



ASIA Care U

ANNUAL REPORT 2003

BANK OF ASIA PUBLIC COMPANY LIMITED



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ASIA



The Bank of Asia ethos is to exceed customer expectations. To that end the Bank has developed a modern approach to personalised service through the creative use of modern technology integrated with thorough training in customer care. Connecting staff more closely with customers in this way creates a friendlier and more productive banking environment for both customers and staff. Using state-of-the-art information technology systems with highly trained and focused staff, the Bank manages each customer's personal banking information in the most effective way possible. This produces not only an efficient experience for customers, but also stresses that the Bank of Asia sees them as individuals, not mere statistics. In short, we care - the philosophy behind the ASIA Care U program.

CONVENIENT

Because the ASIA Care U initiative is deployed through all aspects of the banking experience, customers can enjoy the convenience of accessing personalised services at any time of the day or night through a range of channels. In addition to normal banking and ATM facilities, this allows them to pay a deposit on a new digital camera, for instance, from their cell phone or transfer money abroad in the middle of the night via online banking.

AVAILABILITY

ASIA Phone automated telephone banking, ASIA Phone agents, and Bank of Asia Online offer 24 hour access, seven days a week, 365 days a year. In addition Tops Supermarket branches are open everyday from 9:30 to 20:00, giving customers maximum availability.

EASY ACCESS

Bank of Asia brings banking to the customer. With branches in convenient locations such as Tops Supermarket, BTS stations and hotels, payment facilities at Post Office counters, and nationwide ATM, telephone and internet networks it is so easy to access Bank of Asia.

MOBILITY

Enjoy the mobility of convenience banking on the go. Bank of Asia ensures that customers can conduct banking business wherever they go through mobile phone and internet banking.

FROM A
CELLULAR
PHONE



FROM AN ATM
IN FRONT OF A
CONVENIENCE
STORE



WHILE
SHOPPING AT A
DEPARTMENT
STORE



FROM A
COMPUTER IN
A BEDROOM



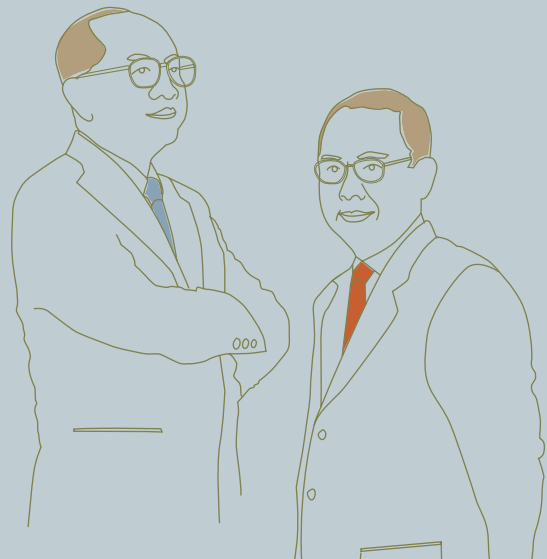
FROM
BANK OF ASIA
ON THE CORNER
FROM A HOUSE



Financial Highlights

Consolidated basis	Million Baht		
	2003	2002	2001
Balance sheet			
Assets	170,514	161,271	159,022
Loans	122,132	114,304	108,438
Allowance for doubtful accounts and allowance for loss on trouble debt restructuring	15,432	8,945	4,208
Deposits	141,981	138,455	139,363
Liabilities	155,916	149,542	150,381
Shareholders' equity	14,597	11,729	8,641
Capital funds	16,046	15,963	12,705
Earnings performance			
Net income from interest and dividend	3,846	3,642	3,288
Non-interest income	2,603	2,468	1,756
Net profit (loss)	1,818	(3,030)	(3,812)
Ratios (%)			
Net interest income to average assets	2.32	2.27	2.09
Return on average assets	1.10	(1.89)	(2.42)
Return on average equity	13.81	(29.74)	(37.41)
Return on total income	28.20	(49.62)	(75.57)
Earning (loss) per share - Basic (Baht)	0.36	(0.66)	(1.00)
Dividend per share (Baht)	-	-	-
Book value per share (Baht)	2.86	2.30	2.26
Capital adequacy ratio	13.31	13.37	10.93

Message from *Chairman & President*



Dear Shareholders,

Economic situation

2003 has been a turnaround year for the Thai economy. Thailand has recovered from the worst effects of the economic crisis, repaid its IMF loans ahead of schedule, and has emerged as one of the best performing economies in Asia. The economy has grown by just over 6%, exports have held strong against an appreciating Baht and the stock market index has doubled. The impact of SARS and the Iraq war were less than feared.

Supported by this healthier economy, banks have improved their performance and returned to moderate profitability. However, due to a combination of factors, growth has not yet filtered through to the banking industry. Banks remain highly liquid and total bank lending growth for 2003 was only about 2%. Firstly, industrial capacity utilization, which increased from 62% in December 2002 to 73% in December 2003, has not yet reached the estimated 80% level required to trigger broad based private investment. Some faster growing sectors such as canned food and integrated circuits, did reach higher utilization levels and commenced re-investing. However, much of the new investment was financed through the issuing of corporate bonds, rather than the more traditional vehicle of bank lending, in order to take advantage of historically low bond yields.

Secondly, although consumer lending has increased significantly during the year, consumer banking products such as mortgages, credit cards and personal loans account for only about 20% of total bank lending. The continuing high sales of houses, cars and consumer durables supported by returning consumer confidence, low unemployment and easy access to personal credit have boosted consumer lending but the balance sheets of the commercial banks are still dominated by slower growing commercial and corporate lending.

Finally much of the growth in new lending has been offset by reductions in NPLs. The commercial banks continued to work hard at settling NPLs either through negotiation or through litigation and asset seizure and their success in this is a drag on overall loan growth.

While these factors are likely to persist into 2004, it is expected that capacity utilization will continue to increase, driving renewed private investment. With bond yields returning to normal levels, while bank interest rates remain low, companies are expected to look again to banks to finance the expansion of their business. With consumer loan demand also expected to remain strong, bank lending should return to healthier growth levels in 2004.

Bank of Asia Performance

Against this backdrop Bank of Asia has performed well, turning from a net loss of Bt 3.0 billion in 2002 to a profit of Bt 1.8 billion in 2003. Furthermore, the additional capital raised and provisions made in 2002 gave the Bank one of the strongest balance sheets of the commercial banks going into 2003. This position has been maintained throughout the year and at the end of 2003 the Bank's capital adequacy ratio was 13.3% and provision coverage stood at 67% of NPLs. Non-performing and restructured loan exposure in the bad bank have been reduced by Bt 11.2 billion and more than Bt 1.8 billion of foreclosed properties have been sold off. During the year this strength has been recognized by all three of the major rating agencies: Fitch upgraded Bank of Asia from BBB- to investment grade BBB, Moody's from Ba1 to Baa1 in October and S&P revised the Bank's ratings outlook to positive in early December. In making these upgrades the rating agencies noted Bank of Asia's conservative approach to credit risk and efforts to reduce NPLs. BoA is now rated in the top tier of Thai commercial banks.

Strategy

During 2003 the management team undertook a major planning exercise which resulted in the Bank aligning itself more closely to the needs of clients in three core markets: consumer, small enterprises and medium enterprises.

Continuing in the drive to introduce world class consumer banking to Thailand, Bank of Asia has focused on increasing customer convenience in 2003. In January the ASIA Care U initiative was launched, which forms the theme of this year's annual report. Equipping the call center agents and direct sales force with comprehensive, integrated customer information was the first step in delivering faster and better quality service. A second objective was to offer more convenient access through a "clicks and mortar" approach combining traditional branches and virtual channels. As a part of this convenience approach the Bank signed a memorandum of understanding with the post office, enabling customers to pay credit card bills and make transfers to and from their accounts at any of the 1,100 post office outlets in Thailand.

In the increasingly important small enterprise market the Bank has streamlined credit processes to make it easier for small businesses to access working capital finance. The ASIA Business Line product was launched in February and proved very popular, selling over 2,500 accounts during the year. At the same time the Bank is implementing a loan origination system designed to accelerate processing for both consumer and small enterprise loans. To further increase access for business customers, the Bank introduced a new branch design to be located in hotels in the business districts of provincial towns. 2 new "hotel" branches in Trang and Kanchanaburi were opened in 2003 and more are planned for 2004.

With little growth in the commercial or medium sized enterprise market in 2003, Bank of Asia has chosen to avoid the intense price competition for refinancing and focus instead on providing a consistent high-class service to core customers. The Bank has also focused on expanding the reach of its B2B and B2C cyberbanking offering as well as other payment and cash management services for this sector.

Risk Management

In accordance with Bank of Thailand requirements, Bank of Asia established a new risk policy committee which oversees the development and implementation of policies covering credit, market, operational and all other forms of risk which the Bank is exposed to. Current development work is focused in two sub committees for operational risk management and Basle II implementation. Bank of Asia is committed to achieving the best possible capital ratios available under the Basle II regulations and is working hard to prepare for implementation.

Corporate Governance

One of the key pillars of good governance is transparency, and with the launch of the new investor relations web service the Bank has met its objective to provide all its stakeholders complete and up-to-date information about the Bank's operations, policies and plans. The IR web site can be accessed at www.BankAsia4U.com/Investors.

Staff

Achieving the high levels of service which Bank of Asia is committed to requires well-trained and well-motivated staff. During 2003 the Bank invested heavily in staff training to ensure the successful launch of the ASIA Care U project. Building on the knowledge gained from this launch, the human resource department has been working with all departments of the Bank to identify the skills and competencies needed for staff to succeed in a world of increased competition, globalization and ever more demanding customers. Going forward the Bank is developing training and career development programs that will help staff build their skills in areas critical to the Bank's success.



Chavalit Thanachanan
Chairman



Chulakorn Singhakowin
President & CEO



The new staff training is focused extensively on friendly and personalised interaction, so that each customer feels a part of the Bank of Asia family. The entire banking experience is tailored to their personal needs.

INDIVIDUALITY

Each individual customer is important to Bank of Asia. Bank of Asia is committed to delivering customized services that fit each customer's needs.

SOLUTION PROVIDER

Bank of Asia's qualified financial experts and personnel are good listeners and trained to find the right solution for customers needs.

SERVICE MINDED

With a smile, a friendly greeting and attentive service, Bank of Asia staff strive to make each customer visit an exceptionally pleasant experience.



my clients

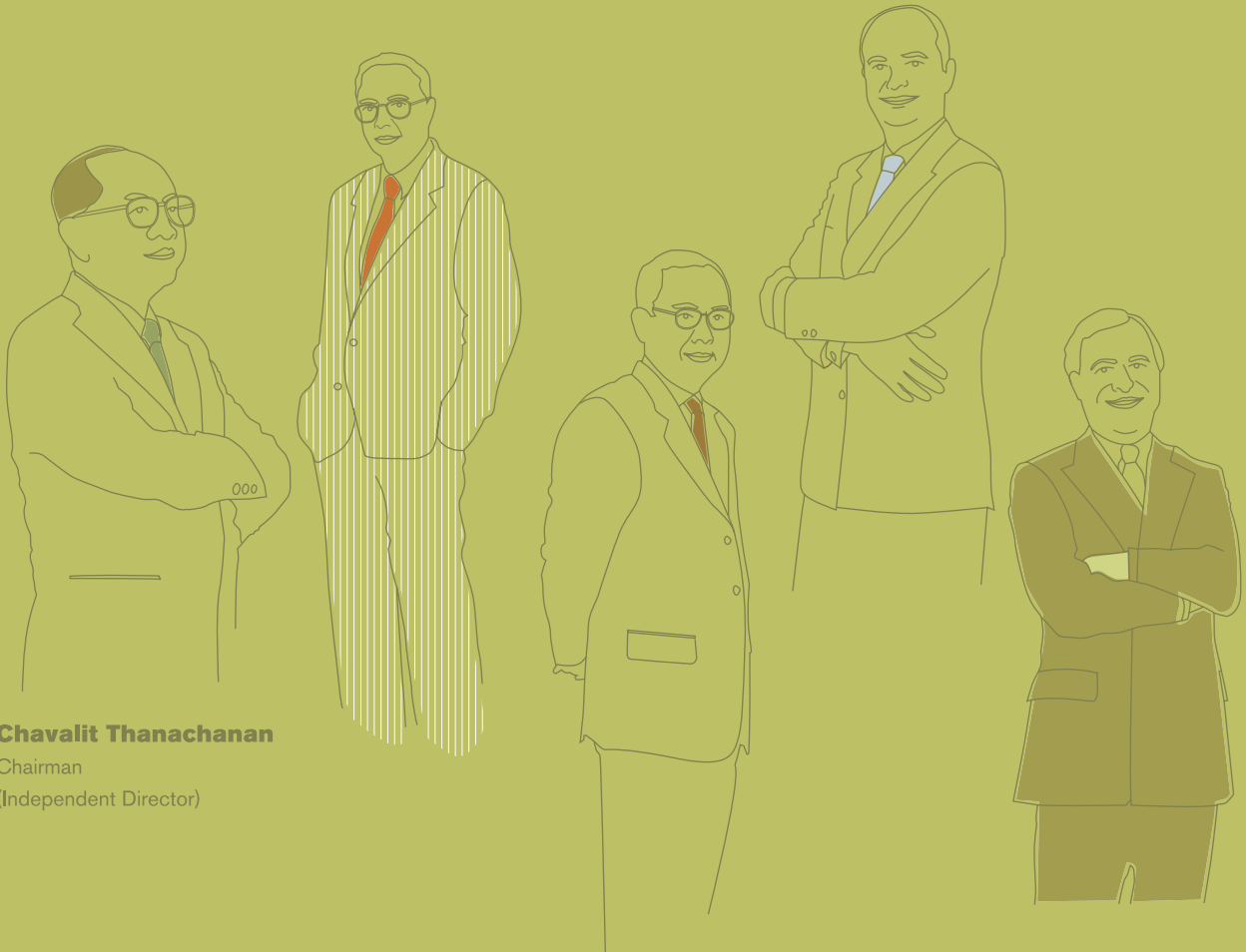
friends

services I can provide

warmth

service-mind

Board of Directors



Chavalit Thanachanan

Chairman
(Independent Director)

Chulakorn Singhakowin

Director

Herman Mulder

Director

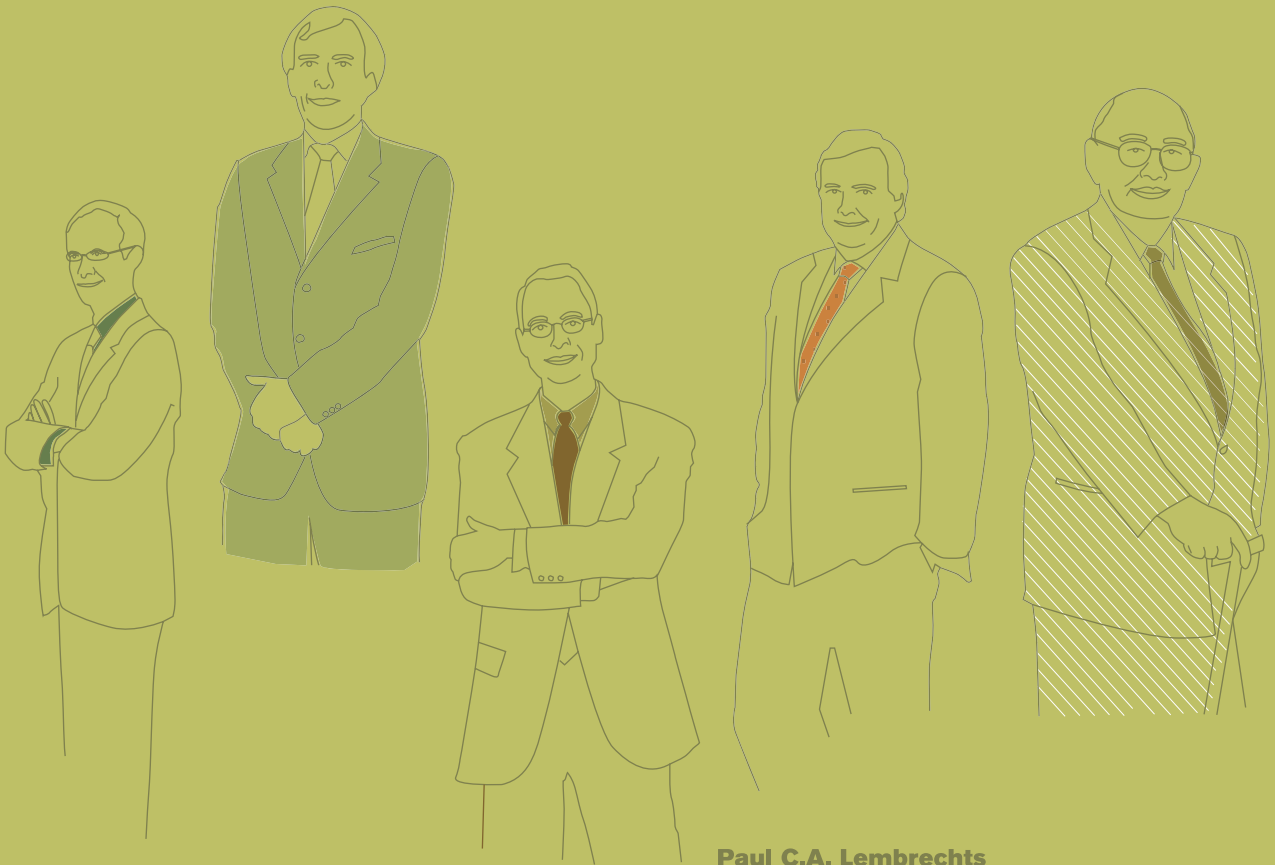
Ammar Siamwalla

Independent Director

Felix Alexander van Kleef *

Director

* Resigned from the directorship effective on January 5th, 2004



James Stent

Director

Jerry Letendre

Director

Paul C.A. Lembrechts

Director

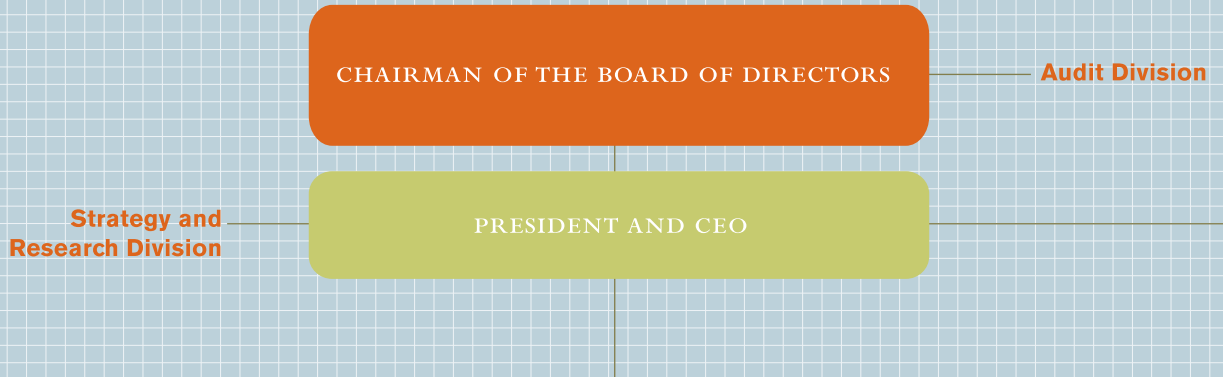
Jan Peter Schmittmann

Director

Pichai Vasanong

Independent Director

Organization Chart



Product and Marketing Division	e-Channels and Business Enhancement Division	Commercial Sales Division	Retail Sales and Customers Services Division	Finance Division
<ul style="list-style-type: none"> • Consumer Asset Product Division • Consumer Liability Product/Service Division • ME/SE Cash Management Product Division 	<ul style="list-style-type: none"> • e-Commerce and e-Banking Division 		<ul style="list-style-type: none"> • Retail Sales and Services Division 1 • Retail Sales and Services Division 2 	<ul style="list-style-type: none"> • Financial Control Division • Budgeting and Financial Planning Division

Office of Compliance

Operations Group	Risk Management Group	Human Resources Division	Treasury Management Division
• Information Technology Division	• Risk Management Division	• Human Resources Advisors and Talent Acquisition Division	• Treasury and Fixed Income Division
• Centralized Information Management Division	• Risk Analysis Division	• Learning and Development Division	
• Organization and Procedure Division	• Risk Inspection and Trading Risk Management Division		
• Central Operations Division	• Financial Restructuring and Recovery Division		
• Collection Division	• Asset Sales Management Division		



Because the new customer management software is deployed through all banking sections, all staff, from bank tellers, through telephone operators to sales teams, have all relevant information about each customer at their fingertips. This creates an atmosphere of reliability and security, the most important considerations for customers in their financial dealings.

ACCURACY

Bank of Asia systems and processes are designed to ensure accurate and reliable handling of each and every transaction.

SECURITY

Bank of Asia invests in leading edge technology to protect customers funds and transactions, providing total peace of mind for customers.



ASIA Care U

The theme of this year's annual report is ASIA Care U, the Bank's major program to bring the highest quality service to our customers. The objective of the ASIA Care U program is to deliver Convenient, Amiable, Reliable and Express service to our customers regardless of how, where or when they interact with the Bank, as the introduction pages show.

The ASIA Care U program was launched in early 2002 as the next step in Bank of Asia's journey to fulfill our vision to become **the best Thai financial service centre with a record of innovation, a reputation for professionalism and a practice founded upon the philosophy of doing right for our customers.**

Over the last five years the Bank has moved towards this vision by developing a comprehensive suite of products including deposits, loans, cards, mutual funds and Bancassurance with a strong sales and service network to deliver and support them.

However the vision was not complete, as our branches, call centre and virtual channels were operating in isolation from each other and it was not easy for the Bank to put together a complete picture of all of a customer's business with us. At the same time the competitors were also expanding their product range and re-engineering their branches to follow our lead. It was time for Bank of Asia to move ahead to the next level of service, and the ASIA Care U project was launched with a commitment to develop a truly customer centric bank.

Our principal aim was to integrate the Bank's customer service across all our delivery and service channels and all product lines, in order to provide a superior experience wherever the customer touched our network. In addition we aimed to develop seamless links between the sales and service points and the back office, ensuring a fast and accurate turnaround.

For our customers this means that staff have all the information about customers' accounts and transactions at their fingertips and can respond quickly and accurately to enquiries. At the same time the Bank will be able to reach out to our valued customers with new product and service offers which are appropriate to their needs.

For our staff this creates a more efficient and dynamic working environment with the right tools to make serving customers simpler and more enjoyable.

For our shareholders the project helps to differentiate us from our competitors and to grow our share of profitable retail business.

Technically this was an enormous undertaking requiring the installation of new computer systems, the integration of data that was held in many separate places and a great deal of staff training and preparation. As we knew from our experience of major change projects gained during the successful re-engineering of our branches and centralization of operations in 1996, a project of this size is not just about technology. It touches almost every department of the Bank from sales to operations, human resources to IT, risk management to marketing and keeping all our staff informed of the plans and progress of the ASIA Care U project was a top priority to ensure success.

After a year of hard work and preparation, Bank of Asia launched phase I of the ASIA Care U project on 17th January 2003 with the opening of a new outbound telemarketing unit. This was followed by the launch of direct sales and in-bound call centre operations. The systems and procedures, supported by extensive training have had a significant impact on efficiency, staff morale and customer satisfaction. As one ASIA Phone agent commented

“Working life is much easier since the implementation of ASIA Care U. Now it takes only a few seconds to identify the customers and call up their account details, and we can immediately response to their requirements. That’s much easier and it benefits both the customer and the Bank.”

Similarly, one of the Bank’s customer commented that “Well, I can feel enormous changes in a positive way since Bank of Asia has introduced ASIA Care U, specifically in system and services provided. A great difference is that presently I can easily access ASIA Phone in a single touch and get the right answer in a single call also; no long delay, less waiting time for calling back and ASIA Phone staff is always there ready to help.”

The Bank is now planning the next phase of development, making this integrated view and enhanced service level available in all our branches. Also in 2004 we plan to rollout our loan origination system, making applying for a loan even faster and easier.

Beyond that, further phases of ASIA Care U will deploy datawarehousing and datamining tools to enhance the Bank’s understanding of customers and assist the development of products and services offerings that will better suit our customers.

Bank of Asia's Strategy

2003 was the first year of implementation of Bank of Asia's medium term strategy. The strategy seeks to ensure that the Bank generates the maximum return for its shareholders from the use of its resources by focusing on profitable customer segments and business lines. To develop the strategy, the Bank used an analytical framework known as Managing for Value (MfV) which is widely used by the Bank's parent company ABN AMRO and many other global financial institutions for planning and investment analysis. Using MfV techniques the Bank analyzed the market and Bank of Asia's own portfolio in three main business lines; consumer, small enterprise and medium sized enterprises to look for profitable growth opportunities.

Historically Bank of Asia's business was heavily concentrated in commercial lending, as was the case at most commercial banks; since government policy had long favoured large companies as the engine of economic growth for Thailand. The analysis showed that better long term returns would be obtained from a broader mix of business and consumer lending in the Bank's portfolio. The Bank had already begun diversifying into consumer business since 1996 and was recognized as a leading consumer bank in the market. The plan called for even stronger focus on consumer lending as well as a new focus on the emerging growth in SME activity.

The change in asset mix will be realized by setting different growth rates in each of the business lines. Overall, during the 4 year period the Bank aims to grow its performing loans by 75% while completely eliminating any NPLs remaining from the financial crisis. Achieving this target will give the Bank total lending assets of over Bt 150 billion. The capital increase in 2002 ensured that the Bank had sufficient capital to achieve this growth, without the need for further capital raising.

To further boost the profitability of the Bank, more emphasis will be placed on fee generation. The Bank already enjoys strong fees from traditional products such as letters of credit and guarantees. These will be augmented by growth in newer lines of business such as cash management, bancassurance and e-commerce.

The Bank plans to achieve this growth by becoming much more customer focused. Within each business line, the Bank is identifying target customer segments and aligning staff, channels and products to meet the differing needs of each segment. Staff will specialize more, becoming more knowledgeable about the customer group they serve and better able to match them with appropriate products and services. Channels will also begin to specialize - business and personal customers may be served in different ways or in different locations and products will be specially developed to meet the needs of each customer group.

Achieving these objectives will require significant investments in technology and staff development. This investment has already begun with the Bank's ASIA Care U project described earlier in this report. Over the next 2 years the project will develop the infrastructure needed to bring the Bank's service capabilities to the required level to reach the plan targets.

Maximizing shareholder returns means that the Bank must concentrate more than ever on serving its clients and creating a challenging and rewarding environment for employees. This is what the strategy is designed to do - by bringing the Bank closer to its clients, encouraging faster decision-making and promoting individual responsibility for business performance. Clients will benefit from a renewed emphasis on them, employees will enjoy new and challenging opportunities and shareholders will reap the financial returns.



Time is precious in the modern world, so one of the most urgent considerations in the new initiatives has been efficiency. Through staff training, transaction delays have been cut to a minimum, while the modern technology systems facilitate the tracking of each customer's banking patterns. This allows the bank to predict which services will best suit individual customers, maximising the return on time and effort spent on promotional campaigns.

SPEED

In today's changing world, Bank of Asia understands customers' time constraints. The Bank continuously works to accelerate transaction and turnaround times for all customer services.

WELL-ORGANIZED

With a highly organized banking structure, Bank of Asia can provide customers with immediate answer to their needs.

PERFORMANCE

Bank of Asia's staff are committed to high performance in terms of speed and quality of service.



Management Discussion and Analysis

Earnings Performance

In 2003 Bank of Asia and its subsidiaries registered a net profit of Bt 1,818 million after reporting a loss of Bt 3,030 million in 2002. The turnaround reflected the Bank's strengthened balance sheet, growth in performing loans, reduction of NPLs and adequate existing levels of provisioning. Following the final provisioning of five billion baht during first half of 2002 as a cushion for any adverse economic conditions, the Board of Directors do not expect any further significant provisions will be required in the foreseeable future. Earnings per share was Bt 0.36.

Bank of Asia and its subsidiaries' interest and dividend income in 2003 reached Bt 6,229 million, down by 6.6 per cent from 2002. However, interest expenses decreased sharply down 21.3 per cent from last year to Bt 2,383 million. These reductions were due to downward interest rate movement in the financial markets over the past year. Overall net interest and dividend income reached Bt 3,846 million, an increase of 5.6 per cent from 2002.

Earnings performance	Million baht		
	2003	2002	% change
Interest and dividend income	6,229	6,668	(6.6)
Interest expense	(2,383)	(3,026)	(21.3)
Net interest and dividend income	3,846	3,642	5.6
Net recovery (charge) from movements in bad debts and doubtful accounts & Loss on TDR	58	(4,456)	
Non interest income	2,603	2,468	5.5
Non interest expenses	(4,666)	(4,683)	(0.4)
Net profit / (loss)	1,818	(3,030)	

Total non-interest income increased by 5.5 per cent from 2002 to Bt 2,603 million in 2003. Fee and services income, which contributed approximately 55 per cent of total non-interest income, grew 7.5 per cent. Gain from foreign exchange transactions increased by 36.2 per cent to Bt 350 million. The Bank also achieved a gain of Bt 144 million from the sale of Bt 1,871 million foreclosed property. During the year, the Bank and its subsidiaries set aside a total of Bt 65 million provisions for the consumer loan portfolio, and booked a recovery of Bt 123 million of bad debt.

Non-interest income	Million baht		
	2003	2002	% change
Gain on disposal, revaluation, and reversal of loss on impairment of securities	264	449	(41.2)
Share of profit of subsidiaries and associated companies	48	13	269.2
Fees and service income	1,427	1,328	7.5
Gain on exchange	350	257	36.2
Gain on disposal of properties foreclosed, and reversal of loss on revaluation of assets	144	95	51.6
Rental income	241	201	19.9
Other income	129	125	3.2
Total non-interest income	2,603	2,468	5.5

Non-interest expense of the Bank and its subsidiaries was kept under control at Bt 4,666 million, the same level as 2002. Operating expenses, which excluded taxes and duties, payments to the Financial Institutions Development Fund, reversal/loss on impairment of properties foreclosed, and loss on diminution of other assets, were Bt 3,821 million in 2003, increased by 10.9 per cent from 2002. A significant part of the increase was the depreciation of the capital investment in IT development project. In 2003, total capital expenditure was Bt 480 million.

Operating expenses	Million baht		
	2003	2002	% change
Personnel expenses	1,901	1,723	10.3
Premises and equipment expenses	1,001	906	10.5
Fees and service expenses	330	309	6.8
Directors' remuneration	6	6	0.0
Other expenses	583	501	16.4
Total operating expenses	3,821	3,445	10.9

Profitability

The improvement in the Bank and its subsidiaries' net interest and dividend income caused by reduced NPLs and increased performing loans resulted in better profitability. Net interest and dividend income to average assets rose from 2.3 per cent in 2002 to 2.4 per cent in 2003, despite declining margins in the market. Revenue source mix remained stable with 59.6 per cent net interest and dividend income and 40.4 per cent non-interest income.

Percentage to Total income*	%	
	2003	2002
Net interest and dividend income	59.6	59.6
Non interest income	40.4	40.4
Total income	100.0	100.0
Operating expenses	59.3	56.4
Operating profit (loss) after taxes & duties and FIDF	28.0	29.3
Net profit / (loss)	28.2	(49.6)

Total income = Net interest and dividend income + Non-interest income

Asset Quality

As at 31 December 2003, the Bank and its subsidiaries' total assets totalled Bt 170,514 million, increased by 5.7% from 2002 year-end. Total loans amounted to Bt 122,132 million, an increase of 6.8 per cent from 31 December 2002.

Following the Bank of Thailand's new regulations the Bank implemented a write-back of Bt 9,005 million of written-off loans into its accounting book in January 2003. Written off NPLs and the allowances against these NPLs were added back to the Bank's loans and provision books respectively. Despite the impact of these write backs, implementation of the Bank's strategy to pro-actively reduce NPLs and other non-strategic loans resulted in an overall fall in NPLs of Bt 4,210 million to Bt 23,205 million, or 19.1 per cent of total loans compared to 22.2 per cent in 2002.

At the same time as reducing NPLs the Bank was growing new performing loans. The consumer loan portfolio continued to grow at a rate of 26.5 per cent, after achieving a growth of 41.5 per cent in 2002. Consumer loan growth in 2003 was mainly derived from mortgage lending expansion. As of 31 December 2003, the Bank's mortgage lending was Bt 20,220 million, up 34.9 per cent from 31 December 2002, compared to a growth rate of 28.5 per cent in 2002.

Unsecured consumer lending growth slowed to 6.4 per cent in 2003 as the Bank repositioned its card and personal loan products more upmarket. The consumer mortgage portfolio now accounts for 76.0 per cent of the Bank's total consumer loan. Credit card and personal loans equally contribute the remaining portion of the consumer loan portfolio.

Overall performing business lending grew slightly, showing a growth of 3.9 per cent. However, this conceals strong growth in SME lending offset by a reduction in non-strategic and low-yielding corporate loans. The resulting business portfolio mix has improved the overall profitability of the Bank.



