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The key to success in banking and finance of KASIKORNBANK is the ability to effectively combine and relate our efficient organization and management with high quality services and products for our customers' satisfaction. Significantly, the unified co-operation of KASIKORNBANK personnel in all departments, like drops of "water" falling and gently flowing together to become a great river, nourishes the enormous prosperity of our organization and Thai society.



Financial Highlights (Consolidated Financial Statements)

As of or for the year ended December 31,	2004	2003	2002	2001	2000
Common Share Information					
Per share (Baht)					
- basic earnings	6.49	6.27	2.79	0.70	0.87
- book value	28.07	21.99	16.63	13.09	12.19
Share price (Baht) ¹⁾					
- high	66.50	66.00	32.50	28.75	45.25
- low	41.50	25.75	18.50	13.75	19.00
- closing	52.50	65.00	26.00	18.60	19.50
Common shares outstanding					
- average basic (thousand share)	2,362,467	2,353,010	2,352,547	2,352,547	2,352,547
- end of year (thousand share)	2,363,625	2,353,518	2,352,547	2,352,547	2,352,547
Market capitalization (Million Baht)	124,090	152,979	61,166	43,757	45,875
Value Measures					
Price to earnings ratio (PER)	8.09	10.37	9.32	26.57	22.41
Price to book value ratio (PBV)	1.87	2.96	1.56	1.42	1.60
Operating Results (Million Baht)					
Interest and dividend income	32,999	32,786	35,909	39,002	40,927
Interest expenses	7,033	13,212	17,287	21,427	25,565
Net income from interest and dividends	25,966	19,574	18,622	17,575	15,362
Bad debt and doubtful accounts (reversal) ²⁾	2,761	1,434	1,723	2,158	(339)
Non-interest income	12,095	13,693	7,995	8,178	7,003
Non-interest expenses	19,793	16,953	18,262	21,917	20,560
Total income ³⁾	38,061	33,267	26,617	25,753	22,365
Net income	15,340	14,756	6,570	1,636	2,037
Operating Measures					
Interest margin	3.20%	2.43%	2.39%	2.28%	2.05%
Efficiency ratio	52.00%	50.96%	68.61%	85.10%	91.93%
Return on average assets (ROA)	1.86%	1.87%	0.86%	0.21%	0.27%
Return on average equity (ROE)	25.98%	32.47%	18.79%	5.50%	8.20%
Number of employees	10,110	9,912	9,688	10,472	11,499
Balance Sheet Information (Million Baht)					
Loans	592,588	547,918	506,203	476,487	496,141
Allowance for doubtful accounts ⁴⁾	46,346	67,533	80,505	55,107	57,846
Non-performing loans (NPL)	72,809	92,319	124,063	98,741	136,833
Total assets	824,552	821,285	760,768	774,585	766,925
Deposits	705,570	684,946	651,393	664,532	646,997
Total liabilities	757,886	769,171	721,274	743,422	738,001
Shareholders' equity ⁵⁾	66,348	51,765	39,127	30,798	28,684
Average assets	822,919	791,027	767,677	770,755	745,904
Average earning assets	811,621	805,244	780,092	770,521	750,624
Average shareholders' equity ⁵⁾	59,057	45,446	34,963	29,741	24,852
Risk weighted assets	611,104	543,878	509,263	523,905	534,532
Balance Sheet Quality Measures					
Loans to deposits ratio	83.99%	79.99%	77.71%	71.70%	76.68%
Equity to risk weighted assets	10.86%	9.52%	7.68%	5.88%	5.37%
Return on risk weighted assets	2.51%	2.71%	1.28%	0.31%	0.38%
Tier 1 capital ratio	7.98%	10.46%	8.44%	7.43%	7.06%
Total capital ratio	13.13%	17.48%	14.34%	12.97%	11.75%
NPLs to loans ⁶⁾	12.30%	16.85%	24.30%	20.19%	23.49%
Total allowance to loans	7.82%	12.33%	15.90%	11.57%	11.66%
Total allowance to NPLs	63.65%	73.15%	64.89%	55.81%	42.27%
NPLs after allowance (Million Baht)	26,463	24,786	43,558	43,634	78,987

¹⁾Local board / High-low share prices during the year

²⁾Including loss on debt restructuring and normalized provisions

³⁾Total income = Net income from interest and dividends + Non-interest income

⁴⁾Including revaluation allowance for debt restructuring and normalized provisioning

⁵⁾Excluding minority interest

⁶⁾Loans used in calculation are loans to general customers and loans to financial institutions





Mission

KASIKORNBANK aims to develop itself into a strong institution that provides a variety of financial services of world-class quality by harmoniously combining technology and human resources as to achieve good and balanced benefits to customers, shareholders, employees and the country.

Vision

KASIKORNBANK aims to be the strongest, the most innovative and the most proactive Thai bank in serving customers.

Message from the Chairman

Thailand was adversely affected by both internal and external factors in 2004, including re-emergence of the Avian Influenza, unrest in three southern border provinces, and an unprecedented “Tsunami” disaster in six provinces along the Andaman coast. On the external front, crude oil prices fluctuated substantially and remained high in global markets. Foreign interest rates began an upward trend, while the Chinese economy tended to cool down. These were major factors that impacted the Thai economy over the past year. In response, the Thai government enacted several measures to address these emerging problems and to steadily stimulate the economy. As a result, both agricultural and manufacturing sectors were able to maintain growth momentum. Consumption and investment grew remarkably well, and export performance was above target. The Thai economy consequently grew at a satisfactory level of 6.2 percent in 2004, compared to the 6.8 percent achieved in 2003.

Competition remained high in the banking sector. Aside from rivalry among domestic banks, increased presence by foreign banks and non-bank financial institutions could not be overlooked. KBANK therefore undertook strategic development and reforms to align itself with the changing economic and financial environment. Improved management strategies have been introduced for greater efficiency. Organizational restructuring has made the Bank more flexible. Meanwhile, good corporate governance systems were further advanced. Higher standards of quality are being attained in a complete range of services. New products and financial services have been developed to better respond to the ever-changing needs of customers. In so doing, KBANK continues to push ahead to maintain its outstanding brand image, and lead the way to a long-lasting favorable impression with customers.

KASIKORNBANK PUBLIC COMPANY LIMITED sustained its successful achievements in 2004 through the efforts of KBANK employees, the continued support of our shareholders, customers, investors at home and abroad, and the general public, for which the Board of Directors would like to express its gratitude.



(Banyong Lamsam)

Chairman



Management Report

For the year ending December 31, 2004

In 2004, to enhance competitiveness and provide a full range of financial services, KASIKORNBANK proceeded to extend its business scope to other financial services, including securities, hire purchase, and leasing businesses. Also, the Balanced Scorecard concept has continually been applied as a tool to help achieve our goals with efficiency and effectiveness, while progress on our strategic programs remains closely monitored. In addition to these, the Bank puts effort into promoting good corporate governance practices to create value to all stakeholders, including customers, shareholders, employees, and to the Kingdom.

For operating performance in 2004, the Bank's consolidated net income was Baht 15,340 million, increasing by Baht 584 million, or 3.96 percent, over 2003. The increase was mainly attributed to a rise in net income from interest and dividends of Baht 6,392 million. However, non-interest income showed a decline of Baht 1,598 million, while non-interest expense rose by Baht 2,840 million. In addition, the sum of reversals of bad debts and doubtful accounts and losses on debt restructuring increased by Baht 1,325 million.

On the financial front, as of December 31, 2004, the Bank's total consolidated assets showed an increase of Baht 3,267 million over the end of 2003, due mainly to loan growth. The Bank's consolidated outstanding loans stood at Baht 592,588 million at the end of 2004, increasing by Baht 44,671 million, or 8.15 percent, over the end of 2003. Meanwhile, non-performing loans of the Bank and its asset management companies totaled Baht 72,809 million, accounting for 12.30 percent of total outstanding credit, including that of financial institutions, decreasing from 16.85 percent at the end of 2003. As for total consolidated liabilities, they were reported at Baht 757,886 million, decreasing by Baht 11,285 million, following a decline in longterm borrowing. The Bank's consolidated deposits, however, showed an increase of Baht 20,624 million, or 3.01 percent, over the end of 2003, to Baht 705,570 million. Total consolidated shareholders' equity showed a year-on-year increase of Baht 14,552 million, due to the Bank's profits in 2004. Meanwhile, the capital adequacy ratio of the Bank and its AMCs equaled 13.13 percent at the end of 2004, with Tier-1 capital accounting for 7.98 percent of total consolidated capital base.

In the matter of operations among the three Business Groups, the Corporate Business Group achieved accelerating loan growth in 2004, despite external volatility and intense competition throughout the year. As of December 31, 2004, the Corporate Business Group's total loans rose by 26.71 percent over the end of 2003. This increase was seen in all customer segments, with loans of the corporate banking, business banking, and multi-corporate banking segments increasing by 32.08, 25.39, and 21.47 percent over the end of 2003, respectively.

For the Retail Business Group, work proceeded on the development of services, products, and sales channels, as well as in the organizing of various marketing campaigns. This led to expansion in the customer base and increased transaction volume, such as those conducted through the Bank's e-Internet Banking and e-Cash Deposit machines, which surged by 139.41 percent and 54.93 percent over 2003, respectively. As of December 31, 2004, the Retail Business Group's total outstanding loans rose by 23.51 percent over the end of 2003, owing to increases in all loan products. To enhance the quality and efficiency of services, the Credit Management and Administration System (CMAS) has been implemented for sales management, loan approval management, and collection on consumer loans.

To handle volatile rates of return and the changing business environment, the Treasury Group has developed products that yield higher returns, such as structured products, and offered derivative instruments to customers as well, in cooperation with the Corporate Business Group. However, in 2004, the Group's income declined by 17.96 percent from 2003, due to a downward trend in the Bank's liquidity, following loan extension, and a decrease in gains on investments in fixed-income securities, following higher yields in the secondary debt market.



For risk management, credit and operational risk management have been continually improved. To enhance the efficiency of market risk management, the Bank has developed a new system to comply with the Bank of Thailand's new regulations regarding capital adequacy for market risk in trading activities, which will be implemented in 2005. Meanwhile, a variety of funding structures were utilized to foster liquidity management. Besides this, the Value-based Management (VBM) system, which uses the principle of Risk-adjusted Return on Capital (RAROC) and Economic Profit, was employed on the Corporate Business Group and the Retail Business Group to increase the efficiency of capital adequacy management.

Throughout 2004, the Bank continued with the implementation of the PRO (Performance Reward Opportunity) project, focusing on retaining existing staff and attracting new employees. In addition, the Bank has completed improvements in operational systems to facilitate credit support and operations, including the Document Management System (DMS) and the Document & Collateral Control System (DCS).

The Bank has been widely acknowledged for our accomplishments in operations and a firm stance in improving good corporate governance. During 2004, the Bank received upgrades on our credit ratings from leading rating agencies and was honored with several awards, including the "Best Performance", the "Best Corporate Governance Report", and the "Best Investor Relations" awards at the "SET AWARDS 2004" ceremony. Other outstanding awards were the "Best Bank" award from the Euromoney magazine and "The Banker Award 2004" from "The Banker" magazine for being the best bank in Thailand.



Management Discussion and Analysis (MD & A)

For the year ending December 31, 2004

1. Overview

1.1 Economic Overview and Regulatory Changes

• Thailand's Economy in 2004 and 2005

Despite the many negative factors such as the bird flu epidemic, the unrest in the Southern border provinces, and fluctuations in oil prices, the Thai economy was able to sustain a satisfactory growth rate of around 6.2 percent in 2004. In fact, over the past year, Thailand's economic growth enjoyed support from strong export performance and investment expansion, both in the public and private sectors.

As for 2005, we expect Thai economic growth to cool down to 5.0–5.5 percent due to several adverse developments, including a likely slowdown in export growth from 2004, in tandem with global and regional growth, while tourism income will likely be affected by the Tsunami disaster. In addition, growth in private consumption is likely to ease on the back of an expected rise in diesel retail prices, cooling farm income, and an upward trend in domestic interest rates.

