoi Highway, KBI 81000	0-7569-5429-31	0-7569-5430
Nakhon Si Thammarat			
NAKHON SI THAMMARAT	1366/1-3 Ratchadamnoen Rd., NRT 80000	0-7534-2789	0-7534-2292 0-7534-6125
THANON PHATTHANAKAN KHU KHWANG NAKHON	99 Phatthanakan Khu Khwang Rd., NRT 80000	0-7531-7841-5	0-7531-7841-5
SI THAMMARAT			
THUNG YAI	188 Thung Yai-Thung Song Highway, NRT 80240	0-7548-9004-5	0-7548-9173
TUNGSONG	312 Chon Preeda Rd., NRT 80110	0-7541-2684-5	0-7541-1475
Phangnga			
PHANGNGA	179 Phet Kasem Rd., PNA 82000	0-7641-1989	0-7641-2333 0-7641-2444
KHAOLAK PHANG-NGA*	99-100 Thambon Kuk Kak, Amphaol Takua Pa, PNA 82180	0-7642-3425-7	
THAP PUT	6/16 Thap Put-Phangnga Rd., PNA 82180	0-7644-2228-30	0-7659-9098
Phuket			
PHUKET	64 Ratsada Rd., PKT 83000	0-7621-1110	0-7622-1359 0-7621-1592
THANON THEP KRASATTRI PHUKET	6/7 Thep Krasattri Rd., PKT 83000	0-7623-6337-8	0-7622-2301
KATA*	11/1 Karon Rd., PKT 83100	0-7633-3518-20	0-7633-3519
THANON POON PHOL PHUKET	25/1 Phun Phol Rd., PKT 83000	0-7622-1284-6	0-7622-1284-6
HA YAEK CHALONG PHUKET*	17/6-7 Chao Fa Tawan Ok Rd., PKT 83100		
PA TONG	145 Rat Uthit Rd., PKT 83150	0-7634-0809-10	0-7634-0194
THANON THAWIWONG (PATONG)* Ranong	116 Thawiwong Rd., PKT 83150	0-7634-6074-6	0-7634-6075
RANONG	228/2 Tha Muang Rd., RNG 85000	0-7781-1777	0-7781-1777 0-7782-1205
Surat Thani			
SURAT THANI	273 Na Muang Rd., SNI 84000	0-7728-3116-9	0-7728-3116-9
MAKHAM TIA SURAT THANI	181/291 Phun Phin-Surat Thani Highway, SNI 84000	0-7728-8750-3	0-7728-8750-3
CHAWENG BEACH*	110/29-32 Thawee Rat Phakdi Rd., SNI 84320	0-7741-3736-8	0-7741-3709
KANCHANADIT	60/1 Kadaeh Rd., SNI 84160	0-7737-9028-30	0-7737-9031

Branch/Office	Address	Tel	Fax
KO SAMUI	11/13 Thawee Rat Phakdi Rd., SNI 84140	0-7742-0176-9	0-7742-0179
LAMAI BEACH*	137/4 Thawiratphakdi Rd., SNI 84310	0-7741-9017-8	
MAE NAM*	12/41-42 Thawee Rat Phakdi Rd., SNI 84330	0-7742-7787-8	0-7742-7789
PHUNPHIN	23,25,27 Chulachomklao Rd., SNI 84130	0-7731-1523 0-7731-1967	0-7731-1423
WIANG SA	97/3 Ban Song-Phra Saeng Rd., SNI 84190	0-7736-1958-60	0-7736-1959
<b>LOWER SOUTH</b>			
Narathiwat			
NARADHIWAAS	274/1 Phupha Pakdi Rd., NWT 96000	0-7351-1202-3	0-7351-2752
SUNGAi KOLOK	76 Charoen Khet Rd., NWT 96120	0-7361-5741-3	0-7361-3606
Pattani			
PATTANI	50 Phiphit Rd., PTN 94000	0-7333-2772-3	0-7333-2772-3
Phatthalung			
PHATTHALUNG	1 Ramet Rd., PLG 93000	0-7461-1365-6	0-7461-1367
SI BANPHOT*	96 Highway 4164 (Kuan Khanun-Khao Poo), PLG 93190	0-7468-9164-7	0-7468-9167
Satun			
SATUN	171/3-5 Satun Thani Rd., STN 91000	0-7472-2500-2	0-7472-2159
KHUAN DON*	410 Yontrakan Kamthon Rd., STN 91160	0-7473-5271-5	0-7473-5271-5
Songkhla			
SONGKHLA	44 Nakhon Nai Rd., SKA 9000	0-7432-1077-9	0-7432-1077-9
THANON	60/89 Kanchanawanit Rd., SKA 9000	0-7432-5806-10	0-7432-5806-10
KANCHANAWANIT			
SONGKHLA*			
HAADYAI	90-92-94 Niphat Uthit 1 Rd., SKA 90110	0-7423-9065-6 0-7424-3051	0-7423-9065-6
THANON	333 Kanchanawanit Rd., SKA 90110	0-7421-7111-3	0-7443-8685
KANCHANAWANIT			
HAT YAI			
THANON PHET KASEM	578 Phet Kasem Rd., SKA 90110	0-7423-0557-8	0-7423-0350
HAT YAI			
THANON SI PHUWANAT	251 Si Phuwanat Rd., SKA 90110	0-7422-1003-5	0-7422-1006
HAT YAI			
Trang			
TRANG	78 Kantang Rd., TRG 92000	0-7522-2416-7	0-7521-2791
Yala			
YALA	33,35 Yala Rd., YLA 95000	0-7321-1688-9	0-7321-1688-9
BETONG	116/2 Sukkhayang Rd., YLA 95110	0-7324-5861-4	0-7324-5865
<b>FOREIGN EXCHANGE OFFICES</b>			
<b>BANGKOK</b>			
Fortuna (Mobile Unit)	19 Soi Sukhumvit 5 (Fortuna Hotel), Sukhumvit Rd., BKK 10110	0-2254-5658	0-2253-6282