Loan portfolio

	% of total loans	
	2003	2002
Trading	27.7	24.8
Manufacturing	22.3	24.4
Real estate	3.7	3.6
Private consumption	25.0	22.1
Services	6.2	8.6
Agriculture & forestry	2.0	2.4
Financial services	5.7	6.4
Construction	2.2	2.2
Utilities	5.0	5.2
Mining	0.2	0.3
Total	100.0	100.0

Within the business lending portfolio, loans to manufacturing and trading sectors continued to be the major contributors with an aggregate proportion of 50.0 per cent of total. Loans to the real estate sector were maintained at 3.7 per cent. Private consumption increased significantly to 25.0 per cent, reflecting the strong consumer lending growth.

Asset Classification

Pass category loans increased by 4.7 per cent reflecting the growth in new performing consumer and SE loans. At the same time as explained above the Doubtful of loss category increased due to the write back of NPLs according to Bank of Thailand guideline, partially offset by settlement of NPLs.

Classified assets	2003		2002	
	Million baht	%	Million baht	%
Pass	96,176	78.1	91,866	79.0
Special mention	1,867	1.5	3,019	2.6
Substandard	955	0.8	1,109	1.0
Doubtful	2,595	2.1	2,642	2.2
Doubtful of loss	21,608	17.5	17,718	15.2
Total	123,201	100.0	116,354	100.0

As of 31 December 2003, the allowance for doubtful accounts of the Bank and its subsidiaries was Bt 15,432 million, equivalent to a coverage of 66.5 per cent of total NPLs. During the year, the Bank restructured a total of Bt 6,876 million problem loans and sold a total of Bt 1,871 million foreclosed property. However, following the Bank's policy to manage down low quality loans through litigation where settlement was not possible, outstanding foreclosed property actually increased by 3.1 per cent to Bt 13,937 million.

Source of Funds

Deposits continued to be the major funding source of the Bank, accounting for 91.1 per cent of total liabilities as of 31 December 2003. Total deposits amounted to Bt 141,981 million, an increase of 2.6 per cent from 2002 year-end. The Bank monitors its liabilities closely to ensure efficient liabilities and funding cost management. The profile of deposits was 50.8 per cent low cost savings deposits, 26.1 per cent fixed deposits with less than 6 months duration, and 20.4 per cent fixed deposits with more than 6 months duration. Loan to deposit ratio increased to 86.0 per cent.

Capital Funds

After the capital increase during 2002, the Bank's capital funds as of 31 December 2003 reached Bt 16,046 million, or 13.3 per cent of total risk weighted assets (RWA). Tier 1 capital consisted of pure equity (without SLIPS or CAPs) and stood at 9.5 per cent of RWA, significantly higher than the Bank of Thailand minimum requirement of 4.25 per cent. Tier 2 capital was 3.8 per cent.

Capital adequacy	2003		2002	
	Million baht	%	Million baht	%
Total capital	16,046	13.3	15,963	13.4
Tier 1 capital	11,446	9.5	10,576	8.9
Tier 2 capital	4,599	3.8	5,387	4.5

Financial Statements

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AUDIT REPORTS OF CERTIFIED PUBLIC ACCOUNTANT

To the Shareholders of
Bank of Asia Public Company Limited

I have audited the consolidated balance sheet of Bank of Asia Public Company Limited and subsidiaries as at December 31, 2003, and the consolidated statements of income, changes in shareholders' equity and cash flows for the year then ended. I have also audited the balance sheet of Bank of Asia Public Company Limited as at December 31, 2003, and the statements of income, changes in shareholders' equity and cash flows for the year then ended. The management of Bank of Asia Public Company Limited is responsible for the correctness and completeness of information presented in these financial statements. My responsibility is to express an opinion on these financial statements based on my audit.

The consolidated financial statements of Bank of Asia Public Company Limited and subsidiaries for the year ended December 31, 2002 and the financial statements of Bank of Asia Public Company Limited for the year then ended which have been also presented herein for comparative purpose, were audited by another auditor, whose report dated February 19, 2003 expressed an unqualified opinion on those statements.

I conducted my audits in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about 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. I believe that my audits provide a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Bank of Asia Public Company Limited and subsidiaries as at December 31, 2003 and the consolidated results of their operations and cash flows for the year then ended, and the separate financial position and results of operations and cash flows of Bank of Asia Public Company Limited for the same period, in conformity with generally accepted accounting principles.



Thirdthong Thepmongkorn
Certified Public Accountant
Registration No. 3787

KPMG Phoomchai Audit Ltd.
Bangkok
February 19, 2004

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

BALANCE SHEETS

AS AT DECEMBER 31, 2003 AND 2002

		Baht			
ASSETS	Notes	Consolidated Financial Statements		Bank Only Financial Statements	
		2003	2002	2003	2002
Cash		3,148,121,858	3,264,613,897	3,147,989,867	3,264,525,615
Interbank and money market items	4				
Domestic items					
Interest bearing		164,008,429	1,113,484,637	73,281,822	1,045,434,016
Non-interest bearing		1,459,998,684	1,545,867,207	1,471,132,433	1,550,698,946
Foreign items					
Interest bearing		4,756,472,463	7,550,628,816	4,756,472,463	7,550,628,816
Non-interest bearing		359,036,579	440,742,271	359,036,579	440,742,271
Total interbank and money market items - net		<u>6,739,516,155</u>	<u>10,650,722,931</u>	<u>6,659,923,297</u>	<u>10,587,504,049</u>
Securities purchased under resale agreements	5	7,900,000,000	300,000,000	7,900,000,000	300,000,000
Investments	3.3,3.4,6,22				
Current investments - net		6,596,730,375	5,405,097,506	6,596,730,375	5,405,097,506
Long-term investments - net	3.19, 7	18,989,159,813	16,623,242,586	18,938,024,164	16,596,182,866
Investments in subsidiaries and associated companies - net		165,837,506	147,842,296	697,814,423	532,525,998
Total Investments - net		<u>25,751,727,694</u>	<u>22,176,182,388</u>	<u>26,232,568,962</u>	<u>22,533,806,370</u>
Loans and accrued interest receivable	3.6, 3.8, 8				
Loans		122,132,370,735	114,303,738,057	121,152,675,304	114,404,439,608
Accrued interest receivable		1,259,243,326	1,048,836,091	1,254,395,913	1,044,877,644
Total Loans and Accrued Interest Receivable		<u>123,391,614,061</u>	<u>115,352,574,148</u>	<u>122,407,071,217</u>	<u>115,449,317,252</u>
Less Allowance for doubtful accounts	3.7, 9	(15,152,241,790)	(8,613,715,518)	(15,073,454,210)	(8,427,900,118)
Less Revaluation allowance for debt restructuring	3.8, 10	(279,923,454)	(330,895,944)	(279,923,454)	(330,895,944)
Loans and accrued interest receivable - net		<u>107,959,448,817</u>	<u>106,407,962,686</u>	<u>107,053,693,553</u>	<u>106,690,521,190</u>
Properties foreclosed - net	3.11, 11	13,936,693,097	13,514,594,678	13,963,646,761	13,539,379,734
Customers' liabilities under acceptances		371,140,267	325,925,813	371,140,267	325,925,813
Premises and equipment - net	3.12, 12	3,117,907,558	2,766,625,818	2,738,430,005	2,386,162,180
Leasehold improvements - net	3.13	338,470,515	361,994,134	337,141,430	359,439,248
Assets under construction and installation		175,133,068	340,993,381	175,133,068	340,993,381
Goodwill	3.3	7,836,441	9,491,208	-	-
Other assets - net		1,067,600,998	1,151,793,605	947,976,765	788,180,555
TOTAL ASSETS		<u>170,513,596,468</u>	<u>161,270,900,539</u>	<u>169,527,643,975</u>	<u>161,116,438,135</u>

The accompanying notes are an integral part of these financial statements

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

BALANCE SHEETS

AS AT DECEMBER 31, 2003 AND 2002

LIABILITIES AND SHAREHOLDERS' EQUITY	Notes	Baht			
		Consolidated Financial Statements		Bank Only Financial Statements	
		2003	2002	2003	2002
Deposits	13				
Deposits in Baht		140,732,608,527	137,286,321,125	140,802,552,926	137,363,632,241
Deposits in foreign currencies		1,248,231,495	1,168,981,251	1,248,231,495	1,168,981,251
Total Deposits		141,980,840,022	138,455,302,376	142,050,784,421	138,532,613,492
Interbank and money market items	14				
Domestic items					
Interest bearing		2,567,379,764	953,576,914	1,729,480,690	943,377,656
Non-interest bearing		936,193,525	182,172,373	947,709,376	182,172,373
Foreign items					
Interest bearing		8,469,938	15,486,673	8,469,938	15,486,673
Non-interest bearing		542,883,378	343,365,509	542,883,378	343,365,509
Total interbank and money market items		4,054,926,605	1,494,601,469	3,228,543,382	1,484,402,211
Liabilities payable on demand		1,395,637,007	1,187,756,390	1,395,637,007	1,187,756,390
Securities sold under repurchase agreements	15	-	400,000,000	-	400,000,000
Borrowings	16				
Short-term borrowings		900,344,650	8,150,000	900,344,650	8,150,000
Long-term borrowings	3.19, 7	4,014,775,671	4,917,022,650	4,014,775,671	4,917,022,650
Total Borrowings		4,915,120,321	4,925,172,650	4,915,120,321	4,925,172,650
Bank's liabilities under acceptances		371,140,267	325,925,813	371,140,267	325,925,813
Accrued interest payable		495,571,538	628,627,178	496,125,981	629,654,736
Accrued expense payable		558,376,113	459,870,511	530,671,329	436,489,997
Other liabilities		2,144,690,389	1,664,657,629	1,942,327,061	1,465,436,323
Total Liabilities		155,916,302,262	149,541,914,016	154,930,349,769	149,387,451,612

The accompanying notes are an integral part of these financial statements

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

BALANCE SHEETS

AS AT DECEMBER 31, 2003 AND 2002

LIABILITIES AND SHAREHOLDERS' EQUITY (Continued)	Notes	Baht			
		Consolidated Financial Statements		Bank Only Financial Statements	
		2003	2002	2003	2002
SHAREHOLDERS' EQUITY					
Share capital	18				
Authorized share capital					
5,382,844,520 ordinary shares,					
Baht 10 par value		53,828,445,200	53,828,445,200	53,828,445,200	53,828,445,200
Issued and fully paid-up share capital					
5,095,446,713 ordinary shares,					
Baht 10 par value		50,954,467,130	50,954,467,130	50,954,467,130	50,954,467,130
Discount on share capital		(11,145,837,378)	(11,145,837,378)	(11,145,837,378)	(11,145,837,378)
Unrealized increment on appraisal of assets	3.12	749,676,160	751,683,579	749,676,160	751,683,579
Unrealized gain (loss) on investment in securities - net	6	667,255,913	(372,385,189)	667,255,913	(372,385,189)
Unrealized loss on cash flow hedging instruments	3.10, 17	(86,553,929)	(96,759,603)	(86,553,929)	(96,759,603)
Retained earnings (deficit)					
Appropriated :					
Statutory reserve	20	367,591,201	367,591,201	367,591,201	367,591,201
Other reserve		72,000,000	72,000,000	72,000,000	72,000,000
Unappropriated (deficit)		(26,981,304,891)	(28,801,773,217)	(26,981,304,891)	(28,801,773,217)
Total Shareholders' equity		14,597,294,206	11,728,986,523	14,597,294,206	11,728,986,523
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		170,513,596,468	161,270,900,539	169,527,643,975	161,116,438,135
OFF- BALANCE SHEET ITEMS					
- CONTINGENCIES	21				
Avals to bills and guarantees of loans		1,031,136,618	860,428,148	1,031,136,618	860,428,148
Liability under unmatured import bills		1,359,128,965	1,827,722,793	1,359,128,965	1,827,722,793
Letters of credit		3,076,511,862	3,394,353,797	3,076,511,862	3,394,353,797
Other contingencies		88,212,797,174	90,106,523,120	88,212,797,174	90,106,523,120

The accompanying notes are an integral part of these financial statements

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF INCOME

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

	Notes	Baht			
		Consolidated Financial Statements		Bank Only Financial Statements	
		2003	2002	2003	2002
Interest and dividend income					
Loans	3.1	5,255,980,974	5,469,781,385	5,244,017,958	5,480,724,705
Interbank and money market items		223,533,209	376,472,735	222,707,391	376,026,216
Hire purchase and financial lease income	3.2	98,966,962	47,152,322	-	-
Investment	7	650,346,915	774,127,922	649,459,765	773,649,872
Total interest and dividend income		6,228,828,060	6,667,534,364	6,116,185,114	6,630,400,793
Interest expense	3.5				
Deposits		1,926,765,769	2,615,580,349	1,927,083,152	2,616,701,687
Interbank and money market items		126,785,091	80,843,681	112,147,345	80,865,894
Short-term borrowings		53,528,929	650,214	53,528,929	650,214
Long-term borrowings		275,991,781	328,933,331	275,991,781	328,933,331
Total interest expense		2,383,071,570	3,026,007,575	2,368,751,207	3,027,151,126
Net income from interest and dividends		3,845,756,490	3,641,526,789	3,747,433,907	3,603,249,667
Net recovery (charge) from movements in bad debts and doubtful accounts		57,864,228	(4,279,590,110)	51,760,196	(4,295,992,730)
Loss on debt restructuring		-	(176,457,560)	-	(176,457,560)
Net profit (loss) from interest and dividends after net recovery (charge) from movements in bad debts and doubtful accounts and loss on debt restructuring		3,903,620,718	(814,520,881)	3,799,194,103	(869,200,623)
Non-interest income					
Gain on disposal of securities		238,365,130	310,105,300	238,365,130	310,105,300
Gain on revaluation of securities		545,674	303,710	545,674	303,710
Reversal of loss on impairment of securities	7	25,459,288	138,504,806	25,459,288	138,504,806
Share of profit of subsidiaries and associated companies		47,957,093	13,032,598	189,673,326	60,465,491
Fees and service income					
Acceptances, avals and guarantees		18,410,539	17,513,199	18,410,539	17,513,199
Others		1,409,200,881	1,311,296,772	1,285,664,241	1,230,805,985
Gain on exchange		349,634,148	256,668,704	349,634,148	256,668,704
Gain on disposal of properties foreclosed		143,972,482	91,316,784	145,570,410	94,394,690
Reversal of loss on revaluation of assets		-	4,398,227	-	4,398,227
Rental income		240,710,388	200,653,176	68,922,871	52,279,500
Other income		129,168,794	124,652,724	74,822,842	73,172,096
Total non-interest income		2,603,424,417	2,468,446,000	2,397,068,469	2,238,611,708

The accompanying notes are an integral part of these financial statements

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF INCOME (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

	Notes	Baht			
		Consolidated Financial Statements		Bank Only Financial Statements	
		2003	2002	2003	2002
Non-interest expense					
Personnel expenses		1,901,354,097	1,723,285,157	1,816,020,882	1,653,003,874
Premises and equipment expenses		1,001,277,349	905,950,679	850,339,118	743,259,249
Taxes and duties		258,796,438	294,983,083	256,093,130	292,734,525
Fees and service expenses		329,818,843	308,809,960	310,326,549	289,138,094
Directors' remuneration		6,064,000	5,770,000	5,980,000	5,770,000
Payments to the Financial Institutions	3.16				
Development Fund		564,435,217	581,692,648	564,435,217	581,692,648
(Reversal) loss on impairment of properties foreclosed		(1,347,663)	201,854,911	-	200,000,000
Loss on diminution of other assets		23,141,053	159,782,459	25,117,971	159,782,459
Other expenses		582,548,779	500,895,157	527,499,898	473,542,061
Total non-interest expense		4,666,088,113	4,683,024,054	4,355,812,765	4,398,922,910
Profit (loss) before income tax		1,840,957,022	(3,029,098,935)	1,840,449,807	(3,029,511,825)
Income tax expense	3.17, 25	22,496,115	412,890	21,988,900	-
Net profit (loss)		1,818,460,907	(3,029,511,825)	1,818,460,907	(3,029,511,825)
Earnings (loss) per share	3.18, 28, 29				
Basic		0.36	(0.66)	0.36	(0.66)
Diluted		0.36	(0.65)	0.36	(0.65)

The accompanying notes are an integral part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY AND STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2002

	Baht						
	Ordinary share capital	Discount on share capital	Unrealized increment on appraisal of assets	Unrealized gain (loss) on investment in securities - net	Unrealized gain (loss) on cash flow hedging instruments	Deficit	Total
Beginning balance as of December 31, 2001	38,275,804,790	(4,806,506,208)	769,854,998	(264,141,263)	1,142,208	(25,334,677,610)	8,641,476,915
Issued and fully paid-up share capital	12,678,662,340	-	-	-	-	-	12,678,662,340
Discount on share capital	-	(6,339,331,170)	-	-	-	-	(6,339,331,170)
Amortisation of unrealized increment on appraisal of assets	-	-	(18,171,419)	-	-	2,007,419	(16,164,000)
Unrealized loss on investment in securities - net	-	-	-	(108,243,926)	-	-	(108,243,926)
Unrealized loss on cash flow hedging instruments	-	-	-	-	(97,901,811)	-	(97,901,811)
Gains (losses) not recognised in the statement of income	-	-	(18,171,419)	(108,243,926)	(97,901,811)	2,007,419	(222,309,737)
Net loss	-	-	-	-	-	(3,029,511,825)	(3,029,511,825)
Ending balance as of December 31, 2002	50,954,467,130	(11,145,837,378)	751,683,579	(372,385,189)	(96,759,603)	(28,362,182,016)	11,728,986,523

The accompanying notes are an integral part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY AND STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2003

	Baht						
	Ordinary share capital	Discount on share capital	Unrealized increment on appraisal of assets	Unrealized gain (loss) on investment in securities - net	Unrealized gain (loss) on cash flow hedging instruments	Deficit	Total
Beginning balance as of December 31, 2002	50,954,467,130	(11,145,837,378)	751,683,579	(372,385,189)	(96,759,603)	(28,362,182,016)	11,728,986,523
Amortisation of unrealized increment on appraisal of assets	-	-	(2,007,419)	-	-	2,007,419	-
Unrealized gain on investment in securities - net	-	-	-	1,039,641,102	-	-	1,039,641,102
Unrealized gain on cash flow hedging instruments	-	-	-	-	10,205,674	-	10,205,674
Gains (losses) not recognised in the statement of income	-	-	(2,007,419)	1,039,641,102	10,205,674	2,007,419	1,049,846,776
Net profit	-	-	749,676,160	667,255,913	(86,553,929)	1,818,460,907	1,818,460,907
Ending balance as of December 31, 2003	50,954,467,130	(11,145,837,378)	749,676,160	667,255,913	(86,553,929)	(26,541,713,690)	14,597,294,206

The accompanying notes are an integral part of these financial statements

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

	Notes	Baht			
		Consolidated Financial Statements		Bank Only Financial Statements	
		2003	2002	2003	2002
CASH FLOWS FROM OPERATING ACTIVITIES					
Net profit (loss)		1,818,460,907	(3,029,511,825)	1,818,460,907	(3,029,511,825)
Adjustments to reconcile net profit (loss) to net cash provided by (used in) operating activities:					
Depreciation		424,244,843	402,282,688	250,847,166	202,357,350
Amortisation and loss on assets written off		99,874,037	61,033,584	98,648,231	59,824,959
Amortisation of goodwill		1,654,767	1,654,767	-	-
Unrealised gain on revaluation of securities		(545,674)	(303,710)	(545,674)	(303,710)
Loss (reversal) on impairment of securities	7	1,157,940,891	(138,504,806)	1,157,940,891	(138,504,806)
Bad debt and doubtful accounts		56,919,050	4,833,850,124	65,000,000	4,849,020,184
Loss on debt restructuring		-	176,457,560	-	176,457,560
Interest income from amortization of revaluation allowance for debt restructuring		(79,186,927)	(108,731,889)	(79,186,927)	(108,731,889)
Reversal of allowance for doubtful account-hire purchase		(2,934,696)	(7,437,403)	-	-
Reversal of loss on revaluation of assets		(2,206,020)	(4,398,227)	(2,206,020)	(4,398,227)
(Reversal) loss on impairment of properties foreclosed		(1,347,663)	201,854,911	-	200,000,000
Loss on diminution of other assets		23,141,053	159,782,459	25,117,971	159,782,459
Gain on disposal of long-term investments		(211,630,369)	(297,803,892)	(211,630,369)	(297,803,892)
Gain on sales of premises and equipment		(22,101,518)	(43,441,969)	(18,269,853)	(19,032,930)
Loss on translation of foreign currencies		74,082,165	724,030,944	74,082,165	724,030,944
Amortisation of premium on long-term investments - net		35,388,654	57,599,638	35,388,654	57,599,638
Scrip dividend income		-	(546,914)	-	(546,914)
Decrease in interest and dividend receivables		288,206,681	51,796,299	286,501,082	50,188,779
Increase in accrued non-interest income		(39,216,331)	(7,776,103)	(32,162,516)	(8,511,503)
Decrease in accrued interest expenses	7	(127,814,934)	(121,672,786)	(128,288,051)	(121,817,272)
Increase in accrued non-interest expenses		110,611,030	185,443,456	94,181,332	179,394,519
Share of profit of subsidiaries and associated companies		(47,957,093)	(13,032,598)	(189,673,326)	(60,465,491)
Net cash inflow from operating activities before changes in operating assets and liabilities		3,555,582,853	3,082,624,308	3,244,205,663	2,869,027,933

The accompanying notes are an integral part of these financial statements

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

	Notes	Baht			
		Consolidated Financial Statements		Bank Only Financial Statements	
		2003	2002	2003	2002
(Increase) decrease in operating assets					
Interbank and money market items		3,880,974,296	1,027,920,080	3,897,348,271	1,064,560,857
Securities purchased under resale agreements		(7,600,000,000)	600,000,000	(7,600,000,000)	600,000,000
Current investments		1,921,197,307	(1,901,800,988)	1,921,197,307	(1,901,800,988)
Loans		(3,792,625,164)	(8,587,035,255)	(2,888,169,196)	(8,002,455,874)
Properties foreclosed		1,130,514,692	332,419,572	1,124,048,904	324,668,769
Other assets		(109,316,871)	(103,903,947)	(86,077,091)	170,749,870
Increase (decrease) in operating liabilities					
Deposits		3,550,774,951	(922,822,836)	3,543,408,234	(902,153,984)
Interbank and money market items		2,567,390,277	(1,484,782,661)	1,751,206,313	(1,489,440,070)
Liabilities payable on demand		208,554,469	338,645,078	208,554,469	338,645,078
Securities sold under repurchase agreements		(400,000,000)	400,000,000	(400,000,000)	400,000,000
Other liabilities		484,313,290	567,270,736	491,423,474	359,040,870
Net cash provided by (used in)					
operating activities					
		5,397,360,100	(6,651,465,913)	5,207,146,348	(6,169,157,539)
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from sales of long-term investments		13,910,587,937	13,012,419,486	13,910,587,937	13,012,419,486
Purchases of long-term investments	7	(19,189,265,245)	(11,115,884,328)	(19,170,766,299)	(11,715,884,328)
Dividend received		14,388,986	5,055,590	14,388,986	5,055,590
Proceeds from sales of premises and equipment		79,152,080	51,838,210	36,309,598	39,616,240
Purchases of premises and equipment		(833,749,568)	(504,623,314)	(619,235,989)	(374,715,693)
Proceeds of premises and equipment insured		-	2,338,894	-	2,338,894
Net cash (used in) provided by					
investing activities					
		(6,018,885,810)	1,451,144,538	(5,828,715,767)	968,830,189
CASH FLOWS FROM FINANCING ACTIVITIES					
Increase in long-term borrowings	7	505,033,671	3,693,333	505,033,671	3,693,333
Increase in issue and fully paid-up share capital		-	6,339,331,170	-	6,339,331,170
Net cash provided by financing activities					
		505,033,671	6,343,024,503	505,033,671	6,343,024,503
NET DECREASE IN CASH AND					
CASH EQUIVALENTS					
		(116,492,039)	1,142,703,128	(116,535,748)	1,142,697,153
CASH AND CASH EQUIVALENTS					
AS AT JANUARY 1,					
	3.14	3,264,613,897	2,121,910,769	3,264,525,615	2,121,828,462
CASH AND CASH EQUIVALENTS					
AS AT DECEMBER 31,					
	3.14	3,148,121,858	3,264,613,897	3,147,989,867	3,264,525,615

SUPPLEMENTAL DISCLOSURES OF CASH FLOWS INFORMATION

Interest	2,516,146,324	3,147,680,361	3,147,680,361	3,148,968,398
Income tax	52,765,638	26,234,309	46,058,971	21,203,664

The accompanying notes are an integral part of these financial statements

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

1. GENERAL INFORMATION

Bank of Asia Public Company Limited ("the Bank") is a public limited company registered in the Kingdom of Thailand with its head office located at 191 South Sathon Road, Sathon, Bangkok. The Bank's main business is banking and the Bank conducts its business through a network of branches covering all parts of Thailand. As at December 31, 2003 and 2002, the Bank had a total staff of 2,952 persons and 3,018 persons, respectively.

2. BASIS OF FINANCIAL STATEMENT PREPARATION AND BASIS OF CONSOLIDATION

The accompanying financial statements have been prepared in the Thai language, are expressed in Thai Baht, and are in accordance with generally accepted accounting principles in Thailand and the announcement of The Bank of Thailand "Forms of Balance Sheet and Statement of Income of Commercial Bankse" dated May 10, 2001. These financial statements are not intended to present the financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Thailand.

Other than specified in the notes to the financial statements, all balances presented in these financial statements are prepared under the historical cost basis.

For the convenience of the readers, an English version of the financial statements has been translated from the Thai version of the financial statements. These financial statements have been prepared for statutory reporting purposes in Thailand.

Subsidiaries are those enterprises controlled by the Bank. Control exists when the Bank has the power, directly or indirectly, to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. Special purpose entities are consolidated when the substance of the relationship between the Bank and the special purpose entity indicates that the special purpose entity is controlled by the Bank. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. These subsidiaries are detailed as follows:

	Business Type	Country of Registration	Percentage of Holdings	
			As at December 31, 2003	As at December 31, 2002
Subsidiaries				
Asia Property Co., Ltd.	Asset Management	Thailand	99.99	99.99
BOA Leasing Co., Ltd.	Leasing	Thailand	99.99	99.99
BOA Asset Management Co., Ltd.	Fund Management	Thailand	99.99	99.99
Asia Leasehold Co., Ltd.	Real Estate	Thailand	99.93	99.93

The Consolidated and Bank only financial statements for the year ended December 31, 2003 do not include the operating results of Asia Property Co., Ltd. which is in the process of liquidation because they are not material to the Bank's financial statements.

The accompanying financial statements include the accounts of all branches and of the Bank's International Banking Facility after the elimination of significant inter-company transactions and balances.

The Bank received 76.21% of the common shares of High Rise Development Co., Ltd. as a result of debt restructuring. Since the Bank intends to dispose of this investment in the near future, the accounts of this company have not been included in the consolidated financial statements for the years ended December 31, 2003 and 2002.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)*FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002***3. SIGNIFICANT ACCOUNTING POLICIES****3.1 Interest income**

The Bank and its subsidiaries recognize interest on loans as income on an accrual basis, with the exception of income on import bills, which is recognized on a cash basis. In accordance with the Bank of Thailand's regulation, interest in arrears for more than 3 months from the due date, regardless of whether the loans are covered by collateral, is not accrued as interest income but is instead recognized as income when received. In addition, interest accrued in arrears for 3 months is reversed against interest income.

3.2 Hire purchase income

Hire purchase income is recognized by the "sum of the years digits" method which recognizes income in relation to the principal outstanding at the end of any given month over the period of installment.

3.3 Investments

The Bank and its subsidiaries classify investments in securities as either trading securities, available-for-sale securities, held-to-maturity securities, general investments (for non-marketable equity securities) or investments in subsidiaries and associated companies.

Investments in debt and marketable equity securities classified as trading securities are stated at fair value. Unrealized gains or losses arising on the revaluation of trading securities are reflected in the statement of income.

Investments in debt and marketable equity securities classified as available-for-sale securities are stated at fair value. Investments in debt securities are separated into short term or long term investments based on residual maturity. Unrealized gains or losses arising on the revaluation of available-for-sale securities are shown as a separate component of shareholders' equity and are realized in the statement of income upon disposal or impairment.

Investments in debt securities held to maturity are separated into short-term or long-term investments based on residual maturity and are stated at amortized cost net of allowance for impairment. Premiums and discounts arising on the acquisition of securities held to maturity are amortized or accreted to interest income in the statement of income over the term of the securities in order to provide a constant yield to maturity. Any loss from impairment is charged to the statement of income.

General investments, other than investments in subsidiaries and associated companies, are stated at cost net of allowance for impairment. Loss on impairment is charged to the statement of income.

Investments in subsidiaries and associated companies are recorded using the equity method. Goodwill is amortised by the straight-line method over a period of 10 years. In the event that the Bank's equity interest in a subsidiary or associated company represents a share of the net liabilities of that company, the resulting amount is recorded under the heading "other liabilities" in the balance sheet (see Note 6).

Realized gains or losses resulting from the disposal of securities are recognized in the statement of income by using the weighted average cost calculation method.

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

Interest income in respect of coupon payments on debt securities is recognized on an accrual basis.

Dividend income is recognized in the income statement on the date that the dividend is declared.

Income from equity investments and other non-fixed income investments is recognized as dividend income when it accrues.

3.4 Fair values of securities

Fair values of securities are calculated on the following bases:

For Government securities and state enterprises securities, fair values are calculated by using the Bank of Thailand formula, based on the risk free yield curve of the Bank of Thailand.

For listed equity securities, fair value is the last bid price quoted in The Stock Exchange of Thailand on the last business day of the year.

For private enterprises debt securities, the last closing prices of The Thai Bond Dealing Centre are used as fair values. In the absence of such prices, fair values are determined by applying the aforementioned yield curve adjusted for risk in accordance with the criteria established by the Bank of Thailand.

3.5 Interest expense

The Bank and its subsidiaries recognize interest expense on deposits and borrowings on an accrual basis.

3.6 Loans

Loans include overdrafts, loans, trade bills, hire purchase and finance lease receivables and other loans. Except for overdrafts, all items categorized under loans are disclosed as principal amount outstanding only with accrued interest income added as a single line item for all the instruments together.

Overdrafts are stated at the drawn amounts together with any accrued interest.

Discounts received in advance in respect of bills purchased and other unearned interest income are recognized on an accrual basis over the period to maturity of the loans.

3.7 Allowance for doubtful accounts

The BOT has guidelines for establishing a minimum level of allowance for doubtful accounts (see note 8), which is primarily determined by applying specified percentages to the different classifications of loans in conjunction with the consideration of collateral valuation. Loan classifications are based principally on the period that a loan is past due. The guidelines for establishing the minimum level of allowance for doubtful accounts have changed periodically.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)*FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002*

The Bank classifies its loans and advances at a customer level rather than by facility in recognition of the common credit risk attached to all facilities associated with a particular borrower. The Bank then determines an appropriate allowance for doubtful accounts for each customer based on this classification in accordance with the Bank's own conservative provisioning methodology.

Bad debts are written off as approved by the Board of Directors and are presented net of bad debt recoveries and movements in the allowance for doubtful accounts in the statement of income.

3.8 Debt restructuring

Certain loans have been restructured by transferring assets, transferring equity or modifying the terms of the loan.

Loans which have been restructured through a modification of terms ("modified loans") are stated at the present value of estimated future receivable cash flows using discount rates equivalent to the market interest rates applicable at the time of the restructuring.

A valuation allowance, calculated as the difference between the book value of these modified loans and the present value of the estimated future receivable cash flows, has been deducted in reaching the recorded amounts for modified loans. The valuation allowance is amortized to the statement of income over the life of the modified loan in order to provide a constant rate of return equivalent to market interest rates.

3.9 Foreign exchange

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies, which are stated at historical cost, are translated at the foreign exchange rate ruling at that date using reference exchange rates established by the Bank of Thailand, except for subordinated, convertible debentures which are translated at the fixed rates specified in the contract (see note 16).

Outstanding forward foreign exchange contracts are marked to market by comparing contract rates to forward rates established by the Bank for contracts with similar maturity. At each balance sheet reporting date, the unrealised gains or losses on outstanding forward foreign exchange contracts, calculated as described above, are included within other assets or other liabilities, respectively.

All foreign exchange gains or losses, except those relating to the effective hedge of a qualifying forecasted transaction (see Note 3.10), are recognized in the statement of income.

3.10 Hedge accounting

Where there is a hedging relationship between a derivative instrument and a related item being hedged, the hedging instrument is measured at fair value. The treatment of any resultant gains and losses is set out below.

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

A hedging relationship exists where:

- at the inception of the hedge there is formal documentation of the hedge;
- the hedge is expected to be highly effective;
- the effectiveness of the hedge can be reliably measured;
- the hedge is highly effective throughout the reporting period; and
- for hedges of a forecasted transaction, the transaction is highly probable and presents an exposure to variations in cash flows that could ultimately affect net profit or loss.

The fair value of derivative hedging instruments is calculated in the same way as the fair value of trading instruments (see note 3.5 above).

Where a derivative financial instrument hedges the exposure to changes in the fair value of a recognized asset or liability, the hedged item is stated at fair value in respect of the risk being hedged. Gains or losses on re-measurement of both the hedging instrument and the hedged item are recognized in the income statement. These amounts are included in gains less losses from non-trading financial instruments.

Where a derivative financial instrument hedges the exposure to variability in the cash flows of recognized assets or liabilities (or homogeneous groups/portfolios thereof) or anticipated transactions or firm commitments, the effective part of any gain or loss on re-measurement of the hedging instrument is recognized directly in equity. The ineffective part of any gain or loss is recognized in the income statement. The Bank has adopted this accounting treatment for hedges of floating interest rates through interest rate swaps to fixed rates (see note 17).