Thailand's Economic Growth

Unit: Year-on-year percentage change, or otherwise indicated	2004	2005
Private Consumption	5.7%	4.0%
Government Consumption	6.3%	6.0%
Investment	13.6%	14.3%
Public	8.4%	19.6%
Private	15.5%	12.5%
Exports	23.0%	12.0%
Imports	27.0%	15.0%
Trade Balance (in USD millions)	1,682	-948
Current Account (in USD millions)	7,289	4,101
Headline CPI Inflation	2.7%	3.0%
Average Baht/USD	40.2	38.5
Thailand's GDP Growth	6.2%	5.0–5.5%

Source: Kasikorn Research Center



Still, we do not think that domestic commercial bank loan extension and other operations will be affected much by the economic slowdown. This is because Thailand's economic health can still be regarded as strong, thanks to various government measures, projects and continuing demand for investment by the private sector. The ongoing expansion of investment by both the public and private sectors, however, could result in a substantial decline in the system's liquidity, which might trigger broad-based interest rate rises this year.

• Regulatory Changes¹

Financial Sector Master Plan

On January 6, 2004, the Cabinet approved in principle the Financial Sector Master Plan as proposed by the Ministry of Finance and the Bank of Thailand. The new plan deals with structures for Thai and foreign financial institutions where financial institutions meeting the qualifications of the BOT may be permitted to upgrade themselves to full commercial banks, or retail banks. Further, local branches of foreign banks, with the approval of the BOT, may be upgraded to foreign-subsidary banks. In addition, if a financial conglomerate has different types of financial institutions within the same group, it will have to undertake reorganization in order to comply with the BOT's "One Presence" policy. Other measures under the plan include improvements in rules and regulations on consolidated supervision and establishment of guidelines to improve community financial organizations' operations to promote nationwide accessibility of financial services to customers. Additionally, consumer protection mechanisms to ensure fairness to all customers are included. Further specific details on these developments will be released in future government notices, including the financial institutions act.

In the latest developments, on December 30, 2004, the Minister of Finance approved the establishment of nine new banks, including three full commercial banks, four retail banks, one foreign subsidiary bank, and one full branch of a foreign bank. It is expected that these newly approved banks, as well as other newcomers, will heighten the competition in our industry.

Measures for the Control of Credit Card Business

On March 26, 2004, the Bank of Thailand issued directive BOT. FPG. (21) C. 47/2004, concerning rules, procedures, and conditions on bank credit card business, dated March 23, 2004, and published in the Government Gazette, Vol. 121, Special Section 35 (d), dated March 25, 2004, effective April 1, 2004. This directive issued clearer and stricter definitions for primary and supplementary cards as well as qualifications of cardholders. It also places limitations on banks in making contacts with new and current cardholders, concerning credit card service or other credit instrument offerings, by instructing that these contacts must be made within established times and guidelines. The directive also states that the size of credit line limits offered to cardholders by financial institutions shall not exceed five times the average monthly income of the cardholder or amount of cashflow through a cardholder's deposit account. Further, the minimum monthly installment shall be 10 percent of the outstanding balance, rather than the previously permitted 5 percent. In addition, banks are instructed to cancel the credit card of any cardholder, who is over three months' remiss in paying an installment on their card. This rule has already been included in the Bank's policy. Finally, transfers of credit card balances to other cards or other types of credit accounts shall be permitted only if certain prerequisites set by the BOT are met.

The Bank regards these changes as positive and in the best interest of both credit card issuers and holders. In 2004, the Bank's credit card business expanded considerably in line with the economy.

Additional Amendments to Criminal Justice on Electronic Card Usage

On October 12, 2004, a bill to make additional amendments to the Electronic Transactions Act (No.17), 2004, was published in the Government Gazette, No. 121, Special Section 65 (a), and came into effect as of October 22, 2004. This law is primarily intended to improve upon legal remedies in the improper usage of electronic cards, such as credit cards, debit cards, ATM cards, etc., wherein it has established more clearly the extent of offenses and penalties in relation to damage to the economy, as a whole. It has expanded upon such offenses as the counterfeiting of such electronic cards, and the unauthorized possession or use of another person's card(s). The new law also features heavier penalties for such criminal acts.

¹ The details of other regulatory changes in 2004 can be obtained from the MD&A reports for the quarter ending March 31, 2004, June 30, 2004, and September 30, 2004



It is expected that these amendments will help reduce fraudulent use of electronic cards, especially credit and ATM cards, and will increase Bank customer confidence in their use.

Hire Purchase, Leasing, and Factoring Businesses

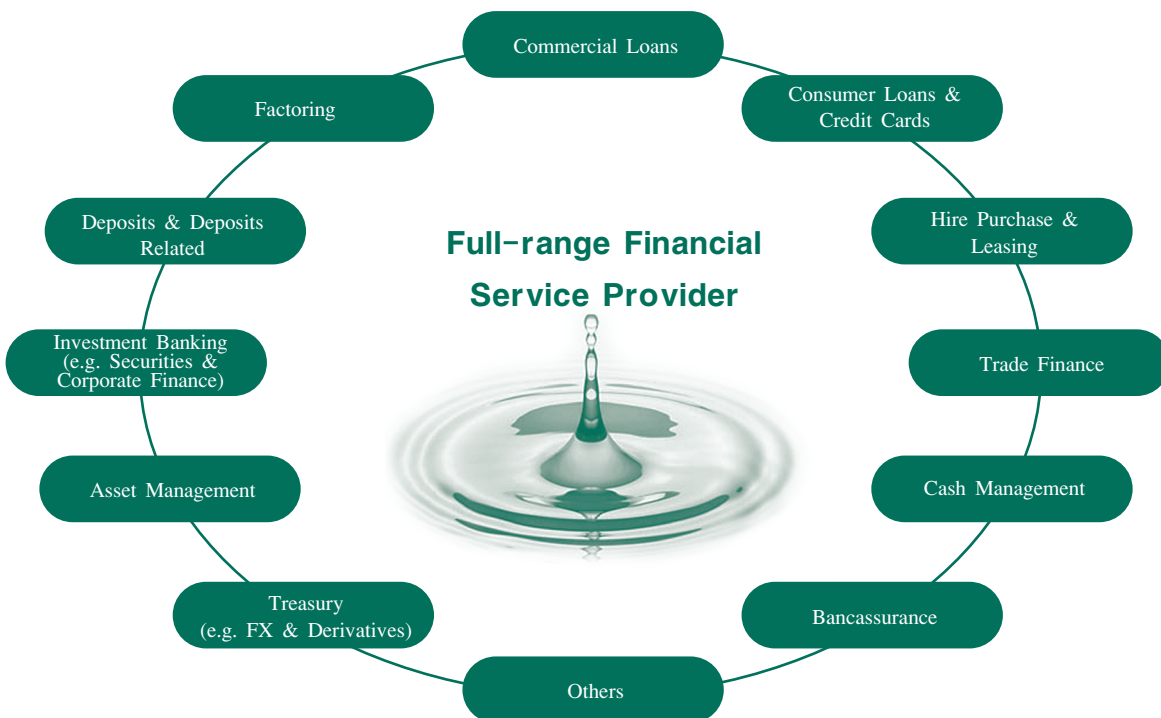
On October 6, 2004, the Bank of Thailand issued directive BOT. FPG. (11) C. 25/2004, in the matter of permitting commercial banks to engage in hire purchase and leasing business, and directive BOT. FPG. (12) C. 26/2004, concerning permission for commercial banks to conduct factoring business. Both laws were published in the Government Gazette, General Edition, No. 121, Special Section 108 (d), dated September 29, 2004, and came into effect as of September 30, 2004. Significant aspects of these laws include permission for commercial banks to engage in hire purchase, leasing, and factoring transactions. In any case, commercial banks shall have to thoroughly prepare themselves with operational systems, personnel, and other conditions required by the BOT.

These new laws support expanded banking business operations. Subsidiary Kasikorn Leasing Co., Ltd. was founded to focus on hire purchase and leasing business. As for factoring, the Bank has already been in this business since 2002, undertaken by our subsidiary Kasikorn Factoring Co., Ltd., which is now the country’s leading factoring firm.

1.2 Direction of Business Operations

• KASIKORNBANK in 2004 and Outlook in 2005

In 2004, to enhance competitiveness and provide a full range of financial services, KASIKORNBANK has expanded our business scope to other financial services, such as securities, hire purchase, and leasing businesses.



For securities business, Extraordinary Meeting of Shareholders no. 1/2004 passed a resolution to allow the Bank to acquire 99.91 percent of the issued share capital of the Asset Plus Securities Pcl. The Bank registered a name change of this company to the Kasikorn Securities Pcl. on December 24, 2004.

The Board of Directors, in its meeting no. 13/2004 on October 28, 2004, approved the extension of the Bank's business to hire purchase and leasing businesses. A resolution was passed to found Kasikorn Leasing Co. Ltd., of which 99.99 percent of issued share capital is owned by the Bank, with authorized share capital amounting to Baht 60 million. On December 24, 2004, the Bank registered this company and paid up all of its issued share capital.

In addition, to achieve our goals with efficiency and effectiveness, the Bank continues to improve business operations by using the Balanced Scorecard concept as a tool. The Bank also pursues and closely monitors other strategic programs, as follows:

Program 1: Customer Relationship Management (CRM) Development Program

The Bank has improved sales and service channels to promote greater efficiency and effectiveness in sales and service activities to meet customers' various needs. In 2004, the Bank implemented a Customer Relationship Management system to help monitor sales activity, and focused on creating the KASIKORN brand to ensure the consistency of service quality across all channels.

Program 2: Credit Transformation (CT) Program

The Bank has improved credit structure and credit approval processes in Bangkok and the Metropolitan region, and developed standards for credit approval. In 2004, loan origination and debt collection systems were implemented.

Program 3: Fee-based Business Development (FBD) Program

To boost the Bank's fee-based income and increase our market share, the Bank has developed the Trade Finance Project, the Electronic Delivery System, and the Cash Management Project. In 2004, international trade processing centers were established to handle all trade finance operations, thereby allowing international trade processing service centers to conduct their business more effectively. The Bank also enhanced its Cash Connect system features to facilitate customers' financial transactions via computer systems.

Program 4: E-Approach Development (EAD) Project

In 2004, the Bank's web-site www.kasikornbank.com has been continually improved upon to provide broader categories of information and better service to all.

Program 5: Centralized Back Office (CBO) Reconfiguration Program

The Bank has completed the centralization of back office operations for all branches in Bangkok and the Metropolitan area in 2002, and will continuously improve this centralization process to enhance efficiency and allow branches to fully focus on sales and service.

Program 6: IT Infrastructure Development (ITD) Program

Great emphasis has been placed on the continuing development of our IT infrastructure and a secure database to meet changing requirements. The Bank is in the process of preparing for the change in the 'core banking system', related mostly to deposit and loan transactions, in the future.



Program 7: Value-Based Management (VBM) Program

In 2004, the Bank has continued to use the Balanced Scorecard concept as a management tool to achieve our visions and goals. The Profitability Analysis (PA) system has also been improved continually.

Program 8: Human Resources Management Development (HRMD) Program

In 2004, work on the improvements in human resources management proceeded, including in performance management, reward systems, and career development to attract and retain high-caliber personnel, and to provide them with better opportunities to fully utilize their potential.

• Corporate Governance

The Bank has focused on good corporate governance aimed at creating value to all stakeholders, including its customers, shareholders, employees, and to the Kingdom. To be in line with the good corporate governance practices of the Securities Exchange of Thailand and the Bank of Thailand, as well as world-class standards, guidelines for good corporate governance practices were developed, and are being regularly monitored and revised. In 2004, to further promote good corporate governance practices and management, the Bank

- Revised guidelines for good corporate governance practices.
- Revised regulations for the Board of Directors and every Sub-committee.
- Conducted self-performance evaluations of the Board of Directors and four Sub-committees, consisting of the Audit Committee, the Corporate Governance Committee, the Risk Management Committee, and the Human Resources and Remuneration Committee.

• Trained employees in good corporate governance concepts through the Bank's internal communication channels and training programs, in order to foster better understanding and awareness of the Bank's Code of Business Conduct.

- Posted the Bank's guidelines for good corporate governance at all branches.

Acknowledging our efforts to promote good corporate governance practices, in 2004, the Bank received several awards for good corporate governance from various institutions, as follows:

1. "Best Bank in Thailand" award from the Finance Asia magazine, cited in the July 2004 issue.
2. "Best Performance", "Best Corporate Governance Report", and "Best Investor Relations" awards at the "SET AWARDS 2004" ceremony, held by the Stock Exchange of Thailand (SET) and Money and Banking magazine.
3. "Best Bank" award from the Euromoney magazine, announced in the August 2004 issue.
4. "Operational Excellence in Retail Financial Services" award from the Asian Banker magazine, cited in the August 2004 issue.



5. “The Banker Awards 2004” for being the best bank in Thailand from “The Banker” magazine, cited in the September 2004 issue.