Branch/Office	Address	Tel	Fax
Narayana phand	127 Ratchadamri Rd., BKK 10330		0-2251-7462
Patpong	124 Silom Rd., BKK 10500		0-2235-2007
Ploenchit Office	550 Phloen Chit Rd., BKK 10330		0-2208-2005
River City	23 Yotha Rd., BKK 10110		0-2234-9154
Silom	62 Silom Rd., BKK 10500		0-2238-2822
Suan Rim Nam	82-84 Soi Wat Suan Phlu, Charoen Krung Rd., BKK 10500		0-2237-3496
Sukhumvit 22	187 Soi Sukhumvit 22, Sukhumvit Rd., BKK 10110		0-2258-5668
Sukhumvit Soi 15 (Mobile Unit)	217/1 Soi Sukhumvit 15-17, Sukhumvit Rd., BKK 10110		0-2254-5504 0-2254-8926
Thaniya	52 Silom Rd., BKK 10500		0-2231-2012
Thanon Phra Arthit	18-20 Phra Arthit Rd., BKK 10200		0-2281-2277
<b>PROVINCES</b>			
<b>EAST</b>			
Central Pattaya	164 Central Pattaya Rd., CBI 20260		0-3842-0905
Pattaya Soi 13	182-182/2 Pattaya Beach Rd., CBI 20260		0-3842-0274
South Pattaya	183/21 Pattaya Beach Rd., CBI 20260		0-3842-7484
Sabai Land Pattaya 2 <sup>nd</sup> Rd.	102/1 Pattaya 2 <sup>nd</sup> Rd., CBI 20260		0-3836-106
<b>UPPER NORTHEAST</b>			
Khon Kaen Airport	KKN 4000 Maliwan Rd.,		0-4324-7597
Udon Thani Airport	224 Udon Thani Airport UDN 41000		0-4224-0802
<b>UPPER NORTH</b>			
Thanon Loikhroh (Mobile Unit)	Soi Loi Khro 4, Loi Khro Rd., CMI 50000		(01) 3211563
Thanon Moon Muang	31 Moon Muang Rd., CMI 50000		0-5327-7266
<b>WEST</b>			
Hua Hin Complex	110 Phet Kasem Rd., PKN 77110		0-3251-1386
Thanon Damnern Kasem	60/1 Damnern Kasem Rd., Hua Hin, PKN 77110		0-3251-2408
Thanon Naretdamri	162/3 Naret Damri Rd., Hua Hin, PKN 77110		0-3251-1715
Hua Hin Airport	Hua Hin Airport, Hua Hin, PKN 77110		0-3252-0131
<b>UPPER SOUTH</b>			
Ao Nang	142 Mu 2, Ao Nang, KBI 81000		0-7563-7771-2
Ao Nang 2	119 Ao Nang, KBI 81000		0-7569-5433
Krabi Airport	133 Phet Kasem Rd., KBI 81130		0-7569-1681



Branch/Office	Address	Tel	Fax
Ban Khao Lak	16/3 Phet Kasem Rd., PNA 82190	0-7642-0811	
Patong 2	130 Thawiwong Rd., PKT 83150	0-7634-5757	
Koh Phangan (Tha Rua Thong Sala)	44/59 Mu 1, Ko Phangan, SNI 84280	0-7737-7044	
Chaweng Beach	2/2 Mu 2,Bo Put, Ko Samui, SNI 84320	0-7742-2493	
Chaweng Beach 2	4/2 Mu 3,Bo Put, Ko Samui, SNI 84320	0-7742-2203	
Chaweng Beach 3	159/73 Bo Put, Ko Samui, SNI 84320	0-7741-3719	
Choeng Mon Beach	24-35 Bu Put, Ko Samui, SNI 84320	0-7743-0039	
Lamai Beach	995 Mu 3, Ma Let, Ko Samui, SNI 84310	0-7742-4386	
Lamai Beach 2	131/7 Mu 3, Ma Let, Ko Samui, SNI 84310	0-7741-8656	