When a hedged anticipated transaction or firm commitment results in the recognition of an asset or liability, the cumulative gain or loss on the hedging instrument recognized in equity is removed from equity and included in the initial measurement of the asset or liability. Otherwise the cumulative gain or loss recognized in equity is transferred to the income statement at the same time that the hedged transaction affects net profit or loss and included in the same line item as the hedged transaction.

When a hedging instrument or hedge relationship is terminated but the hedged transaction is still expected to occur, the cumulative gain or loss recognized in equity remains in equity and is recognized in accordance with the above policy. If the hedged transaction is no longer expected to occur, the cumulative gain or loss recognized in equity is recognized in the income statement immediately.

3.11 Properties foreclosed

Properties foreclosed are stated at the lower of cost or market value. Market value is determined by using the latest appraisal value.

Properties foreclosed which have been received as a result of an asset swap are recorded at the lower of the legally claimable value of the loan or the market value of the property foreclosed.

Losses on impairment are charged to the statement of income. Gains on the sale of properties foreclosed are recognized only when such properties are sold.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

3.12 Premises and equipment

Land is stated at cost or valuation. Premises and equipment are stated at cost or valuation less depreciation. Depreciation are calculated by the straight-line method, based on the estimated useful lives of the assets, as follows:

Premises	50 years
Equipment	5 years
Furniture and fittings	5 years
Vehicles	5 years
Office equipment	5 years

Land and buildings were reappraised in 2001 (after being previously appraised in 1993) by an independent appraiser. The increase resulting from the appraisal was recorded in the accounts as unrealised increment on the appraisal of land and buildings and shown as part of shareholders' equity. Amortisation of the increment on the appraisal of buildings is transferred direct to retained earnings (deficit).

3.13 Leasehold improvements

Leasehold property and building improvement are stated at cost less amortisation, which is calculated using the straight-line method, based on the contractual terms.

3.14 Cash and cash equivalents

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

3.15 Provident fund and severance payment scheme

The Bank established provident funds under the Provident Fund Act B.E. 2530 by joining "The Registered BOA Multiple Security Provident Fund" and "The Registered BOA Fixed Income Provident Fund" on December 29, 2000.

According to the Fund's regulations, every employee, after the probation period, is entitled to apply for membership. The employees contribute to the Fund at the rate of 2% or 5% of basic salary and the Bank contributes to the Fund at the rate of 5% of basic salary. The employees are entitled to the benefits upon termination of employment status except when the terminated employee has violated the rules of the Bank. Contributions to this fund commenced in January 2001.

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

Contributory provident funds which have been registered in accordance with the Provident Fund Act B.E. 2530 have also been set up by subsidiary companies.

The funds set up by the Bank and its subsidiaries in accordance with the Provident Fund Act B.E. 2530 are managed independently and therefore do not appear in the consolidated or individual balance sheets of the Bank and the relevant subsidiaries.

The Bank has a gratuities scheme which pays out every 5 years to employees with at least 5 years' continuous service, the benefit being based on monthly salary plus interest. The Bank also has a severance payment scheme for employees with at least 15 years' service, the benefit being based on the last month's salary and the service years of the employee. The provisions for both schemes are recorded as expenses over the period of employment. Payment to the employees will be made on the retirement date.

3.16 Contributions to the Financial Institutions Development Fund

Contributions to the Financial Institutions Development Fund are recorded as expenses for the year.

3.17 Income tax

Income tax payable is recorded as an expense for the year.

3.18 Earnings (loss) per share

Basic earnings (loss) per share is computed on the basis of the average number of ordinary shares outstanding weighted according to time and amount paid. The Bank has issued subordinated convertible bonds which the debenture holders have the right to convert into ordinary shares. The fully diluted loss per share information is presented in Note 29.

3.19 Offsetting

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when the Bank or its subsidiaries have a legally enforceable right to set off the recognized amounts and the transactions are intended to be settled on a net basis.

3.20 Use of accounting estimates

Preparation of financial statements in conformity with generally accepted accounting principles requires the 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.

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

4. INTERBANK AND MONEY MARKET ITEMS (ASSETS)

Amounts in Baht			
CONSOLIDATED FINANCIAL STATEMENTS			
As at December 31, 2003			
	At Call	Time	Total
Domestic items			
Bank of Thailand and the Financial Institutions			
Development Fund	1,470,760,567	-	1,470,760,567
Commercial banks	5,207,504	956,101	6,163,605
Other banks	361,866	-	361,866
Finance companies, securities companies and credit foncier companies			
	39,425,835	63,000,000	102,425,835
Other financial institutions	-	52,500,000	52,500,000
Total domestic items	1,515,755,772	116,456,101	1,632,211,873
Add accrued interest receivable	8,296	145,010	153,306
Less allowance for doubtful accounts	(8,358,066)	-	(8,358,066)
Total	1,507,406,002	116,601,111	1,624,007,113
Foreign items			
US dollars	8,216,088	4,754,640,000	4,762,856,088
Yen	117,138,886	-	117,138,886
Other currencies	233,681,605	-	233,681,605
Total foreign items	359,036,579	4,754,640,000	5,113,676,579
Add accrued interest receivable	-	1,832,463	1,832,463
Total	359,036,579	4,756,472,463	5,115,509,042
Total domestic and foreign items - net	1,866,442,581	4,873,073,574	6,739,516,155

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

Amounts in Baht
CONSOLIDATED FINANCIAL STATEMENTS
 As at December 31, 2002

	At Call	Time	Total
Domestic items			
Bank of Thailand and the Financial Institutions			
Development Fund	664,741,297	-	664,741,297
Commercial banks	927,823,123	1,022,238,975	1,950,062,098
Other banks	128,324	-	128,324
Finance companies, securities companies and credit foncier companies	700,000	25,000,000	25,700,000
Other financial institutions	<u>2,636,227</u>	<u>-</u>	<u>2,636,227</u>
Total domestic items	1,596,028,971	1,047,238,975	2,643,267,946
Add accrued interest receivable	16,061,925	83,527	16,145,452
Less allowance for doubtful accounts	<u>(61,554)</u>	<u>-</u>	<u>(61,554)</u>
Total	<u>1,612,029,342</u>	<u>1,047,322,502</u>	<u>2,659,351,844</u>
Foreign items			
US dollars	230,008,951	7,467,548,000	7,697,556,951
Yen	40,823,645	-	40,823,645
Other currencies	169,909,675	68,591,736	238,501,411
Total foreign items	440,742,271	7,536,139,736	7,976,882,007
Add accrued interest receivable	-	14,489,080	14,489,080
Total	<u>440,742,271</u>	<u>7,550,628,816</u>	<u>7,991,371,087</u>
Total domestic and foreign items - net	<u>2,052,771,613</u>	<u>8,597,951,318</u>	<u>10,650,722,931</u>

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

Amounts in Baht

BANK ONLY FINANCIAL STATEMENTS

As at December 31, 2003

	At Call	Time	Total
Domestic items			
Bank of Thailand and the Financial Institutions			
Development Fund	1,470,760,567	-	1,470,760,567
Commercial banks	5,750,928	956,101	6,707,029
Other banks	361,866	-	361,866
Finance companies, securities companies and credit foncier companies	22,425,835	-	22,425,835
Other financial institutions	-	52,500,000	52,500,000
Total domestic items	<u>1,499,299,196</u>	<u>53,456,101</u>	<u>1,552,755,297</u>
Add accrued interest receivable	-	17,024	17,024
Less allowance for doubtful accounts	(8,358,066)	-	(8,358,066)
Total	<u>1,490,941,130</u>	<u>53,473,125</u>	<u>1,544,414,255</u>
Foreign items			
US dollars	8,216,088	4,754,640,000	4,762,856,088
Yen	117,138,886	-	117,138,886
Other currencies	233,681,605	-	233,681,605
Total foreign items	<u>359,036,579</u>	<u>4,754,640,000</u>	<u>5,113,676,579</u>
Add accrued interest receivable	-	1,832,463	1,832,463
Total	<u>359,036,579</u>	<u>4,756,472,463</u>	<u>5,115,509,042</u>
Total domestic and foreign items - net	<u>1,849,977,709</u>	<u>4,809,945,588</u>	<u>6,659,923,297</u>

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

Amounts in Baht
BANK ONLY FINANCIAL STATEMENTS
 As at December 31, 2002

	At Call	Time	Total
Domestic items			
Bank of Thailand and the Financial Institutions			
Development Fund	664,741,297	-	664,741,297
Commercial banks	889,420,959	1,022,238,975	1,911,659,934
Other banks	128,324	-	128,324
Finance companies, securities companies and credit foncier companies	700,000	-	700,000
Other financial institutions	2,636,227	-	2,636,227
Total domestic items	<u>1,557,626,807</u>	<u>1,022,238,975</u>	<u>2,579,865,782</u>
Add accrued interest receivable	16,328,734	-	16,328,734
Less allowance for doubtful accounts	(61,554)	-	(61,554)
Total	<u>1,573,893,987</u>	<u>1,022,238,975</u>	<u>2,596,132,962</u>
Foreign items			
US dollars	230,008,951	7,467,548,000	7,697,556,951
Yen	40,823,645	-	40,823,645
Other currencies	169,909,675	68,591,736	238,501,411
Total foreign items	<u>440,742,271</u>	<u>7,536,139,736</u>	<u>7,976,882,007</u>
Add accrued interest receivable	-	14,489,080	14,489,080
Total	<u>440,742,271</u>	<u>7,550,628,816</u>	<u>7,991,371,087</u>
Total domestic and foreign items - net	<u>2,014,636,258</u>	<u>8,572,867,791</u>	<u>10,587,504,049</u>

As at December 31, 2003 and 2002, assets of approximately Baht 9.00 million and Baht 0.70 million respectively in relation to interbank and money market items on both a consolidated basis and for the Bank only are loans for which interest is more than three months in arrears. In accordance with Bank of Thailand regulations, interest is not accrued on these loans.

As at December 31, 2002, interbank and money market items included Baht 553.72 million in respect of 2 percent 5-year Negotiable Certificates of Deposit (NCDs) issued by Krung Thai Bank PCL. These NCDs were originated by an exchange of loans to and investments in debt instruments issued by financial institutions that were forced to cease operations by order of the Ministry of Finance in accordance with a Notification dated December 8, 1997, and were redeemed in full in the first quarter of 2003.

For both the Consolidated and the Bank only financial statements as at December 31, 2003, the Bank and its subsidiaries have estimated that approximately 99% of the interbank and money market time placements have residual maturities within one year and 1% have maturities within one to five years. As at December 31, 2002, the Bank and its subsidiaries have estimated that approximately 100% of the interbank and money market time placements have residual maturities within one year.

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

5. SECURITIES PURCHASED UNDER RESALE AGREEMENTS

Amounts in Baht		
CONSOLIDATED AND BANK ONLY FINANCIAL STATEMENTS		
	As at December 31, 2003	As at December 31, 2002
Government bonds and Bank of Thailand bonds	200,000,000	300,000,000
Financial Institutions Development Fund bonds	7,700,000,000	-
Total	<u>7,900,000,000</u>	<u>300,000,000</u>

6. INVESTMENTS

Amounts in Baht				
CONSOLIDATED AND BANK ONLY FINANCIAL STATEMENTS				
	As at December 31, 2003		As at December 31, 2002	
	Cost/Amortized	Fair	Cost/Amortized	Fair
	Cost	Value	Cost	Value
Current investments				
Securities for trading				
Government and state enterprises securities	375,779,881	377,239,364	2,296,977,188	2,297,890,997
Add unrealised gain on revaluation of securities	<u>1,459,483</u>	<u>-</u>	<u>913,809</u>	<u>-</u>
Total	<u>377,239,364</u>	<u>377,239,364</u>	<u>2,297,890,997</u>	<u>2,297,890,997</u>
Available-for-sale securities				
Government and state enterprises securities	279,415,471	280,374,917	2,178,281,383	2,185,965,051
Private enterprises debt securities	44,060,157	44,050,752	-	-
Marketable equity domestic securities	-	-	6,867,600	4,593,210
Total	<u>323,475,628</u>	<u>324,425,669</u>	<u>2,185,148,983</u>	<u>2,190,558,261</u>
Add unrealised gain on revaluation of securities	<u>950,041</u>	<u>-</u>	<u>5,409,278</u>	<u>-</u>
Total	<u>324,425,669</u>	<u>324,425,669</u>	<u>2,190,558,261</u>	<u>2,190,558,261</u>
Held-to-maturity debt instruments				
Government and state enterprises securities	5,595,065,342		950,248,248	
Private enterprises debt securities	<u>308,540,000</u>		<u>8,540,000</u>	
Total	5,903,605,342		958,788,248	
Less allowance for impairment of securities	<u>(8,540,000)</u>		<u>(42,140,000)</u>	
Total	<u>5,895,065,342</u>		<u>916,648,248</u>	
Total current investments - net	<u>6,596,730,375</u>		<u>5,405,097,506</u>	

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

	Amounts in Baht			
	CONSOLIDATED FINANCIAL STATEMENTS			
	As at December 31, 2003		As at December 31, 2002	
	Cost/Amortized Cost	Fair Value	Cost/Amortized Cost	Fair Value
Long - term investments				
Available-for-sale securities				
Government and state enterprises securities	233,159,041	237,948,519	159,470,573	168,937,391
Private enterprises debt securities	3,272,424,107	3,412,846,532	146,548,102	-
Marketable equity domestic securities	<u>1,331,126,582</u>	<u>1,690,638,050</u>	<u>2,679,401,034</u>	<u>2,260,582,550</u>
Total	4,836,709,730	5,341,433,101	2,985,419,709	2,429,519,941
Add(less) unrealised gain (loss) on revaluation of securities	655,461,944	-	(404,211,293)	-
Less allowance for impairment of securities	<u>(150,896,502)</u>	-	<u>(157,930,064)</u>	-
Total	<u>5,341,275,172</u>	<u>5,341,433,101</u>	<u>2,423,278,352</u>	<u>2,429,519,941</u>
Held-to-maturity debt instruments				
Government and state enterprises securities	11,606,361,341		11,510,788,612	
Private enterprises debt securities	<u>1,998,245,046</u>		<u>2,666,463,830</u>	
Total	13,604,606,387		14,177,252,442	
Less allowance for impairment of securities	<u>(56,091,849)</u>		<u>(82,726,192)</u>	
Total	<u>13,548,514,538</u>		<u>14,094,526,250</u>	
General investment				
Non-marketable equity domestic securities	222,858,056		204,960,500	
Non-marketable equity foreign securities	<u>10,525,572</u>		<u>11,185,978</u>	
Total	233,383,628		216,146,478	
Less allowance for impairment of securities	<u>(134,013,525)</u>		<u>(110,708,494)</u>	
Total	<u>99,370,103</u>		<u>105,437,984</u>	
Total long - term investments - net	<u>18,989,159,813</u>		<u>16,623,242,586</u>	

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

Amounts in Baht

BANK ONLY FINANCIAL STATEMENTS

	As at December 31, 2003		As at December 31, 2002	
	Cost/Amortized	Fair	Cost/Amortized	Fair
	Cost	Value	Cost	Value
Long - term investments				
Available-for-sale securities				
Government and state enterprises securities	233,159,041	237,948,519	159,470,573	168,937,391
Private enterprises debt securities	3,254,094,841	3,394,443,593	146,548,102	-
Marketable equity domestic securities	1,313,596,381	1,673,530,340	2,662,040,514	2,249,147,830
Total	4,800,850,263	5,305,922,452	2,968,059,189	2,418,085,221
Add(less) unrealised gain (loss) on revaluation of securities	655,810,762	-	(398,285,493)	-
Less allowance for impairment of securities	(150,896,502)	-	(157,930,064)	-
Total	5,305,764,523	5,305,922,452	2,411,843,632	2,418,085,221
Held-to-maturity debt instruments				
Government and state enterprises securities	11,606,361,341		11,510,788,612	
Private enterprises debt securities	1,998,245,046		2,666,463,830	
Total	13,604,606,387		14,177,252,442	
Less allowance for impairment of securities	(56,091,849)		(82,726,192)	
Total	13,548,514,538		14,094,526,250	
General investment				
Non-marketable equity domestic securities	207,229,562		189,332,006	
Non-marketable equity foreign securities	10,525,572		11,185,978	
Total	217,755,134		200,517,984	
Less allowance for impairment of securities	(134,010,031)		(110,705,000)	
Total	83,745,103		89,812,984	
Total long - term investments - net	18,938,024,164		16,596,182,866	

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

Within the above investments are debt instruments, excluding equity investments and trading equity debt instruments, with remaining maturities as follows:

Amounts in Baht				
CONSOLIDATED FINANCIAL STATEMENTS				
As at December 31, 2003				
Remaining Maturity				
	Within 1 year	1 - 5 years	More than 5 years	Total
Available-for-sale securities				
Government and state enterprises securities	279,415,471	190,112,258	43,046,783	512,574,512
Private enterprises debt securities	159,956,659	3,151,516,397	5,011,208	3,316,484,264
Total	<u>439,372,130</u>	<u>3,341,628,655</u>	<u>48,057,991</u>	<u>3,829,058,776</u>
Add unrealised gain on revaluation of securities	950,041	259,989,007	961,470	261,900,518
Less allowance for impairment of securities	(115,896,502)	-	-	(115,896,502)
Total	<u>324,425,669</u>	<u>3,601,617,662</u>	<u>49,019,461</u>	<u>3,975,062,792</u>
Held-to-maturity debt instruments				
Government and state enterprises securities	5,595,065,342	2,700,361,462	8,905,999,879	17,201,426,683
Private enterprises debt securities	308,540,000	1,998,245,045	1	2,306,785,046
Total	<u>5,903,605,342</u>	<u>4,698,606,507</u>	<u>8,905,999,880</u>	<u>19,508,211,729</u>
Less allowance for impairment of securities	(8,540,000)	(56,091,849)	-	(64,631,849)
Total	<u>5,895,065,342</u>	<u>4,642,514,658</u>	<u>8,905,999,880</u>	<u>19,443,579,880</u>

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

Amounts in Baht

BANK ONLY FINANCIAL STATEMENTS

As at December 31, 2003

Remaining Maturity

	Within 1 year	1 - 5 years	More than 5 years	Total
Available-for-sale securities				
Government and state enterprises securities	279,415,471	190,112,258	43,046,783	512,574,512
Private enterprises debt securities	159,956,659	3,133,187,131	5,011,208	3,298,154,998
Total	439,372,130	3,323,299,389	48,057,991	3,810,729,510
Add unrealised gain on revaluation of securities	950,041	259,915,334	961,470	261,826,845
Less allowance for impairment of securities	(115,896,502)	-	-	(115,896,502)
Total	324,425,669	3,583,214,723	49,019,461	3,956,659,853
Held-to-maturity debt instruments				
Government and state enterprises securities	5,595,065,342	2,700,361,462	8,905,999,879	17,201,426,683
Private enterprises debt securities	308,540,000	1,998,245,045	1	2,306,785,046
Total	5,903,605,342	4,698,606,507	8,905,999,880	19,508,211,729
Less allowance for impairment of securities	(8,540,000)	(56,091,849)	-	(64,631,849)
Total	5,895,065,342	4,642,514,658	8,905,999,880	19,443,579,880

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

Amounts in Baht				
CONSOLIDATED AND BANK ONLY FINANCIAL STATEMENTS				
As at December 31, 2002				
Remaining Maturity				
	Within 1 year	1 - 5 years	More than 5 years	Total
Available-for-sale securities				
Government and state enterprises securities	2,178,281,383	135,303,386	24,167,187	2,337,751,956
Private enterprises debt securities	146,548,102	-	-	146,548,102
Total	<u>2,324,829,485</u>	<u>135,303,386</u>	<u>24,167,187</u>	<u>2,484,300,058</u>
Add (less) unrealised gain (loss) on revaluation of securities	7,683,668	5,715,609	3,751,208	17,150,485
Less allowance for impairment of securities	(152,789,691)	-	-	(152,789,691)
Total	<u>2,179,723,462</u>	<u>141,018,995</u>	<u>27,918,395</u>	<u>2,348,660,852</u>
Held-to-maturity debt instruments				
Government and state enterprises securities	950,248,248	332,960,908	11,177,827,704	12,461,036,860
Private enterprises debt securities	8,540,000	2,666,463,830	-	2,675,003,830
Total	<u>958,788,248</u>	<u>2,999,424,738</u>	<u>11,177,827,704</u>	<u>15,136,040,690</u>
Less allowance for impairment of securities	(42,140,000)	(82,726,192)	-	(124,866,192)
Total	<u>916,648,248</u>	<u>2,916,698,546</u>	<u>11,177,827,704</u>	<u>15,011,174,498</u>

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

Unrealised gain (loss) on investment in securities - net

Amounts in Baht

CONSOLIDATED AND BANK ONLY FINANCIAL STATEMENTS

	As at December 31, 2003	As at December 31, 2002
Unrealised gain on revaluation of investment in securities		
Debt securities	302,312,689	178,195,485
Equity securities	<u>442,991,236</u>	<u>94,788,933</u>
Total	<u><u>745,303,925</u></u>	<u><u>272,984,418</u></u>
Unrealised loss on revaluation of investment in securities		
Debt securities	40,485,845	46,959,125
Equity securities	<u>37,562,167</u>	<u>598,410,482</u>
Total	<u><u>78,048,012</u></u>	<u><u>645,369,607</u></u>
Unrealised gain (loss) on revaluation of investment in securities - net		
Debt securities	261,826,844	131,236,360
Equity securities	<u>405,429,069</u>	<u>(503,621,549)</u>
Total	<u><u>667,255,913</u></u>	<u><u>(372,385,189)</u></u>

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

The Bank had investments in companies with problems in respect of financial position and results of operations, as follows:

In Million Baht

CONSOLIDATED AND BANK ONLY FINANCIAL STATEMENTS

As at December 31, 2003			As at December 31, 2002		
Cost	Fair Value	Unrealised (gain)/loss on revaluation/impairment of securities	Cost	Fair Value	Impairment loss on revaluation/impairment of securities

Financial institutions controlled by order of BOT to decrease or increase capital						
Debt instruments	33.97	-	33.97	43.06	-	43.60
Companies which are under SET delisting criteria						
Ordinary shares	-	-	-	0.19	-	0.19
Companies which have certain problems in repayment						
Ordinary shares	182.15	329.37	(147.22)	142.03	78.32	63.71
Debt instruments	154.28	-	141.60	174.90	-	179.68
Investment in unlisted companies with financial position and operations that are the same as companies which are under SET delisting criteria						
Ordinary shares	4.08	-	4.08	4.00	-	4.00
	<u>374.48</u>	<u>329.37</u>	<u>32.43</u>	<u>364.18</u>	<u>78.32</u>	<u>291.18</u>

The Bank does not have adequate information in its possession to disclose its investments in companies which have going concern problems identified by their auditors, except for two subsidiaries - Asia Leasehold Co., Ltd. (Registration of dissolution on December 30, 1999) and Asia Property Co., Ltd. (Registration of dissolution on April 18, 2003). As at December 31, 2003, the excess of the Bank's equity interest in losses of Baht 71 million over the cost of the Bank's investment of Baht 110 million is recorded under the heading "other liabilities" in the balance sheet.

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

Investments in companies in which the Bank and its subsidiaries hold more than 10% of the paid-up capital in each company, excluding investments in subsidiaries and associated companies, classified by industry, are as follows :

Amounts in Baht

	CONSOLIDATED		BANK ONLY	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	December 31, 2003	December 31, 2002	December 31, 2003	December 31, 2002
Manufacturing	42,000,001	1	42,000,001	1
Banking and Finance	3,392,216,250	2,217,628,750	3,392,216,250	2,217,628,750
Real Estate	60,000,000	60,000,000	60,000,000	60,000,000
Services	33,422,031	13,232,001	33,422,031	4,232,001
Total	<u>3,527,638,282</u>	<u>2,290,860,752</u>	<u>3,527,638,282</u>	<u>2,281,860,752</u>

Investments in subsidiaries and associated companies

Amounts in Baht

Investment	CONSOLIDATED FINANCIAL STATEMENTS				BANK ONLY FINANCIAL STATEMENTS			
	As at		As at		As at		As at	
	December 31, 2003		December 31, 2002		December 31, 2003		December 31, 2002	
	Cost	Book	Cost	Book	Cost	Book	Cost	Book
	Method	Value	Method	Value	Method	Value	Method	Value
Subsidiaries	-	-	-	-	566,078,954	461,311,569	1,046,078,954	314,018,354
Associated companies	121,117,516	165,837,506	121,117,516	147,842,296	121,117,516	165,837,506	121,117,516	147,842,296
Total	121,117,516	165,837,506	121,117,516	147,842,296	687,196,470	627,149,075	1,167,196,470	461,860,650
Allowance for impairment	-	-	-	-	(240,999,230)	-	(240,999,230)	-
Total	<u>121,117,516</u>	<u>165,837,506</u>	<u>121,117,516</u>	<u>147,842,296</u>	<u>446,197,240</u>	<u>627,149,075</u>	<u>926,197,240</u>	<u>461,860,650</u>

For the Bank only financial statements as at December 31, 2003 and 2002, the excess of the Bank's equity interest in losses of Baht 71 million over the cost of the Bank's investment are recorded under the heading "other liabilities" in the balance sheet.

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

7. INVESTMENT IN SPURVEC LIMITED

Summary of the transaction

On 11 November 2003, Spurvec Limited ("Spurvec") was incorporated in the Cayman Islands with its share capital entirely owned by a charitable trust. Spurvec was created as a Special Purpose Vehicle and its activities are substantially limited.

On 15 December 2003, Bank of Asia Cayman Islands Branch ("BOACIB") entered into a term loan agreement with ABN AMRO London Branch ("ABNLB") for a sum of USD 43 million (equivalent to Baht 1.7 billion). Both BOACIB and ABNLB hold options that allow either to cancel the BOACIB term loan in exchange for a transfer of the BOACIB holding in Spurvec shares from BOACIB to ABNLB. BOACIB has expressed an active intent to exercise this option during the life of the term loan. The rate of interest for the term loan is 11.8% per annum which has been priced to take into account market rates including the reduced credit risk because of BOACIB's option to cancel the term loan in exchange for its shares in Spurvec.

BOACIB drew down on this loan on 17 December 2003 and used the proceeds to purchase 430 non-voting, participating, redeemable shares of USD 100,000 in Spurvec, for USD 43 million (equivalent to Baht 1.7 billion), which Spurvec issued to BOACIB.

On 17 December 2003, Spurvec used the proceeds generated from the share issue to purchase a 10 year Credit Linked Note ("CLN").

There is no credit risk associated with this transaction because it is fully reversible through the exercise of the above-mentioned option.

On 24 December 2003, Spurvec received an interest payment relating to the CLN of Baht 1.2 billion. It used the profit generated by this interest received to pay a dividend of Baht 1.2 billion to BOACIB. On 24 December 2003, BOACIB paid a sum of Baht 1.2 billion to ABNLB in respect of the term loan of which the full amount was a repayment of principal.

This transaction potentially enables the Bank to renew part of the carried forward tax loss which was due to expire in 2003 and makes it available for offset against future taxable profits for five years following the year in which the option is exercised.

Accounting treatment

The accounting treatment for the transaction was as follows:

Statement of income

The dividends of Baht 1.2 billion received were recorded as dividend income in the income statement. As at 31 December 2003, had the Bank or BOACIB exercised the option to cancel the term loan in exchange for its shares in Spurvec, the Bank would have incurred a loss of Baht 1.2 billion on its investment. A charge of Baht 1.2 billion was made to the statement of income in respect of this unrealised loss on the option. In order to record the substance of the transaction, this charge was netted off against the dividends received. The resulting net position in dividends received in relation to this transaction is Baht Nil. Interest accrued of Baht 5 million was recorded as an interest charge in the income statement with a corresponding liability in the balance sheet.

Balance sheet

At 31 December 2003, the investment was recorded at Baht 515 million in general investments - non-marketable equity foreign securities. This represents the initial investment of Baht 1.7 billion less Baht 1.2 billion for impairment in respect of the unrealised loss on the option.

As the Bank has a legally enforceable right to cancel the term loan in exchange for its investment in Spurvec, and it intends to exercise this right, the outstanding principal of the term loan of Baht 515 million was offset in the statutory records against the investment in accordance with Thai Accounting Standard 48.

The resulting net balance sheet position in relation to the investment is Baht Nil.

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

8. LOANS AND ACCRUED INTEREST RECEIVABLE

Classified by type of credit

	Amounts in Baht			
	CONSOLIDATED		BANK ONLY	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	December 31, 2003	December 31, 2002	December 31, 2003	December 31, 2002
Overdrafts	16,579,135,825	15,853,763,141	16,579,135,825	15,855,831,037
Loans	57,556,910,054	57,588,442,656	58,305,625,902	58,463,112,088
Trade bills	40,546,692,141	35,213,747,089	40,546,692,141	35,213,747,089
Hire-purchase receivables	152,695,610	18,931,522	-	-
Finance lease receivables	1,575,715,669	757,104,255	-	-
Others	5,721,221,436	4,871,749,394	5,721,221,436	4,871,749,394
Total	122,132,370,735	114,303,738,057	121,152,675,304	114,404,439,608
Add accrued interest receivable	1,259,243,326	1,048,836,091	1,254,395,913	1,044,877,644
Less allowance for doubtful accounts	(15,152,241,790)	(8,613,715,518)	(15,073,454,210)	(8,427,900,118)
Less revaluation allowance for debt restructuring	(279,923,454)	(330,895,944)	(279,923,454)	(330,895,944)
Total	107,959,448,817	106,407,962,686	107,053,693,553	106,690,521,190

Classified by the remaining period of the credit agreement

	Amounts in Baht			
	CONSOLIDATED		BANK ONLY	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	December 31, 2003	December 31, 2002	December 31, 2003	December 31, 2002
Under 1 year	67,421,316,606	61,319,867,666	65,734,490,560	61,844,118,812
Over 1 year	54,711,054,129	52,983,870,391	55,418,184,744	52,560,320,796
Total	122,132,370,735	114,303,738,057	121,152,675,304	114,404,439,608
Add accrued interest receivable	1,259,243,326	1,048,836,091	1,254,395,913	1,044,877,644
Total	123,391,614,061	115,352,574,148	122,407,071,217	115,449,317,252

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

Classified by the currencies and residence of debtors

	Amounts in Baht			
	CONSOLIDATED		BANK ONLY	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	December 31, 2003	December 31, 2002	December 31, 2003	December 31, 2002
Domestic				
Baht	117,627,326,520	109,639,928,085	116,647,631,089	109,740,629,636
US Dollars	3,804,015,500	4,219,005,464	3,804,015,500	4,219,005,464
Other Currencies	701,028,715	444,804,508	701,028,715	444,804,508
Total	122,132,370,735	114,303,738,057	121,152,675,304	114,404,439,608
Add accrued interest receivable	1,259,243,326	1,048,836,091	1,254,395,913	1,044,877,644
Total	123,391,614,061	115,352,574,148	122,407,071,217	115,449,317,252

Classified by type of business and by grade

	Amounts in Baht					
	BANK ONLY FINANCIAL STATEMENTS					
	As at December 31, 2003					
	Pass	Special Mention	Substandard of loss	Doubtful	Doubtful of loss	Total
Agriculture and mining	1,186,344,564	53,495,180	54,447,697	59,585,743	1,494,760,575	2,848,633,759
Manufacturing and trading	42,933,171,358	1,163,853,028	393,970,804	2,072,427,347	12,703,079,822	59,266,502,359
Real estate and construction	3,580,160,950	32,318,958	88,939,590	331,609,228	3,293,757,826	7,326,786,552
Public utilities and services	11,812,526,168	324,024,765	250,394,416	78,924,489	1,345,037,553	13,810,907,391
Housing loan	18,725,977,551	167,798,993	55,654,356	25,186,213	519,997,144	19,494,614,257
Others	18,207,444,054	153,044,816	110,324,832	26,960,321	1,161,852,876	19,659,626,899
Total loans and accrued interest receivable	96,445,624,645	1,894,535,740	953,731,695	2,594,693,341	20,518,485,796	122,407,071,217

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

Amounts in Baht

BANK ONLY FINANCIAL STATEMENTS

As at December 31, 2002

	Pass	Special Mention	Substandard of loss	Doubtful	Doubtful of loss	Total
Agriculture and mining	1,474,272,910	32,382,813	170,244,552	29,041,539	1,295,616,170	3,001,557,984
Manufacturing and trading	46,213,852,823	795,371,802	353,136,254	2,286,619,076	8,272,529,213	57,921,509,168
Real estate and construction	2,555,713,878	671,596,105	371,889,119	96,552,629	2,716,577,076	6,412,328,807
Public utilities and services	12,537,548,832	827,285,411	62,705,776	103,371,006	2,315,840,846	15,846,751,871
Housing loan	12,964,477,497	172,485,890	64,531,217	77,769,080	808,484,766	14,087,748,450
Others	16,544,771,813	552,612,766	84,969,467	43,134,278	953,932,648	18,179,420,972
Total loans and accrued interest receivable	<u>92,290,637,753</u>	<u>3,051,734,787</u>	<u>1,107,476,385</u>	<u>2,636,487,608</u>	<u>16,362,980,719</u>	<u>115,449,317,252</u>

The above loans and accrued interest receivables include intercompany loans which have been eliminated for consolidation purposes.