6. “Bank of the Year 2004” award from the Money and Banking magazine, announced in the October 2004 issue. This was the Bank’s third straight winning of this award.

7. “Thailand Corporate Excellence Awards 2003” for having excellent leadership vision and financial management, from the Thailand Management Association (TMA).

8. A citation plaque for cooperation in, and the support of, operations of the Anti-Money Laundering Office.

9. “Best IR by a Thai Company 2004” award from the IR magazine, announced on November 4, 2004. This was the Bank’s second straight winning of this award.



2. Operating Performance and Financial Position Analysis

2.1 Operating Performance

Operating Performance

(Million Baht)

	2004	2003	Changes	
			Million Baht	%
Income from interest and dividends	32,999	32,786	213	0.65
Interest expense	7,033	13,212	(6,179)	(46.77)
Net income from interest and dividends	25,966	19,574	6,392	32.66
Reversals on bad debts and doubtful accounts	(6,959)	(12,826)	5,867	45.74
Loss on debt restructuring	8,919	13,461	(4,542)	(33.74)
Normalized provisions	800	800	0	0.00
Non-interest income	12,095	13,693	(1,598)	(11.67)
Non-interest expense	19,793	16,953	2,840	16.75
Income tax expense	116	94	22	23.40
Minority interests in net income	(52)	(29)	(23)	(79.31)
Net Income	15,340	14,756	584	3.96

In 2004, the Bank's consolidated net income totaled Baht 15,340 million, increasing by Baht 584 million, or 3.96 percent, over 2003. The rise was due mainly to an increase in net income from interest and dividends of Baht 6,392 million, following a decrease in interest expense, resulting from the redemption of Subordinated Debentures Cum Preferred Shares No. 1 of Baht 19,967 million and Subordinated Debentures of the Thai Farmers Bank Public Company Limited No. 2 of Baht 20,000 million, carrying a 22.296175% interest rate, on January 12, 2004. Meanwhile, deposit costs showed a decrease from those in 2003 and interest income rose, in line with loan extension. However, non-interest income showed a decline of Baht 1,598 million, while non-interest expense rose by Baht 2,840 million. In addition, the sum of reversals of bad debts and doubtful accounts and losses on debt restructuring increased by Baht 1,325 million.



Income Structure

(Million Baht)

	2004		2003	
	Million Baht	%	Million Baht	%
Interest and dividend income				
1. Loans	27,712	61.45	26,121	56.20
1.1 Loans	13,583	30.12	13,530	29.11
1.2 Overdrafts	8,535	18.93	7,821	16.83
1.3 Bills	5,594	12.40	4,770	10.26
2. Interbank and money market items	1,527	3.39	2,250	4.84
2.1 Deposits	1,123	2.49	1,661	3.57
2.2 Loans	23	0.05	23	0.05
2.3 Securities purchased under resale agreements	381	0.84	566	1.22
3. Investments	3,760	8.34	4,415	9.50
Total interest and dividend income	32,999	73.18	32,786	70.54
Non-interest income				
1. Fee and service income				
1.1 Acceptances, avals, and guarantees	577	1.28	598	1.29
1.2 Others	7,531	16.70	6,471	13.92
2. Gains on exchange	1,806	4.00	1,822	3.92
3. Other income	2,181	4.84	4,802	10.33
Total non-interest income	12,095	26.82	13,693	29.46
Total income	45,094	100.00	46,479	100.00

• Net Income from Interest and Dividends

In 2004, the Bank's consolidated net income from interest and dividends was Baht 25,966 million, increasing by Baht 6,392 million, or 32.66 percent, over 2003. This was due mainly to a drop in interest expense of Baht 6,179 million, following a decrease in interest expense from long-term borrowing totaling Baht 3,982 million, resulting from the aforementioned redemption of debentures. Also contributing to decreased interest expense was a drop in interest expense from deposits totaling Baht 2,199 million, due to a decline in deposit costs. Further boosting net income from interest and dividends was a rise in interest income from loan extension.

• Provisioning for Allowance Doubtful Accounts

From the third quarter of 2003 onward, the Bank has set aside an allowance for doubtful accounts on normal loans at 1 percent of the net increment in normal loans. As a result, in 2004, the Bank incurred loan loss expense of Baht 665 million, due to an increase in normal loans of Baht 66,447 million over that of the end of 2003.

Regarding normalized provisions, the Bank has targeted normalized provisioning of 0.50 percent of total loans for both performing and non-performing loans. Normalized provisioning has been gradually accumulated on a quarterly basis starting from the second quarter of 2002. At the end of 2004, the Bank had accumulated normalized provisioning of Baht 2,400 million.



• Non-interest Income

In 2004, the Bank's consolidated non-interest income was Baht 12,095 million, decreasing by Baht 1,598 million, or 11.67 percent, from 2003. This was due largely to a reduction in gains on reclassification of investments totaling Baht 3,147 million, resulting from comparison to a high base in the second quarter of 2003, when the Bank's AMC's were instructed by the BOT to immediately recognize the difference between book and fair value of their transferred restructured loans all at once. In addition, there were fewer transferals of restructured loans, of which the fair value was less than their book value, resulting in a loss in 2004.

Helping to limit the drop in non-interest income was a rise in fee and service income totaling Baht 1,039 million, achieved mainly from loans, cash management, credit card, and ATM businesses. Gains on investments also showed an increase of Baht 638 million, due to sales of investments in firms not directly related to the Bank's main business.

• Non-interest Expense

The Bank's consolidated non-interest expense in 2004 was Baht 19,793 million, increasing by a total of Baht 2,840 million, or 16.75 percent, over 2003. This was due mainly to a rise in personnel expense of Baht 1,317 million, following the Bank's annual pay raise and provisions for bonus and staff retirement fund, as well as increased employment.

Also contributing to an increase in non-interest expense was increased fee and service expense totaling Baht 416 million, resulting mainly from credit card fees, consulting fees paid for the Bank's Information Technology (IT) program, and legal fees. Meanwhile, other expenses rose by Baht 325 million, due to an increase in marketing costs, which was in line with increased business, and charity projects. In addition, losses on impairment of consolidated foreclosed properties showed an increase of Baht 276 million, due to the purchase of auctioned assets.

2.2 Financial Position Analysis

Financial Position

(Million Baht)

	Dec 31, 2004	Dec 31, 2003	Changes	
			Million Baht	Percentage change
Assets	824,552	821,285	3,267	0.40
Liabilities and Shareholders' Equity				
- Total liabilities	757,886	769,171	(11,285)	(1.47)
- Total shareholders' equity	66,666	52,114	14,552	27.92
Total Liabilities and Shareholders' Equity	824,552	821,285	3,267	0.40



• Assets

As of the end of 2004, the Bank's total consolidated assets were Baht 824,552 million, increasing by Baht 3,267 million, or 0.40 percent, over the end of 2003. The items having significant changes are as follows:

- Loans, as of December 31, 2004, were at Baht 592,588 million, rising by Baht 44,671 million, or 8.15 percent, over the end of 2003. The increase in loans was mostly attributed to increased medium corporate and retail business lending. However, loans of subsidiary companies decreased by Baht 9,571 million, due to loan repayments and write-offs of bad loans. Meanwhile, the Bank's total consolidated write-offs of bad loans from debt restructuring and legal liquidations totaled Baht 14,718 million.

- As of the end of 2004, the Bank's allowances for doubtful accounts stood at Baht 39,068 million, decreasing by Baht 20,200 million, or 34.08 percent, from the end of 2003. The decrease was due to write-offs of bad loans in accordance with BOT regulations.

- Interbank and money market items, as of December 31, 2004, totaled Baht 76,250 million, decreasing by Baht 28,672 million, or 27.33 percent, from the end of 2003, as part of the Bank's term-deposits abroad became due. Additionally, the stronger Baht toward the end of 2004 has lowered the value of the Bank's foreign-currency denominated deposits. However, the Bank has already hedged this exchange rate risk, which was included in the derivatives contract revaluation item on the asset side. Loan extension during the second half of 2004 also contributed to a decrease in these liquid assets.

- Net investments, as of December 31, 2004, stood at Baht 110,135 million, decreasing by Baht 25,116 million, or 18.57 percent, from the end of 2003, following a decline in investments in securities and loan extension.

- Securities purchased under resale agreements, as of the end of December 2004, totaled Baht 19,040 million, decreasing by Baht 12,670 million, or 39.96 percent, from the end of 2003, as loan extension led to lower liquidity.

• Liabilities and Shareholders' Equity

Total consolidated liabilities of the Bank, as of December 31, 2004, were Baht 757,886 million, decreasing by Baht 11,285 million, or 1.47 percent, from the end of 2003. Consolidated liabilities that changed significantly are as follows:

- Deposits, as of December 31, 2004, were Baht 705,570 million, rising by Baht 20,624 million, or 3.01 percent, over the end of 2003. The increase in deposits was mainly in savings accounts. There was a change in the Bank's deposit structure, with current and savings accounts accounting for 5.39 and 54.49 percent of the total deposits, respectively, increasing from 5.26 and 49.62 percent at the end of 2003, respectively. Meanwhile, fixed accounts accounted for 40.12 percent of the total deposits, dropping from 45.12 percent in 2003. If including deposits of financial institutions, as of the end of December 2004, the Bank's deposits stood at Baht 711,028 million, rising by Baht 19,448 million, or 2.81 percent, over the end of 2003.

- Borrowing, as of December 31, 2004, totaled Baht 23,611 million, decreasing by Baht 36,231 million, or 60.54 percent, from the end of 2003. Borrowing that changed significantly are as follows:

- Short-term borrowing increased by Baht 3,843 million, as the Bank issued short-term debentures as part of our Short-term Debenture Project 1/2004 No. 1-7, with a maturity of less than or equal to 270 days. The debentures are name registered, unsecured, non-subordinated, unconvertible, and without debenture holder representatives. The Bank's objective in this IPO was to promote greater flexibility and variety of funding structure management, as well as to provide more alternatives in investments for the public and/or the Bank's depositors.

- Long-term borrowing declined by Baht 40,074 million, due to the redemption of Subordinated Debentures Cum Preferred Shares No. 1 of Baht 19,967 million and Subordinated Debentures of the Thai Farmers Bank Public Company Limited No. 2 of Baht 20,000 million on January 12, 2004.

As of December 31, 2004, total consolidated shareholders' equity was Baht 66,666 million, increasing by Baht 14,552 million, or 27.92 percent, over the end of 2003, due to the Bank's profits in 2004 and changes in shareholders' equity as follows:

- In 2004, the Bank registered an increase in paid-up capital by 9,559,120 shares, at a par value of Baht 10 each, totaling Baht 95,591,200 million, following the exercise of warrants offered to non-director employees.



- The Bank converted Class A preferred shares to 547,345 ordinary shares, following the redemption of Subordinated Debentures Cum Preferred Shares No. 1 on January 12, 2004.

- The General Meeting of Shareholders No. 92 passed a resolution to transfer other reserves, legal reserves, premiums on expired warrants, and premiums on ordinary shares amounting to Baht 26,675 million, 800 million, 5,520 million, and 32,153 million, respectively, to compensate for the Bank's retained losses of Baht 65,148 million, effective on January 1, 2004. However, this retained loss compensation will have no effect on the value of total shareholders' equity or the Bank's capital.

• Relationship Between Sources and Uses of Funds

As of December 31, 2004, the funding structure as shown in the Consolidated Financial Statement comprised Baht 757,886 million in liabilities and Baht 66,666 million in shareholders' equity, resulting in a debt-to-equity ratio of 11.37. The major source of funds on the liabilities side was deposits, which accounted for 85.57 percent of the total. Other sources of funds included interbank and money market items and borrowing, which accounted for 1.40 percent and 2.86 percent of the total, respectively.

The Bank and its subsidiaries' major use of funds was loans. As of December 31, 2004, loans amounted to Baht 592,588 million, resulting in a loan-to-deposit ratio of 83.99 percent. For the remaining liquidity, the Bank has invested in various liquid assets such as interbank and money market items, securities purchased under resale agreements, and investments in securities.

The major sources and uses of funds as of the end of December 2004 are categorized by contractual maturity periods in the following table:

The Bank and its Subsidiaries' Major Sources and Uses of Funds

(Million Baht)

Period	Deposits				Loans			
	2004	%	2003	%	2004	%	2003	%
≤ 1 year	699,457	99.13	676,843	98.82	373,259	62.99	357,154	65.18
> 1 year	6,113	0.87	6,113	1.18	219,330	37.01	190,764	34.82
Total	705,570	100.00	684,946	100.00	592,589	100.00	547,918	100.00

Note: Details of deposits and loans appear in the item, "Liquidity Risk Management" in the Analysis of Remaining Maturity of Assets and Liabilities.