#### FOREIGN BUSINESS CENTERS

##### BANGKOK

Head Office	1222 Rama III Rd., BKK 10120	0-2296-2222	0-2683-1217
Bang Na-Trat	46/1 Bangna-Trat Rd., BKK 10260	0-2751-4043-4	0-2751-4045'
Bangrak	318 Silom Rd., BKK 10500	0-2235-5968	0-2235-4956
Charoen Nakhon	1503 Charoen Nakhon Rd., BKK 10600	0-2437-0936	0-2438-3389
Chok Chai 4	22/329 Chok Chai 4 Rd., BKK 10230	0-2539-8615-6	0-2539-8614
Nong Khaem	14/23-25 Phet Kasem Rd., BKK 10160	0-2444-4336-7	0-2444-4338
Ploenchit	550 Phloen Chit Rd., BKK 10330	0-2208-2131-6	0-2253-8615
Samyaek	34-37 Lamphun Chai Rd., BKK 10100	0-2221-1520-9	0-2222-4563

Branch/Office	Address	Tel	Fax
<b>PROVINCES</b>			
Ao Udom	166/403 Sukhumvit Rd., CBI 20230	0-3835-2904-5	0-3835-2906
Cholburi	64/1-4 Sukhumvit Rd., CBI 20000	0-3828-9137-8	0-3879-0377
Haadyai	90-94 Niphat Uthit 1 Rd., SKA 90110	0-7423-7690-1	0-7423-6512
Pratunam Phra-in	55/10 Phahon Yothin Rd., AYA 13180	0-3535-4141-3	03-3535-4141-2
Siyaek Sanam Bin Chiangmai	125 Chiang Mai-Hot Highway, CMI 50200	0-5320-0150	0-5328-5348
<b>INTERNATIONAL</b>			
<b>BANKING FACILITIES</b>	1222 Rama III Rd., Yan Nawa, BKK 10120	66-2296-2289-94	66-2683-1291
<b>OFFICE</b>			
<b>OVERSEAS BRANCHES</b>			
VIENTIANE BRANCH	79/6 Unit 17, Lane-Xang Avenue, Vientiane, Lao P.D.R.	(856-21) 214575-7	(856-21) 213520
	TLX : 4350 BAYVTE		
	E-Mail : baylaos@laotel.com		
	Manager : Mr. Suwat Tantipatanasakul		
CAYMAN ISLANDS BRANCH	C/O P.O. BOX 501, George Town, Grand Cayman, Cayman Islands, British West Indies	(345) 949-2001	(345) 949-7097
	E-Mail : bay-oba@krungsri.com		
	Manager : Mrs. Kanokrat Jaturapisanukul		
HONG KONG BRANCH	Rm. 1708-9, 17/F Jardine House, 1 Connaught Place, Central, Hong Kong	(852) 2525-7398-9	(852) 2-525-4445
	TLX : 62219 HKAYFHK, SWIFT : AYUDHKHH		
	E-Mail : bayhk@netvigator.com		
	Manager : Mr. Pornchai Wongsonvanee		

Remark : \* = Subbranch

## Referral Parties

- Registration of Ordinary Shares** : **Thailand Security Depository Company Limited**  
4<sup>th</sup>, 6-7<sup>th</sup> Floor, The Stock Exchange of Thailand Building  
62 Ratchadapisek Road, Klongtoey, Bangkok 10110  
Telephone 0-2229-2800  
Facsimile 0-2359-1259
- Registration of Subordinated Debts** : **Bank of Ayudhya Public Company Limited**  
1222 Rama III Road, Bang Phongphang Subdistrict  
Yan Nawa District, Bangkok 10120  
Telephone 0-2296-4442  
Facsimile 0-2683-1460
- Auditor** : **Mr. Permsak Jerajakwattana**  
Certified Public Accountant (Thailand)  
Registration No. 3427  
Deloitte Touche Tohmatsu Jaiyos Co., Ltd.  
Rajakarn Building, 25<sup>th</sup> Floor  
183 South Sathorn Road, Yan Nawa Subdistrict  
Sathorn District, Bangkok 10120  
Telephone 0-2676-5700  
Facsimile 0-2676-5757
- Legal Advisor** : **Mr. Sa-win Akkharayut**  
Bank of Ayudhya Public Company Limited  
1222 Rama III Road, Bang Phongphang Subdistrict  
Yan Nawa District, Bangkok 10120  
Telephone 0-2296-3871-2  
Facsimile 0-2683-1466



**BANK OF AYUDHYA**

Public Company Limited