Classified in accordance with the Notification of the Bank of Thailand

Amounts in Baht

BANK ONLY FINANCIAL STATEMENTS

As at December 31, 2003

	Loans and Accrued Interest Receivable	Other Claims	Total	Outstanding Balance (After Deduction of Collateral Value)	% Set by Bank of Thailand	Provision
Pass	96,445,624,645	11,912,047	96,457,536,692	40,305,367,976	1	403,053,680
Special mention	1,894,535,740	2,010,675	1,896,546,415	600,604,151	2	12,012,083
Substandard	953,731,695	1,557,020	955,288,715	442,709,868	20	88,541,973
Doubtful	2,594,693,341	1,155,876	2,595,849,217	1,158,293,772	50	579,146,886
Doubtful of loss	20,518,485,796	144,853,870	20,663,339,666	10,266,865,461	100	10,266,865,461
Additional provision over and above the minimum requirement of the BOT	-	-	-	-		3,723,834,127
Total	<u>122,407,071,217</u>	<u>161,489,488</u>	<u>122,568,560,705</u>	<u>52,773,841,228</u>		<u>15,073,454,210</u>

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

In June 2003, the Bank was subject to a qualitative review of its loan portfolio by the Bank of Thailand. If this review approach was applied to the December 31, 2003 position, it is determined that part of the provision classified as "provision over and above the minimum requirement of the BOT" which has a value of Baht 2,840 million as at December 31, 2003, should be reclassified as provision within the minimum requirement of the Bank of Thailand. If this Baht 2,840 million were to be reclassified, the "provision over and above the minimum requirement of the BOT" would fall to Baht 884 million. As no formal notification in relation to this issue was received from the Bank of Thailand, no reclassification was accordingly made.

Amounts in Baht

BANK ONLY FINANCIAL STATEMENTS

As at December 31, 2002

	Loans and Accrued Interest Receivable	Other Claims	Total	Outstanding Balance (After Deduction of Collateral Value)	% Set by Bank of Thailand	Provision
Pass	92,290,643,943	8,253,648	92,298,897,591	41,171,483,461	1	411,714,835
Special mention	3,051,732,425	1,076,014	3,052,808,439	642,841,127	2	12,856,823
Substandard	1,107,475,408	2,100,524	1,109,575,932	514,678,250	20	102,935,650
Doubtful	2,636,487,408	4,880,731	2,641,368,139	1,635,481,411	50	817,740,705
Doubtful of loss	16,362,978,068	88,986,203	16,451,964,271	3,040,429,404	100	3,040,429,404
Additional provision over and above the minimum requirement of the BOT	-	-	-	-		4,042,222,701
Total	115,449,317,252	105,297,120	115,554,614,372	47,004,913,653		8,427,900,118

As at December 31, 2003 and 2002, the amounts of deferred interest attributable to bills purchased at a discount, hire purchase contracts and finance lease receivables, which have been set off against amounts recorded as receivables in the balance sheets of the Bank and one of its subsidiaries, are Baht 191,541,325 and Baht 95,166,831 and for the Bank only are Baht 22,319,095 and Baht 21,575,329, respectively.

As at December 31, 2003 and 2002, approximately Baht 23,012 million and Baht 20,021 million respectively of loans made by the Bank are non-accrual loans based on the Notification of the Bank of Thailand.

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

The Bank had loans and accrued interest receivable due from companies which have certain problems in their financial position and results of operations against which an allowance for doubtful accounts has been made as follows:

	In Million Baht			
	As at December 31, 2003			
	Number of Companies	Outstanding Balance	Collateral	Allowance for Doubtful Accounts
Companies which are under SET delisting criteria	2	268	201	5
Companies which have a problem in repayment of debt	386	17,230	7,793	11,504

	In Million Baht			
	As at December 31, 2002			
	Number of Companies	Outstanding Balance	Collateral	Allowance for Doubtful Accounts
Companies which are under SET delisting criteria	3	309	289	-
Companies which have a problem in repayment of debt	417	14,180	9,760	8,494

As at December 31, 2003 and 2002 the allowance for doubtful accounts was in excess of the outstanding balance less collateral in the sum of Baht 2,067 million and Baht 4,074 million respectively. The excess is to take into account management's perception of impairment of collateral.

The Bank does not have adequate information in its possession to disclose loans and accrued interest receivable from the companies which have going concern problems identified by their auditors, and the non-listed companies for which the financial position and results of operations are the same as the companies which are under the Stock Exchange of Thailand (SET) delisting criteria as of December 31, 2003 and 2002.

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

Debt restructuring

During the year ended December 31, 2003, the Bank entered into agreements with 1,159 of its customers to restructure loans and accrued interest receivable amounting to Baht 6,876 million in aggregate. Details of the amounts restructured which have given rise to losses on restructuring in accordance with TAS No.34 and the aggregate losses arising on restructuring are set out in the table below:

Type of restructuring	Number of customers subject to restructuring	Recorded amounts before restructuring	Amounts in Baht			Recorded amounts as at December 31, 2003
			Type of assets/equity acquired	Fair value of assets/equity acquired	Loss on restructuring	
Transfer of assets or debt for equity conversion	67	6,415,729,111	Investment Land Cash	463,165,471 1,385,724,878 2,321,769,180	2,245,069,582	-
Modification of terms	2	45,576,150	-	-	4,404,692	43,371,375
Transfer of assets and modification of terms	54	467,368,843	Investment Land Cash	2,667,410 51,897,747 33,874,365	177,744,062	202,960,535
Total	123	6,928,674,104		4,259,099,051	2,427,218,336	246,331,910

During the period, the Bank recorded the losses on restructuring in relation to one particular a customer as utilization of allowance for doubtful accounts rather than as a charge in the statement of income for the year ended December 31, 2003 since the Bank had fully provided for this loan.

As at December 31, 2003, the recorded net investment by the Bank in all loans subject to troubled debt restructuring, after deducting the outstanding valuation allowance at that date, amounted to Baht 5,207,995,602.

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

During the year ended December 31, 2002, the Bank entered into agreements with 1,048 of its customers to restructure loans and accrued interest receivable amounting to Baht 9,648 million in aggregate. Details of the amounts restructured which have given rise to losses on restructuring in accordance with TAS No.34 and the aggregate losses arising on restructuring are set out in the table below:

Type of restructuring	Number of customers subject to restructuring	Recorded amounts before restructuring	Amounts in Baht		Loss on restructuring	Recorded amounts as at December 31, 2002
			Type of assets/ equity acquired	Fair value of assets/equity acquired		
Transfer of assets or debt for equity conversion	12	249,389,516	{ Land	9,975,106	43,234,044	-
			{ Cash	196,180,366		
Modification of terms	4	732,865,788	{ -	-	192,280,938	807,108,442
Transfer of assets and modification of terms	2	72,802,611	{ Investment	1,618,155	12,042,537	59,166,917
			{ Cash	250,324		
Total	18	1,055,057,915		208,023,951	247,557,519	866,275,359

In 2002, the Bank recorded losses on restructuring in relation to customers amounting to Baht 71,099,959 as utilization of allowance for doubtful accounts rather than as a charge in the statement of income for the year ended December 31, 2002 since the Bank had fully provided for this loan.

As at December 31, 2002, the recorded net investment by the Bank in all loans subject to troubled debt restructuring, after deducting the outstanding valuation allowance at that date, amounted to Baht 7,587,118,333.

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

Transfer of Assets to the Thai Asset Management Corporation (TAMC)

On October 12, 2001, the Bank entered into an agreement with the Thai Asset Management Corporation (TAMC) to transfer non-performing loans in accordance with the Emergency Decree on the Thai Asset Management Corporation B.E. 2544. Under the agreement, the Bank receives a ten-year non-transferable promissory note availed by the Financial Institutions Development Fund, which will bear interest at a rate based on the quarterly average deposit rate of the Thai Commercial Banks payable annually on the last working day of the year. The face value of the promissory note will be determined based on the lower of (a) the collateral value or (b) the net book value of the loans including three months accrued interest receivable as determined by the TAMC.

In accordance with the Emergency Decree on the Thai Asset Management Corporation B.E. 2544, the TAMC and the Bank will jointly be responsible for any profits or losses arising from managing the impaired assets in accordance with the conditions specified in the agreement at the end of the fifth year and at the end of the tenth year commencing July 1, 2001. The calculation of such profits or losses shall take into consideration the cost of transfer and all operating expenses of the TAMC, including interest on the promissory note. In the event that the TAMC incurs losses on the impaired assets transferred to it by the Bank, the Bank will be responsible for the first portion of losses, not exceeding 20% of the transfer price. The second portion of losses, not exceeding 20% of the transfer price, will be equally shared between the TAMC and the Bank. The remaining losses will be absorbed by the TAMC. In the event that the TAMC makes profits on the impaired assets transferred to it by the Bank, the first portion of profits, not exceeding 20% of the transfer price, will be equally shared between the TAMC and the Bank. Should there be any profits remaining, the Bank is entitled to the remaining profits up to an amount not exceeding the sum of the book value of the assets transferred less the transfer price and the Bank's share of the first portion of the profits.

For the year ended December 31, 2003, the Bank transferred 3 accounts of non-performing loans to the TAMC, with a gross book value as of their transfer dates of Baht 138 million and an estimated total transfer price of Baht 137 million and for the year ended December 31, 2002, the Bank transferred 4 accounts to the TAMC, with a gross book value as of their transfer dates of Baht 73 million and estimated total transfer price of Baht 68 million.

As at December 31, 2003 the Bank had transferred non-performing loans to the TAMC, with a gross book value as of their transfer dates totaling Baht 10,418 million, and estimated total transfer price totaling Baht 6,399 million, in respect of which the Bank has received promissory notes from the TAMC amounting to Baht 6,399 million.

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

9. ALLOWANCE FOR DOUBTFUL ACCOUNTS

Amounts in Baht

BANK ONLY FINANCIAL STATEMENTS

As at December 31, 2003

	Pass	Special Mention	Substandard	Doubtful	Doubtful of Loss	Additional Provision	Total
Beginning balance	411,714,834	12,856,823	102,935,650	817,740,705	3,040,429,405	4,042,222,701	8,427,900,118
Doubtful accounts	(8,661,154)	(844,740)	(14,393,677)	(238,593,819)	645,881,964	(318,388,574)	65,000,000
Write-back of allowance for doubtful accounts net of reversal for the write off	-	-	-	-	9,885,860,833	-	9,885,860,833
Reversal due to debt restructuring	-	-	-	-	(2,427,218,336)	-	(2,427,218,336)
Reversal due to loan to interbank and money market	-	-	-	-	(8,296,513)	-	(8,296,513)
Reversal due to allowance for reevaluation of other assets	-	-	-	-	(97,965,421)	-	(97,965,421)
Bad debts written off	-	-	-	-	(765,998,477)	-	(765,998,477)
Others	-	-	-	-	(5,827,994)	-	(5,827,994)
Ending balance	<u>403,053,680</u>	<u>12,012,083</u>	<u>88,541,973</u>	<u>579,146,886</u>	<u>10,266,865,461</u>	<u>3,723,834,127</u>	<u>15,073,454,210</u>

Amounts in Baht

BANK ONLY FINANCIAL STATEMENTS

As at December 31, 2002

	Pass	Special Mention	Substandard	Doubtful	Doubtful of Loss	Additional Provision	Total
Beginning balance	348,695,435	10,625,999	286,135,841	822,787,291	-	2,236,260,733	3,704,505,299
Doubtful accounts	63,019,399	2,230,824	(183,200,191)	(5,046,586)	3,179,814,526	1,805,961,968	4,862,779,940
Reversal due to debt restructuring	-	-	-	-	(21,148,807)	-	(21,148,807)
Bad debts written off	-	-	-	-	(120,148,168)	-	(120,148,168)
Others	-	-	-	-	1,911,854	-	1,911,854
Ending balance	<u>411,714,834</u>	<u>12,856,823</u>	<u>102,935,650</u>	<u>817,740,705</u>	<u>3,040,429,405</u>	<u>4,042,222,701</u>	<u>8,427,900,118</u>

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

The Bank of Thailand issued an announcement dated March 4, 2003 regarding "Worthless or Non-recoverable Assets and Doubtful Assets Which may be Worthless or Non-recoverable of Commercial Banks". The announcement specifies that if the Bank were to write back any doubtful of loss accounts and fully provided for loan loss provision then written-off, the Bank would reverse the written-off entries.

The Bank adopted the new Bank of Thailand criteria, but did not adjust retrospectively. If the Bank had adjusted its financial statements retrospectively for the year ended December 31, 2002, the effects at the beginning of the period on the Bank's position would have been as follows.

	In Million Baht December 31, 2002
Increase in loans and accrued interest receivable	9,795
Increase in other assets	113
Increase in allowance for doubtful accounts	9,908

As at December 31, 2003 and 2002, the Bank has estimated allowances for doubtful accounts, in respect of loans and interbank and money market loans of Baht 15,082 million and Baht 8,428 million, respectively, based on loans classified at a customer level, calculated in accordance with the Bank's own conservative provisioning methodology as described in Note 3.7. The increase in the allowance is the result of a very in-depth portfolio review and a change in the Bank's restructuring strategy and provisioning policy.

A 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. The value of such collateral is based on either independent or internally performed appraisals.

As at December 31, 2003 and 2002, for the Bank only, the allowance for doubtful accounts in respect of loans and interbank and money market loans based on classified loans and accrued interest receivables and calculated at a customer level in accordance with the minimum requirements set out in the Notification of the Bank of Thailand was Baht 11,349 million and Baht 4,386 million, respectively. As at the same dates, the Bank had recorded an allowance for doubtful accounts of approximately Baht 15,082 million and Baht 8,428 million which represents 132.89% and 192.17% of the required minimum allowance for doubtful accounts, respectively.

As at December 31, 2003 and 2002, Baht 8.36 million and Baht 0.06 million, respectively, of the total allowance for doubtful accounts at those dates was established in respect of interbank and money market loans on both a consolidated basis and for the Bank only.

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

10. REVALUATION ALLOWANCE FOR DEBT RESTRUCTURING

Amounts in Baht

**CONSOLIDATED AND BANK ONLY
FINANCIAL STATEMENTS**

	As at December 31, 2003	As at December 31, 2002
Beginning balance	330,895,944	302,205,139
Additions	28,214,437	192,885,104
Amortisation	(79,186,927)	(108,731,889)
Other	-	(55,462,410)
Ending balance	<u>279,923,454</u>	<u>330,895,944</u>

11. PROPERTY FORECLOSED

Amounts in Baht

CONSOLIDATED FINANCIAL STATEMENTS

Types	As at December 31, 2003			
	Beginning Balance	Additions	Sales	Ending Balance
Immovable properties	13,900,332,970	2,114,147,535	(1,777,751,193)	14,236,729,312
Movable properties	<u>13,964,594</u>	<u>2,949,516</u>	<u>(6,447,446)</u>	<u>10,466,664</u>
Total	13,914,297,564	2,117,097,051	(1,784,198,639)	14,247,195,976
Others	<u>39,844,037</u>	<u>16,303,020</u>	<u>(6,391,630)</u>	<u>49,755,427</u>
Total	13,954,141,601	2,133,400,071	(1,790,590,269)	14,296,951,403
Less allowance for impairment	<u>(439,546,923)</u>	<u>(1,647,113)</u>	<u>80,935,730</u>	<u>(360,258,306)</u>
Property foreclosed - net	<u>13,514,594,678</u>	<u>2,131,752,958</u>	<u>(1,709,654,539)</u>	<u>13,936,693,097</u>

Amounts in Baht

CONSOLIDATED FINANCIAL STATEMENTS

Types	As at December 31, 2002			
	Beginning Balance	Additions	Sales	Ending Balance
Immovable properties	12,565,236,165	2,813,111,564	(1,478,014,759)	13,900,332,970
Movable properties	<u>13,964,594</u>	<u>7,830,368</u>	<u>(7,830,368)</u>	<u>13,964,594</u>
Total	12,579,200,759	2,820,941,932	(1,485,845,127)	13,914,297,564
Others	<u>24,950,872</u>	<u>19,894,430</u>	<u>(5,001,265)</u>	<u>39,844,037</u>
Total	12,604,151,631	2,840,836,362	(1,490,846,392)	13,954,141,601
Less allowance for impairment	<u>(432,247,393)</u>	<u>(201,854,910)</u>	<u>194,555,380</u>	<u>(439,546,923)</u>
Property foreclosed - net	<u>12,171,904,238</u>	<u>2,638,981,452</u>	<u>(1,296,291,012)</u>	<u>13,514,594,678</u>

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

Amounts in Baht

BANK ONLY FINANCIAL STATEMENTS

As at December 31, 2003

Types	Beginning Balance	Additions	Sales	Ending Balance
Immovable properties	13,929,351,546	2,114,147,535	(1,777,751,193)	14,265,747,888
Movable properties	1,628,771	-	(1,628,771)	-
Total	13,930,980,317	2,114,147,535	(1,779,379,964)	14,265,747,888
Others	39,844,037	16,303,020	(6,391,630)	49,755,427
Total	13,970,824,354	2,130,450,555	(1,785,771,594)	14,315,503,315
Less allowance for impairment	(431,444,620)	-	79,588,066	(351,856,554)
Property foreclosed - net	13,539,379,734	2,130,450,555	(1,706,183,528)	13,963,646,761

Amounts in Baht

BANK ONLY FINANCIAL STATEMENTS

As at December 31, 2002

Types	Beginning Balance	Additions	Sales	Ending Balance
Immovable properties	12,594,334,305	2,813,111,564	(1,478,094,323)	13,929,351,546
Movable properties	1,628,771	-	-	1,628,771
Total	12,595,963,076	2,813,111,564	(1,478,094,323)	13,930,980,317
Others	24,950,872	19,894,430	(5,001,265)	39,844,037
Total	12,620,913,948	2,833,005,994	(1,483,095,588)	13,970,824,354
Less allowance for impairment	(426,000,000)	(200,000,000)	194,555,380	(431,444,620)
Property foreclosed - net	12,194,913,948	2,633,005,994	(1,288,540,208)	13,539,379,734

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

12. PREMISES AND EQUIPMENT

Movements in premises and equipment are summarized as follows :

Amounts in Baht

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2003

	Net book value as of Jan. 1, 2003		Movement in cost during the year			Movement of depreciation/allowance for impairment during the year			Net book value as of Dec.31, 2003	
	Original cost	Allowance for impairment	Beginning balance	Addition	Deduction	Ending balance	Beginning balance	Depreciation		Loss on impairment
Land										
Original cost	515,360,348	-	515,360,348	-	-	515,360,348	-	-	-	-
Revaluation	695,969,720	-	695,969,720	-	-	695,969,720	-	-	-	-
Allowance for impairment of land	(63,287,707)	-	-	-	-	-	63,287,707	-	-	63,287,707
Premises										
Original cost	649,598,758	1,096,729,666	1,096,729,666	46,417,591	(531,353)	1,142,615,904	447,130,908	15,818,529	-	462,601,451
Revaluation	55,420,848	72,855,578	72,855,578	-	-	72,855,578	17,434,730	2,007,419	-	19,442,149
Allowance for impairment of buildings	(166,237,747)	-	-	-	-	-	166,237,747	-	(2,206,020)	164,031,727
Equipment										
Original cost	1,062,619,585	2,547,767,367	2,547,767,367	787,331,978	(395,850,199)	2,939,249,146	1,485,147,782	406,418,895	-	1,541,412,394
Allowance for impairment of equipment	(7,767,534)	-	-	-	-	-	7,767,534	-	(2,934,696)	4,832,838
Assets unused	24,949,547	-	24,949,547	-	(17,484,419)	7,465,128	-	-	-	-
Total	2,766,625,818	4,953,632,226	4,953,632,226	833,749,569	(413,865,971)	5,373,515,824	2,187,006,408	424,244,843	(5,140,716)	2,255,608,266
										3,117,907,558

As of December 31, 2003, the Bank and its subsidiaries have assets still in use which have been fully depreciated, with original cost of Baht 566,510,653.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

Amounts in Baht

BANK ONLY FINANCIAL STATEMENTS

For the year ended December 31, 2003

	Net book value as of Jan. 1, 2003	Movement in cost during the year			Ending balance	Movement of depreciation/allowance for impairment during the year			Net book value as of Dec.31, 2003
		Beginning balance	Addition	Deduction		Beginning balance	Depreciation	Loss on impairment	
Land									
Original cost	515,360,348	515,360,348	-	-	515,360,348	-	-	-	515,360,348
Revaluation	695,969,720	695,969,720	-	-	695,969,720	-	-	-	695,969,720
Allowance for impairment of land	(63,287,707)	-	-	-	-	63,287,707	-	-	(63,287,707)
Premises									
Original cost	726,955,538	1,182,065,744	46,417,591	(531,353)	1,227,951,982	455,110,206	15,818,529	(347,986)	757,371,233
Revaluation	55,420,848	72,855,578	-	-	72,855,578	17,434,730	2,007,419	-	53,413,429
Allowance for impairment of buildings	(166,237,747)	-	-	-	-	166,237,747	-	(2,206,020)	(164,031,727)
Equipment	597,031,633	1,403,189,027	572,818,399	(36,500,202)	1,939,507,224	806,157,394	233,021,218	(35,840,969)	936,169,581
Assets unused	24,949,547	24,949,547	-	(17,484,419)	7,465,128	-	-	-	7,465,128
Total	2,366,162,180	3,894,389,964	619,235,990	(54,515,974)	4,459,109,980	1,508,227,784	250,847,166	(36,188,955)	2,738,430,005

As of December 31, 2003, the Bank has assets still in use which have been fully depreciated, with original cost of Baht 529,478,861.

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

Amounts in Baht
CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2002

	Net book value as of Jan. 1, 2002	Movement in cost during the year			Ending balance	Movement of depreciation/allowance for impairment during the year			Net book value as of Dec.31, 2002		
		Beginning balance	Addition	Deduction		Beginning balance	Depreciation	Loss on impairment		Addition/ Deduction	Ending balance
Land											
Original cost	512,415,348	512,415,348	7,065,000	(4,120,000)	515,360,348	-	-	-	-	515,360,348	
Revaluation	712,133,720	712,133,720	-	(16,164,000)	695,969,720	-	-	-	-	695,969,720	
Allowance for impairment of land	(63,287,707)	-	-	-	-	63,287,707	-	-	63,287,707	(63,287,707)	
Premises											
Original cost	639,872,078	1,091,606,128	27,177,409	(22,053,871)	1,096,729,666	451,734,050	7,017,424	(11,620,566)	447,130,908	649,598,758	
Revaluation	57,721,278	72,855,578	-	-	72,855,578	15,134,300	2,007,419	-	293,011	17,434,730	55,420,848
Allowance for impairment of buildings	(170,635,974)	-	-	-	-	170,635,974	-	(4,398,227)	-	166,237,747	(166,237,747)
Equipment											
Original cost	978,309,180	2,536,639,098	470,380,905	(459,252,636)	2,547,767,367	1,558,329,918	393,257,845	-	(466,439,981)	1,485,147,782	1,062,619,585
Allowance for impairment of equipment	(15,204,937)	-	-	-	-	15,204,937	-	(7,437,403)	-	7,767,534	(7,767,534)
Assets unused	30,064,035	30,064,035	19,174,974	(24,289,462)	24,949,547	-	-	-	-	-	24,949,547
Total	2,681,387,021	4,955,713,907	523,798,288	(525,879,969)	4,953,632,226	2,274,326,886	402,282,688	(11,835,630)	(477,767,536)	2,187,006,408	2,766,625,818

As of December 31, 2002, the Bank and its subsidiaries have assets still in use which have been fully depreciated, with original cost of Baht 485,947,289.

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

Amounts in Baht

BANK ONLY FINANCIAL STATEMENTS

For the year ended December 31, 2002

	Net book value as of Jan. 1, 2002	Movement in cost during the year			Ending balance	Movement of depreciation/allowance for impairment during the year			Ending balance	Net book value as of Dec.31, 2002
		Beginning balance	Addition	Deduction		Beginning balance	Depreciation	Loss on impairment		
Land										
Original cost	512,415,348	512,415,348	7,065,000	(4,120,000)	515,360,348	-	-	-	-	515,360,348
Revaluation	712,133,720	712,133,720	-	(16,164,000)	695,969,720	-	-	-	-	695,969,720
Allowance for impairment of land	(63,287,707)	-	-	-	-	63,287,707	-	-	63,287,707	(63,287,707)
Premises										
Original cost	724,908,157	1,176,642,207	27,477,409	(22,053,872)	1,182,065,744	451,734,050	14,996,722	(11,620,566)	455,110,206	726,955,538
Revaluation	57,721,278	72,855,578	-	-	72,855,578	15,134,300	2,007,419	-	293,011	55,420,848
Allowance for impairment of buildings	(170,635,974)	-	-	-	-	170,635,974	-	(4,398,227)	-	(166,237,747)
Equipment										
Assets unused	30,064,035	30,064,035	19,174,974	(24,289,462)	24,949,547	652,973,363	185,353,209	(32,169,178)	806,157,394	597,031,633
Total	2,248,593,931	3,602,359,325	393,890,667	(101,860,028)	3,894,389,964	1,353,765,394	202,357,350	(43,496,733)	1,508,227,784	2,386,162,180

As of December 31, 2002, the Bank has assets still in use which have been fully depreciated, with original cost of Baht 453,054,191.

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

13. DEPOSITS

Classified by type of deposits

	Amounts in Baht			
	CONSOLIDATED		BANK ONLY	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	December 31, 2003	December 31, 2002	December 31, 2003	December 31, 2002
Current deposits	3,905,868,929	3,701,279,984	3,913,391,129	3,708,806,983
Saving deposits	72,055,200,442	59,332,747,379	72,097,356,288	59,382,265,143
Time deposits with original maturity :				
- Under 6 months	37,001,842,964	40,529,842,809	37,022,109,317	40,530,109,162
- Over 6 months but not over 1 year	3,887,898,834	4,146,340,178	3,887,898,834	4,146,340,178
- 1 year and over	25,130,028,853	30,745,092,026	25,130,028,853	30,765,092,026
Total	<u>141,980,840,022</u>	<u>138,455,302,376</u>	<u>142,050,784,421</u>	<u>138,532,613,492</u>

Classified by the remaining period of the deposit agreements

	Amounts in Baht			
	CONSOLIDATED		BANK ONLY	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	December 31, 2003	December 31, 2002	December 31, 2003	December 31, 2002
Under 1 year	127,078,425,164	123,827,602,891	127,148,369,563	123,904,914,007
Over 1 year	14,902,414,858	14,627,699,485	14,902,414,858	14,627,699,485
Total	<u>141,980,840,022</u>	<u>138,455,302,376</u>	<u>142,050,784,421</u>	<u>138,532,613,492</u>

Classified by the currencies and residence of depositors

	Amounts in Baht		
	CONSOLIDATED FINANCIAL STATEMENTS		
	As at December 31, 2003		
	Domestic	Foreign	Total
Baht	140,732,608,527	-	140,732,608,527
US dollars	705,708,384	273,008,993	978,717,377
Other currencies	70,350,441	199,163,677	269,514,118
Total	<u>141,508,667,352</u>	<u>472,172,670</u>	<u>141,980,840,022</u>

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

Amounts in Baht
CONSOLIDATED FINANCIAL STATEMENTS
 As at December 31, 2002

	Domestic	Foreign	Total
Baht	137,286,321,125	-	137,286,321,125
US dollars	521,478,885	432,829,309	954,308,194
Other currencies	22,154,728	192,518,329	214,673,057
Total	<u>137,829,954,738</u>	<u>625,347,638</u>	<u>138,455,302,376</u>

Amounts in Baht
BANK ONLY FINANCIAL STATEMENTS
 As at December 31, 2003

	Domestic	Foreign	Total
Baht	140,802,552,926	-	140,802,552,926
US dollars	705,708,384	273,008,993	978,717,377
Other currencies	70,350,441	199,163,677	269,514,118
Total	<u>141,578,611,751</u>	<u>472,172,670</u>	<u>142,050,784,421</u>

Amounts in Baht
BANK ONLY FINANCIAL STATEMENTS
 As at December 31, 2002

	Domestic	Foreign	Total
Baht	137,363,632,241	-	137,363,632,241
US dollars	521,478,885	432,829,309	954,308,194
Other currencies	22,154,728	192,518,329	214,673,057
Total	<u>137,907,265,854</u>	<u>625,347,638</u>	<u>138,532,613,492</u>

In the consolidated financial statements as at December 31, 2003 and 2002, it is estimated that 82.73% and 78.21% respectively of total deposits have residual maturities within three months, 6.77% and 11.23% respectively have residual maturities of between three months and one year and 10.50% and 10.56% respectively have residual maturities between one year and five years from the balance sheet date.

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

14. INTERBANK AND MONEY MARKET ITEMS (LIABILITIES)

Amounts in Baht

CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2003

	At call	Time	Total
Domestic items			
Bank of Thailand and the Financial Institutions			
Development Fund	305,520,000	-	305,520,000
Commercial banks	700,165,946	631,265,051	1,331,430,997
Other banks	255,754,365	-	255,754,365
Finance companies, securities companies and credit foncier companies	1,390,151,417	30,001,626	1,420,153,043
Other financial institutions	69,364,884	121,350,000	190,714,884
Total domestic items	<u>2,720,956,612</u>	<u>782,616,677</u>	<u>3,503,573,289</u>
Foreign items			
US dollars	157,242,141	-	157,242,141
Other currencies	394,111,175	-	394,111,175
Total foreign items	<u>551,353,316</u>	<u>-</u>	<u>551,353,316</u>
Total domestic and foreign items	<u>3,272,309,928</u>	<u>782,616,677</u>	<u>4,054,926,605</u>

Amounts in Baht

CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2002

	At call	Time	Total
Domestic items			
Bank of Thailand and the Financial Institutions			
Development Fund	156,396,000	-	156,396,000
Commercial banks	50,851,694	108,237,892	159,089,586
Other banks	172,893,180	-	172,893,180
Finance companies, securities companies and credit foncier companies	266,897,958	1,604	266,899,562
Other financial institutions	189,119,718	191,351,241	380,470,959
Total domestic items	<u>836,158,550</u>	<u>299,590,737</u>	<u>1,135,749,287</u>
Foreign items			
US dollars	82,152,930	-	82,152,930
Yen	20,758,569	-	20,758,569
Other currencies	255,940,683	-	255,940,683
Total foreign items	<u>358,852,182</u>	<u>-</u>	<u>358,852,182</u>
Total domestic and foreign items	<u>1,195,010,732</u>	<u>299,590,737</u>	<u>1,494,601,469</u>

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

Amounts in Baht

BANK ONLY FINANCIAL STATEMENTS

As at December 31, 2003

	At call	Time	Total
Domestic items			
Bank of Thailand and the Financial Institutions			
Development Fund	305,520,000	-	305,520,000
Commercial banks	500,163,146	99,265,051	599,428,197
Other banks	255,754,365	-	255,754,365
Finance companies, securities companies and credit foncier companies	1,395,770,994	30,001,626	1,425,772,620
Other financial institutions	69,364,884	21,350,000	90,714,884
Total domestic items	<u>2,526,573,389</u>	<u>150,616,677</u>	<u>2,677,190,066</u>
Foreign items			
US dollars	157,242,141	-	157,242,141
Other currencies	394,111,175	-	394,111,175
Total foreign items	<u>551,353,316</u>	<u>-</u>	<u>551,353,316</u>
Total domestic and foreign items	<u>3,077,926,705</u>	<u>150,616,677</u>	<u>3,228,543,382</u>

Amounts in Baht

BANK ONLY FINANCIAL STATEMENTS

As at December 31, 2002

	At call	Time	Total
Domestic items			
Bank of Thailand and the Financial Institutions			
Development Fund	156,396,000	-	156,396,000
Commercial banks	26,164,619	108,237,892	134,402,511
Other banks	172,893,180	-	172,893,180
Finance companies, securities companies and credit foncier companies	281,385,775	1,604	281,387,379
Other financial institutions	189,119,718	191,351,241	380,470,959
Total domestic items	<u>825,959,292</u>	<u>299,590,737</u>	<u>1,125,550,029</u>
Foreign items			
US dollars	82,152,930	-	82,152,930
Yen	20,758,569	-	20,758,569
Other currencies	255,940,683	-	255,940,683
Total foreign items	<u>358,852,182</u>	<u>-</u>	<u>358,852,182</u>
Total domestic and foreign items	<u>1,184,811,474</u>	<u>299,590,737</u>	<u>1,484,402,211</u>

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

For the Consolidated financial statements as at December 31, 2003, the Bank and its subsidiaries have estimated that 100% of the interbank and money market liabilities have residual maturities within one year and as at December 31, 2002, the Bank and its subsidiaries have estimated that 87.29% of the interbank and money market liabilities had residual maturities within one year and 12.71% had maturities between one to five years from the balance sheet dates.

For the Bank's financial statements as at December 31, 2003, the Bank has estimated that 100% of the interbank and money market liabilities had residual maturities within one year and as at December 31, 2002, the Bank has estimated that 87.20% of the interbank and money market liabilities had residual maturities within one year and 12.80% had maturities between one to five years from the balance sheet dates.