The Bank and its subsidiaries' deposits with remaining maturities of less than or equal to 1 year at the end of December 2004 totaled Baht 699,457 million, rising by Baht 22,614 million, or 3.34 percent, over Baht 676,843 million at the end of 2003. Deposits with remaining maturities of over 1 year at the end of December 2004 were Baht 6,113 million, dropping by Baht 1,990 million, or 24.56 percent, from Baht 8,103 million at the end of 2003.

At the end of December 2004, the Bank and its subsidiaries had loans with remaining maturities of less than or equal to 1 year totaling Baht 373,259 million, rising by Baht 16,105 million, or 4.51 percent, over Baht 357,154 million at the end of 2003. Loans with remaining maturities of over 1 year amounted to Baht 219,330 million, increasing by Baht 28,566 million, or 14.97 percent, over Baht 190,764 million at the end of 2003.

From the above table, it can be seen that as of December 31, 2004, deposits with remaining maturities of less than or equal to 1 year were higher than loans with remaining maturities of less than or equal to 1 year. This is considered normal for commercial banks in Thailand, as they normally fund their lending or investments in long-term assets from short-term liabilities. However, since most deposits are renewed when they come to maturity, it is likely that they will remain with the Bank longer than their stated contractual maturities, thereby helping to support funds for the Bank's lending. To increase flexibility and variety of funding structures, as well as enhance investment alternatives for the public and the Bank's depositors, in November 2004, the Bank issued short-term debentures totaling Baht 3,843 million as part of our Short-term Debenture Project 1/2004 No.1-7, with a maturity of less than or equal to 270 days.



• Investments

The Bank and its subsidiaries' investments in securities consist of trading investments, available-for-sale investments, debt instruments held to maturity, and investments in subsidiaries and associated companies. A review of investments is carried out when there is a factor indicating that an investment might have become impaired. Investments in securities, classified by type of investments, as of the end of December 2004 are shown below:

(Million Baht)

Type of Investments	Dec 31, 2004	%	Dec 31, 2003	%
Debt Instruments	104,402	94.79	127,870	94.54
Government and State Enterprise Securities				
• Trading Investments	1,315	1.19	806	0.60
• Available-for-sale Investments	36,194	32.86	69,260	51.21
• Held-to-maturity Investments	26,000	23.61	26,140	19.33
Private Enterprise Debt Instruments				
• Trading Investments	-	-	369	0.27
• Available-for-sale Investments	2,821	2.56	4,157	3.07
• Held-to-maturity Investments	278	0.25	864	0.64
Foreign Debt Instruments				
• Available-for-sale Investments	24,182	21.96	17,401	12.86
• Held-to-maturity Investments	13,612	12.36	8,873	6.56
Equity Securities	5,733	5.21	7,381	5.46
Available-for-sale Investments	1,766	1.61	1,499	1.11
General Investments	3,504	3.18	5,362	3.96
Investments in Subsidiary and Associated Companies	463	0.42	520	0.39
Total Investments - Net	110,135	100.00	135,251	100.00

• Liquidity

Cash and cash equivalents, according to the Bank's consolidated financial statement at the end of December 2004 totaled Baht 13,536 million, decreasing by Baht 5,163 million from the end of 2003, due to the following activities:

- Net cash from operating activities totaled Baht 12,029 million, as a result of changes in key operating assets and liabilities. Interbank and money market items (on the asset side) decreased by Baht 30,015 million, while securities purchased under resale agreements declined by Baht 12,670 million. At the same time, loans and deposits showed increases of Baht 70,555 million and 20,624 million, respectively.

- Net cash from investment activities was Baht 18,739 million. This amount comprises cash received from the disposal of available-for-sale investments, totaling Baht 118,414 million, redemption of debt instruments held to maturity of Baht 15,449 million, cash payments for available-for-sale investments of Baht 92,522 million, and cash payments for debt instruments held to maturity of Baht 20,994 million.

- Net cash used in financial activities totaled Baht 35,931 million.



- **Capital Expenditures**

To enhance service efficiency, in 2004, the Bank's capital expenditures were primarily for information technology (IT), totaling Baht 1,424 million. Capital expenditures in other fixed assets were Baht 363 million.

2.3 Capital Requirements and Credit Ratings

- **Capital Funds**

As of December 31, 2004, the Bank and its subsidiaries had a capital base of Baht 80,211 million, comprising Tier-1 capital totaling Baht 48,776 million, and Tier-2 capital totaling Baht 31,435 million. The capital adequacy ratio of the Bank and its asset management companies, Phethai and Ploy AMCs, equaled 13.13 percent, decreasing by 0.38 percent from September 30, 2004, due to an increase in risk assets, following loan extension and a decrease in total allowances. Compared to the end of December 2003, the ratio dropped by 4.35 percent, due party to the redemption of Subordinated Debentures Cum Preferred Shares No. 1 and Subordinated Debentures of the Thai Farnes Bank Public Company Limited No. 2. Despite this drop, the capital adequacy ratio of the Bank and its AMCs remained significantly above the Bank of Thailand's minimum requirement of 8.50 percent. Details of the capital adequacy ratio of the Bank and its AMCs follow:

Capital Adequacy Ratios*

	Dec 31, 2004	Sep 30, 2004	Jun 30, 2004	Mar 31, 2004	Dec 31, 2003
Tier-1 Capital	7.98% **	8.29%	7.23%	6.81%	10.46%
Tier-2 Capital	5.14%	5.23%	5.41%	5.30%	7.02%
Total Capital Requirements	13.13% **	13.51%	12.65%	12.11%	17.48%

Note: * These ratios do not include the net profits of each accounting period. According to BOT regulations, the first period's net profits shall be included in capital, after approval by the Bank's Board of Directors. The second period's net profits shall be included in capital after approval by a General Meeting of Shareholders. However, if there is a net loss, the loss must be deducted from capital immediately.

** Not including the second period's net profits, as of December 31, 2004. Should the second period's net profits, as of December 31, 2004, be included, the capital adequacy ratio of Tier-1 capital and of total capital requirements would be equal to 9.27 percent and 14.41 percent, respectively.

- **Capital Adequacy Ratio**

The Bank maintains liquid assets, on average, of at least 6.00 percent of deposits and borrowing, in compliance with BOT regulations. As of December 31, 2004, the Bank had cash and deposits at the Bank of Thailand, including eligible securities, totaling Baht 80,655 million.

- **Credit Ratings**

In 2004, the Bank's credit rating was upgraded twice by leading rating agencies, the first time in the second quarter and the second time in the fourth quarter. During the second quarter, Standard & Poor's upgraded its credit rating on the Bank's long-term debt and long-term subordinated debt to BB+ from BB, and to BB- from B+, respectively. At the same time, Fitch Ratings raised its international credit rating on the Bank's long-term debt and long-term subordinated debt to BBB from BBB-, and to BBB- from BB+, respectively. The Bank's capital strength was upgraded to C/D from D. This agency also raised its domestic credit rating on the Bank's long-term debt and long-term subordinated debt to AA(thai) from AA-(thai), and to AA-(thai) from A+(thai), respectively.

For the fourth quarter, Moody's Investors Services upgraded its outlook for Bank Financial Strength Rating (BFSR) to "positive" from "stable". Meanwhile, the Bank's credit rating given by Standard & Poor's and Fitch Ratings remained unchanged from the end of September 2004. Details, with comparisons between the fourth quarters of 2004 and 2003, are shown in the following table.



Credit Ratings Agency	December 31, 2004	December 31, 2003
Moody's Investors Services ***		
Long-term - Debt	n.a.*	n.a. *
- Subordinated Debt	Baa2	Baa2
- Deposit	Baa1 **	Baa1**
Short-term - Debt/Deposit	P-2	P-2
Outlook	Stable	Stable
Bank Financial Strength Rating (BFSR)	D	D
Outlook for BFSR	Positive	Stable
Standard & Poor's ***		
Long-term - Debt	BB+	BB
- Subordinated Debt	BB-	B+
Short-term - Debt/Deposit	B	B
Outlook	Positive	Positive
Fitch Ratings ***		
International credit ratings		
Long-term - Debt	BBB	BBB-
- Subordinated Debt	BBB-	BB+
Individual	C/D	D
Support	2	2
Short-term - Debt/Deposit	F3	F3
Outlook	Stable	Stable
National credit ratings		
Long-term - Debt	AA(th)	AA-(th)
- Subordinated Debt	AA-(th)	A+(th)
Short-term - Debt/Deposit	F1+(th)	F1+(th)
Outlook	Stable	Stable

Remarks * Moody's Investor Services does not assign ratings to the Bank's long-term debt.

** Long-term deposits are rated only by Moody's Investor Services.

*** The investment grade of long-term credit ratings for Moody's Investors Services, Standard & Poor's, and Fitch Ratings are from Baa3, BBB- and BBB-, respectively. For short-term credit ratings, the investment grades for these three agencies are from P-3, A-3, and F3, respectively.



3. Operations of Business Groups

3.1 Business Overview

KASIKORNBANK's businesses are divided into three main groups: the Corporate Business Group, the Retail Business Group, and the Treasury Group. In the year 2004, although various environmental factors affected banking business in general, the business groups managed to continue with the Bank's strategies, guidelines, targets and goals, doing well while absorbing adverse situations and changes. Aside from this, the Bank continued to expedite continuous development in many systems to improve operational capabilities and competitiveness, as well as to adapt to the Bank of Thailand's Financial Sector Master Plan.

3.2 Corporate Business Group

The Corporate Business Group provides services to customers with sales volumes over Baht 50 million per annum. The main products of the group include domestic credit products, letters of indemnity-borrowing, trade finance, corporate finance, foreign exchange services, cash management services, and securities services. Bearing in mind benefit to our customers as of utmost importance, products and services are offered to match the needs of varying business sectors, which are categorized into three segments - large corporate, or "multi-corporate banking"; medium corporate, or "corporate banking"; and small corporate, or "business banking" - segments.

In 2004, operations of the Corporate Business Group could be summarized with the following:

- **Customer Segment**

- **Multi-Corporate Banking Segment**

- **Overview**

- This unit provides sophisticated financial products and services for multi-corporate and investment project customers. The main products are capital financing services, which include end-to-end financial offerings such as loan arrangement services, financial consulting, and debt instrument underwriting. Other financial services include advisories, cash management, and foreign exchange services.

- **Changes in the Operating Environment and Business Operations**

- Amid external volatility and intense competition throughout 2004, the Bank's credit extension remained above targets, especially in loans to large state enterprises and large corporate businesses. Growth in fee-based income also increased significantly above targets, from products such as derivatives, syndicated loans, consulting services, underwriting services, and letters of indemnity-borrowing, as well as increased trade finance transactions.

- **Corporate Banking Segment**

- **Overview**

- Customers in this segment are medium-sized corporate entities with sales volumes between Baht 400-5,000 million per annum, for which the Bank has devised specialized services such as capital financing services with a complete range of services, including working capital financing, capital expenditure loans, project finance loans, and trade finance. Other financial services are cash management, foreign exchange, and financial consulting services.



Changes in the Operating Environment and Business Operations

In 2004, the Corporate Banking Segment achieved interest income above targets, due mainly to increased loan extension, especially in trade finance amid an environment of expanding imports and exports. This was also true for fee-based income, which increased steadily from products such as trade finance, letters of indemnity-borrowing, and foreign exchange. As for cash management services, the Bank has been quite successful in gaining new customers in several industries, such as in the construction materials, electronics, auto parts, and petrochemical industries.

Business Banking Segment

Overview

Customers in this segment are corporate entities with sales volumes between Baht 50-400 million per annum. Corporate Relationship Managers deliver a full range of products that meet customers' varying needs, such as domestic credit, trade finance, and cash management products.

Changes in the Operating Environment and Business Operations

Despite strong interest rate competition in 2004, the Bank was able to maintain our interest rate spread in loans extended to customers in this segment, and successful in enlarging our customer base above targets. These customers typically use such credit facilities as domestic credit products, letters of indemnity-borrowing, trade finance, and cash management services. In 2005, the Bank will continue to focus on increasing fee-based income, especially from trade finance products and cash management services. In addition, the Bank has split customers in this segment into two groups to promote greater efficiency and effectiveness in providing consultation and other services, along with supporting the development of streamlined credit processing to make it faster and more convenient for these customers. These operations will help improve the quality of credit extension and reduce risk of incurring non-performing loans.

• Product Group

Domestic Credit Products and Letters of Indemnity Borrowing

Overview

Domestic credit products are divided into two categories: working capital finance (overdrafts and promissory notes), and investment capital finance of various types. The Bank also offers several contingent bank guarantee products, such as letters of indemnity borrowing, avals, letters of guaranty on loans, and financial statements.

Changes in the Operating Environment and Business Operations

In 2004, the Bank developed several new credit products to fit diverse business needs. New products for foreign trade were rolled-out, aimed at facilitating small to large businesses in imports and exports. The Bank has been quite successful in this, especially during the third and fourth quarters of 2004, when the growth of such loans surpassed targets. To enhance the potential of small businesses, the Bank offered new products with favorable terms and conditions that can be quickly processed. Internal procedures have received ongoing development to expedite and standardize credit approval and operational approval processes, while making follow-ups easier. Information technology systems are utilized to enhance the efficiency of customer relations management, credit risk management, and credit approval processes.

Trade Finance

Overview

Trade Finance offers many types of import and export services, such as letters of credit (L/C), bills for collection, trust receipts, international fund remittances and exchange of foreign currencies, etc.



Changes in the Operating Environment and Business Operations

In 2004, the Bank's trade finance extension and fee-based income were on-target, especially in loans to electronics, auto parts, and construction materials industries, which were an important customer base for the Bank. It is of particular note that the SME customer segment had the highest rate of growth in the customer base. This was due to the Bank's prodigious efforts to serve this segment such as by organizing special activities and seminars for these customers, maintaining close and cordial relationships through the efforts of Relationship Managers, and by providing express transfer services, starting in the second quarter of 2004. At the same time, the growth in the Bank's international trade transactions remained strong, with the growth rate of import transactions exceeding the growth rate of the nation's imports, and the growth rate of export transactions matching the growth rate of the nation's exports.

Corporate Finance

Overview

There are two major categories of services provided by Corporate Finance. **Financial Advisory Services** provide a full range of financial advisory services such as fund-raising services, debt restructuring, mergers and acquisitions, bond issuance advisories, and customer rating advisories. **Corporate Finance Services** provide end-to-end services including developing, marketing, and offering financial products for fund-raising, which could be through Bank loans and/or debt market products. Corporate Finance is also a broker-dealer and underwriter of state enterprise bonds and is responsible for researching the debt market and performing analyses on the economy, foreign exchange and the capital markets, as well as providing information to issuers and investors.

Changes in Operating Environment and Business Operations

In 2004, the Bank remained the underwriter of choice for the IPOs of numerous debentures, and was successful in underwriting debentures under the Emergency Decree on SPVs for Securitization Act, B.E. 2540, where it has successfully securitized claims on lessees for auto loans. The Bank has achieved the status of being the largest underwriter of debt instruments, in terms of market share, in both the public and private sectors of the country (according to Bloomberg). The Bank was also successful in becoming a lead financier in loan syndication and project financing, not to mention our success as a financial advisor in numerous large projects, and in developing new products to serve individual business needs, such as Structured Finance products. For 2005, the Bank has prepared new products for fund-raising, such as debentures-cum-derivatives.

Foreign Exchange Service

Overview

Foreign exchange services and products include spot transactions and hedging instruments such as forward contracts and other financial derivatives.

Changes in the Operating Environment and Business Operations

There was volatility in the Baht during 2004, due to changes in the exchange rates of other major currencies against the U.S. Dollar. The Bank thus made recommendations to customers and proceeded with the hedging of exchange rate and interest rate risks in their favor, such as with the use of longer-term financial derivatives. The Bank also employed proactive strategies to mitigate such harm through increased money market transactions, in value and volume, especially derivatives, to reduce risks. The Bank has also developed other new financial products for depositors and loan customers. Such efforts are also preliminary to the introduction of commodity risk management services in the future and the BOT's money market development policy.



Cash Management

Overview

Cash Management Services provide an efficient, effective, end-to-end solution in cash management, enabling more control over costs of funding, interest paid, liquidity, and time expended. There are three key services provided under Cash Management: collection management services, payment management services, and liquidity management services.

Changes in the Operating Environment and Business Operations

Amid increased competition and an aggressive business environment during 2004, the Bank nevertheless was able to maintain existing customers and gain new customers. The Bank continued to place importance on the development of human resources and encouraging more extensive use of the Bank's services, as well as making after-sales service more convenient and faster. Increased use of high-technology systems, such as the Electronic Invoice Presentation and Payment (EIPP) system, Online Direct Debit system, and E-Dividend, were developed to facilitate customers' transactions. The Bank also plans to expand cash management business to governmental agencies, such as the Customs and Excise Departments, to facilitate their fee collection and license renewal processes. This will lend support to the government's budget management and increase convenience for customers. The Bank will also be offering the Electronic Bill Presentment & Payment System to business customers who elect to use the E-Ordering system.

Securities Services

Overview

Securities Services consist of custodial services for retirement funds, private funds, other mutual funds, and registrar services for bonds, securities, and unit trusts. The Bank also provides support service for syndicated loans, such as acting as a security agent for collateral control and as a facility agent.

Changes in the Operating Environment and Business Operations

During 2004, the Bank's services as a security agent for collateral control and a facility agent for syndicated loans were boosted by expansion in large-scale industrial loans, which was in line with the country's continued economic growth and increased public investment. Fee-based income from registrar services also increased, as the Bank undertook hire purchase agreements for motor vehicles for the first time in Thai history in the third quarter, through the process of securitization. This form of transaction helps reduce financing costs for businesses and open new opportunities for investors. The Bank has broadened the bounds of services in various aspects related to this transaction, such as acting as a debenture holder agent, debt collection agent, project manager, and registrar for debentures, all of which will help increase the Bank's fee-based income. Meanwhile, securities services in the mutual fund area also performed well. This was due to continued growth in the mutual fund industry, buoyed by low interest rates and the government's measures, such as the tax incentives for taxpayers investing in Long-Term Equity Funds (LTFs), which led to new offerings of this type of fund during the last quarter of the year. Also contributing to the expansion in the mutual fund industry was investors increasing investments in Retirement Mutual Funds (RMFs) to take advantage of tax benefits for the year. This led the Bank to achieve above-target growth in fee-based income and securities services in the mutual fund area such as registrar and custodial services.

Following the outlook that the demand for loans to large projects and bond issuances will increase in 2005, the Bank has improved securities service systems and prepared staff to be ready for increased service in aspects such as being a security agent for collateral control, facility agent, and debenture holding agent. Operational systems have been continually improved to be electronically-based to enhance the efficiency of operations. These improvements will help satisfy customers' needs and maintain our position as a leader in the field.



• **Business Banking Center: BBC**

The Corporate Business Group has established Business Banking Centers to improve sales and service to corporate business customers. Current strategies focus on the promotion of better bank-customer relationships and the offering of various types of products and services. The Bank provides a full range of financial services and simultaneously handles complex transactions, including standard banking transactions, commercial loans, and cash management services, with trade finance to be added in the near future. As of the end of 2004, 26 Centers had been opened nationwide, with 20 in Bangkok and the Metropolitan region, and 6 Centers upcountry.

• **Financial Position**

Corporate Business Group Credit Classified by Customer Segment

(Million Baht)

	Percent of total CBG's loans	Loans		Changes	
		Dec 31, 2004	Dec 31, 2003	Million Baht	Percentage change
Corporate Business Group	100.00	202,747	160,004	42,743	26.71
Customer segment					
Multi-corporate Banking Segment	27.60	56,115	46,197*	9,918	21.47
Corporate Banking Segment	38.72	77,503	58,677*	18,826	32.08
Business Banking Segment	33.68	69,129	55,130*	13,999	25.39

Note: * The figures differed from those stated in MD&A report for the year ending December 31, 2003, due to the reclassification of customer segments, following changes in their sales volumes.

As of the end of 2004, the Corporate Business Group's total loans stood at Baht 202,747 million, increasing by Baht 42,743 million, or 26.71 percent, over the end of 2003. Categorized by customer segment, the increase in the Group's total loans in 2004 was due mainly to a 32.08 percent increase in corporate banking segment's loans over the end of 2003, due to higher trade finance loans for export-import related business. The business banking segment's loans expanded by 25.39 percent over the end of 2003, while the multi-corporate banking segment's loans grew by 21.47 percent, as some multi-corporate banking businesses switched to finance from the capital market.



Corporate Business Group Credit Classified by Product Group

(Million Baht)

	Percent of total CBG's loans	Loans		Changes	
		Dec 31, 2004	Dec 31, 2003	Million Baht	Percentage change
Corporate Business Group	100.00	202,747	160,004	42,743	26.71
Product group					
Domestic credit products	74.43	151,348	120,496	30,852	25.60
Trade finance	23.81	47,865	36,400	11,465	31.50
BIBF	1.69	3,378	2,688	690	25.67
Other loans	0.07	156	420	(264)	(62.86)

Categorized by product group, as of the end of 2004, the product group having the largest loan extension was domestic credit loans, which rose by Baht 30,852 million over the end of 2003. Following this was trade finance loans, which showed an increase by Baht 11,465 million over the end of 2003, due to higher volumes in export and import transactions, while BIBF loans increased by Baht 690 million, resulting from capital restructuring of some businesses to reduce exchange rate risk.

3.3 Retail Business Group

The Retail Business Group is responsible for developing and managing customer relationships with retail business and individual customers. Based on monthly sales or income, customers are divided into 4 segments: business & professional customers, platinum customers, middle-income customers, and transactors.

Throughout 2004, products and services have been improved to enhance the efficiency of business operations as follows:

- **Customer Segment**

To efficiently meet customer needs, the Retail Business Group divides customers into the following segments:

- **Business & Professional Customer**

These are entrepreneurs and professionals who operate small businesses with turnovers of up to Baht 50 million. As these customers' needs fit our direct sales strategy, the business & professional customer unit was established, and products and services are offered via branches to encourage more transactions.

- **Platinum Customers**

Platinum customers have monthly incomes exceeding Baht 100,000 and often use various types of the Bank's services, such as savings accounts, loans, credit cards, as well as mutual funds and fixed income investment services. To maintain such customers and encourage their transactions, the Bank uses highly skilled Platinum Customer Managers and staff offering tailored asset and loan management advice. The Bank has also established the Platinum Signature Unit to provide exclusive services for these customers.



Middle Income

These customers have salaries ranging from Baht 15,000–100,000 and most of them currently have Bank credit cards and housing mortgages. To capture this customer segment, the Bank offers a broad menu of financial products and services through the use of direct sales units and in-store branches.

Transactors

These are customers with incomes of less than Baht 15,000, most of whom have only savings accounts and frequently visit branches for cash related transactions. The credit needs of this segment is met through partnerships with business allies and through the development of debit cards.

• Product Group

In 2004, the Retail Business Group has developed and improved products and services for each customer group, as follows:

Retail Business Lending

Overview

To help businesses operate at their full potential, the Bank has provided credit facilities to improve their liquidity, and consulting services to seek loan features best fitting individual businesses and goals. Both short-term and long-term loans are offered, and custom-made products designed to fit each customer's needs are provided.

Changes in the Operating Environment and Business Operations

Throughout 2004, the Bank has organized various marketing campaigns, aimed at creating closer bank-customer relationships, promoting services, and increasing business opportunities, as well as enhancing the Bank's image as a financial supporter. In addition, to prepare for growth in domestic industry and support the government's measures, the Bank offers a special loan package called the "Jewel Credit Network" for jewelry businesses to help facilitate their working capital for liquidity purposes and provide long-term funds for investment purposes.

Consumer Loans

Overview

Consumer Loans are a variety of products to serve the changing needs of individuals and households. The main products include housing loans, quick loans, and provident fund member loans.

Changes in the Operating Environment and Business Operations

In 2004, to promote growth in housing loans, the Bank, in cooperation with project allies, offered special interest rates to customers and has organized various marketing campaigns, particularly the setting up of booths at many fairs. To enhance the quality and efficiency of customer loan services, the Credit Management and Administration System (CMAS) was initiated, which includes sales management, credit ratio management, and debt collection features. In addition, the Bank, in cooperation with business allies, established the "Home Smiles Club", providing a full range before-and-after sales services to ensure the highest satisfaction to customers and foster closer bank-customer relationships.