15. SECURITIES SOLD UNDER REPURCHASE AGREEMENTS

Amounts in Baht		
CONSOLIDATED AND BANK ONLY FINANCIAL STATEMENTS		
	As at December 31, 2003	As at December 31, 2002
Government bonds and Bank of Thailand bonds	-	400,000,000
Total	<u>-</u>	<u>400,000,000</u>

16. BORROWINGS

Borrowings by types of securities and sources:

Amounts in Baht			
CONSOLIDATED AND BANK ONLY FINANCIAL STATEMENTS			
As at December 31, 2003			
	Domestic	Foreign	Total
Subordinated convertible debentures	-	900,344,650	900,344,650
Subordinated debentures	4,000,000,000	-	4,000,000,000
Others	14,775,671	-	14,775,671
Total	<u>4,014,775,671</u>	<u>900,344,650</u>	<u>4,915,120,321</u>

Amounts in Baht			
CONSOLIDATED AND BANK ONLY FINANCIAL STATEMENTS			
As at December 31, 2002			
	Domestic	Foreign	Total
Subordinated convertible debentures	8,150,000	900,344,650	908,494,650
Subordinated debentures	4,000,000,000	-	4,000,000,000
Others	16,678,000	-	16,678,000
Total	<u>4,024,828,000</u>	<u>900,344,650</u>	<u>4,925,172,650</u>

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

Borrowings by types of securities, currency, maturity and interest rate:

CONSOLIDATED AND BANK ONLY FINANCIAL STATEMENTS

As at December 31, 2003

Types	Currency	Maturity	Interest rate per annum	Amounts Baht
Short - term borrowings				
Subordinated convertible debentures	USD	Feb. 9, 2004	3.75%	<u>900,344,650</u>
Long - term borrowings				
Subordinated debentures	Baht	Jun. 25, 2006	7.15%	2,000,000,000
Subordinated debentures	Baht	Aug. 15, 2008	6.50%	2,000,000,000
Others	Baht	Oct. 31, 2007	-	6,775,671
Others	Baht	Mar. 31, 2009	-	<u>8,000,000</u>
Total long - term borrowings				<u>4,014,775,671</u>
Total borrowings				<u><u>4,915,120,321</u></u>

CONSOLIDATED AND BANK ONLY FINANCIAL STATEMENTS

As at December 31, 2002

Types	Currency	Maturity	Interest rate per annum	Amounts Baht
Short - term borrowings				
Subordinated convertible debentures	Baht	Dec. 30, 2003	8.00%	<u>8,150,000</u>
Long - term borrowings				
Subordinated convertible debentures	USD	Feb. 9, 2004	3.75%	900,344,650
Subordinated debentures	Baht	Jun. 25, 2006	7.15%	2,000,000,000
Subordinated debentures	Baht	Aug. 15, 2008	6.50%	2,000,000,000
Others	Baht	Oct. 31, 2007	-	8,678,000
Others	Baht	Mar. 31, 2009	-	<u>8,000,000</u>
Total long - term borrowings				<u>4,917,022,650</u>
Total borrowings				<u><u>4,925,172,650</u></u>

Issuance of subordinated convertible debentures to offshore investors

On October 15, 1993, the shareholders passed a resolution to issue subordinated, convertible debenture to foreign investors in the sum of to US\$ 75 million at the exchange rate of US\$ 1 to Baht 25.45 or approximately Baht 1,908.75 million. The debentures have an interest rate of 3.75 percent per annum and a 10-year maturity. The conversion price was set at Baht 66.90 at the exchange rate of US\$ 1 to Baht 25.45 on the condition that the Bank can convert or redeem the debentures before maturity the debentures were issued in 1994 and the debenture holders have the right to convert the debentures into ordinary shares from March 9, 1994 onwards.

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

As at December 31, 2003 and 2002, the conversion prices were Baht 23 per share, calculated in compliance with the conditions in the prospectus. The shareholders passed a resolution to issue 53,727,766 ordinary shares with a par value of Baht 10 per share for the conversion of the remaining subordinated convertible debentures.

Up to December 31, 2003 and 2002 conversion rights of 39,623 debentures had been exercised resulting in their conversion into 19,272,234 ordinary shares.

Issuance of subordinated convertible debentures to the Bank's management

On November 27, 1992, the shareholders passed a resolution to issue 14,000 convertible debentures with no collateral to the Bank's management at a par value of Baht 10,000 each, totaling Baht 140 million. The debentures carry an interest rate of 8 percent per annum and have a 10-year maturity. The conversion rate was 1 convertible debenture to 1,000 ordinary shares. The debentures were issued between 1993 and 1995.

The debenture holders have the right to receive payments from the Bank before ordinary shareholders and preferred shareholders (if any) but after the repayment of debts to all other parties.

On April 25, 1995, the shareholders passed a resolution to issue 1,078,000 ordinary shares with a par value of Baht 10 per share for the conversion of the remaining subordinated convertible debentures. In this case 77 ordinary shares will be converted for every one unit of the subordinated convertible debentures issued to management.

On July 31, 1998, the shareholders passed a resolution to issue 2,608,480 ordinary shares with a par value of Baht 10 per share for conversion of the remaining subordinated convertible debentures. In this case 548 ordinary shares will be converted for every one unit of the subordinated convertible debentures issued to management.

On November 3, 1999, the shareholders passed a resolution to issue 289,900 ordinary shares, with a par value of Baht 10 per share for conversion of the remaining subordinated convertible debentures. In this case 260 ordinary shares will be converted for every one unit of the subordinated convertible debentures issued to management.

Up to December 31, 2003 and 2002, conversion rights of 13,185 debentures had been exercised resulting in their conversion into 16,440,105 ordinary shares.

For the remaining subordinated convertible debentures, had these debentureholders exercised their conversion rights as at December 31, 2002, the difference between market value and par value of the ordinary shares would amount to Baht 8,203,709.

Issuance of subordinated debentures to specific investors

On June 25, 1999, the Bank offered 2 million units of subordinated debenture No.1 at Baht 1,000 per unit, totaling Baht 2,000 million to ABN AMRO Bank N.V., Bangkok Branch. The debentures have a 7-year term, carry a fixed interest rate of 7.15 percent per annum and are due for redemption on June 25, 2006.

On August 15, 2001, the Bank offered 2 million units of subordinated debentures No.2 at Baht 1,000 per unit, totaling Baht 2,000 million through private placement. The debentures have a 7-year term, carry a floating interest rate calculated based on the average of the deposit

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

rate for one year of four major banks and the Bank plus 2.50 percent per annum with a minimum guaranteed rate of 6.50 percent per annum and are due for redemption on August 15, 2008.

Other long-term borrowings

As at December 31, 2003 and 2002, the Bank has long-term borrowings from the National Science and Technology Development Agency amounting to Baht 14,775,671 and Baht 16,678,000, respectively, which are non-interest bearing and will mature on March 31, 2009 and October 31, 2007.

17. HEDGE ACCOUNTING

Cash flow hedges of interest rate risk

Interest rate swaps are used to hedge cash flow exposures primarily on floating rate liabilities by changing interest paid to fixed rates. The swap notional amount used as a cash flow hedge as at December 31, 2003 and 2002 was Baht 5,000 million and Baht 3,000 million, respectively. The average pay rate and average receipt rate as at December 31, 2003 and 2002 were approximately 4% p.a. and 1% p.a. and 4% p.a. and 2% p.a. respectively. Average floating rates are based on rates implied in the yield curve as at the respective date. These may change significantly, affecting future cash flows.

The Bank purchases interest rate swap agreements to fix the long-term cost of funds. Those agreements are normally entered into when the fixed rates available under interest rate swaps are considered too low relative to the Bank's view about the level of future interest rates.

18. SHARE CAPITAL

Amounts in Baht		
CONSOLIDATED AND BANK ONLY		
FINANCIAL STATEMENTS		
	As at December 31, 2003	As at December 31, 2002
Paid-up share capital from shareholders	50,597,343,740	50,597,343,740
Paid-up share capital from conversion of subordinated convertible debentures (domestic)	164,401,050	164,401,050
Paid-up share capital from conversion of subordinated convertible debentures (foreign)	<u>192,722,340</u>	<u>192,722,340</u>
Total	<u>50,954,467,130</u>	<u>50,954,467,130</u>

On April 12, 2002, at an Ordinary General Meeting No.10 held on April 12, 2002, the shareholders resolved the following significant matters :

Approval was given to reduce the registered capital of the Bank from Baht 46,613.45 million to Baht 38,828.45 million by cancelling 778,500,561 ordinary shares which have not yet been offered by the Bank for sale.

Approval was given to increase the registered capital of the Bank from Baht 38,828.45 million to Baht 53,828.45 million by issuing 1,500 million new ordinary shares, each having a par value of Baht 10, with a total worth of Baht 15,000 million to be offered for sale to all existing shareholders of the Bank.

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

Approval was given to allocate new ordinary shares from the capital increase by authorizing the Board of Directors to issue the new ordinary shares by allotment from time to time, to prescribe details of the issue in respect of price and time of issue or conditions of each allotment until all of the new shares have been fully subscribed, to authorize the Board of Directors to determine the price of new ordinary shares to be offered in each allotment at an amount that may be lower than the par value but not be less than Baht 5 per share, and to authorize the Board of Directors to allocate unsubscribed new ordinary shares from each allotment issued to those oversubscribing shareholders in proportion to their oversubscribed amount of new ordinary shares. Each allotment will be not less than Baht 1,500 million. The amount of new ordinary shares that each shareholder shall be permitted to oversubscribe shall not exceed the amount of shares allocated pursuant to his / her original entitlement to subscribe for new ordinary shares, and if, subsequent to the foregoing allocation, there remain any unsubscribed new ordinary shares, the Board of Directors will (i) offer any unsubscribed new ordinary shares to all existing shareholders as part of the subsequent allotment issue, or (ii) in respect of the final allotment issue, cancel any such unsubscribed new ordinary shares.

At the Board of Directors' Meeting No.535 held on April 24, 2002, the Board of Directors resolved to increase the share capital through the issuance of 1,391,847,447 new ordinary shares, each having a par value of Baht 10 to be offered for sale to the existing shareholders in proportion to their shareholding in the ratio of 2.75 existing shares to 1 new share, at the price of Baht 5 per share according to Ordinary General Meeting No.10 mentioned above.

On June 18, 2002, the Bank registered the fully paid-up shares of Baht 50,954.47 million with the Registrar of Partnerships and Companies, Ministry of Commerce.

19. CAPITAL FUND

Amounts in Baht

BANK ONLY FINANCIAL STATEMENTS

	As at December 31, 2003	As at December 31, 2002
Tier 1 capital		
Paid-up share capital and premium on share capital	39,808,629,752	39,808,629,752
Statutory reserve	367,591,201	367,591,201
Other reserve	72,000,000	72,000,000
Deficit	(28,801,773,217)	(25,774,268,811)
Less Loss	-	(3,898,400,311)
	<u>11,446,447,736</u>	<u>10,575,551,831</u>
Tier 2 capital		
Unrealized increment on land appraisal (70%)	487,178,803	487,178,803
Unrealized increment on buildings appraisal (50%)	26,853,220	27,856,930
Unrealized gain on investment in equity securities (available-for-sale)-net	177,720,281	-
Subordinated convertible debentures	2,400,000,000	3,380,068,930
General provision for pass loans and receivables	1,507,428,788	1,492,385,080
	<u>4,599,181,092</u>	<u>5,387,489,743</u>
Total Capital Fund	<u>16,045,628,828</u>	<u>15,963,041,574</u>
Tier 1 capital ratio	9.49%	8.86%
Total capital ratio	13.31%	13.37%
Minimum Tier 1 capital ratio requirement	4.25%	4.25%
Minimum total capital ratio requirement	8.50%	8.50%

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

In the fourth quarter of 2001, the Bank had its land and buildings reappraised by an independent appraisal company. The Bank of Thailand approved an additional surplus on land and buildings amounting to Baht 280,555,552 to count as Tier 2 capital commencing from March 29, 2002.

20. STATUTORY RESERVE

Under the Public Limited Companies Act, the Bank is required to set aside as statutory reserve at least 5% of its net profit after accumulated deficit brought forward (if any) until the reserve is not less than 10% of the authorized capital, and under the provision of the Civil and Commercial Code of Thailand, subsidiary companies are required to set aside as a legal reserve at least 5% of net income each time a dividend is declared until the reserve reaches 10% of authorized capital. The reserve is not available for dividend distribution.

21. CONTINGENCIES

Amounts in Baht

CONSOLIDATED AND BANK ONLY FINANCIAL STATEMENTS

As at December 31, 2003

	Baht Currency	Foreign Currencies	Total
Aval to bills	926,603,604	-	926,603,604
Guarantees of loans	28,776,024	75,756,990	104,533,014
Other guarantees	8,944,949,870	876,353,594	9,821,303,464
Letters of credit	168,582,533	2,907,929,329	3,076,511,862
Forward exchange			
Forward exchange bought	16,747,687,787	11,313,764,997	28,061,452,784
Forward exchange sold	8,248,656,856	19,733,034,913	27,981,691,769
Interest rate swap contract	5,000,000,000	-	5,000,000,000
Undrawn overdraft amount	17,348,349,157	-	17,348,349,157
Liability under unmatured import bills	5,550,700	1,353,578,265	1,359,128,965
Total	<u>57,419,156,531</u>	<u>36,260,418,088</u>	<u>93,679,574,619</u>

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

Amounts in Baht			
CONSOLIDATED AND BANK ONLY FINANCIAL STATEMENTS			
As at December 31, 2002			
	Baht Currency	Foreign Currencies	Total
Aval to bills	677,759,316	-	677,759,316
Guarantees of loans	75,035,505	107,633,327	182,668,832
Other guarantees	8,747,192,887	576,675,308	9,323,868,195
Letters of credit	207,929,714	3,186,424,083	3,394,353,797
Forward exchange			
Forward exchange bought	19,724,398,503	11,133,158,807	30,857,557,310
Forward exchange sold	8,021,382,417	22,815,650,861	30,837,033,278
Interest rate swap contract	3,000,000,000	-	3,000,000,000
Undrawn overdraft amount	16,088,064,337	-	16,088,064,337
Liability under unmatured import bills	2,529,000	1,825,193,793	1,827,722,793
Total	<u>56,544,291,679</u>	<u>39,644,736,179</u>	<u>96,189,027,858</u>

The forward foreign exchange contracts entered into by the Bank relate primarily to purchases and sales of US dollars against the Thai Baht. As at December 31, 2003 and 2002, all such forward foreign exchange contracts had residual maturities of less than one year from the balance sheet date. In respect of the Bank's other commitments, the notional amounts do not necessarily reflect future cash requirements as the facilities may expire without being drawn upon.

22. ASSETS USED AS COLLATERAL

Amounts in Baht		
CONSOLIDATED AND BANK ONLY FINANCIAL STATEMENTS		
	As at December 31, 2003	As at December 31, 2002
Government bonds		
Deposited as collateral for securities		
sold under repurchase agreement	2,087,950,000	4,579,185,000
Deposited as collateral for Government departments	1,246,000,000	1,670,000,000

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

23. LITIGATION

In the ordinary course of business, the Bank is a defendant in a number of lawsuits against the Bank. These include a cases of wrongful acts brought against the Bank, claiming Baht 553.21 million and Baht 390.56 million as at December 31, 2003 and 2002, respectively. Management believe that the liability, if any, resulting from the lawsuits will not be material to the Bank's financial position or results of operations.

24. RELATED PARTY TRANSACTIONS

The Bank has business transactions with related companies. These transactions are with companies that have joint directors and/or shareholders with the Bank. The financial statements reflect the effects of these transactions in the normal course of business, and the price, interest rates, terms and conditions are considered to be at arm's length.

The significant transactions with related companies for the years ended December 31, 2003 and 2002, are as follows:

Loans to and commitments with certain officers from the levels of departmental managers upwards and the companies in which they and/or the Bank's directors and/or the Bank hold 10% or more of each company's paid up capital at December 31, 2003 and 2002, are as follows:

	Amounts in Baht			
	CONSOLIDATED		BANK ONLY	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	December 31, 2003	December 31, 2002	December 31, 2003	December 31, 2002
Loans				
Ending balance	4,524,836,824	3,828,687,476	6,364,836,824	5,610,755,372
Average balance	4,696,449,044	4,131,780,373	6,396,732,877	5,479,036,031
Commitments				
Ending balance	238,573,191	310,664,185	238,573,191	310,664,185
Average balance	278,742,759	283,743,490	278,742,759	283,743,490

As at December 31, 2003 and 2002, the Bank has staff loans with certain officers from the levels of department managers upwards amounting to Baht 24,447,994 and Baht 22,366,635, respectively.

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

Certain information related to the aforementioned loans and commitments of the Bank, are as follows:

As at December 31, 2003

	Amounts (Baht)	Interest Rate % per annum	Maturity Date	Amounts	
				Secured (Million Baht)	Unsecured (Million Baht)
Loans	6,364,836,824	1.25 - 19.00	Apr. 23,1993 to Jun. 30,2031	} 4,322	2,281
Commitments	238,573,191	1.50 - 2.50	Sep. 30,1997 to Dec. 31,2030		

As at December 31, 2002

	Amounts (Baht)	Interest Rate % per annum	Maturity Date	Amounts	
				Secured (Million Baht)	Unsecured (Million Baht)
Loans	5,610,755,372	1.75 - 19.00	Apr. 23,1993 to Dec. 31,2030	} 3,827	2,095
Commitments	310,664,185	1.00 - 2.50	Jan. 16,1996 to Dec. 31,2030		

Significant transactions with the related companies whose shares are more than 20 percent owned by the Bank consisted mainly of the following:

Amounts in Baht

CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2003

Type of Business	Relationship	Paid-up Share Capital	Holding %	Investment		Dividend	
				Cost Method	Equity Method		
INVESTMENT ASSOCIATED COMPANY Axa Insurance Public Co., Ltd	Non-life insurance	Shareholder	352,642,100	22.06	121,117,516	165,837,506	14,388,986

Amounts in Baht

CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2002

Type of Business	Relationship	Paid-up Share Capital	Holding %	Investment		Dividend	
				Cost Method	Equity Method		
INVESTMENT ASSOCIATED COMPANY Axa Insurance Public Co., Ltd	Non-life insurance	Shareholder	352,642,100	22.06	121,117,516	147,842,296	5,055,590

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

Amounts in Baht
BANK ONLY FINANCIAL STATEMENTS
As at December 31, 2003

	Type of Business	Relationship	Paid-up Share Capital	Holding %	Investment		Dividend
					Cost Method	Equity Method	
INVESTMENT							
SUBSIDIARY COMPANIES							
Asia Property Co., Ltd.	Asset management	Shareholder	40,000,000	99.99	109,354,000	(42,271,978)	-
BOA Leasing Co., Ltd.	Leasing	Shareholder	320,000,000	99.99	319,999,930	429,546,423	-
BOA Asset Management Co., Ltd.	Fund management	Shareholder	100,000,000	99.99	135,725,724	102,430,494	-
Asia Leasehold Co., Ltd.	Real estate	Shareholder	1,000,000	99.93	999,300	(28,393,370)	-
ASSOCIATED COMPANY							
Axa Insurance Public Co., Ltd.	Non-life insurance	Shareholder	352,642,100	22.06	121,117,516	165,837,506	14,388,986

Amounts in Baht

LOANS	
SUBSIDIARY COMPANIES	
BOA Leasing Co., Ltd.	1,840,000,000

INVESTMENT FROM DEBT RESTRUCTURING

Amounts in Baht

	Book Value
N.Y.Sugar Co., Ltd.	
Acquired 30.00% of the registered share capital (par value of Baht 900 million)	-
Loans (before net of allowance for doubtful accounts)	2,078,404,754
Commitment	400,000
High-Rise Development Co., Ltd.	
Acquired 76.21% of the registered share capital (par value of Baht 135.46 million)	
Loans (before net of allowance for doubtful accounts)	1,218,287,036
Commitment	1,440,000

The above investments are classified as general investments, which are stated at cost net of allowance for impairment of securities.

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

Amounts in Baht
BANK ONLY FINANCIAL STATEMENTS
 As at December 31, 2002

	Type of Business	Relationship	Paid-up Share Capital	Holding %	Investment		Dividend
					Cost Method	Equity Method	
INVESTMENT							
SUBSIDIARY COMPANIES							
Asia Property Co., Ltd.	Asset management	Shareholder	40,000,000	99.99	109,354,000	(42,271,978)	-
BOA Leasing Co., Ltd.	Leasing	Shareholder	800,000,000	99.99	799,999,930	323,591,309	-
BOA Asset Management Co., Ltd.	Fund Management	Shareholder	100,000,000	99.99	135,725,724	61,092,393	-
Asia Leasehold Co., Ltd.	Real estate	Shareholder	1,000,000	99.93	999,300	(28,393,370)	-
ASSOCIATED COMPANY							
Axa Insurance Public Co., Ltd.	Non-life Insurance	Shareholder	352,642,100	22.06	121,117,516	147,842,296	5,055,590

Amounts in Baht

LOANS	Amounts in Baht
SUBSIDIARY COMPANIES	
BOA Leasing Co., Ltd.	1,782,067,896

INVESTMENT FROM DEBT RESTRUCTURING

Amounts in Baht

	Book Value
N.Y.Sugar Co., Ltd.	
Acquired 30.00% of the registered share capital (par value of Baht 900 million)	-
Loans (before net of allowance for doubtful accounts)	2,213,109,295
Commitment	4,318,000
High-Rise Development Co., Ltd.	
Acquired 72.09% of the registered share capital (par value of Baht 115.46 million)	-
Loans (before net of allowance for doubtful accounts)	729,880,325
Commitment	1,440,000

The above investments are classified as general investments, which are stated at cost net of allowance for impairment of securities.

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

Significant transactions with the related companies whose share are 10-20 percent owned by the Bank and its subsidiaries consisted mainly of the following:

Amounts in Baht						
CONSOLIDATED FINANCIAL STATEMENTS						
As at December 31, 2003						
Type of Business	Relationship	Paid-up Share Capital	Holding %	Investment (Cost Method)	Dividend	
INVESTMENT						
Wing Fat Co.,Ltd.	Leather	Shareholder	70,000,000	14.29	-	-
Asia Dhanavadh Warehouse Co., Ltd.	Warehouse	Shareholder	30,000,000	13.33	4,232,000	320,000
Piyalai Holdings Co., Ltd.	Real estate	Shareholder	600,000,000	10.00	60,000,000	-
J.A.T. Leasing Co., Ltd.	Hire-purchase	Shareholder	90,000,000	10.00	9,000,000	-
Advance CCC Service Co., Ltd.	Service	Shareholder	2,000,000	10.00	200,000	-
Distar Electric Corporation Co., Ltd.	Electrical	Shareholder	230,000,000	13.04	42,000,000	-

Amounts in Baht	
LOANS	
Wing Fat Co., Ltd.	366,607,346
Piyalai Holdings Co., Ltd.	574,444,967
J.A.T. Leasing Co., Ltd.	7,224,867

Amounts in Baht						
CONSOLIDATED FINANCIAL STATEMENTS						
As at December 31, 2002						
Type of Business	Relationship	Paid-up Share Capital	Holding %	Investment (Cost Method)	Dividend	
INVESTMENT						
Wing Fat Co.,Ltd.	Leather	Shareholder	70,000,000	14.29	-	-
Asia Dhanavadh Warehouse Co., Ltd.	Warehouse	Shareholder	30,000,000	13.33	4,232,000	320,000
Piyalai Holdings Co., Ltd.	Real estate	Shareholder	600,000,000	10.00	60,000,000	-
J.A.T. Leasing Co., Ltd.	Hire-purchase	Shareholder	90,000,000	10.00	9,000,000	-

Amounts in Baht	
LOANS	
Wing Fat Co., Ltd.	287,060,738
Piyalai Holdings Co., Ltd.	418,150,000
J.A.T. Leasing Co., Ltd.	287,546

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

Amounts in Baht

BANK ONLY FINANCIAL STATEMENTS

As at December 31, 2003

	Type of Business	Relationship	Paid-up Share Capital	Holding %	Investment (Cost Method)	Dividend
INVESTMENT						
Wing Fat Co.,Ltd.	Leather	Shareholder	70,000,000	14.29	-	-
Asia Dhanavadh Warehouse Co., Ltd.	Warehouse	Shareholder	30,000,000	13.33	4,232,000	320,000
Piyalai Holdings Co., Ltd.	Real estate	Shareholder	600,000,000	10.00	60,000,000	-
Advance CCC Service Co., Ltd.	Service	Shareholder	2,000,000	10.00	200,000	-
Distar Electric Corporation Co., Ltd.	Electrical	Shareholder	230,000,000	13.04	42,000,000	-

Amounts in Baht

LOANS	
Wing Fat Co., Ltd.	366,607,346
Piyalai Holdings Co., Ltd.	574,444,967

Amounts in Baht

BANK ONLY FINANCIAL STATEMENTS

As at December 31, 2002

	Type of Business	Relationship	Paid-up Share Capital	Holding %	Investment (Cost Method)	Dividend
INVESTMENT						
Wing Fat Co.,Ltd.	Leather	Shareholder	70,000,000	14.29	-	-
Asia Dhanavadh Warehouse Co., Ltd.	Warehouse	Shareholder	30,000,000	13.33	4,232,000	320,000
Piyalai Holdings Co., Ltd.	Real estate	Shareholder	600,000,000	10.00	60,000,000	-

Amounts in Baht

LOANS	
Wing Fat Co., Ltd.	287,060,738
Piyalai Holdings Co., Ltd.	418,150,000

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

Other significant balances and transactions with related parties are as follows :

Amounts in Baht						
CONSOLIDATED FINANCIAL STATEMENTS						
As at December 31, 2003			As at December 31, 2002			
	Associated Company	Major Shareholder	Total	Associated Company	Major Shareholder	Total
Interbank and money market items (Assets)	-	1,202,410,139	1,202,410,139	-	497,877,803	497,877,803
Deposits	4,415,259	-	4,415,259	5,789,907	-	5,789,907
Interbank and money market items (Liabilities)	-	392,556,798	392,556,798	-	54,502,756	54,502,756
Borrowings	-	2,000,000,000	2,000,000,000	-	2,000,000,000	2,000,000,000
Other liabilities	-	43,508,563	43,508,563	-	38,719,070	38,719,070

Amounts in Baht						
CONSOLIDATED FINANCIAL STATEMENTS						
For the years ended December 31, 2003			2002			
	Associated Company	Major Shareholder	Total	Associated Company	Major Shareholder	Total
Interest income	-	10,194,267	10,194,267	-	43,080,944	43,080,944
Interest expenses	-	144,586,152	144,586,152	-	141,051,048	141,051,048
Insurance expenses	16,412,757	-	16,412,757	26,753,800	-	26,753,800
Commission and service expenses	-	35,483,669	35,483,669	-	76,918,036	76,918,036

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

Amounts in Baht
BANK ONLY FINANCIAL STATEMENTS

	As at December 31, 2003			As at December 31, 2002			Total
	Subsidiaries	Associated Company	Major Shareholder	Subsidiaries	Associated Company	Major Shareholder	
Interbank and money market items (Assets)	-	-	1,202,410,129	-	-	497,877,803	497,877,803
Loans	1,840,000,000	-	1,840,000,000	1,782,067,896	-	-	1,782,067,896
Accrued interest receivable	118,373	-	118,373	3,538,671	-	-	3,538,671
Other assets	17,000,000	-	17,000,000	-	-	-	-
Deposits	58,428,547	4,415,259	62,843,806	77,311,116	5,789,907	-	83,101,023
Interbank and money market items (Liabilities)	5,011,914	-	392,556,798	9,600,793	-	54,502,756	64,103,549
Borrowings	-	-	2,000,000,000	-	-	2,000,000,000	2,000,000,000
Accrued interest expenses	554,442	-	554,442	1,027,559	-	-	1,027,559
Other liabilities	-	-	43,508,563	-	-	38,719,070	38,719,070

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

Amounts in Baht
BANK ONLY FINANCIAL STATEMENTS
 For the years ended December 31,

	2003			2002			Total
	Subsidiaries	Associated Company	Major Shareholder	Subsidiaries	Associated Company	Major Shareholder	
Interest income	48,714,655	-	10,194,267	53,578,044	-	43,080,944	96,658,988
Other income	37,540,144	-	-	10,429,806	-	-	10,429,806
Interest expenses	359,032	-	144,586,152	1,143,551	-	141,051,048	142,194,599
Rental expenses	37,578,258	-	-	39,170,646	-	-	39,170,646
Insurance expenses	-	16,412,757	-	-	26,753,800	-	26,753,800
Commission and service expenses	-	-	35,483,669	-	-	76,918,036	76,918,036
Premises and equipment expenses	-	-	-	13,206,000	-	-	13,206,000
Purchases of fixed assets	-	-	-	300,000	-	-	300,000

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

Management cost allocation charged to related company

For the years ended December 31, 2003 and 2002, the Bank recorded cost allocations, included IT system charges and commissions relating to loan customer recommendation, from the major shareholder and a subsidiary of the major shareholder of Baht 48.65 million and Baht 68.18 million, respectively, as expenses in the statements of income.

25. INCOME TAX EXPENSE

The tax charge of Baht 22,496,115 in the consolidated financial statements and Baht 21,988,900 in the Bank only financial statements for the year ended December 31, 2003 relates to a taxable gain in the Bangkok International Banking Facilities which does not qualify to be offset against carried forward tax losses.

26. LONG-TERM LEASES

The Bank has entered into lease agreements in respect of the land and buildings for branches. Lease terms range from 3 - 30 years and are renewable.

Amounts in Baht

CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2003

Type of Lease	Period	Remaining Rental Expenses
Office buildings	2004 - 2008	108,325,077
Office buildings	2009 - 2013	19,863,591
Office buildings	2014 - 2018	11,362,769
Office buildings	2019 - 2023	7,011,274
Office buildings	2024 - 2028	693,236

Amounts in Baht

CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2002

Type of Lease	Period	Remaining Rental Expenses
Office buildings	2003 - 2007	122,620,973
Office buildings	2008 - 2012	55,403,742
Office buildings	2013 - 2017	28,579,872
Office buildings	2018 - 2022	19,415,070
Office buildings	2023 - 2027	1,089,372
Land	2003 - 2020	1,500,000

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

Amounts in Baht
BANK ONLY FINANCIAL STATEMENTS
 As at December 31, 2003

Type of Lease	Period	Remaining Rental Expenses
Office buildings	2004 - 2008	90,695,557
Office buildings	2009 - 2013	19,863,591
Office buildings	2014 - 2018	11,362,769
Office buildings	2019 - 2023	7,011,274
Office buildings	2024 - 2028	693,236

Amounts in Baht
BANK ONLY FINANCIAL STATEMENTS
 As at December 31, 2002

Type of Lease	Period	Remaining Rental Expenses
Office buildings	2003 - 2007	100,738,153
Office buildings	2008 - 2012	55,403,742
Office buildings	2013 - 2017	28,579,872
Office buildings	2018 - 2022	19,415,070
Office buildings	2023 - 2027	1,089,372

27. CLASSIFIED ASSETS

Classified assets by customer in the Bank's financial statements:

Amounts in Million Baht
BANK ONLY FINANCIAL STATEMENTS
 As at December 31, 2003

Classifications	Investments	Loans*	Properties Foreclosed	Other Assets	Total
Pass	-	96,164	-	12	96,176
Special mention	-	1,865	-	2	1,867
Substandard	-	951	-	4	955
Doubtful	-	2,563	-	32	2,595
Doubtful of loss	355	19,690	319	1,244	21,608
Total	<u>355</u>	<u>121,233</u>	<u>319</u>	<u>1,294</u>	<u>123,201</u>

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

Amounts in Million Baht
BANK ONLY FINANCIAL STATEMENTS
 As at December 31, 2002

	Investments	Loans*	Properties Foreclosed	Other Assets	Total
Classifications					
Pass	-	91,858	-	8	91,866
Special mention	-	3,018	-	1	3,019
Substandard	-	1,099	-	10	1,109
Doubtful	-	2,569	-	73	2,642
Doubtful of loss	<u>898</u>	<u>15,867</u>	<u>332</u>	<u>621</u>	<u>17,718</u>
Total	<u><u>898</u></u>	<u><u>114,411</u></u>	<u><u>332</u></u>	<u><u>713</u></u>	<u><u>116,354</u></u>

* includes interbank and money market loans.