Credit Cards

Overview

The Bank has continuously developed and improved credit card products and services. A broad array of products and services are offered, including services classified by card usage, such as cards for individuals and corporate customers, and services classified by card issuer, such as the KBANK Card, KBANK-VISA Card, KBANK-MasterCard.



Changes in the Operating Environment and Business Operations

In 2004, as the competition in credit card business remained tense, credit card issuers utilized various strategies, including the offering of discounts and privileges to encourage credit card spending. The Bank, in cooperation with business allies, continued to expand our customer base through various marketing campaigns, including the introduction of co-sponsored credit cards and the Kurve Card to new users.

The competition to increase shares of card accepting stores was also strong, with pricing competition being used as the main strategy, as well as the offering of “Bundled Products” to encourage all customer transactions being processed at one bank. To increase our market share of card accepting stores, the Bank, in cooperation with business allies, expanded service to large-scale stores and initiated the “Delay Payment” system to enhance the security of payments via the Bank’s Zip-Zap machines. Meanwhile, wireless and regular EDC machines were installed at stores to increase purchase of sales slips. The Electronic Data Capture (EDC) machines were installed to handle new types of credit cards, or chip cards, which, according to Visa International and MasterCard International’s requirements, have to be in place by January 1, 2006. Besides this, the Bank, in cooperation with the Corporate Business Group, has launched a packaged service for large, medium, and small businesses, to encourage more transactions between these businesses and the Bank’s card accepting stores. In addition, the Bank, in cooperation with the Mobile Payment Club (MPC), is in the process of testing the m-Commerce program to increase card transactions using SMS services.

Deposits and Fee-based Income

Overview

The Bank continues to enhance its variety in deposit products to satisfy the needs of customers in different segments. A wide range of deposit and card access products are offered including savings accounts, fixed deposits, current accounts, and ATM cards. To improve services to fulfill customer needs, new technology is being used to facilitate service channels and new services are being offered, such as fund transfers through ATMs and utilities payment services.

Changes in the Operating Environment and Business Operations

To increase alternative savings choices for consumers as well as increase our fee-based income, in 2004, the Bank, in cooperation with Kasikorn Asset Management Co., Ltd., launched additional open-ended mutual fund products. These products included six open-ended flexible portfolio funds, focusing on investment in debt instruments, and the Long-Term Equity Fund (LTF). In Bancassurance activities, the Bank introduced new life insurance products to customers, such as the Ruang Khao Khum Sook Fund, Ruang Khao Rak Kwan Fund, Ruang Khao Sasomsup 715 Fund, and the Ruang Khao Sasomsup 820 Fund. In addition, the minimum level of sum insured that requires a health examination on the insured was raised to Baht 2 million, from Baht 1.5 million, to facilitate and increase sales of loan insurance. Meanwhile, marketing campaigns have been continually organized to attract new applicants to the Flex-c debit card to increase fee-based income and expand the customer base.

• Sales and Service Channels

In order to reach retail business customers, the Bank has continued to improve service and sales channels comprised of the following:

Branch Network

The branch network is the primary channel for customers to conduct financial transactions and for the Bank to introduce products designed to fit each customer’s need. To facilitate sales and service to targeted customer segments in a highly efficient manner, branches are classified into 2 groups as follows:



Group 1 Bangkok and the Metropolitan area:

Branches in Bangkok and the Metropolitan area utilize reactive sales and service strategies, and are grouped into clusters to facilitate management. Each cluster consists of differing branch types and sizes to ensure that each cluster is commensurate with the business potential and customer service requirements of a given location. Branches are divided into 3 groups as follows:

- **Retail Branches** provide financial services to customers in all segments and coordinate with Direct Sales Units to sell credit products to targeted customers.
- **In-store Branches** aim to serve transactors and middle-income customers during non-traditional banking hours at locations such as malls, stores, and offices in urban areas.
- **Transaction Outlets** focus primarily on providing and conducting transaction services for customers, selling non-credit products, providing advice on the Bank's products and encouraging credit and financial services.

Group 2 Upcountry:

Upcountry branches are classified into 2 groups as follows:

- **Branch Clusters** for branches that are located near one another and operate as clustered branches to enhance management efficiency.
- **Single Full Branches** are branches in upcountry areas that cannot be clustered because they are located too far apart. Such branches are therefore maintained and managed as a single unit.

Direct Sales Force

Pursuing a proactive sales posture, the Bank uses a dedicated sales force, consisting of 5 units: the Specialized Services Unit, the Housing Loan Unit, the Consumer Loans and Credit Card Unit, the Business and Professional Unit, and the Platinum Signature Unit.

Alliance Partners

Alliance businesses are used to expand the Bank's customer base, develop products and services, and to build brand awareness.

Direct Marketing

Promotes cross-selling opportunities for existing customers and targeting of alliance customer basis.

KBANK e-Phone

In 2004, to increase safety and efficiency of transactions processed via our e-Phone service, the Bank has improved its call center through the implementation of an IVR system. The "Home Smiles Club" menu was added to facilitate and speed up services, while the "Corporate Solution Service" was introduced for retail business customers. At the same time, credit card activation and credit card approval processes for urgent cases were improved. To enhance customer confidence in conducting transactions via our e-Phone service, passwords were changed from 4 digits to 5 digits and the number of service lines were increased; meanwhile, staff was monitored while online.

KBANK e-ATM

In 2004, additional ATM machines were installed, bringing the total number to over 1,400 as of the end of 2004, compared to 1,184 in 2003.



KBANK e-Internet Banking

As of the end of 2004, use of e-Internet Banking services increased 79.38 percent over 2003, and the number of transactions recorded for Internet Banking increased 139.41 percent over 2003, as well. The Bank also improved the online statement from an abbreviated format to one with a full-text format in its stead, in order to assure users of correct interpretation of data outputs. Service channels in the Bank's e-Internet banking and back-up systems were improved to enable transactions to be processed on a 24-hour basis.

KBANK e-Mobile Phone

In 2004, Bank developed the Mobile Payment Club (MPC) project, which provides bill payment facilities via AIS and DTAC mobile phone systems, and inter-account transfers between the Bank's savings and current accounts. The cooperation with leading stores and businesses was initiated in order to provide discounts and privileges to customers processing their transactions via this system.

KBANK e-Commerce & m-Commerce

In September 2004, the Bank began offering "Verified by VISA" online services to improve safety and security to customers and merchants in performing e-Commerce and m-Commerce transactions. To prepare for a larger customer base and higher transaction volume, the Bank is in the process of enhancing the efficiency of the system, expected to be completed by the end of the second quarter of 2005.

e-Cash Deposit Machines

In 2004, the Bank continued to install more cash deposit machines, making a total of 70 machines by the end of 2004, increasing from 51 machines in 2003. At the same time, deposit transactions processed through e-Cash Deposit machines increased by 54.93 percent over those in 2003.

• Financial Position

Loans

Retail Business Group Credit Classified by Product

(Million Baht)

	Percent of total RBG's loans	Deposits		Changes	
		Dec 31, 2004	Dec 31, 2003	Million Baht	Percentage change
Total	100.00	276,894	224,185	52,709	23.51
Retail business lending	75.86	210,055	171,789	38,266	22.28
Housing loans	18.89	52,306	40,653	11,653	28.66
Credit card products	4.22	11,690	9,848	1,842	18.70
Other loans	1.03	2,843	1,895	948	50.03

As of December 31, 2004, the Retail Business Group's total outstanding loans were Baht 276,894 million, increasing by Baht 52,709 million, or 23.51 percent, over the end of 2003. The product group having the highest growth was retail business lending, mostly in promissory notes and long-term loans, followed by housing loans.



Deposit Products

Proportion of Deposits (including financial institutions' deposits) Classified by Product Group as of December 31, 2004

(Million Baht)

	Percent of total RBG's loans	Deposits		Changes	
		Dec 31, 2004	Dec 31, 2003	Million Baht	Percentage change
Total	100.00	602,958	592,656	10,302	1.74
Current account	2.15	12,991	14,270	(1,279)	(8.96)
Savings account	53.35	321,652	282,007	39,645	14.06
Fixed deposit account	44.50	268,315	296,379	(28,064)	(9.47)
3 months	35.91	216,523	230,772	(14,249)	(6.17)
6 months	0.74	4,469	5,346	(877)	(16.40)
1 year	5.70	34,396	39,884	(5,488)	(13.76)
> 2 year	2.15	12,927	20,377	(7,450)	(36.56)

As of December 31, 2004, the Retail Business Group's total deposits amounted to Baht 602,958 million, rising by Baht 10,302 million, or 1.74 percent, over the end of 2003, following an increase in passbook savings deposits, especially with individual depositors. It should be noted that these deposits did not include those of the Corporate Business Group and are not the Bank's total deposits.

3.4 Treasury Group

The Treasury Group's responsibilities include asset and liability management and the trading of foreign currencies, equity securities, debt instruments, and derivatives. The goal is to manage investments to achieve maximum benefit within appropriate risk levels, and in line with the Bank's policies and governing authorities' rules and regulations. The Group's tasks also include liquidity management in accordance with the Bank's policies and BOT requirements. In addition, the Group manages investments for trading purposes, which are generally short-term investments, to provide service to customers in the area of foreign exchange, debt instruments, and derivative instruments.

• Changes in the Operating Environment

In 2004, the direction in domestic rates of return was volatile. Short- and mid-term yields fluctuated during the first half, before managing to show an upward trend during the second half. This was due to U.S. Federal Reserve and the Bank of Thailand interest rate hikes, occurring five and three times, respectively. As a result, at the end of 2004, the U.S. Fed Funds rate went up to 2.25 percent, increasing from 1.00 percent at the end of 2003, while the BOT 14-day repurchase rate stood at 2.00 percent, increasing from 1.25 percent at the end of 2003. For long-term yields, they fluctuated during the first half of 2004, then became stable during the second half. The movement in the second half was in line with the U.S. bond yields, which moved in a narrow band, following views that the U.S. economic recovery remained uncertain and Fed interest rate hikes would continue at a measured pace, and that U.S. inflation was not yet a matter of concerns. Meanwhile, liquidity in the Thai commercial banking system declined from 2003, due to an expansion in domestic economic activities. This, together with the redemption of Subordinated Debentures Cum Preferred Shares No. 1 (SLIPS) and Subordinated Debentures of the Thai Farmers Bank Public Company Limited No. 2 in January 2004, led to a slight decrease in the Bank's liquidity.

To prepare for the changing market environment and expected increases in interest rates, domestic and overseas, the Bank has adjusted its scale of investment and maturity in fixed-income securities. The Bank has also developed products



that yield higher returns, such as structured products. In addition, in cooperation with the Corporate Business Group, derivative instruments were initiated to provide new alternatives for investment and risk management for customers. As for equity market investments, the Bank has followed a strategy of reducing investments in businesses that are not directly related to the Bank's core business when the opportunity arises. In addition, to create new funding and investment channels for the Bank, private repurchase transactions have been conducted since the first quarter, following the implementation of Bilateral Repurchase transactions with the BOT as an appointed Primary Dealer in 2002. Aside from this, in the second quarter, the Bank was granted a license for conducting futures contract business by the Office of the Securities and Exchange Commission (SEC).

• Financial Position and Operating Performance

As of December 31, 2004, total investments of the Treasury Group were Baht 191,898 million, decreasing by Baht 86,909 million, or 31.17 percent, from the end of 2003. Investments in the money market accounted for 46.25 percent of the total investments, while investments in the capital market accounted for the remaining 53.75 percent.

Treasury Group's Income

(Million Baht)

Type of Transaction	Percent of total TG's income	2004	2003	Changes during 2003 to 2004	
				Million Baht	Percentage change
Interest and Dividend Income					
Interbank and money market items	18.83	1,510	2,237	(727)	(32.50)
Investments	45.40	3,641	4,314	(673)	(15.60)
Non-interest Income					
Gains on investments	23.12	1,854	1,978	(124)	(6.27)
Gains on exchange	12.76	1,023	1,226	(203)	(16.56)
Others	(0.11)	(9)	20	(29)	(145.00)
Total	100.00	8,019	9,775	(1,756)	(17.96)

Note: The figures above are managerial figures.

For 2004, the Group had total income of Baht 8,019 million, declining by Baht 1,756 million, or 17.96 percent, from 2003. This was attributed to a decline in non-interest income of Baht 356 million, due mainly to decreases in gains on exchange and gains on investments in fixed-income securities. At the same time, interest and dividend income dropped by Baht 1,400 million, due to a downward trend in the Bank's liquidity, following loan extension.