28. BASIC EARNINGS (LOSS) PER SHARE

**CONSOLIDATED AND BANK ONLY
 FINANCIAL STATEMENTS**

For the years ended December 31,

	2003	2002
Net profit (loss) for the year (Baht)	1,818,460,907	(3,029,511,825)
Weighted average number of ordinary shares calculated by using the number of ordinary shares issued, including those from conversion of debentures upon cash received (shares)	5,095,446,713	4,557,037,764
Basic earnings (loss) per share (Baht)	0.36	(0.66)

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

29. FULLY DILUTED EARNINGS (LOSS) PER SHARE

	Amounts in Baht	
	CONSOLIDATED AND BANK ONLY	
	FINANCIAL STATEMENTS	
	For the years ended December 31,	
	2003	2002
Calculation of net profit (loss)		
Net profit (loss) for the year	1,818,460,907	(3,029,511,825)
Plus : Interest paid on debentures, saved from conversion [assuming that all remaining debentures were converted on January 1,]		
Interest expense		
Debentures issued in Thailand	657,359	650,214
Debentures issued outside Thailand	<u>52,871,570</u>	<u>58,248,400</u>
Total interest expense	53,528,929	58,898,614
Income tax	-	-
Calculated net profit (loss) for fully diluted earnings (loss) per share	<u>1,871,989,836</u>	<u>(2,970,613,211)</u>
Calculation of weighted average number of ordinary shares		
Number of weighted average ordinary shares during the year (shares)	5,095,446,713	4,557,037,764
Number of shares from conversion of remaining debentures in Thailand of Baht 8,150,000 (shares)	-	1,536,275
Number of shares from conversion of remaining debentures outside Thailand of Baht 900,344,650 (shares)	<u>39,145,420</u>	<u>39,145,420</u>
Total weighted average number of ordinary shares during the year (shares)	<u>5,134,592,133</u>	<u>4,597,719,459</u>
Fully diluted earnings (loss) per share (Baht)	0.36	(0.65)

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

30. FINANCIAL POSITION AND RESULTS OF OPERATIONS CLASSIFIED BY DOMESTIC AND FOREIGN BUSINESSES

Amounts in Baht

CONSOLIDATED FINANCIAL STATEMENTS**As at December 31, 2003**

	Domestic	Foreign	Total
Total assets	169,564,651,258	948,945,210	170,513,596,468
Interbank and money market items-net (assets)	6,597,102,227	142,413,928	6,739,516,155
Investments-net	25,751,727,694	-	25,751,727,694
Loans	122,132,370,735	-	122,132,370,735
Deposits	141,980,840,022	-	141,980,840,022
Interbank and money market items (liabilities)	4,054,926,605	-	4,054,926,605
Borrowings	4,014,775,671	900,344,650	4,915,120,321
Total contingencies	93,679,574,619	-	93,679,574,619

Amounts in Baht

CONSOLIDATED FINANCIAL STATEMENTS**As at December 31, 2002**

	Domestic	Foreign	Total
Total assets	160,318,020,281	952,880,258	161,270,900,539
Interbank and money market items-net (assets)	10,486,234,990	164,487,941	10,650,722,931
Investments-net	22,176,182,388	-	22,176,182,388
Loans	114,303,738,057	-	114,303,738,057
Deposits	138,455,302,376	-	138,455,302,376
Interbank and money market items (liabilities)	1,494,601,469	-	1,494,601,469
Borrowings	4,024,828,000	900,344,650	4,925,172,650
Total contingencies	96,189,027,858	-	96,189,027,858

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

Results of operations classified by type of business segment :

Amounts in Baht

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2003

	Domestic	Foreign	Total
Interest and dividend income	6,228,828,060	-	6,228,828,060
Interest expenses	(2,330,200,000)	(52,871,570)	(2,383,071,570)
Net interest income	3,898,628,060	(52,871,570)	3,845,756,490
Non-interest income	2,565,088,023	38,336,394	2,603,424,417
Non-interest expenses	(4,604,988,660)	(3,235,225)	(4,608,223,885)
Profit (loss) before tax	<u>1,858,727,423</u>	<u>(17,770,401)</u>	<u>1,840,957,022</u>

Amounts in Baht

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2002

	Domestic	Foreign	Total
Interest and dividend income	6,667,533,759	605	6,667,534,364
Interest expenses	(2,967,759,175)	(58,248,400)	(3,026,007,575)
Net interest income	3,699,774,584	(58,247,795)	3,641,526,789
Non-interest income	2,430,238,823	38,207,177	2,468,446,000
Non-interest expenses	(9,135,263,621)	(3,808,103)	(9,139,071,724)
Loss before tax	<u>(3,005,250,214)</u>	<u>(23,848,721)</u>	<u>(3,029,098,935)</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)*FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002***31. DISCLOSURE OF 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 with off-balance sheet risk include commitments to extend credit, standby letters of credit and financial guarantees, and forward foreign exchange contracts. These instruments involve, to varying degrees, elements of credit and foreign exchange risk in excess of the amount recognized in the consolidated 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 enters into forward foreign exchange contracts as part of its risk management strategy primarily to manage the market risk arising from the Bank's 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 the Board's approved guidelines and parameters set by the Assets and Liabilities Committee.

The Bank does not heavily speculate in or engage in the trading of any derivative financial instruments except forward foreign exchange in which the Bank will speculate from time to time when the opportunity arises within predefined limits.

Accounting Policies

Details of significant accounting policies and methods adopted, including criteria for 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 and its subsidiaries. The Bank and its subsidiaries have adopted the policy of only dealing with creditworthy 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 consolidated balance sheet, net of allowance for doubtful accounts (see Notes 3.7 and 8) represents the Bank's and its subsidiaries' maximum exposure to credit risk.

The Bank's exposure to credit loss in the event of nonperformance by the counterparty 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 forward foreign exchange contracts, the contract or notional amounts do not represent exposure to credit loss. The Bank controls the credit risk of its derivative instruments through credit approvals, limits, and monitoring procedures set by its Assets and Liabilities Committee. Credit risk also arises from the possibility that the counterparty to off-balance sheet financial instruments will not adhere to the terms of the contract with the Bank when settlement becomes due.

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

For the purpose of calculating the credit risk associated with the Bank's off-balance sheet financial instruments which are not foreign exchange contracts and interest rate swap contracts, the Bank applies a credit conversion factor to the notional amount in order to determine a credit equivalent amount in accordance with regulations established by the Bank of Thailand. However, in case of foreign exchange contracts and interest rate swap contracts, the Bank applies a credit conversion factor of between 8% to 50% to the notional amount of the contracts depending on the type of currency and the residual maturity of the contract, compared to the Bank of Thailand's prescribed credit conversion factors of 2% and 5% for foreign exchange contracts and 0.5% and 1% for interest rate swap contracts with a residual maturity of less than one year and greater than one year, respectively.

The following table shows the credit equivalent of unmatured off balance sheet financial instruments:

In Million Baht		
CONSOLIDATED AND BANK ONLY FINANCIAL STATEMENTS		
	As at December 31, 2003	As at December 31, 2002
Forward foreign exchange contracts (foreign currencies)	3,948	3,989
Interest rate swap contracts	760	510
Avals to bills	927	678
Acceptances	371	326
Guarantees of loans	105	183
Performance guarantees	793	591
Bid guarantees	345	357
Import letters of credit	887	1,044
Others	3,715	3,605
Total	<u><u>11,851</u></u>	<u><u>11,283</u></u>

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 and its subsidiaries in the current reporting period, and in future years. Interest rate risk arises from the structure and characteristics of the Bank and its subsidiaries' assets, liabilities and equity, and in the mismatch in repricing dates of its assets and liabilities.

The Bank and its subsidiaries' exposure to interest rate risk showing the contractual repricing dates or maturity dates, whichever dates are earlier, and effective weighted average interest rates, where applicable, for classes of financial assets and financial liabilities subject to interest rate risk is set out below:

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

Period to earlier of contractual repricing date or maturity

	In Million Baht							Total	Weighted average effective interest rate per annum (%)
	As at December 31, 2003								
	Call	Within 3 months	More than 3-12 months	More than 1-5 years	> 5 years	Non-int bearing/Sensitive	Non-accrual loans		
Financial assets									
Cash	-	-	-	-	-	-	3,148	3,148	n/a
Interbank and money market items-net	7	4,808	34	53	-	1,838	-	6,740	0.79
Securities purchased under resale agreement	-	7,900	-	-	-	-	-	7,900	1.24
Investments-net	-	2,864	3,697	5,414	8,979	4,798	-	25,752	2.09
Loans	21,771	32,986	17,466	14,389	5,082	-	30,438	122,132	3.65
Financial liabilities									
Deposits	72,032	41,506	9,611	14,902	-	3,929	-	141,980	1.05
Interbank and money market items	1,776	298	490	-	-	1,491	-	4,055	0.77
Liabilities payable on demand	-	-	-	-	-	1,396	-	1,396	n/a
Short-term borrowings	-	900	-	-	-	-	-	900	6.33
Long-term borrowings	-	-	2,000	2,000	-	15	-	4,015	6.33

Note : No interest rate risk disclosure has been provided in respect of off-balance sheet financial instruments as they are not subject to interest rate risk.

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
 FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

Period to earlier of contractual repricing date or maturity

	In Million Baht							Total	Weighted average effective interest rate per annum (%)
	As at December 31, 2002								
	Within 3 months	More than 3-12 months	More than 1-5 years	> 5 years	Non-int bearing/Sensitive	Non-accrual loans			
Financial assets	-	-	-	-	-	-	3,265	-	n/a
Cash	-	-	-	-	-	-	3,265	-	
Interbank and money market items-net	158	7,648	855	-	-	-	1,990	-	1.37
Securities purchased under resale agreement	-	300	-	-	-	-	-	-	1.78
Investments-net	-	3,787	982	3,539	11,350	2,518	2,518	-	3.01
Loans	25,695	26,469	9,914	15,773	6,370	-	-	30,083	4.18
Financial liabilities									
Deposits	59,291	45,240	15,554	14,628	-	-	3,742	-	1.77
Interbank and money market items	513	242	194	20	-	-	526	-	1.15
Liabilities payable on demand	-	-	-	-	-	-	1,188	-	n/a
Securities sold under repurchase agreement	-	400	-	-	-	-	-	-	1.56
Borrowings	-	-	8	2,900	2,000	17	-	-	6.33

Note : No interest rate risk disclosure has been provided in respect of off-balance sheet financial instruments as they are not subject to interest rate risk.

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

Off-balance sheet financial instruments classified by maturity date, are as follows:

In Million Baht			
CONSOLIDATED AND BANK ONLY FINANCIAL STATEMENTS			
As at December 31, 2003			
	within 1 year	more than 1 year	Total
Avals to bills and guarantees of loans	488	543	1,031
Forward foreign exchange contracts	31,047	-	31,047

In Million Baht			
CONSOLIDATED AND BANK ONLY FINANCIAL STATEMENTS			
As at December 31, 2002			
	within 1 year	more than 1 year	Total
Avals to bills and guarantees of loans	351	509	860
Forward foreign exchange contracts	33,949	-	33,949

Maturities of financial assets and liabilities

Details of the maturities of financial instruments have been provided in the relevant notes to the financial statements.

Hedging

The Bank uses derivative financial instruments, including forward contracts and interest rate swaps, to manage the potential earnings impact of foreign currency movements and floating interest rates. The purpose of the Bank's hedging activities is to protect the Bank from the risk that net cash outflows will be affected by changes in exchange rates and risk from floating interest rates. The Bank enters into transactions to ensure that it is economically hedged in accordance with risk management policies. For qualifying hedge relationships, the Bank uses hedge accounting.

Each qualifying hedge accounting relationship is evidenced and driven by management's approach to risk management and the decision to hedge the particular risk. Where hedge accounting is applied, the Bank assesses, at the inception of the hedge relationship and on an on-going basis, whether the derivatives used as hedges are highly effective in offsetting the changes in the value or cash flows associated with the hedged item. A hedge is normally regarded as highly effective if changes in fair value or cash flows of the hedged item are expected to almost fully offset the changes in fair value or cash flows of the hedging instrument. The designation and effectiveness measurement follows the methodologies that management has in place for risk identification and measurement. The ineffective portion of any gain or loss on a hedging instrument is recognized in the income statement.

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

Estimated Fair Value of Financial Instruments

The fair values of financial instruments have been estimated by the Bank and its subsidiaries using available market information and appropriate valuation methodologies.

The following is a summary of carrying amounts and estimated fair values of financial instruments:

Amounts in Baht

As at December 31, 2003

	CONSOLIDATED FINANCIAL STATEMENTS		BANK ONLY FINANCIAL STATEMENTS	
	Carrying Amounts	Fair Value	Carrying Amounts	Fair Value
Financial assets :				
Cash	3,148,121,858	3,148,121,858	3,147,989,867	3,147,989,867
Interbank and money market items	6,739,516,155	6,739,516,155	6,659,923,297	6,659,923,297
Securities purchased under resale agreements	7,900,000,000	7,900,000,000	7,900,000,000	7,900,000,000
Investments - net	25,751,727,694	26,449,566,319	26,232,568,962	26,930,664,010
Loans	122,132,370,735	109,633,867,507	121,152,675,304	108,957,271,428
Financial liabilities :				
Deposits	141,980,840,022	141,980,840,022	142,050,784,421	142,050,784,421
Interbank and money market items	4,054,926,605	4,054,926,605	3,228,543,382	3,228,543,382
Liabilities payable on demand	1,395,637,007	1,395,637,007	1,395,637,007	1,395,637,007
Short-term borrowings	900,344,650	958,760,089	900,344,650	958,760,089
Long-term borrowings	4,014,775,671	4,468,366,747	4,014,775,671	4,455,259,704

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

	Amounts in Baht			
	As at December 31, 2002			
	CONSOLIDATED		BANK ONLY	
	Carrying	Fair	Carrying	Fair
Amounts	Value	Amounts	Value	
Financial assets :				
Cash	3,264,613,897	3,264,613,897	3,264,525,615	3,264,525,615
Interbank and money market items				
-net	10,650,722,931	10,650,722,931	10,587,504,049	10,587,504,049
Securities purchased under resale				
agreements	300,000,000	300,000,000	300,000,000	300,000,000
Investments-net	22,176,182,388	22,386,921,857	22,533,806,370	22,744,545,839
Loans	114,303,738,057	107,595,168,716	114,404,439,608	107,863,698,021
Financial liabilities :				
Deposits	138,455,302,376	138,351,468,289	138,532,613,492	138,428,779,405
Interbank and money market items	1,494,601,469	1,494,601,469	1,484,402,211	1,484,402,211
Liabilities payable on demand	1,187,756,390	1,187,756,390	1,187,756,390	1,187,756,390
Securities sold under repurchase				
agreements	400,000,000	400,000,000	400,000,000	400,000,000
Borrowings	4,925,172,650	5,851,523,315	4,925,172,650	5,851,523,315

The fair values of off-balance sheet financial instruments are as follows:

	In Million Baht	
	CONSOLIDATED AND BANK ONLY FINANCIAL STATEMENTS	
	As at December 31, 2003	
	Notional Value	Fair Value
Forward foreign exchange contracts (Foreign currencies)	31,047	31,125

	In Million Baht	
	CONSOLIDATED AND BANK ONLY FINANCIAL STATEMENTS	
	As at December 31, 2002	
	Notional Value	Fair Value
Forward foreign exchange contracts (Foreign currencies)	33,949	33,966

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

Methods and assumptions in estimating market value or fair value of financial instruments.

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

Cash, interbank and money market items - The carrying amounts of cash and short-term instruments which have remaining maturities of less than 90 days or bear variable rates of interest approximate their fair value. Fair value for fixed rate instruments with remaining maturities greater than 90 days is estimated by using a discounted cash flow calculation applying interest rates currently being offered on similar instruments.

Securities purchased under resale agreements - The carrying value of securities purchased under resale agreements approximates fair value.

Investments - Fair value for securities is based on quoted market prices, where available. If quoted market prices are not available, market value is based on quoted market prices of comparable instruments after adjusting for risk involved or the net asset values of such securities.

Loans - For variable-rate loans that reprice frequently and have no significant change in credit risk, fair value is based on carrying values. The fair value of fixed rate loans that reprice within 90 days from the balance date is the carrying value at the balance sheet date. Fair value for other fixed interest rate loans is estimated using discounted cash flow analysis and using interest rates currently being offered for loans with similar terms to borrowers of similar credit quality.

Fair value of hire-purchase receivables is estimated by using discounted cash flow analysis and using interest rates currently being offered with average remaining years to maturity.

Accrued interest receivable - The carrying amount of accrued interest receivable approximates fair value.

Deposit liabilities - The fair value disclosed for deposits which are payable on demand by the depositor, is equal to the carrying value of such deposits. The carrying amounts of variable-rate, fixed-term money-market accounts, certificates of deposit (CDs) and fixed rate deposits repricing within 90 days approximate their fair value at the reporting date. Fair value for other deposits is estimated using a discounted cash flow calculation that applies interest rates currently being offered on certificates to a schedule of aggregate expected monthly maturities on time deposits.

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

Interbank and money market items (Liabilities) - The carrying amount of interbank and money market items which have remaining maturities of less than 90 days and/or bear variable rates of interest approximates their fair value at the reporting date. Fair value for fixed rate instruments with remaining maturities greater than 90 days is estimated by using a discounted cash flow calculation applying interest rates currently being offered on similar instruments.

Securities sold under repurchase agreements - The carrying value of securities sold under repurchase agreements approximates fair value.

Borrowings - The fair value of borrowings is estimated using discounted cash flow analysis based on the average current borrowing rates for similar types of borrowing arrangements.

Financial assets carried in the financial statements at amounts in excess of their fair values represent fixed interest rate loans and debt instruments that are being held to maturity and non-listed equity investments that are being held for long term purposes. On the basis of the information available to the Bank's management as to the financial soundness of the respective corporations to which these assets relate and the provisions for loss that have already been made, it is management's opinion that the net carrying amounts of these assets, as reflected in the balance sheet, will be recovered.

Fair value of off-balance sheet financial instruments

Commitments to extend credit, letters of credit, aval and guarantees - These financial instruments are generally not sold or traded such that estimated fair values are not readily ascertainable. Fair value of these items was not calculated for the following reasons:

- (i) very few of the commitments extending beyond 90 days would commit the Bank to a predetermined rate of interest;
- (ii) the fees attaching to these commitments are the same as those currently charged to enter into similar arrangements; and
- (iii) the quantum of fees collected under these arrangements, upon which fair value would be determined, is not material.

Other off-balance sheet financial instruments

The fair values of foreign exchange contracts were obtained from quoted market prices.

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

32. SUBSEQUENT EVENT

Financial Master Plan

On January 6, 2004, the Thai cabinet approved a financial master plan for the consolidation of the banking and finance sector in Thailand. Under the plan, the Bank's major shareholder will be limited to holding one banking license. Banks have been given 6 months to submit a plan for complying with the financial plan.

The Bank of Thailand is providing further clarification on the financial plan on an on-going basis and the Bank continues to assess the implications on its operations. There is no reason to believe that the financial plan and the associated regulations and actions affect the presentation of account balances as at December 31, 2003 and the results of operations for the year then ended.

33. RECLASSIFICATION OF ACCOUNTS

Certain comparative information for the year ended December 31, 2002 has been reclassified to conform with the presentation adopted for the year ended December 31, 2003.

Other Information

1. Companies in which Bank of Asia holds 10% or more of the number of paid up shares

1. BOA Asset Management Co., Ltd.

Business:	Provides asset management for funds, including mutual funds (equity and fixed income) and provident funds
Location:	5 th Fl., Bangkok City Tower Building, 179/6-10 South Sathon Road, Thungmahamek, Sathon, Bangkok 10120
Tel:	+66 (0) 2679-5577
Fax:	+66 (0) 2679-5571-5
Paid-up Capital:	Baht 100,000,000 (10,000,000 ordinary shares)
BoA's Holding:	99.99%

2. BOA Leasing Co., Ltd.

Business:	Provides leasing, car fleet management and factoring services, primarily to small and medium-sized companies
Location:	29 th Fl., United Center Building, 323 Silom Road, Bangrak, Bangkok 10500
Tel:	+66 (0) 2266-7290-9
Fax:	+66 (0) 2266-7300
Paid-up Capital:	Baht 800,000,000 (80,000,000 ordinary shares)
BoA's Holding:	99.99%

3. Asia Property Co., Ltd.

Business:	In the process of liquidation
Location:	8 th Fl., Bank of Asia Head Office Building, 191 South Sathon Road, Sathon, Bangkok 10120
Tel:	+66 (0) 2285-1619
Fax:	+66 (0) 2285-1501
Paid-up Capital:	Baht 40,000,000 (400,000 ordinary shares)
BoA's Holding:	99.99%

4. Asia Leasehold Co., Ltd.

Business:	In the process of liquidation
Location:	8 th Fl., Bank of Asia Head Office Building, 191 South Sathon Road, Sathon, Bangkok 10120
Tel:	+66 (0) 2343-4531
Fax:	+66 (0) 2285-1501
Paid-up Capital:	Baht 1,000,000 (10,000 ordinary shares)
BoA's Holding:	99.93%

5. AXA Insurance PCL

Business:	Non-life insurance company
Location:	23 rd Fl., Lumpini Tower Building, 1168/67 Rama IV Road, Thungmahamek, Sathon, Bangkok 10120
Tel:	+66 (0) 2285-6376-82
Fax:	+66 (0) 2285-6383
Paid-up Capital:	Baht 352,642,100 (3,526,421 ordinary shares)
BoA's Holding:	22.06%

6. ASIA Dhanavadh Warehouse Co., Ltd.

Business:	Provides warehousing services
Location:	2194/97 Charoen Krung Road, Bang Khoe Laem, Bangkok 10120
Tel:	+66 (0) 2289-4610-1
Fax:	+66 (0) 2291-9860
Paid-up Capital:	Baht 30,000,000 (30,000 ordinary shares)
BoA's Holding:	13.33%

7. Piyalai Holdings Co., Ltd.

Business:	Engages in activities related to properties and real estate developments
Location:	22 nd Fl., Wall Street Tower Building, 33/114 Surawong Road, Bangkok 10500
Tel:	+66 (0) 2233-1666 Ext. 2220-1
Fax:	+66 (0) 2233-3895
Paid-up Capital:	Baht 600,000,000 (6,000,000 ordinary shares)
BoA's Holding:	10.00%

8. Advance CCC Services Co., Ltd.

Business:	Provides debt collection services
Location:	8 th Fl., Bank of Asia Head Office Building, 191 South Sathon Road, Sathon, Bangkok 10120
Tel:	0-2343-3400
Fax:	-
Paid-up Capital:	Baht 2,000,000 (200,000 ordinary shares)
BoA's Holding:	10.00%

9. High Rise Development Co., Ltd.

Business: Provides services apartment
Location: J.B. Place Building,
189 Sukhumvit 21 Road, Klong Toey Nuar, Wattana, Bangkok 10110
Tel: +66 (0) 2670-0791-3
Fax: -
Paid-up Capital: Baht 135,462,320 (13,546,232 ordinary shares)
BoA's Holding: 76.21% (from debt restructuring)

10. N.Y. Sugar Co., Ltd.

Business: Sugar mill
Location: 164 Soi Sukhumvit 23 (Prasarnmitt), Sukhumvit Road, Klong Toey Nuar,
Wattana, Bangkok 10110
Tel: +66 (0) 2260-4951-9
Fax: +66 (0) 2260-4950
Paid-up Capital: Baht 900,000,000 (90,000 ordinary shares)
BoA's Holding: 30.00% (from debt restructuring)

11. Distar Electric Corporation PCL

Business: Manufacturer and distributor of electrical appliances
Location: 214 5th Fl., Wongwienyai, Latya Road, Khlong San, Bangkok 10600
Tel: +66 (0) 2437-0367, +66 (0) 2437-1915
Fax: +66 (0) 2437-7861
Paid-up Capital: Baht 230,000,000 (23,000,000 ordinary shares)
BoA's Holding: 15.00% (from debt restructuring)

2. Directors and Senior Managements

2.1 Information on Directors and Senior Managements

Name	Education	Position	Position/ Experience
1. Chavalit Thanachanan	Bachelor Degree	Position 1997- Present 1999 - Present 2001- Aug 03	Chairman of the Board of Directors (Authorised Signature) Chairman of the Board of Directors, Bank of Asia PCL Chairman, Institute of Directors Chairman, The Stock Exchange of Thailand (SET)
2. Ammar Siamwalla	Doctorate	Position Nov 03 - Present 2000 - Nov 03	Director (Authorised Signature) and Chairman of the Audit Committee Director and Chairman of the Audit Committee Director and Director of the Audit Committee, Bank of Asia PCL
3. Chulakorn Singhakowin	Master Degree	Position 1992 - Present	Director (Authorised Signature) and President & CEO President & CEO, Bank of Asia PCL
4. Felix Alexander van Kleef	Master Degree	Position 2002 - Present * 2002 - Present 2001 1999	Director Director, Bank of Asia PCL EVP, C&CC, Special Projects SBU, ABN AMRO Bank C&CC Clients SBU/BU Rest of World, CEO LA (Spanish Speaking), Sao Paulo, EVP, C&C Clients SBU, Regional Manager Advisory Branches Utrecht, ABN AMRO Bank Regional Manager Latin America, Sao Paulo, ABN AMRO Bank
5. Herman Mulder	Master Degree	Position 1998 - Present 1998 - Present	Director Director, Bank of Asia PCL Senior Executive Vice President, ABN AMRO Bank
6. James Stent	Master Degree	Position 2002 - Present 2002 - Present 1998 - 2002	Director and Director of the Audit Committee Director and Director of the Audit Committee, Bank of Asia PCL International Water Management Institute, Beijing, China Senior Executive Vice President, Bank of Asia PCL

* Resigned from directorship effectively on January 5th, 2004.

Name	Education	Position	Position/ Experience
7. Jan Peter Schmittmann	Master Degree	Position 2002 - Present 2001 - Present 2000 - 2001 1998 - 2000	Director Director, Bank of Asia PCL SEVP, Private Clients Asset Management, SBU/Private Clients and Consumer & Commercial Clients, SBU/New Growth Markets, ABN AMRO Bank SEVP, Consumer & Commercial Clients, SBU/New Growth Markets, ABN AMRO Bank EVP, Netherlands/ Special Credits, ABN AMRO Bank
8. Jerry Letendre	Bachelor Degree	Position 2002 - Present 2001 - Present 1999 - 2000 1999 1998 - 1999	Director Director, Bank of Asia PCL Chief Executive Officer, Greater China, ABN AMRO Consumer & Commercial Bank (Taipei Head Office) Regional Vice President, Citibank - Asia Pacific Consumer Bank (Singapore) Vice President, Citibank - Japan Consumer Bank (Tokyo) Regional Vice President, Citibank - Asia Pacific Consumer Bank (Singapore)
9. Paul C.A. Lembrechts	Master Degree	Position 2002 - Present 2000 - Present 1995 - 1999	Director Director, Bank of Asia PCL Managing Director Business Development Private Clients / New Growth Markets, ABN AMRO Bank General Manager Group Marketing, Generale Bank
10. Pichai Varnasong	Bachelor Degree	Position Nov 03 - Present 2001 - Nov 03 2000 - Present 1999 - Present	Director (Authorised Signature) and Director of the Audit Committee Director of the Audit Committee Chairman of the Audit Committee, Bank of Asia PCL Honourary Member, Institute of Directors Director, Bank of Asia PCL
11. Chitraporn Tangsuwan	Master Degree	Position 2001 - Present 1995 - 2001	Senior Executive Vice President - Operations Group Senior Executive Vice President Executive Vice President, Bank of Asia PCL
12. Gert Jan van der Putten	Master Degree	Position 2002 - Present 1979 - 2001	Senior Executive Vice President - Risk Management Group Senior Executive Vice President, Bank of Asia PCL ABN AMRO Bank
13. Chris Power	Master Degree	Position 2000 - Present 1998 - 2000 1994 - 1998	Executive Vice President - Finance Division Executive Vice President Senior Vice President, Bank of Asia PCL ABN AMRO Bank

Name	Education	Position	Position/ Experience
14. Egge de Vries	Bachelor Degree	Position 2000 - Present 1989 - 2000	Executive Vice President - Treasury Management Division Executive Vice President, Bank of Asia PCL ABN AMRO Bank
15. Jonathan Truslow	Master Degree	Position 2001 - Present 2000 - 2001 1997 - 2000	Executive Vice President- Strategy and Research Division Executive Vice President, Bank of Asia PCL Deloitte Consulting, Bangkok Booz Allen & Hamilton
16. Ko van der Meer	Master Degree	Position 2001 - Present 1972 - 2000	Executive Vice President - Audit Division Executive Vice President, Bank of Asia PCL ABN AMRO Bank
17. Lloyd William Rolston	Bachelor Degree	Position Jul 03 - Present 2002 - Jul 03 1998 - 2001	Executive Vice President - Risk Management Division Executive Vice President, Bank of Asia PCL Senior Vice President - Group Risk Management, ABN AMRO Bank N.V. (The Netherlands) Vice President - Country Risk Officer, ABN AMRO Bank N.V. (Indonesia)
18. Ngamjitt Sirijindalert	Master Degree	Position Apr 03 - Present 2000 - Apr 03 1999 1998 - 1999	Executive Vice President - Centralized Information Management Division Executive Vice President Senior Vice President, Bank of Asia PCL GE Capital (Thailand) Ltd. Bank of Asia PCL
19. Peter Chow	Bachelor Degree	Position Jun 03 - Present 2001 - 2002 1997 - 2000	Executive Vice President - Product & Marketing Division Executive Vice President, Bank of Asia PCL BeXcom Pte Ltd, Singapore Executive Vice President, ABN AMRO Bank, Asia Pacific
20. Pimolrat Tangkosakul	Master Degree	Position 2000 - Present 2000 1999 - 2000 1994 - 1999	Executive Vice President - Human Resources Division Executive Vice President Senior Vice President, Bank of Asia PCL Coca Cola Service Asia Ltd. Inchcape (Thai) Ltd.
21. Somkid Jiranuntarat	Master Degree	Position Apr 03 - Present 2002 - Apr 03 2001 - 2002 1990 - 2000	Executive Vice President- Information Technology Division Executive Vice President Senior Vice President, Bank of Asia PCL SETTRADE.COM Co., Ltd. The Stock Exchange of Thailand (SET)

Name	Education	Position	Position/ Experience
22. Tarissa Tanjasiri	Bachelor Degree	Position Mar 03 - Present 1998 - Mar 03	Executive Vice President- Commercial Sales Division Executive Vice President, Bank of Asia PCL Citibank N.A.
23. Thammasak Jittimaporn	Master Degree	Position 2001 - Present 1995 - 2001	Executive Vice President - Retail Sales and Customer Services Division Executive Vice President, Bank of Asia PCL Green Spot (Thailand) Ltd.
24. Vilawan Vanadurongvan	Master Degree	Position 1997 - Present 1994 - 1997	Executive Vice President - e-Channels and Business Enhancement Division Executive Vice President Senior Vice President, Bank of Asia PCL

2.2 Shares in Bank of Asia's subsidiaries and associated companies held by Senior Management

	Asia Leasehold	BOA Asset Management
1. Chitraporn Tangsuwan	1	-
2. Jonathan Truslow	-	1

3. Director's and Senior Management's remuneration in 2003

		Remuneration (Baht)	
Directors' remuneration			
• Board of Directors	(4 persons)	Salaries	5,400,000
• Audit Committee	(3 persons)	Meeting allowance	<u>400,000</u>
		Total	5,800,000
Management's remuneration			
• Management	(51 persons)	Total	302,186,000
		Other benefits	-

4. Structure of Group's revenue

Type of service Type of revenue	Served by Holding by Bank of Asia	2003		2002		2001	
		Amounts in Baht	% of total revenue	Amounts in Baht	% of total revenue	Amounts in Baht	% of total revenue
Interest and dividend income	Bank of Asia	6,067,470,460	94.08	6,576,822,750	107.64	7,003,372,197	139.53
	BOA Asset Management	819,521	0.01	499,848	0.01	555,922	0.01
	BOA Leasing	160,538,079	2.49	90,211,767	1.48	79,723,461	1.59
	BOA Finance	-	0.00	-	0.00	24,449,392	0.49
Total interest and dividend income		6,228,828,060	96.58	6,667,534,365	109.13	7,108,100,972	141.61
Interest expenses		2,383,071,569	36.95	3,026,007,575	49.53	3,820,168,545	76.11
Net interest and dividend income		3,845,756,491	59.63	3,641,526,789	59.60	3,287,932,427	65.50
Bad debt and doubtful accounts and loss on debt restructuring		57,864,228	0.90	(4,456,047,670)	(72.93)	(4,317,941,848)	(86.03)
Fees and service income	Bank of Asia	1,266,534,636	19.64	1,238,321,379	20.27	914,738,970	18.22
	BOA Asset Management	161,076,784	2.50	90,488,593	1.48	66,823,948	1.33
		1,427,611,419	22.14	1,328,809,971	21.75	981,562,918	19.56
Gain on exchange	Bank of Asia	349,634,148	5.42	256,668,704	4.20	240,580,531	4.79
		349,634,148	5.42	256,668,704	4.20	240,580,531	4.79
Investment in securities	Bank of Asia	312,327,185	4.84	461,946,414	7.56	224,968,232	4.48
	BOA Asset Management	-	-	-	-	1,613,394	0.03
	BOA Finance	-	-	-	-	39,560,202	0.79
		312,327,185	4.84	461,946,414	7.56	266,141,828	5.30
Other income	Bank of Asia	286,517,459	4.44	220,323,007	3.61	101,567,362	2.02
	BOA Asset Management	1,771,818	0.03	505,100	0.01	628,307	0.01
	BOA Leasing	225,562,387	3.50	199,708,351	3.27	138,654,194	2.76
	Asia Property	-	0.00	484,454	0.01	1,264,931	0.03
	BOA Finance	-	-	-	-	1,063,415	0.02
		513,851,664	7.97	421,020,911	6.89	243,178,210	4.84
		6,449,180,906	100.00	6,109,972,790	100.00	5,019,395,914	100.00

Remarks: Bank of Asia sold all shares of BOA Finance in December 2001

5. Related Party Transactions

Details of all related-party transactions are disclosed in the Note 7 and 24 in the Financial Statements.

Risk Factors & Risk Management

As was stated in the Chairman and President's message at the start of this annual report, 2003 was a turnaround year for Thailand as we turned our back on the worst effects of the economic crisis and started looking forward to growth. The crisis caused great turmoil in the banking sector but, at the same time taught us valuable lessons in the management of risk. Bank of Asia has ensured that these lessons have been used to improve our risk management capabilities and has implemented a comprehensive risk management system across the Bank. With the assistance of our major shareholder ABN AMRO we continue to develop our risk management system and ensure that it meets international best practice as well as complying with the increasing standards of Bank of Thailand.