4. Functional Groups

For greater efficiency within core business groups, several development projects relating to such systems as human resources, operation restructuring, and information technology were implemented in 2004.

• Building an Effective, Performance-Based Organization

With the goal of becoming a performance-based and competency-based organization, the Bank continued with the implementation of the PRO (Performance Reward Opportunity) project throughout the year 2004.

Additionally, the Bank has implemented several other important programs, including those in the following areas:

Performance Management

The Bank has conducted a Competency Gap Analysis to provide information for personnel management in the future and develop common goals for related departments. Teams were established to set shared goals for end-to-end operations, focusing primarily on service processes, starting with cash management service in 2005. Employee performance evaluation criteria and systems have been improved to enhance fairness and prepare the Bank for becoming a matrix organization, which has more than one assessor, expected to be implemented in 2005. Shared, result-based, and people management goals were introduced to replace common goals in order to retain valuable employees. Employee turnover rates are measured, especially targeted employees, being the top 20 percent of performing employees and new employees.

Rewards

The Recognition Program has been implemented, with cooperation between heads of business groups and departments, to create an incentive for good performance, and set a model of performing employees and encourage staff to perform in line with the Bank's expectations. The Bank has also carried out a comparison of compensation and benefit structures with those of the market to help retain current staff and attract new employees.

• Credit Services Unit & Centralized Lending Services Project (CSU/CLS)

In 2003 and 2004, the Bank has completed all main credit development projects, including the improvements in operations to facilitate credit support and operations after credit approval processes were centralized. Other projects completed were the centralization of contract and collateral document retrieval systems for the Retail and Corporate Banking groups in Bangkok and its Metropolitan region, the Document Management System (DMS), and the Document & Collateral Control System (DCS). The Bank is in the process of expanding the scope of the DCS project, expected to be completed by the first quarter of 2005.

To support the Restructured Account Administration Policy and Process (RAPP), the Bank is in the process of developing a repayment allocation system that is in compliance with the Debt Restructuring System (DRS). This will help increase accuracy in recording repayments, which will result in shorter monitoring time and greater efficiency in examining debt repayment histories of restructured debtor accounts. The DRS is expected to be operational by the second quarter of 2005. In addition, to improve on notifications of time to renew credit lines and insurance policies and review of credit agreement terms and conditions, the Bank has developed the Credit Monitoring System (CMS), Phase 1. This system will help reduce time and effort in credit control operations, and is expected to be operational by the second quarter of 2005.



- **IT Security Policy and Implementation**

In order to safeguard the confidential information of our customers, the Bank continued to implement the IT Security Policy and IT Implementation Project. During 2004, the Bank has established the IT Security in Electronic Financial Services, for compliance with the BOT policy on IT security. In addition, the infrastructure of secure communication modes for use internally within the organization and between customers and the Bank has been improved, in cooperation with a selected IT consulting company. Meanwhile, the Bank and IBM (Thailand) Co., Ltd. have reviewed security policy and best practices to be used in operations. For electronic transactions, information process channels were changed to provide more safety for on-line ATM card applications. Meanwhile, card processing time was shortened to four days, from five days. The Bank, in cooperation with an external IT solution provider, is in the process of examining the transaction security of the Cash Connect system, expected to be completed by April 2005.

- **IT Outsourcing**

The Bank and IBM (Thailand) Co., Ltd. continue to improve the efficiency of IT outsourcing under the Transformation Plan. The improvement in the IP Network was rolled out to branches nationwide, including the ATM Network in Bangkok. For the Disaster Recovery Plan, the Disaster Recovery strategy was completed, and the back-up systems for the ATM and credit card systems have been tested, and the results were satisfactory. Improved protection systems have been devised for the Bank's mainframes to backup data more quickly and efficiently against temporary failures or interruptions in service. This improvement is expected to be completed by the second quarter of 2005. The Bank also conducted a study on the possibility of improving the Local Area Network (LAN) to handle more operational systems with greater efficiency.

5. KASIKORNBANK's Investments in Subsidiary and Associated Companies

- **Subsidiary and Associated Companies**

Subsidiary companies refer to companies where the Bank has invested in more than 50 percent of the fully paid equity of the company. The Bank has the authority to determine these firms' financial and operating policies through their Board of Directors and Shareholders Meetings.

Associated companies refer to companies where the Bank has invested in more than 20 percent of the fully paid equity of the company. The Bank participates in making decisions with regard to financial and operating policies through these firms' Shareholders Meetings.

- **Investment Policy**

The Bank's investments in subsidiary companies serve strategic and outsourcing investment plans, while investments in associated companies are for trading and other purposes.

Strategic Investments

The Bank invests in businesses that benefit it strategically. The Bank and subsidiary companies will collaborate in reviewing business plans of these companies and find ways to integrate them into the Bank's business. In addition, resources, equipment, tools, and existing Bank channels are shared and utilized to create maximum efficiency without causing operating redundancies.



Business Support Investment

The Bank invests in companies that provide support to the Bank's business. These are companies that provide services that are not core business of the Bank and need flexibility in management. Bank executives are appointed as the Board of Directors of these companies in order to create efficiency, effectiveness, and define standards for providing services to the Bank.

Trading and Other Investments

The Bank invests in associated companies to benefit from dividend payments and capital gains, without having control over their management. Investments in some associated companies are achieved through debt restructuring.

The Bank's investments in subsidiary and associated companies as of the end of 2004 are listed in the table below.



Details of Investments

Company Name	Place	Type of Business	No. of Shares Issued	No. of Shares Held	Percentage Held (%)	Type of Shares	2004 Operating Performance (Baht)
Investment in Asset Management Company							
1. Phethai Asset Management Co., Ltd. (Formerly Thonburi Asset Management Co., Ltd.) Tel. 0 2694 5000 Fax. 0 2694 5202	Bangkok	Services	800,000,000	799,999,993	99.99	Ordinary	(64,447,567)
2. Ploy Asset Management Co., Ltd. (Formerly Chanthaburi Asset Management Co., Ltd.) Tel. 0 2693 2020 Fax. 0 2693 2525	Bangkok	Services	500,000,000	499,999,993	99.99	Ordinary	(395,947,418)
Investment in Subsidiary and Associated Companies							
1. Kanpai Co., Ltd. Tel. 0 2270 1261 Fax. 0 2270 1262	Bangkok	Services	200,000	199,993	99.99	Ordinary	21,601,390
2. Progress Plus Co., Ltd. Tel. 0 2270 1272 Fax. 0 2270 1273	Bangkok	Services	230,000	229,993	99.99	Ordinary	7,780,478
3. Kasikorn Factoring Co., Ltd. (Formerly Thai Farmers Heller Factoring Co., Ltd.) Tel. 0 2290 2900 Fax. 0 2275 5165	Bangkok	Factoring	1,600,000	1,599,994	99.99	Ordinary	76,328,179
4. Progress Land and Buildings Co., Ltd. Tel. 0 2273 3884 Fax. 0 2273 3883	Bangkok	Real Estate Development	20,000,000	19,999,992	99.99	Ordinary	18,839,191
5. Kasikorn Research Center Co., Ltd. Tel. 0 2273 1874 Fax. 0 2270 1569	Bangkok	Services	100,000	99,993	99.99	Ordinary	538,648
6. Progress Facilities Management Co., Ltd. Tel. 0 2273 3289-91 Fax. 0 2273 3292	Bangkok	Services	50,000	49,993	99.99	Ordinary	3,257,710
7. Progress Management Co., Ltd. Tel. 0 2273 3880-2 Fax. 0 2273 3883	Bangkok	Services	60,000	59,993	99.99	Ordinary	1,575,953
8. Progress Software Co., Ltd. Tel. 0 2273 3829-30 Fax. 0 2270 1197	Bangkok	Services	100,000	99,994	99.99	Ordinary	14,601,682
9. Kasikorn Leasing Co., Ltd. Tel. - Fax. -	Bangkok	Leasing	6,000,000	5,999,993	99.99	Ordinary	(308,423)



Company Name	Place	Type of Business	No. of Shares issued	No. of Shares Held	Percentage Held (%)	Type of Shares	2004 Operating Performance (Baht)
10. Progress Storage Co., Ltd. Tel. 0 2273 3833 Fax. 0 2271 4784	Bangkok	Services	30,000	29,993	99.98	Ordinary	7,901,186
11. Progress Service Co., Ltd. Tel. 0 2273 3293-4 Fax. 0 2273 3292	Bangkok	Services	20,000	19,993	99.97	Ordinary	10,291,140
12. Progress H R Co., Ltd. Tel. 0 2273 1785-6 Fax 0 2270 1273	Bangkok	Services	10,000	9,994	99.94	Ordinary	(150,774)
13. Kasikorn Securities Public Co., Ltd. Tel. - Fax. -	Bangkok	Securities	60,000,000	59,944,662	99.91	Ordinary	315,918
14. Progress Appraisal Co., Ltd. Tel. 0 2273 3654-6 Fax. 0 2270 1051	Bangkok	Services	5,000	4,992	99.84	Ordinary	11,176,563
15. Kasikorn Asset Management Co., Ltd. Tel. 0 2693 2300 Fax. 0 2693 2320	Bangkok	Mutual Fund Management	27,154,274	19,394,156	71.42	Ordinary	193,371,824
16. Thai Administration Services Co., Ltd. Tel. 0 2670 9494 Fax.. 0 2670 9499	Bangkok	Services	2,500,000	1,274,997	51.00	Ordinary	10,035,141
17. Processing Center Co., Ltd. Tel. 0 2237 6330-4 Fax. 0 2634 3231	Bangkok	Services	100,000	30,000	30.00	Ordinary	66,921,439
18. N.C.Associate Co., Ltd. Tel 0 2661 5200 Fax 0 2661 4136	Bangkok	Trading	10,000	2,823	28.23	Ordinary	(68,978)
19. Rural Capital Partners Co., Ltd. Tel. 0 2318 3958 Fax 0 2318 3958 ext. 406	Bangkok	Joint Ventures	1,000,000	275,000	27.50	Ordinary	702,887
20. Progress Information Co., Ltd. Tel 0 2263 8050 Fax 0 2263 8051	Bangkok	Services	1,000,000	200,000	20.00	Ordinary	(1,369,817)
21. M Grand Hotel Co., Ltd. Tel 0 2617 1949 Fax 0 2617 1940-1	Bangkok	Hotel	100,000,000	20,000,000	20.00	Ordinary	(10,523,789)
22. E.S.Industries Co., Ltd. Tel 0 2516 9124-8 Fax. 0 2516 9202	Pathum Thani	Textiles	1,100,000	220,000	20.00	Ordinary	-

Note : These operating performance figures are shown in subsidiary and associated companies' financial statements.



1 Overall Risk Management

The Bank believes that effective risk management and risk control is vital to maximizing sustainable returns to shareholders. The overall risk management framework encompasses the following organizational structure:

- The Board of Directors has ultimate responsibility for approving all risk management policies and guidelines, setting risk limits and risk appetites, and ensuring the establishment of effective risk management systems and procedures in line with international standards.

- The Audit Committee is responsible for reviewing risk management procedures and the internal risk control system.

Furthermore, the Board of Directors has assigned the following Committees and Sub-committees to assist in managing various risks.

- The Risk Management Committee is responsible for overseeing and monitoring the risk management policies and overall risk profile under the policies and guidelines approved by the Board of Directors.

- The Asset and Liabilities Management Sub-committee is responsible for managing interest rate, liquidity, and foreign exchange risk.

- The Credit Policy Sub-committee is responsible for establishing credit policies that are in line with the Bank's strategies and credit risk appetite.

The day-to-day responsibility for measuring and monitoring all related risk has been delegated to the Internal Risk Management Department. This department is accountable for developing sophisticated risk management tools by converting all related risks into a single comparable term of capital. This concept enables the Bank to estimate and control the magnitude of various types of risks, set pricing that reflects the risk level of different customers and businesses, and allocate capital properly reflecting returns and risk levels.

2 Risk Management Principles

The Bank's risk management consists of credit, market, liquidity, operational, and other risk management. The principle of Risk-adjusted Return on Capital (RAROC) and Economic Profit are used to measure risk management performance. The Bank adheres to the following Risk Management principles:

- Defined Risk Management Policy
- Independent Risk Controls
- Integrated Risk Management
- Business Lines Accountable for Risk
- Risk-Adjusted Performance Measurement



3 Risk Management

• Credit Risk Management

Credit Risk Management Overview

In managing credit risk, the Bank has adhered to the Bank of Thailand's guidelines for compliance with the centralization of credit approval processes and separation of sales and credit decisions to promote the Bank's transparency. Nevertheless, credit-related officials, particularly Business Client Sales Coordinators, Relationship Managers, and Underwriters, all share goals in attaining credit quality and business development. Furthermore, emphasis has been placed on credit operational efficiency under proper monitoring and controlling processes. Clear roles and responsibilities have been defined and disseminated to all staff levels, while automated operation and support systems have been developed. Staff have steadily received credit skills training to better serve customers. Clear guidance and principles are used to increase value in credit operations, improve the credit culture, and foster a common credit language.