To this end two new committees were established in 2003, the Corporate Risk Management Committee and the Basel II Committee.

The Corporate Risk Management Committee was established in accordance with the Bank of Thailand directive to set up a committee to advise the board of directors on all aspects of risk policy. The committee co-ordinates the activities of the various risk committees and units which are described later in this report, reviews the adequacy and operation of risk management policies and sets limits on overall bank risk exposure on behalf of the board.

The Basel II Committee was established to prepare the Bank for the implementation of the Basle II Capital Accord expected in 2007. Although this remains several years in the future, obtaining the lowest capital requirements under the accord will require the Bank to prepare five to seven years of credit data and so planning has already begun. The basic tools and methodologies to capture the risk components, including probability of default and loss given default, began to be introduced in the 4th quarter of 2003. Implementation will continue into 2004 with IT system upgrades and the development of a risk data warehouse to store and analyze the data captured.

Bank of Asia Risk Management System

Credit Risk Management

Credit risk is the risk of a borrower or a counterparty failing to or being unable to fulfill his/her obligations to the Bank. Credit risk is managed by:

1. The Risk Management Committee

The committee focuses on managing the credit risk of the Bank's Small and Medium Enterprise customers. It considers and, where appropriate, approves credit proposals, establishes overall commercial credit policy, determines commercial risk management procedures, and, where necessary, delegates credit approval authority by appointing various risk management sub-committees.

2. The Consumer Risk Management Committee

The committee focuses on consideration and approval of consumer lending programs and monitoring the quality of consumer credit product portfolios.

3. Risk Analysis Division

The Risk Analysis Division is entirely independent of the sales function of the Bank and has the following roles and responsibilities

- Analyzing credit proposals prepared by the marketing unit and providing independent recommendations to the Risk Management Committee. Credit analysts provide the Risk Management Committee or the relevant sub-committee with their credit advice on various issues including the industry risk, the borrower's business risk, financial risk and the structural risk of the credit facilities. The analysts also assess whether the proposed credit facilities are at levels acceptable to the Bank. If warranted, a recommendation to change the credit facility structure, collateral and/or other conditions may be made for risk mitigation purposes.
- Proposing risk management policy, procedures and processes for further consideration by the Risk Management Committee.
- Reporting on various aspects of the Bank's loan portfolio to the Risk Management Committee. The reports are aimed to assist the committee evaluate the composition and credit quality of the portfolio in relation to the Bank's overall business plan and risk profile.

4. Risk Inspection and Trading Risk Management Division

The division's credit responsibilities include:

- Monitoring the Bank's risk management processes to ensure compliance with Bank of Asia and Bank of Thailand rules and regulations to properly report required risk management information.
- Establishing credit limits as recommended by Risk Management Committee, or any of the sub-committees.
- Ensuring that the proper safekeeping and control of credit, legal, and collateral documentation.

5. Appraisal Department

In managing the risk associated with changes in collateral value, the Bank's Appraisal Department usually assesses the value of collateral and proposes to the Appraisal Committee for approval. It is the Bank's practice to use distressed or forced sale value that is often considerably lower than fair market value, when considering requests for credit.

Market Risk Management

Market risk is the risk of loss from adverse market movements arising from changes in interest rates, foreign exchange rates or the prices of securities. Market risk is managed by:

1. The Asset and Liabilities Committee (ALCO)

The committee sets policy and guidelines to manage the overall risks of the Bank arising from products that are likely to be affected by interest rate or exchange rate changes, and approves the limits on these products.

2. Treasury Management Division

The unit oversees the tactical execution of the committee's policies and the day-to-day management in accordance with the strategic direction and limits approved by ALCO.

3. Treasury Services Department

This department ensures that operations are carried out in line with the Treasury trader's instructions, confirming/validating contracts with counter parties, and effecting settlement.

4. Trading Risk Management Unit

The unit is responsible for monitoring exposures against limits set, and reporting any instances where these limits are exceeded, as well as ensuring that the rules and regulation of Bank of Asia and the Bank of Thailand concerning the trading of foreign currency and financial instruments are properly followed.

In monitoring and controlling market risk, the Bank utilizes the following combination of measurements and methodologies:

- The daily monitoring of marked-to-market valuation of all trading portfolios.
- The daily monitoring of the exposures of the trading and investment portfolios of each business against established limits.
- The daily monitoring of Value at Risk (VaR) of each trading product as well as total VaR.
- Daily “stress testing” of portfolios against rate changes.

Liquidity Risk Management

Liquidity risk is the risk of not being able to close out exposures in times of market stress and/or lack of liquidity in the underlying markets.

The principal units responsible for liquidity management are:

1. The Asset and Liabilities Management Committee (ALCO)

The committee reviews and considers the liquidity position of the Bank, strategies for liquidity management, as well as economic, political and market conditions that may impact the liquidity status or operation of the Bank.

2. Treasury Management Division

The division engages in day-to-day liquidity management, following guidelines approved by ALCO, and manages the investment of any excess liquidity in appropriate financial instruments.

The Bank regularly reviews its liquidity management policy and action plan, and promptly responds to any material change in the Bank’s business strategy, in order to adapt its policy and plans to conform to the changed circumstances. The action plan includes:

- Strategy for liquidity management
- Dedicated units responsible for liquidity management in both normal operations and in times of a crisis
- Limits or benchmarks for monitoring liquidity risk
- Structure of appropriate sources and uses of fund
- Contingency plans for handling any given liquidity crisis scenario
- Communication plans for dealing with rumors and protecting the Bank’s image

Operational Risk Management

Operational risk can be defined as the risk of a loss as a result of shortcomings in the organizational structure, and/or system, and/or human errors, leading to a failure to realize the operational objectives.

To minimize the possibility of operational losses and to exercise control of operational risk to meet the Bank of International Settlement requirements, the Bank has implemented an operational risk management system managed by the Operational Risk Management Steering Committee. The committee, which is chaired by the President, and also includes members from key units of the Bank, monitors and manages strategies by identifying risks, measuring and accessing risk implement controls measures, as well as monitoring, and reporting the risks.

The approaches used include:

- Risk Self-Assessment (RSA): a structured way for a business unit and/or process owner to identify and access its own risks and introduce measures aimed at improving operational risk control.
- Corporate Loss Database (CLD): a web based tool for storing data on the Bank's operational losses.
- Other Risk Approval Processes (ORAP): a controlled sign-off approach to any new project, new products, systems or major change in the organization or any key process that may have impact on operational, legal or reputational risks.
- Key Risk Indicators (KRI): provides information within certain processes that help predict specific risks, thereby avoiding or limiting potential losses.

Report of the Board of Directors

The Board of Directors is responsible for the consolidated financial statements of Bank of Asia Public Company Limited and its subsidiaries and for the financial information presented in this annual report. The aforementioned financial statements were prepared in accordance with accepted accounting standards defined by the Institute of Certified Accountants and Auditors of Thailand, applying appropriate and consistent accounting policies and with careful judgement and best estimates. Important information is adequately disclosed in the notes to financial statement.

The Board of Directors has appointed an Audit Committee comprising independent directors responsible for the quality of financial statements and internal control system, whose comments on these issues are adequately included in the Audit Committee Report in this annual report.

The Board of Directors has provided for and maintained an efficient internal control system to ensure that accounting records are accurate, complete and adequate to protect the Bank's assets and uncover weaknesses in order to prevent operational risk or materially irregular operations.

The Board of Directors is of the opinion that the Bank's overall internal control system is at an appropriate level and provides credibility and reliability to the consolidated financial statements and the financial statements of the Bank and its subsidiaries for the year ended December 31, 2003.



(Chavalit Thanachanan)
Chairman



(Chulakorn Singhakowin)
President

Report of the Audit Committee

The Audit Committee of Bank of Asia comprises three independent directors: Mr. Ammar Siamwalla, the Chairman, Mr. Pichai Vasanong and Mr. James Stent as Committee members. All Committee members are non-executive directors and non-employees of the Bank.

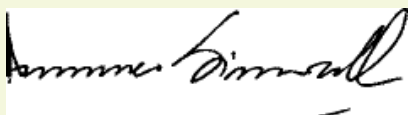
In the year 2003, the Committee held four meetings to review the Bank's internal controls and discussed financial and operational audit issues with the internal auditors and the Bank's external auditors. Relevant management members were invited to attend the meetings to provide additional information and clarification of the internal control systems.

Major matters discussed were as follows:

- Review the major items of the financial reports and review the reliability of those reports
- Approve and monitor the Internal Audit Year Plan
- Acknowledge major audit findings regarding the compliance with internal and external regulations
- Acknowledge the quarterly audit reports and major findings reported by the Bank's Audit Division
- Review the adequacy and effectiveness of the Bank's internal control systems by discussion with the senior management regarding the Assessment on the Adequacy of the Internal Control System
- Review the reasonableness of the connected transactions
- Propose the Bank's external auditor and audit fees to the Board of Directors.

The Committee has continually reviewed and assessed the Bank's key risks, controls and monitoring system through the Bank's Audit Division and by discussion with external auditor and senior management. From the evaluation of the Bank's internal control system, it concluded that the Bank's internal controls in the area of financial reporting and risk management are adequate and reliable and that the Bank continues to improve the overall control framework for all divisions within the Bank.

The Committee has considered and proposed to the Board of Directors that Mr. Thirdthong Thepmongkorn of KPMG Phoomchai Audit Limited to be nominated as the Bank's auditor for the year 2004 with a Baht 6.7 million fee for the Bank. The matter will be put forward to the shareholders' meeting for its approval.



Ammar Siamwalla

Chairman of the Audit Committee

(Succeeded Mr. Pichai Vasanong since November 21, 2003)

February 19, 2004

Opinion of the Audit Committee on the Bank's Internal Control System

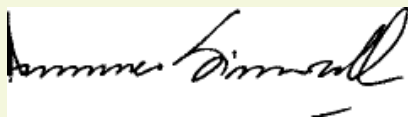
The Board of Directors has reviewed the opinion and the Assessment Form on the Adequacy of Internal Control System prepared by the Audit Committee during the Board of Directors' Meeting no. 543 held on February 19, 2004. Participants in the meeting included the Audit Committee members comprising the three independent directors and non-employees of the Bank.

The Audit Committee's opinion on the internal control system of the Bank and its subsidiaries was summarized from the evaluation of the Bank's internal control system in five sections as follows:

- Organization Control and Environment Measure
- Risk Management Measure
- Management Control Activities
- Information and Communication Measure
- Monitoring

The Audit Committee is of the opinion that the Bank has in place an adequate internal control system. The Audit Committee has been regularly notified of ongoing issues as they arise.

The auditor of the Bank is Mr. Thirdthong Thepmongkorn, certified public accountant of KPMG Phoomchai Audit Limited which examined the Financial Statements as at December 31, 2003. KPMG has given the opinion in the Audit Report as at the year ended December 31, 2003 that the financial statements present fairly, in all material respects, the financial position of the Bank, the results of operations and cash flows for the years then ended in conformity with generally accepted accounting principles.



Ammar Siamwalla

Chairman of the Audit Committee

(Succeeded Mr. Pichai Vasanong since November 21, 2003)

Corporate Governance

Bank of Asia fully recognizes the importance of developing and adhering to best corporate governance practice. As a member of ABN AMRO, Bank of Asia has enthusiastically adopted and implemented the corporate governance standards of its parent. ABN AMRO is listed on major stock markets in Amsterdam, London and New York, and is obligated to meet with the corporate governance standards of these major markets, which are among the strictest in the world. Furthermore, Bank of Asia has given unequivocal support, and has adopted all of the Stock Exchange of Thailand's (SET) fifteen principles of Good Corporate Governance as recommended in the August 2001 "Report on Corporate Governance", as detailed below.

The most noticeable development in the area of Corporate Governance for Bank of Asia during 2003 has been the well-received launch of the Bank's Investor Relations web site (www.BankAsia4U.com/Investors). The site was developed to maximize transparency between the Bank and its stakeholders and provides many details of the Bank's policies, operations and financial standing. The site is continually refreshed and updated and the number of visitors has tripled since its launch in September.

1. Policy on Corporate Governance

We believe that best practice in corporate governance promotes the interests of the Bank as a whole, as well as supporting a sustainable business culture and working environment.

The Board, the management and the employees base their operational functions on integrity, respect, teamwork and professionalism in the best interests of both the Bank and in terms of accountability to our shareholders.

2. Shareholders: Rights and Equitable Treatment

The Board organizes an Annual Shareholders' Meeting every April to inform and to ensure equal treatment for all shareholders. Our policy ensures that shareholders' meetings are readily accessible and all shareholders receive reasonable notice of any impending shareholders' meetings and have adequate time to study the meeting agenda.

3. Various Groups of Shareholders

Bank of Asia has had a significant role in Thai Society for a long time, with a wide range of stakeholders that include not only its Board of Directors, management, employees, business partners, shareholders, external auditors and government agencies but more than one million customers. Internally, the Board recognizes that it is vital to strike the right balance between the rights and claims of management, the Board, the shareholders, and clients, as well as those of the employees.

4. Shareholders' Meetings

Shareholder meetings are conducted in a free and open fashion. The agenda for shareholder meetings is circulated to all shareholders at least 7 days in advance and questions and comments are encouraged at the meeting.

5. Leadership and Vision

The Board of Directors' duties are to set out the Bank's policies and operational objectives. These include overseeing management to ensure they operate in accordance with the Bank's policies, relevant laws, articles of association and any policies passed at shareholders' meetings. Electing an independent director as Chairman of the Board is a Bank policy. The Board itself manages the Bank through the Executive Committee whose main responsibility involves monitoring the Bank's progress in carrying out the business plan.

A Management Committee is responsible for determining the Bank's strategy for achieving its operational objectives. This committee also approves the Bank's financial budget and major investments as well as supervising and monitoring the progress of work done in each business group, plus other committees or working groups appointed for specific projects.

6. Conflicts of Interest

The Bank regards conflicts of interest as a factor that can have a profoundly negative impact on the Bank's good reputation as well as being contrary to Bank policy, which is to operate its various businesses with integrity, transparency, morality and good business ethics.

7. Business Ethics and Supervision of the Use of Inside Information

The Bank established a Code of Conduct in 2002 as a set of principles that apply to employees at all levels in regard to not only investment in securities, but also in relation to gifts and entertainment, the prevention of money-laundering, and external functions and employment. To avoid any conflicts of interest, all employees are required to follow this code of conduct under the supervision and control of the Bank's Office of Compliance. The Office of Compliance is responsible for giving consultation, training and supervision of the Code of Conduct and promoting its content to all employees as part of the Bank's organizational culture from the very beginning of their employment.

Both the Board of Directors and senior management fully understand and appreciate the vital role of confidentiality in regard to the Bank's inside information. The Bank places comprehensive restrictions on the disclosure and use of inside information to ensure confidentiality for the Bank, its clients and business partners. Using such information for individual benefit is strictly prohibited.

In fact, the restriction on disclosure and use of inside information for individual benefit is integral to the Bank's Code of Conduct, and included in the Rules and Regulations for Securities Investment used by the Bank's staff. They are strictly prohibited from using any confidential information for selling, buying, and transferring of securities issued by the Bank prior to general public disclosure, in line with the laws and regulations on securities business. The Board and senior management are obligated to report any securities investments by the Bank to the Office of the Securities and Exchange Commission on every occasion that there is any selling, buying, or transfer of securities issued by the Bank.

8. Balance of Power for Non-executive Directors

The Board of Directors' meetings take place once every three months in line with the Public Limited Companies Act B.E. 2535. As at 31 December 2003 the Board comprised of ten directors, with the chairman and two others as independent directors, one executive director who is also the President and CEO, and six non-executive directors. No fewer than half of the total constitute a quorum for meetings.

9. Aggregation or Segregation of Positions

Different persons will occupy the positions of Chairman, and President/CEO. The Chairman of the Bank will be an independent and non-executive director. The President/CEO will serve as the head of the Management Committee that is responsible for implementing and fulfilling the business plan.

10. Remuneration for Directors and the Management

Remuneration for the directors and top management is reviewed by the Compensation Committee and recommended to the Board for approval. It is the policy of the Compensation Committee to set remuneration in line with market practice. Any increases in directors fees are also proposed to the shareholders for approval.

11. Board of Directors Meetings

The Secretary of the Board is obliged to send an invitation to board members to attend the meeting at least seven days prior to the date of the meeting. However, in the case of an urgency, a meeting can take place at an earlier time using direct methods for sending the invitation. The minutes of the meeting shall be kept at the Bank's Head Office.

The Bank's Board of Directors held four meetings during 2003, for which the details of attendance is as follows:

	Meeting attended
1. Chavalit Thanachanan	4
2. Ammar Siamwalla	4
3. Chulakorn Singhakowin	4
4. Felix Alexander van Kleef	3
5. Herman Mulder	3
6. James Stent	4
7. Jan Peter Schmittmann	4
8. Jerry Letendre	3
9. Paul C.A. Lembrechts	4
10. Pichai Vashnasong	4

12. Committees

The Board has established audit and compensation committees, both of which are chaired by independent directors. In addition the Bank has complied with the recent Bank of Thailand directive to establish a high level risk committee (The Corporate Risk Management Committee) to make recommendations to the Board of Directors on all types of risk facing the Bank. Full membership details of all three committees are given on page 134-135.

13. Controlling System and Internal Audit

The Board of Directors has recognized the critical importance of having good internal control systems, risk management, compliance and internal audit. Besides setting up a Crisis Management Team and IT Steering Committee in 2002, the Bank also established an Operational Risk Management Steering Committee in addition to the six existing committees, with each committee responsible for a business unit, in order to ensure the Bank objectives are accomplished. The Operational Risk Management Steering Committee has been instructed to reduce the level of risk in day-to-day banking activities, maintain the Bank's reputation as well as prepare for the new Bank of International Settlement's (BIS) regulations that will come into force in the near future.

The Audit Division is an independent unit that reports directly to (the Chairman of) the Board. The Audit Committee is responsible for reviewing and assessing the Bank's key risk control mechanisms, as well as monitoring the internal audit system through the Audit Division. ABN AMRO Bank, as our major shareholder, has endorsed these auditing operations, which are based on its standards.

14. Directors Reporting

The Board of Directors report is given on page 126.

15. Relations with Investors

The Bank has established an investor relations unit in 1999, which represents the Bank in communications with shareholders, rating agencies, stock analysts and other interested parties. To ensure even greater levels of communication and transparency the Bank launched an investor relations web site in 2003. The site provides comprehensive details of Bank performance and policy.

Management Structure

The Bank's management structure consists of the Board of Directors, Executive Committee, Audit Committee and Compensation Committee. In addition, the Bank has instated other major committees to direct various businesses of the Bank. These are the Management Committee, Assets and Liabilities Committee (ALCO), Risk Management Committee, Financial Restructuring & Recovery Committee, Operational Risk Management Steering Committee, IT Steering Committee and Crisis Management Team. In which the four new committees during this year are Asset Valuation and Provisioning Committee, Business Strategy and Performance Committee, Consumer Risk Management Committee and Corporate Risk Management Committee.

Board of Directors

The Board of Directors comprises at least seven directors, three of whom are independent directors. The Board meets at least once every three months and no fewer than half of the total number constitute a quorum for meetings.

The Board of Directors' duties are to set the Bank's policies and operational objectives, and to oversee management to ensure it operates in accordance with the Bank's policies, relevant laws, articles of association, and the shareholders' resolutions.

The Board of Directors consists of:

1. Chavalit	Thanachanan	Chairman (Independent Director)
2. Ammar	Siamwalla	Independent Director
3. Chulakorn	Singhakowin	Director
4. Felix	Alexander van Kleef *	Director
5. Herman	Mulder	Director
6. James	Stent	Director
7. Jan Peter	Schmittmann	Director
8. Jerry	Letendre	Director
9. Paul	C.A. Lembrechts	Director
10. Pichai	Vasnasong	Independent Director
Ekchai	Chansue	Secretary

** Resigned from the directorship effective on January 5th, 2004*

Audit Committee

The Audit Committee is nominated by the Board of Directors. Its main responsibilities are to ensure that the Bank has an adequate internal audit system and operates in accordance with the regulations imposed by the Securities and Exchange Commission and other governing laws. The committee is also responsible for the nomination of the Bank's auditors, determining the auditors' remuneration and for the accuracy of the disclosure of information on related-party transactions or transactions where conflict of interest may occur.

The committee consists of:

1. Ammar	Siamwalla	Chairman
2. James	Stent	Director
3. Pichai	Vasnasong	Director
Ko	van der Meer	Secretary

Compensation Committee

The Compensation Committee is responsible for considering and making recommendations on Directors' emoluments. It designates which managers will come under the authority of the committee and considers and reviews their appropriate remuneration and other benefits. It also considers and decides issues relating to separation payments in the case of early termination or dismissals of the designated managers.

The committee consists of:

- | | | |
|--------------------------------------|-------------|----------|
| 1. Chavalit | Thanachanan | Chairman |
| 2. Chulakorn | Singhakowin | Director |
| 3. Representative from ABN AMRO Bank | | Director |

Executive Committee

The Board of Directors manages the Bank through the Executive Committee, whose main responsibility includes monitoring progress of the Bank in carrying out its business plan.

The committee consists of:

- | | | |
|---------------|-------------------|-----------|
| 1. Chavalit | Thanachanan | Chairman |
| 2. Chulakorn | Singhakowin | Director |
| 3. Chitraporn | Tangsuwan | Director |
| 4. Gert Jan | van der Putten | Director |
| | Rajanikorn Rajani | Secretary |

Corporate Risk Management Committee

The committee is responsible for setting up policies covering all aspects of corporate risk management and setting strategies in line with those policies, such that all risks of the Bank can be evaluated, followed up and managed at the appropriate level. The committee also reviews the sufficiency of risk policies, the effectiveness of risk management systems and the compliance of operations, and regularly reports to the audit committee on items for revision in order to comply with the established policies and strategies.

The committee consists of:

- | | | | |
|------------------|----------------|---------------------------------|---------------------------|
| 1. Chulakorn | Singhakowin | President and CEO | as Chairman |
| 2. Chitraporn | Tangsuwan | Senior Executive Vice President | as Director |
| 3. Gert Jan | van der Putten | Senior Executive Vice President | as Director |
| 4. Chris | Power | Executive Vice President | as Director |
| 5. Lloyd William | Rolston | Executive Vice President | as Director and Secretary |

Management Committee

The Management Committee is responsible for establishing the Bank's strategy in carrying out its businesses in order to achieve operational objectives. The committee also approves the Bank's financial budget and major investments as well as supervising and monitoring the progress of work done by each business group, other committees or working groups appointed to specific projects.

The committee consists of:

1. Chulakorn	Singhakowin	President and CEO	as Chairman
2. Chitraporn	Tangsuwan	Senior Executive Vice President	as Vice Chairman
3. Gert Jan	van der Putten	Senior Executive Vice President	as Vice Chairman
4. Chris	Power	Executive Vice President	as Director
5. Egge	de Vries	Executive Vice President	as Director
6. Jonathan	Truslow	Executive Vice President	as Director
7. Ko	van der Meer	Executive Vice President	as Director
8. Lloyd William	Rolston	Executive Vice President	as Director
9. Ngamjitt	Sirijindalert	Executive Vice President	as Director
10. Peter	Chow	Executive Vice President	as Director
11. Pimolrat	Tangkosakul	Executive Vice President	as Director
12. Somkid	Jiranuntarat	Executive Vice President	as Director
13. Tarissa	Tanjasiri	Executive Vice President	as Director
14. Thammasak	Jittimaporn	Executive Vice President	as Director
15. Vilawan	Vanadurongvan	Executive Vice President	as Director
Rajanikorn	Rajani	Vice President	as Secretary

Assets and Liabilities Committee (ALCO)

The Assets and Liabilities Committee is responsible for identifying and managing the associated risks (i.e. market risk, liquidity risk, interest rate risk, etc.) inherent in the Bank's balance sheet and income statement. It also determines interest rate and pricing strategy, reviews and determines asset and liability structures, and approves the Bank's major strategic investments.

The committee consists of:

1. Chulakorn	Singhakowin	President and CEO	as Chairman
2. Chitraporn	Tangsuwan	Senior Executive Vice President	as Director
3. Gert Jan	van der Putten	Senior Executive Vice President	as Director
4. Chris	Power	Executive Vice President	as Director
5. Egge	de Vries	Executive Vice President	as Director
6. Jonathan	Truslow	Executive Vice President	as Director
7. Peter	Chow	Executive Vice President	as Director
8. Tarissa	Tanjasiri	Executive Vice President	as Director
9. Thammasak	Jittimaporn	Executive Vice President	as Director
10. Dhirajai	Yongkittikul	Senior Vice President	as Director
Sanchai	Apisaksirikul	Senior Vice President	as Secretary

Risk Management Committee

The committee is responsible for formulating the Bank's risk management policies, credit procedures and processes as well as approving credit applications.

The committee consists of:

1. Gert Jan	van der Putten	Senior Executive Vice President	as Chairman
2. Lloyd William	Rolston	Executive Vice President	as Director
3. Tarissa	Tanjasiri	Executive Vice President	as Director
4. Vilawan	Vanadurongvan	Executive Vice President	as Director
5. Chongrak	Politanont	Senior Vice President	as Director
6. Mark	Chen	Senior Vice President	as Director
7. Pansalit	Trakarnkijvichit	Senior Vice President	as Director
8. Yingluk	Kongkasai	Senior Vice President	as Director

Financial Restructuring & Recovery Committee

The committee is responsible for approving the terms and conditions for the Bank's impaired loans.

The committee consists of:

1. Gert Jan	van der Putten	Senior Executive Vice President	as Chairman
2. Lloyd William	Rolston	Executive Vice President	as Director
3. Suthep	Dansiriviroj	Senior Vice President	as Director
4. Vajee	Pramualrat	Senior Vice President	as Director

Operational Risk Management Steering Committee

The committee is responsible for setting the policy and guidelines of the Bank's Operational Risk Management (ORM). It is also in charge of developing, and improving the (bank-wide) ORM process. In addition, the committee provides support with implementing the process and interpreting related policy and guidelines. This includes developing and rolling out the risk assessment methodology.

The committee consists of:

1. Chulakorn	Singhakowin	President and CEO	as Chairman
2. Gert Jan	van der Putten	Senior Executive Vice President	as Director
3. Chris	Power	Executive Vice President	as Director
4. Ko	van der Meers	Executive Vice President	as Director
5. Lloyd William	Rolston	Executive Vice President	as Director
6. Thammasak	Jittimaporn	Executive Vice President	as Director
Napaporn	Patoomban	Vice President	as Secretary

IT Steering Committee

The committee is responsible for formulating the Bank's IT plan and ensuring it is aligned with the Bank's overall direction before submitting for approval from the Management Committee. The committee also considers and monitors the capital expenditure and expense related to the IT plan. In addition, the committee provides support to the Bank's MIS project and monitors the progress of information system development projects.

The committee consists of:

1. Chitraporn	Tangsuwan	Senior Executive Vice President	as Chairman
2. Vilawan	Vanadurongvan	Executive Vice President	as Vice Chairman
3. Chris	Power	Executive Vice President	as Director
4. Egge	de Vries	Executive Vice President	as Director
5. Lloyd William	Rolston	Executive Vice President	as Director
6. Pimolrat	Tangkosakul	Executive Vice President	as Director
7. Somkid	Jiranuntarat	Executive Vice President	as Director
8. Benjana	Asavametha	Senior Vice President	as Director
9. Ngamjitt	Sirijindalert	Executive Vice President	as Director and Secretary

Crisis Management Team

The committee is responsible for preparing contingency plans in order to deal with any crisis that may occur including the location of the crisis management center and the organization of the team and required equipment.

The committee consists of:

1. Chitraporn	Tangsuwan	Senior Executive Vice President	as Chairman
2. Vilawan	Vanadurongvan	Executive Vice President	as Vice Chairman
3. Pimolrat	Tangkosakul	Executive Vice President	as Director
4. Somkid	Jiranuntarat	Executive Vice President	as Director
5. Sewsin	Singprasong	Senior Vice President	as Director
6. Chavalit	Timpitaya	Vice President	as Director
7. Benjana	Asavametha	Senior Vice President	as Director and Secretary

Asset Valuation and Provisioning Committee

The committee is responsible for strategically review and position the level of Bank's provisions and asset valuations, including align the Bank's debt-restructuring plan.

The committee consists of:

1. Chulakorn	Singhakowin	President & CEO	as Chairman
2. Gert Jan	van der Putten	Senior Executive Vice President	as Vice Chairman
3. Chitraporn	Tangsuwan	Senior Executive Vice President	as Director
4. Chris	Power	Executive Vice President	as Director
5. Prasert	Larppitmongkol	Senior Vice President	as Director
6. Sanchai	Apisaksirikul	Senior Vice President	as Director
7. Suthep	Dansiriviroj	Senior Vice President	as Director
8. Vajee	Pramualrat	Senior Vice President	as Director and Secretary

Business Strategy and Performance Committee

The Business Strategy and Performance Committee is responsible for establishing and developing the Bank's business strategy including the identification and evaluation of target markets, the setting of growth and market share targets and aligning distribution channels to the target identified. This includes the development of medium term strategies and managing for value target agreed with the major shareholder. The committee also monitors the Bank's performance against the targets and recommends action where targets are not being achieved.

The committee consists of:

1. Chulakorn	Singhakowin	President and CEO	as Chairman
2. Chitraporn	Tangsuwan	Senior Executive Vice President	as Vice Chairman
3. Gert Jan	van der Putten	Senior Executive Vice President	as Vice Chairman
4. Egge	de Vries	Executive Vice President	as Director
5. Peter	Chow	Executive Vice President	as Director
6. Tarissa	Tanjasiri	Executive Vice President	as Director
7. Thammasak	Jittimaporn	Executive Vice President	as Director
8. Vilawan	Vanadurongvan	Executive Vice President	as Director
9. Jonathan	Truslow	Executive Vice President	as Director and Secretary

Consumer Risk Management Committee

The committee is responsible for considering and approving Consumer Loan Product Programs, their promotion and launching plans, approving deviation cases for granting consumer loans and setting the approval limit of authorized persons. This committee is also responsible for monitoring overall consumer loan portfolio performance.

The committee consists of:

1. Gert Jan	van der Putten	Senior Executive Vice President	as Chairman
2. Lloyd William	Rolston	Executive Vice President	as Director
3. Peter	Chow	Executive Vice President	as Director
4. Thammasak	Jittimaporn	Executive Vice President	as Director
5. Ajay	Verma	Senior Vice President	as Director
6. Marty	Gonzalez	Vice President	as Director and Secretary

Election of Bank's Board of Directors

Bank of Asia has not established a nominating committee for the appointment of directors. However, the Directors and the Management of the Bank strictly complied with Guidelines and Code of Ethics in accordance with rules and regulations of related authorities and the Code of Conduct of the Bank.

In the election of directors, each shareholder shall have one vote for each share held. Each shareholder must exercise all of his votes to elect one or several candidates as directors. He may not distribute his votes among the candidates (such that one candidate receives more votes than another). Those candidates who receive the most votes shall be elected as directors, in number equal to the number of directors to be elected at such election. If there are tie votes, such that the number of candidates receiving the most votes would exceed the number of directors to be elected at such election, the chairman shall have a casting vote.

If a vacancy occurs in the Board of Directors for reasons other than retirement by rotation, the Board of Directors shall elect a person who has the required qualifications and who does not have a prohibited characteristic under the Public Limited Companies Act as a replacement at the next meeting of the Board of Directors, unless the duration of the remaining term of such director is less than two months. Such replacement director shall hold office for the remaining term of office of the director whom he replaces. The resolution of the Board of Directors as above shall be passed by a vote of not less than three fourths of the number of the remaining directors.

Management List

President and CEO

Chulakorn Singhakowin

Senior Executive Vice President

Chitraporn Tangsuwan

Gert Jan van der Putten

Operations Group

Risk Management Group

Executive Vice President

Chris Power

Egge de Vries

Jonathan Truslow

Ko van der Meer

Lloyd William Rolston

Ngamjitt Sirijindalert

Peter Chow

Pimolrat Tangkosakul

Somkid Jiranuntarat

Tarissa Tanjasiri

Thammasak Jittimaporn

Vilawan Vanadurongvan

Finance Division

Treasury Management Division

Strategy and Research Division

Audit Division

Risk Management Division

Centralized Information Management Division

Product and Marketing Division

Human Resources Division

Information Technology Division

Commercial Sales Division

Retail Sales and Customer Services Division

e-Channels and Business Enhancement Division

Contact

Branch	Location	Telephone(+66)	Fax (+66)
Sathon (9.30am-5.00pm)	191 South Sathon Road, Sathon, Bangkok 10120	0-2343-3000 Ext. 2682, 2684, 2686	0-2287-2973-4

Bangkok Metropolitan Branch Offices

1. Amarin Plaza (Mon.-Fri. 9.30am-5.00pm) (Sat. 11.00am-5.00pm)	500 1st Floor, Amarin Plaza, Ploenchit Road, Pathum Wan, Bangkok 10500	0-2252-6292-3, 0-2251-8579, 0-2256-9045-6	0-2252-7871
2. Anusavaree Chaisamorphoom	911/1-3 Phaholyothin Road, Phaya Thai, Bangkok 10400	0-2271-0089, 0-2271-3447, 0-2271-2662, 0-2619-5916	0-2271-0088
3. Bang Bon	72/65-68 Mu 6, Eakchai-Bangbon Road, Bang Bon, Bangkok 10150	0-2898-0423-5, 0-2415-6984	0-2898-0426
4. Bang Kapi (sub branch)	177/22-23 Mu 3, Ladphrao Road, Bang Kapi, Bangkok 10240	0-2378-0973-4, 0-2375-0201, 0-2375-0203	0-2378-0975
5. Bangrak	1249/19, 1249/50, 1249/59 Jems Tower Building, Charoen Krung Road, Bangrak, Bangkok 10500	0-2237-5050-1, 0-2237-8577-8, 0-2234-5265, 0-2266-9896-7	0-2266-9667
6. Bangna K.M.2	21/235-236 Mu 12, Bangna, Bangkok 10260	0-2396-1931, 0-2393-9825, 0-2399-0178-81	0-2393-6147
7. BTS Mochit (sub branch) (everyday 9.30am-8.00 pm)	BTS Mochit, Phaholyothin Road, Chatuchak, Bangkok 10900	0-2617-4005-6, 0-2617-4009	0-2617-4007
8. BTS On Nut (sub branch) (everyday 9.30am-8.00 pm)	BTS On Nut, Sukhumvit Road, Klong Toey, Bangkok 10110	0-2741-4206-7, 0-2741-4210	0-2741-4208
9. Buntudthong	56/20, 56/59-62 Rama I Road, Pathum Wan, Bangkok 10330	0-2214-1733, 0-2214-2067, 0-2214-2252, 0-2214-1292	0-2215-4836
10. Chaengwatana	99/349 Mu 2, Na Nakorn Building, Chaengwatana Road, Donmuang, Bangkok 10210	0-2576-1057-60, 0-2576-1490, 0-2576-1544-5	0-2576-1533
11. City Complex (Mon.-Fri. 9.30am-5.00pm) (Sat. 11.00am-5.00pm)	831 City Complex Building, Petchburi Road, Rajathevee, Bangkok 10400	0-2255-0746, 0-2255-0749, 0-2653-8522, 0-2252-1211	0-2255-0748
12. Dao Khanong (sub branch)	1057/9-10 Taksin Road, Thon Buri, Bangkok 10600	0-2460-0157, 0-2460-0159, 0-2460-0243	0-2460-0245
13. Department of Industrial Works (sub branch)	75/6 Department of Industrial Works Building, Rama VI Road, Rajathevee, Bangkok 10400	0-2640-9723-4, 0-2640-9727	0-2640-9725
14. Hua Mark	1929/3-5 Ramkhamhaeng Road, Bang Kapi, Bangkok 10240	0-2318-8561-4, 0-2718-4624, 0-2319-3062	0-2318-0139
15. Imperial (Ladphrao 81)	2539 Basement Floor, Imperial World Department Store, Ladphrao Road, Wang Thong Lang, Bangkok 10310	0-2934-8686-9, 0-2934-8691	0-2934-8690
16. Klong Toey	1472-1474 Rama IV Department Store, Rama IV Road, Klong Toey, Bangkok 10110	0-2249-0886-7	0-2249-4075
17. Ladphrao	1558 Ladphrao Road, Wang Thong Lang, Bangkok 10310	0-2514-2709, 0-2514-2964, 0-2539-5800, 0-2530-1120	0-2539-2003
18. Ngam Wong Wan (sub branch)	207/15 Mu 6, Ngam Wong Wan Road, Luksi, Bangkok 10210	0-2591-7902, 0-2591-0770, 0-2591-0772	0-2591-0771
19. Nong Khaem	77/207 Mu 2, Phetkasem Road, Nong Khaem, Bangkok 10160	0-2420-7941-4	0-2420-7940

Contact

Branch	Location	Telephone (+66)	Fax (+66)
20. Nonthaburi	32/16-19 Bangkok-Nonthaburi Road, Muang, Nonthaburi 11000	0-2525-1770-2, 0-2968-4592-4	0-2526-2993
21. On Nut	1468, 1470 On Nut Road, Suan Luang, Bangkok 10250	0-2332-3134-7	0-2331-8519
22. Phaholyothin K.M.26	1/737 Mu 17, Soi Amporn, Lam Luk Ka, Pathum Thani 12150	0-2532-3645-50, 0-2532-3644	0-2532-3641
23. Phaholyothin Soi 19	555 Rasa Tower Building, Phaholyothin Road, Chatuchak, Bangkok 10900	0-2937-0300-4	0-2937-0305
24. Phahurad (Mon.-Fri. 9.30am-5.00pm) (Sat. 11.00am-5.00pm)	2/30-33, 4/11-14 The Old Siam Plaza, Burapa Road, Phra Nakhon, Bangkok 10200	0-2222-0176-9, 0-2222-4113-4, 0-2223-1854-5, 0-2223-6233, 0-2221-7236	0-2223-0708
25. Phetchakasem 35 (Mon.-Fri. 9.30am-5.00pm) (Sat. 11.00am-5.00pm)	110 Mu 9, Future Park-Robinson Bangkae, Phetchakasem 35 Road, Phasi Charoen, Bangkok 10160	0-2454-8690-5	0-2454-8696
26. Phra Pinklao	30 Charansnidvongs Road, Bangplad, Bangkok 10700	0-2434-7110-3	0-2434-7114
27. Ramintra K.M.9 (Mon.-Fri. 9.30am-5.00pm) (Sat.-Sun. 11.00am-5.00pm)	5/5-6 Mu 7, Fashion Island Department Store, Ramintra Road, Kunnayao, Bangkok 10230	0-2947-5307-9, 0-2947-5311	0-2947-5310
28. Ratchada-Huay Khwang	167/8 Ratchadaphisek Road, Din Daeng, Bangkok 10320	0-2276-9408-11, 0-2276-9414	0-2276-9413
29. Ratchada-Sathupradit	127/1 Nonsee Road, Yannawa, Bangkok 10120	0-2681-1111-5	0-2681-1110
30. Rangsit (Mon.-Fri. 9.30am-5.00 pm) (Sat.-Sun. 11.00am-5.00 pm)	161 Mu 2, Future Park Rangsit Building, Tanya Buri, Pathum Thani 12110	0-2958-0562-7	0-2958-0568
31. Sam Yaek	601 Charoen Krung Road, Samphanthawong, Bangkok 10100	0-2222-5111-6	0-2222-1354
32. Samrong	999/99 Mu 1, Sukhumvit Road, Muang, Samut Prakan 10270	0-2384-7656, 0-2384-4510, 0-2394-0422, 0-2394-0428	0-2384-4352
33. Saphan Khao	325/168 Lukluang Road, Dusit, Bangkok 10300	0-2282-3665, 0-2282-3796, 0-2282-4374, 0-2282-3694-5	0-2282-1914
34. Sathon 2	179/3 Bangkok City Tower Building, South Sathon Road, Sathon, Bangkok 10120	0-2679-5700-2, 0-2679-5704	0-2679-5703
35. Si Phraya (9.30am-5.00pm)	295 Si Phraya Road, Bangrak, Bangkok 10500	0-2235-2884-7, 0-2236-6805	0-2235-2882
36. Siam Square (sub branch) (Mon.-Fri. 9.30am-5.00pm) (Sat. 11.00am-5.00pm)	410-410/1 Siam Square Soi 6, Rama I Road, Pathum Wan, Bangkok 10500	0-2251-3343, 0-2251-2145, 0-2251-2278, 0-2254-6800	0-2251-2280
37. Silom Complex (sub branch) (9.30am-5.00pm)	191 Silom Complex Building, Silom Road, Bangrak, Bangkok 10500	0-2231-3139-40, 0-2231-3100-1	0-2231-3137
38. Soi Chokechai 4 (sub branch)	141/3-4 Soi Chokechai 4(Ladphrao 53), Wang Thong Lang, Bangkok 10310	0-2539-6111-3	0-2539-3500
39. Soi Sukhumvit 101/1 (9.30am-5.00pm)	339/101-102 Soi Sukhumvit 101/1, Sukhumvit Road, Pra Khanong, Bangkok 10260	0-2361-6418-20, 0-2393-9952, 0-2399-4968	0-2399-5132
40. Soi Yoo Dee	597/113-114 Trok Watchannai, Chan Road, Bang Khoe Laem, Bangkok 10120	0-2292-1627-8, 0-2291-4904-5	0-2291-4906
41. Songwad	1252-4 Songwad Road, Samphanthawong, Bangkok 10100	0-2225-6254-7, 0-2226-3606-7	0-2225-6256

Contact

Branch	Location	Telephone (+66)	Fax (+66)
42. Sri Yan (sub branch)	468-468/1 Nakhon Chai Sri Road, Dusit, Bangkok 10300	0-2243-0914-5, 0-2241-3467, 0-2243-3725	0-2241-3425
43. St.Louis 3 (sub branch)	9/10 Trok Chan Saphan 3, Chan Road, Sathon, Bangkok 10120	0-2212-7024, 0-2211-1407	0-2211-0815
44. Sukhumvit 4 (sub branch) (9.30am-5.00pm)	142 Sukhumvit Road, Klong Toey, Bangkok 10110	0-2653-2178-9, 0-2253-5137, 0-2653-2218	0-2653-2181
45. Sukhumvit 25	1 Ban Chang Glass House Building, Soi Sukhumvit 25, Klong Toey, Bangkok 10110	0-2258-0270-1, 0-2260-6117-9, 0-2258-9330-2	0-2258-4582
46. Sukhumvit 83	2149 2nd Floor, Market Plus Building, Soi Sukhumvit 83, Pra Khanong, Bangkok 10260	0-2742-5812-5, 0-2742-5818	0-2742-5816
47. Sukhumvit 101 (Piyarom Park) (Mon.-Fri. 9.30am-5.00pm) (Sat. 11.00am-5.00pm)	3079/25 Soi Piyabuttra, Sukhumvit Road, Phra Khanong, Bangkok 10260	0-2730-5100-3, 0-2730-5105	0-2730-5106
48. Suksawat	86/17-19 Suksawat Road, Ratburana, Bangkok 10140	0-2468-4797, 0-2477-2411-2, 0-2477-2408	0-2468-6028
49. Taksin	43,45,47 Taksin Road, Thon Buri, Bangkok 10600	0-2438-6429, 0-2438-0063, 0-2439-1864, 0-2437-2387	0-2438-6426
50. Talard Si Mummuang	355/33-35 Mu 8, Phaholyothin Road, Lam Luk Ka, Pathum Thani 12130	0-2536-7850, 0-2536-7852, 0-2536-7854-6	0-2536-7853
51. Thai Wah Tower (sub branch)	21/63-66 Thai Wah Tower 1 Building, South Sathon Road, Sathon, Bangkok 10120	0-2285-0092-4	0-2285-0095
52. Thanon Khaolarm (sub branch)	2214, 2216 Khaolarm Road, Samphanthawong, Bangkok 10100	0-2238-2540-2	0-2238-2543
53. Thanon Phaholyothin 8 (sub branch) (9.30am-5.00pm)	414 G Floor, Shinawatra Tower 1 Building, Phaholyothin Road, Bangkok 10400	0-2616-9760-2, 0-2357-1690	0-2357-1490
54. Thanon Phraram 4	956 Udom Wittaya Building, Rama IV Road, Bangrak, Bangkok 10500	0-2636-2513-7	0-2636-2518
55. Thanon Phraram 6 (sub branch)	118/1 Tipco Tower Building, Rama VI Road, Phaya Thai, Bangkok 10400	0-2357-3460-3	0-2357-3464
56. Thanon Phraram 9	100/123 2nd Floor, Vong Vanich Complex Building, Rama IX Road, Huay Khwang, Bangkok 10320	0-2245-5326-8, 0-2245-5117-8, 0-2245-9395	0-2245-9458
57. Thanon Pracha-U-Thit	147/1-4 Mu 8, Pracha-U-Thit Road, Ratbunana Burana, Bangkok 10140	0-2873-1457-60, 0-2873-1439	0-2873-1440
58. Thanon Ramkhamhaeng 2 (sub branch) (9.30am-5.00pm)	143 Mu 8, Ramkhamhaeng 2 Road, Pravej, Bangkok 10260	0-2316-9735-6	0-2316-9739
59. Thanon Srinakarin (sub branch) (Mon.-Fri. 9.30am-5.00pm) (Sat.-Sun. 11.00am-5.00pm)	12/90 Mu 6, Seree Center Building, Srinakarin Road, Pravej, Bangkok 10260	0-2746-0816-8	0-2746-0819
60. Thanon Sri Wara	314 Soi Ladphrao 94 (Panjmit), Sri Wara Road, Wang Thong Lang, Bangkok 10310	0-2559-3600-5, 0-2935-6025-6	0-2559-3606
61. Thanon Vorachak (sub branch)	94-96 Vorachak Road, Pom Prap Sattru Phai, Bangkok 10100	0-2221-5223, 0-2225-9086, 0-2225-9088	0-2225-9087
62. Thanon Yaowaraj (sub branch) (Mon.-Fri. 9.30am-5.00pm) (Sat.11.00am-5.00pm)	422, 424 Yaowaraj Road, Samphanthawong, Bangkok 10100	0-2226-2930-1, 0-2226-5855	0-2226-2933
63. Thonglor	283/15-17, 283/65, Soi Thonglor 13, Sukhumvit 55 Road, Wattana, Bangkok 10250	0-2712-7150-5	0-2712-7156

Contact

Branch	Location	Telephone (+66)	Fax (+66)
64. Tops Bangna (sub branch) (everyday 9.30am-8.00pm)	1090 Mu 12, Central City Department Store, Bangna-Trad Road, Bangna, Bangkok 10260	0-2361-7851-3	0-2361-7854
65. Tops Bangrak (sub branch) (everyday 9.30am-8.00pm)	1522 Robinson Bangrak Department Store, Charoen Krung Road, Bangrak, Bangkok 10500	0-2630-6482-3	0-2630-6484
66. Tops Chidlom (sub branch) (everyday 9.30am-8.00pm)	22 Central Chidlom Department Store, Ploenchit Road, Pathum Wan, Bangkok 10330	0-2254-7120-2	0-2254-7123
67. Tops Lad Phrao (everyday 9.30am-8.00pm)	1697 Central Lad Phrao Department Store, Phaholyothin Road, Chatuchak, Bangkok 10900	0-2937-1727-9	0-2937-1730
68. Tops Phra Pra Daeng (everyday 9.30am-8.00pm)	360/14 Mu 7, Major Phra Pra Daeng Building, Suksawat Road, Ratburana, Bangkok 10140	0-2818-1970-2	0-2818-1973
69. Tops Pinklao (sub branch) (everyday 9.30am-8.00pm)	7/1 Central Pinklao Department Store, Baromratchonnane Road, Bangkok-noi, Bangkok 10700	0-2884-8030-2	0-2884-8033
New 70. Tops Rama 2 (sub branch) (everyday 9.30am-8.00pm)	128 Mu 6, Central Plaza Rama 2 Department Store, Rama 2 Road, Bang Khun Thien, Bangkok 10150	0-2872-4710-4	0-2872-4715
71. Tops Ramintra (sub branch) (everyday 9.30am-8.00pm)	109/9 Mu 3, Central Ramintra Department Store, Ramintra Road, Bangkok, Bangkok 10220	0-2522-6646-8	0-2522-6649
72. Tops Ratchadaphisek (sub branch) (everyday 9.30am-8.00pm)	139 Robinson Ratchadaphisek Department Store, Ratchadaphisek Road, Din Daeng, Bangkok 10310	0-2246-5058-9, 0-2246-5101	0-2246-5578
New 73. Tops Sukhaphiban 3 (sub branch) (everyday 9.30am-8.00pm)	7/4 Mu 1, Tops Supermarket Sukhaphiban 3, Ramkhamhaeng Road, Saphansoong, Bangkok 10240	0-2729-4982-3	0-2372-1636
74. Tops Thanon Witthayu (sub branch) (everyday 9.30am-8.00pm)	231 2nd Floor, CRC Tower Building, 87/2 Wireless Road, Pathum Wan, Bangkok 10330	0-2255-5392-4	0-2255-5395
75. Wiphawadi-Rangsit 9 (sub branch)	21 T.S.T. Tower Building, Wiphawadi-Rangsit Road, Chatuchak, Bangkok 10900	0-2273-8120-1, 0-2273-8939-40	0-2273-8122

Upcountry Branch Offices Central Area

New 1. Lop Buri (sub branch)	21/11-12 Mu 1, Phaholyothin Road, Muang, Lop Buri 15000	0-3641-4248-9	0-3641-4251
2. Nakhon Pathom (8.30am-5.00pm)	63-65 Rajvithi Road, Muang, Nakhon Pathom 73000	0-3425-1184-6, 0-3425-1178	0-3425-1187
3. Phra Nakhon Si Ayutthaya	255 Mu 5, Rojana Road, Phra Nakhon Si Ayutthaya, Phra Nakhon Si Ayutthaya 13000	0-3524-6116, 0-3524-6030, 0-3522-9049	0-3524-1546
4. Sam Chuk	225/2 Mu 2, Sam Chuk, Suphan Buri 72130	0-3557-1055, 0-3557-1980, 0-3557-1990	0-3557-1044
5. Samut Sakhon	927/403 Sethakit 1 Road, Muang, Samut Sakhon 74000	0-3481-0514, 0-3481-0516, 0-3481-0275	0-3481-0513
6. Samut Songkhram (sub branch)	125/104 Tang Kao Muang Road, Muang, Samut Songkhram 75000	0-3471-8111, 0-3471-8222, 0-3471-8626	0-3471-8627
7. Saraburi	427 Phaholyothin Road, Muang, Saraburi 18000	0-3621-2137-8, 0-3631-2055-6	0-3622-1636

Western Area

8. Damnoen Saduak	234 Mu 8, Bangpare-Samut Songkhram Road, Damnoen Saduak, Ratchaburi 70130	0-3225-4444, 0-3225-4930, 0-3225-4332, 0-3224-1333	0-3225-4913
New 9. Kanchanaburi (sub branch)	River Khwae Hotel, 284/15-16 Sangchutoe Road, Muang, Kanchanaburi 71000	0-3452-1621-3	0-3452-1624
10. Phetchaburi	28 Panich Charoen Road, Muang, Phetchaburi 76000	0-3241-5883-4, 0-3242-5959, 0-3242-5169	0-3242-8517

Contact

Branch	Location	Telephone (+66)	Fax (+66)
11. Tops Ratchaburi <i>(everyday 9.30am-8.00pm)</i>	265 Robinson Ratchaburi Department Store, Srisuriyawong Road, Muang, Ratchaburi 70000	0-3231-0321-3	0-3231-0324
Eastern Area			
12. Baan Bung	403 Chon Buri- Baan Bung Road, Baan Bung, Chon Buri 20170	0-3844-3628, 0-3844-3072, 0-3875-0979-80, 0-3875-1118-9	0-3844-3039
13. Baan Chang	51/12 Mu 5, Sukhumvit Road, Baan Chang, Rayong 21130	0-3860-3120-3	0-3860-3119
14. Bang Lamung	90/27 Pattaya-Naglue Road, Bang Lamung, Chon Buri 20150	0-3842-8418, 0-3842-9333, 0-3842-7748-9, 0-3842-0273	0-3842-3332
15. Bang Pakong	139 Mu 9, Bang Pakong, Chachoengsao 24130	0-3853-1297-8, 0-3853-2882	0-3853-2086
16. Chachoengsao	94/3 Chumphon Road, Muang, Chachoengsao 24000	0-3851-1621-2, 0-3881-8149, 0-3851-4627-8	0-3851-1623
17. Chanthaburi	82/9 Thachalab Road, Muang, Chanthaburi 22000	0-3931-2822, 0-3934-6616, 0-3934-6434-5	0-3932-1201
18. Chon Buri	804 Kor. Chetchamnong Road, Muang, Chon Buri 20000	0-3827-3601-6	0-3827-3607
19. Chon Buri 2	116/110 Mu 3, Sukhumvit Road, Muang, Chon Buri 20000	0-3879-7457-9, 0-3879-7462	0-3879-7461
20. Eastern Seaboard	24/1 Mu 4, Thanon Hemaraj Avenue, Pluak Daeng, Rayong 21140	0-3895-5284-6, 0-3895-5288	0-3895-5287
21. Pattaya (sub branch) <i>(8.30am-5.00pm)</i>	325/115-116 Mu 10, Pattaya Sai 2 Road, Bang Lamung, Chon Buri 20260	0-3842-9464, 0-3871-0414, 0-3841-0027	0-3842-9400
22. Rayong	144/39-41 Sukhumvit Road, Muang, Rayong 21000	0-3861-4730-3, 0-3861-4735-6	0-3861-4734
23. Sriracha	135/19 Sukhumvit Road, Sriracha, Chon Buri 20110	0-3832-4500-2, 0-3832-4504	0-3832-4503
24. Tops Sriracha (sub branch) <i>(everyday 9.30am-8.00pm)</i>	90/1 Robinson Sriracha Department Store, Sukhumvit Road, Sriracha, Chon Buri 20110	0-3832-8458, 0-3832-8459-60	0-3832-8461
Northern Area			
25. Chiang Mai	149-149/1-3 Chang-Klarn Road, Muang, Chiang Mai 50100	0-5327-0029-30, 0-5328-2903, 0-5382-1080-1	0-5328-2015
26. Chiang Rai	643/5 Mu 3, Utrakit Road, Muang, Chiang Rai 57000	0-5371-6786, 0-5371-1414, 0-5371-6557, 0-5371-6777	0-5371-5429
27. Lampang	255 Boonwat Road, Muang, Lampang 52000	0-5421-8383, 0-5422-7383, 0-5421-8454, 0-5421-8373	0-5422-7637
28. Nakhon Sawan	532-534 Kosi Road, Muang, Nakhon Sawan 60000	0-5621-4109, 0-5621-4690, 0-5621-4709, 0-5631-4234-5	0-5621-3224
29. Pa Sang	232 Mu 1, Lamphun-Pa Sang Road, Pa Sang, Lamphun 51120	0-5352-0282, 0-5352-0337	0-5352-0283
30. Phitsanulok	112/39-41 Akartodsrod Road, Muang, Phitsanulok 65000	0-5522-5153-5	0-5522-5156
31. Thanon Highway-Chiang Mai	1/99 Chiang Mai-Lampang Road, Muang, Chiang Mai 50000	0-5330-4701-4, 0-5330-4706	0-5330-4705
New 32. Tops Airport (sub branch) <i>(everyday 9.30am-8.00pm)</i>	Tops Market Place Airport Chiang Mai, 2 Robinson Department Store Chiang Mai, Mahidol Road, Muang, Chiang Mai 50100	0-5390-4567-9	0-5390-4570
Northeast Area			
33. Khon Kaen	34, 34/1-2 Namuang Road, Muang, Khon Kaen 40000	0-4323-7620-1, 0-4333-4577, 0-4323-7609	0-4323-7435

Contact

Branch	Location	Telephone (+66)	Fax (+66)
34. Nakhon Ratchasima	2-4 Choempol Road, Muang, Nakhon Ratchasima 30000	0-4426-8873-7	0-4425-5476
35. Nakhon Ratchasima 2	545 Friendship Highway, Muang, Nakhon Ratchasima 30000	0-4426-3487-91	0-4426-3493
New 36. Roiet	427-429 Phadungpanich Road, Muang, Roiet 45000	0-4351-5850-1	0-4351-5854
New 37. Sakon Nakhon	1748/4 Sukkasaem Road, Muang, Sakon Nakhon 47000	0-4271-6350, 0-4271-6303	0-4271-6728
38. Surin	79,81,83 Chitbumrung Road, Muang, Surin 32000	0-4453-8384, 0-4451-1848	0-4451-1081
39. Ubon Ratchathani	177 Uparat Road, Muang, Ubon Ratchathani 34000	0-4524-3830-1, 0-4524-4270-1	0-4524-3832
40. Udon Thani (8.30am-5.00pm)	359 Phosri Road, Muang, Udon Thani 41000	0-4222-1333, 0-4222-3613, 0-4234-3425, 0-4224-9590	0-4224-4062
41. Waeng Yai (sub branch)	209 Mu 3, Sai Chonbod-Kudul Road, Waeng Yai, Khon Kaen 40330	0-4349-6124-5	0-4349-6126

Southern Area

42. Hat Pa Tong (sub branch)	97/4 Thawiwong Road, Krathu, Phuket 83150	0-7634-0489, 0-7634-0142-3	0-7634-1169
43. Hat Yai	164 Nipat-utit 1 Road, Hat Yai, Songkhla 90110	0-7424-3032, 0-7424-5033, 0-7424-3810	0-7423-5606
44. Nakhon Sri Thammarat	1719-1721 Rajdamnern Road, Muang, Nakhon Sri Thammarat 80000	0-7535-6112, 0-7535-6860-1	0-7531-1691
45. Pak Phanang	415/1 Chainam Road, Pak Phanang, Nakhon Sri Thammarat 80140	0-7551-7324, 0-7551-7064, 0-7533-3886	0-7551-7248
46. Phuket	206 Phuket Road, Muang, Phuket 83000	0-7621-1566, 0-7621-1577, 0-7621-4901-2, 0-7621-0970-1	0-7621-4903
47. Surat Thani	191/1-3 Chonkasem Road, Muang, Surat Thani 84000	0-7728-6292-7	0-7728-6298
48. Tops Hat Yai Thanon Sanehanusorn (sub branch) (everyday 9.30am-8.00pm)	1 Central Hat Yai Department Store, Sanehanusorn Road, Hat Yai, Songkhla 90110	0-7422-5441-3	0-7422-5444
New 49. Trang	Tammarin Thana Hotel, 69/8 Huay Yod Road, Muang, Trang 92000	0-7521-7782-4	0-7521-7785
50. Tops Phuket (sub branch) (everyday 9.30am-8.00pm)	36 Robinson Ocean Phuket Department Store, Thilok-Utit 1 Road, Muang, Phuket 83000	0-7621-0492, 0-7621-0526, 0-7621-0534, 0-7621-0575	0-7621-0596
51. Yala	8-12 Pipitpakdi Road, Muang, Yala 95000	0-7321-2218, 0-7321-2414	0-7321-3764

International Branch

Cayman Islands	Scotiabank Building, Cardinal Avenue, George Town, Cayman Islands Contact address: 191 South Sathon Road, Sathon, Bangkok 10120 Thailand Telex. 84351 BKASIA TH S.W.I.F.T. BKASTHBK	0-2343-3371, 0-2343-3362	0-2285-1414
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Distribution Channels

Branches	128
ATM	302
Foreign Exchange Kiosks	14
Mobile Banking	7
ASIA Phone	0-2285-1555
Homepage	www.BankAsia4U.com

Referred Persons

Auditor

Thiridthong Thepmongkorn
Certified Public Accountant ID# 3787
KPMG Phoomchai Audit Ltd.
21st Fl., Empire Tower,
195 South Sathon Road, Sathon, Bangkok 10120
Tel. +66 (0) 2677-2000
Fax. +66 (0) 2677-2222

Legal Adviser

Freshfields
10th Fl., Sathon City Tower,
175 South Sathon Road, Sathon, Bangkok 10120
Tel. +66 (0) 2344-9200
Fax. +66 (0) 2344-9300

Principal Paying and Conversion Agent-Euro Convertible Bonds

Citibank, N.A.
Citibank House
336 Strand, London WC2R 1HB UK
Tel. (44) 207-508-3887
Fax. (44) 207-508-3880

Registrar

Thailand Securities Depository Co., Ltd.
4, 6, 7th Fl., The Stock Exchange of Thailand Building,
62 Ratchadapisek Road, Klong Toey, Bangkok 10110
Tel. +66 (0) 2229-2800
Fax. +66 (0) 2654-5599

Company Information

Name	Bank of Asia Public Company Limited
Public Company Registration Number	50
Nature of Business	Commercial Bank
Registration Address	191 South Sathon Road, Sathon, Bangkok 10120
Telephone	+66 (0) 2343-3000
Facsimile	+66 (0) 2287-2973-4
Telex	84351 BKASIA TH
S.W.I.F.T.	BKASTHBK
Homepage	www.BankAsia4U.com
Number of Employees	2,952 persons

	2003	2002	2001
Share Capital			
Registered Capital (Shares)	5,382,844,520	5,382,844,520	4,661,345,081
Paid-up Capital (Shares)	5,095,446,713	5,095,446,713	3,827,580,479
Trading Information			
Average Daily Turnover (Shares)	10,391,823	5,482,307	5,978,643
High / Low Price (Baht)	6.70 / 4.54	6.70 / 4.42	10.50 / 4.30
Closing Price (Baht)	5.20	4.66	4.98
Market Capitalization (Baht Million)	26,496	23,745	19,061

Major Shareholders as at March 21st, 2003

(The latest closing date of the shareholder register book)

	No. of shares held	% of total shares
ABN AMRO Holdings (Thailand) Limited*	4,115,769,676	80.77
Nongluk Phatraprasit	63,849,566	1.25
Thai NVDR Co., Ltd.	35,273,657	0.69
Supachai Ampuch	30,000,000	0.59
Bank Thai Public Company Limited	25,702,400	0.50
Songsak Jitjoerjun	25,500,000	0.50
Vilaiphan Euarchukiati	21,890,380	0.43
Euarchukiati Co., Ltd.	20,229,753	0.40
Krung Thai Bank Public Company Limited	20,000,000	0.39
Government Pension Fund	13,192,000	0.26
	<u>4,371,407,432</u>	<u>85.79</u>

* Shareholders of ABN AMRO Holdings (Thailand) Limited

1. ABN AMRO Asia Pacific PTE Limited
2. ABN AMRO Bank N.V.
3. ABN AMRO Bank N.V. (Bangkok Branch)
4. Individual (6 persons)

Major Business
Corporate
Banking
Banking
Employee

Credit Ratings

Summary

International Ratings

	Long-term	Short-term	Outlook
Moody's Investors Service	Baa1	Prime-2	Stable
Fitch Ratings	BBB	F3	Stable
Standard & Poor's	BB	B	Positive
Capital Intelligence	BBB-	A3	Stable

Moody's Investors Service

Bank deposits	- Long-term	Baa1
	- Short-term	Prime-2
Financial strength (BFSR)		D
Long-term debt	- Subordinated	Baa2
Outlook		Stable

Fitch Ratings

Foreign currency	- Long-term	BBB
	- Short-term	F3
Individual		D
Support		2
Outlook		Stable

National Ratings

Senior debt	- Long-term	AA+(tha)
	- Short-term	F1+(tha)
Subordinated (THB 2.0 bn, Due 2008)		AA(tha)
Outlook		Stable

Standard & Poor's

Counterparty	- Long-term	BB
	- Short-term	B
Outlook		Positive

Capital Intelligence

Long-term		BBB-
Short-term		A3
Domestic strength		BB+
Support		2
Outlook		Stable

Rating Rationale of Credit Rating Agencies *

Moody's Investors Service (December, 2003)

"BOA's D financial strength rating reflects BOA's improving financial fundamentals, capable and professional management, and a good risk management framework. The rating takes into consideration BOA's modest domestic franchise, improved asset quality and its access to external support if required. BOA was one of the banks that serviced retail customers and the small and middle market commercial sectors. It has maintained its leadership in service quality, product and technological innovation in its niche market- an increasingly attractive sector to its competitors.

The Baa1 deposit and debt ratings take into consideration our belief that the bank will benefit from strong support from the regulators and its financially sound parent, ABN AMRO. BOA is 81%- owned by the large Dutch ABN AMRO Bank, and its foreign parent is a critical strength."

Fitch Ratings (October, 2003)

"In September 2003, Fitch upgraded the international Long-term foreign currency ratings of Bank of Asia to 'BBB' from 'BBB-', following the upgrade of Thailand's ratings. BOA's international and national debt ratings are based on ABN AMRO remaining the controlling shareholder. The bank's Individual rating reflects its weaker stand-alone financial position, although this is improving.

BOA's profitability is showing a gradual improvement, with its net interest margin stable at about 2.3% on the back of lower funding costs and moderate growth in consumer lending. However, provision expenses in 2002 resulted in another large net loss of THB 3.0bn. Nonetheless, BOA should now be in a stronger position to report a significant improvement in 2003/4. The bank reported net income of THB 860 mn in 1H03."

* Details in Rating Report of each Credit Rating Agency

Standard & Poor's (January, 2004)

"The ratings on Bank of Asia Public Co., Ltd. (BoA) reflect the bank's improving stand-alone credit profile. This is underpinned by ongoing efforts to rehabilitate asset quality, which has helped to reduce the interest drag on nonperforming loans (NPL). Although the bank's better operating performance is influenced by economic conditions, it is due also to the bank's better selective lending approach and its more proactive management of deposit rates and funding structure. In addition, its improved operating cash flows should allow BoA to charge off impaired loans aggressively to rehabilitate asset quality. Other measures being adopted by BoA include selling off bad loans, stepping up legal action against recalcitrant debtors, and improving loan recovery efforts- all of which should help in managing its nonperforming assets (NPA) ratio."

Capital Intelligence (May, 2003)

"Although the Bank again made a loss at the net level in 2002, this was due to the final tranche of heavy provisioning; operating profits more than doubled. The heavy provisioning of 2001 and 2002 has left the Bank with one of the best coverage ratios in the sector, and means that provisioning this year should be modest. A return to profit at the net level is certain. The recapitalisation of 2002 has left the bank with strong capital ratios. Liquidity remains satisfactory, given the very liquid local market conditions and the sure support, if ever needed, of ABN-AMRO. CI raises its foreign currency ratings to BBB- long term and A3 short term. The financial strength rating however remains at BB+. Support remains at 2. The outlook is stable."