Credit Policies and Credit Risk Management Tools

In 2004, the Bank focused on improving and defining credit risk management tools, completely developed in 2003, to enhance credit risk management efficiency. Business strategies based on an acceptable risk appetite were established in order to define clearer operational targets for staff. These business strategies were translated into a consistent set of credit policies and action plans that cover all customer segments and all product lines. Minimum qualifications for credit eligibility are established within these policies and guidelines, which comply with and go beyond the rules and regulations of the Bank of Thailand. Credit policies are regularly reviewed and updated to ensure that they are in line with guiding principles and rationale and are always available for staff through the Bank's online information system.

Credit risk management tools are essential to assessing the credit risk of customers and credit portfolios. Customer and industry risk rating tools and an automated credit evaluation system are in place and have been utilized to set appropriate pricing for each corporate customer. When calculating the Return on Risk Adjusted Capital (RAROC), the cost of funds and related operating expenses are included, while the expected loss component from the credit risk are factored in, as well. In so doing, prices will be set in accordance with each individual customer and customer segment, depending on credit portfolio management of each business group.

Meanwhile, significance has been given to the control of loan limit concentration in different dimensions, i.e., industry, customer characteristics, and geographical locations, to be in line with business plans. Each credit limit dimension is monitored on a monthly basis. Monthly reports on loan approvals conducted by each business group are also presented with recommendations to improve loan portfolio quality appropriate to the Bank's designated risk appetite. As the Bank has never concentrated too much in any industry or area in granting loan approvals, we have been little affected by unexpected crises, such as the bird flu, the Tsunami disaster, and the Southern unrest.

Credit Underwriting and Approval Procedures

At present, the Bank has centralized credit underwriting and approvals for clear and standard credit policy, with an approval process and system that is designed to suit customers, whose needs and characteristics are multi-dimensional. To support operation personnel in making risk analyses with the same standards, the Bank has credit rating tools in both quantitative aspects, referring to customers' financial statements, and qualitative data that stresses on trends and competitiveness of businesses, including management systems. Meanwhile, the underwriting of retail lending is based on a centralized principle and uses an automatic credit evaluation system known as Credit Scoring, which is based on the Bank's historical customer data, while risks are managed as a portfolio. This type of loans consist of credit card services, personal loans, housing loans, and retail business loans. Also, the Bank has developed a credit rating system for various countries and financial institutions that the Bank does business with in money market activities, derivatives, and investments.



Post Credit Approval Operations

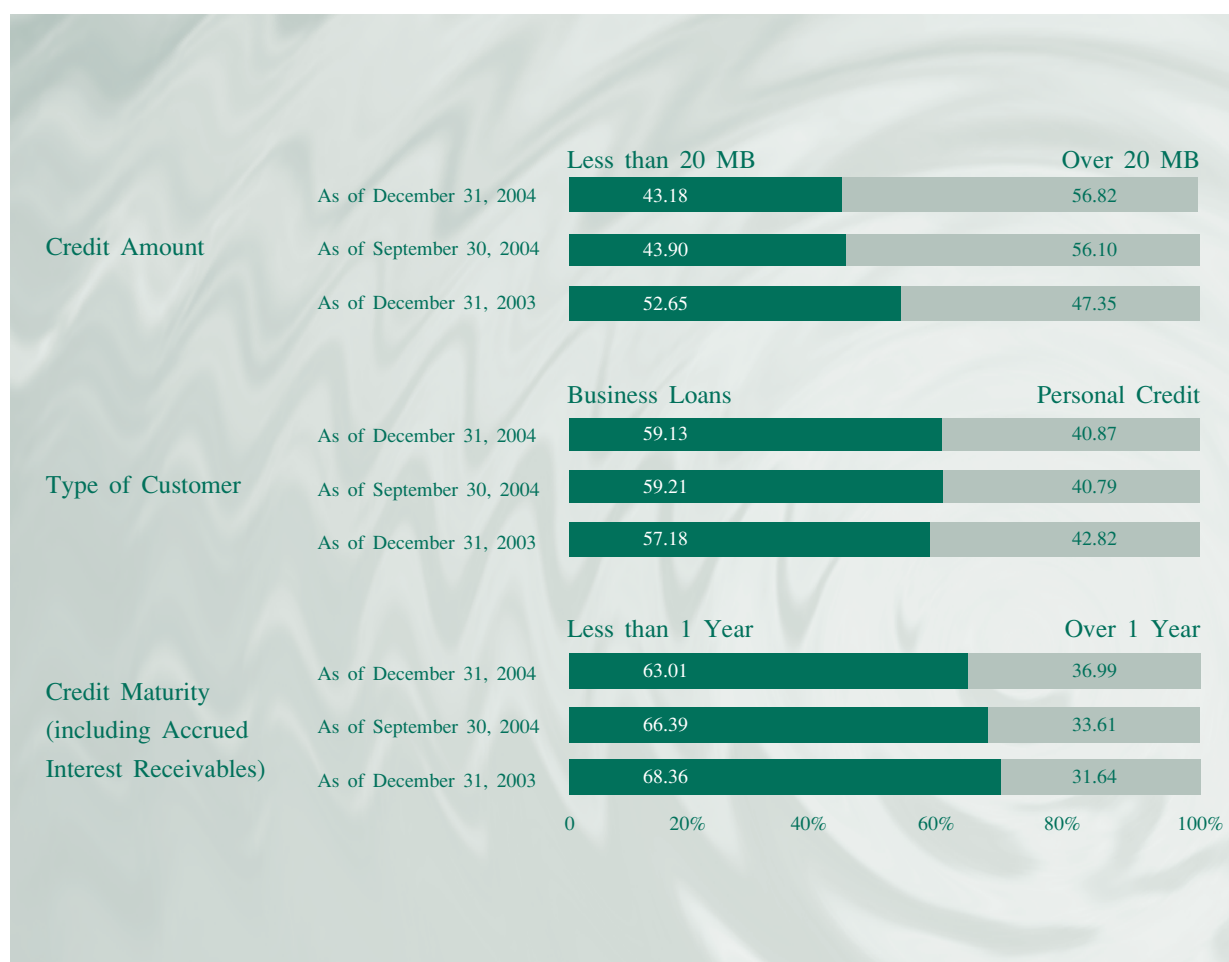
The Bank has set up an operations center for post-credit approvals in order to create standards and efficiency in operations. The responsibility of this centralized unit is to consolidate all required contracts, set up credit lines, as well as maintain lending agreements and collateral documents. In addition, the Bank has set up the Risk Asset Review Department to review the quality of credit underwriting and efficiency of credit procedures. For steady and efficient development of the credit processes, this department also prepares review reports and suggestions to senior executives and related departments.

Outstanding Loans

As of December 31, 2004, the Bank's consolidated outstanding loans stood at Baht 592,588 million, increasing by 8.15 percent over Baht 547,918 million at the end of 2003. The amount rose by 1.89 percent over Baht 581,612 million at the end of September 2004.

As of the end of 2004, 56.82 percent of the Bank's outstanding loans to customers were loans not exceeding Baht 20 million. Credit extended to the 20 largest borrowers, excluding Phethai and Ploy Asset Management Companies and Kasikorn Factoring, which are wholly-owned subsidiaries, accounted for Baht 45,079 million, or 7.80 percent of the Bank's total loan portfolio. Classified by customer type, business Loans accounted for 341,860 million, or 59.13 percent of outstanding loans, while personal credit accounted for the remaining 40.87 percent. In terms of maturity, credit with maturity of less than or equal to 1 year accounted for 63.01 percent of the Bank's total loans.

The Bank's Consolidated Lending Portfolio - Profile



The Bank's consolidated lending portfolio, including accrued interest receivables, as of the end of 2004 and 2003, were as follows:

**The Bank's Consolidated Lending Portfolio
(including Accrued Interest Receivables)**



Non-performing Loans

As of December 31, 2004, NPLs of the Bank and its AMCs stood at Baht 72,809 million, equal to 12.30 percent of the total outstanding credit, including that of financial institutions. For Bank-only NPLs, the amount totaled Baht 56,870 million, accounting for 9.81 percent of the total outstanding credit, including that of financial institutions. These NPL figures have already included restructured loans that were reclassified as non-performing loans, upon the conclusion of the regular BOT review, of Baht 13,017 million, which will be officially verified by the BOT by the first quarter of 2005. NPL figures, as of the end of 2004 and 2003, are shown in the table below.

Year ending	(Million Baht)	
	Dec 31, 2004	Dec 31, 2003
The Bank and its AMCs' NPLs	72,809	92,319
Percentage of total outstanding credit, including that of financial institutions	12.30	16.85
The Bank's NPLs	56,870	68,316
Percentage of total outstanding credit, including that of financial institutions	9.81	12.84

In 2004, the Bank and its AMCs entered into debt restructuring agreements with borrowers with pre-written-off outstanding debts totaling Baht 57,455 million. At the same time, Bank-only pre-written-off outstanding debts amounted to Baht 40,873 million. The details of debt restructuring and losses from debt restructuring in 2004 and 2003 are shown in the following table.



(Million Baht)

Year ending	Dec 31, 2004	Dec 31, 2003
Debt restructuring of the Bank and its AMCs	57,455	81,854
Losses from debt restructuring	9,127	13,755
Debt restructuring of the Bank	40,873	63,789
Losses from debt restructuring	6,537	11,503

Allowance for Doubtful Accounts

To refine regulations on provisioning, on August 26, 2004, the Bank of Thailand issued a notification regarding worthless or irrecoverable assets, and doubtful assets that may be worthless or irrecoverable, at commercial banks. The directive supersedes regulations on collateral valuation and appraisal that are used in the calculation of allowances for doubtful accounts. It also amends regulations on provisioning for assets classified as doubtful of loss for which commercial banks have not initiated debt restructuring, or filed legal action against the debtors, by instructing commercial banks to increase their provisions for the outstanding balances, net of provisions already set. The notification will be effective for the accounting period ending December 31, 2004. The Bank does not anticipate that any additional provisioning will be required in this regard.

As of December 31, 2004, allowances for doubtful accounts of the Bank and its AMCs totaled Baht 46,283 million. This amount was equivalent to 144.18 percent of the level required by the BOT. For Bank-only allowances for doubtful accounts, the amount stood at Baht 31,680 million, which was equivalent to 145.22 percent of the level required by the BOT. Current allowances, both consolidated and Bank-only, are believed to be adequate to absorb estimated and potential losses from debt restructuring, relapses in performing restructured loans, depreciation in collateral value, and potential loss sharing in debt restructured accounts, which have been transferred to the Thai Asset Management Corporation.

Foreclosed Properties

As of December 31, 2004, the Bank's consolidated foreclosed properties had a book value of Baht 21,216 million, accounting for 2.56 percent of total assets. At the same time, Bank-only foreclosed properties had a book value totaling Baht 16,071 million, accounting for 1.95 percent of total assets. At the same time, consolidated allowances for impairment of foreclosed properties stood at Baht 3,819 million, accounting for 18.00 percent of the book value of foreclosed properties. As for Bank-only figures, allowances for impairment of foreclosed properties were at Baht 3,336 million, accounting for 20.76 percent of the book value of foreclosed properties. Current allowances, both consolidated and Bank-only, are believed to be sufficient to cover holding, maintenance and disposal expenses, and losses on the liquidation of foreclosed properties. The details of foreclosed properties and the associated allowances, as of the end of 2004 and 2003, are shown below.

(Million Baht)

Year ending	Dec 31, 2004	Dec 31, 2003
Consolidated foreclosed properties	21,216	18,234
Percent of total assets	2.56	2.22
Allowances for impairment of consolidated foreclosed properties	3,819	3,717
Percent of consolidated foreclosed properties	18.00	20.38
Bank-only foreclosed properties	16,071	14,201
Percent of total assets	1.95	1.73
Allowances for impairment of Bank-only foreclosed properties	3,336	3,341
Percent of Bank-only foreclosed properties	20.76	23.53

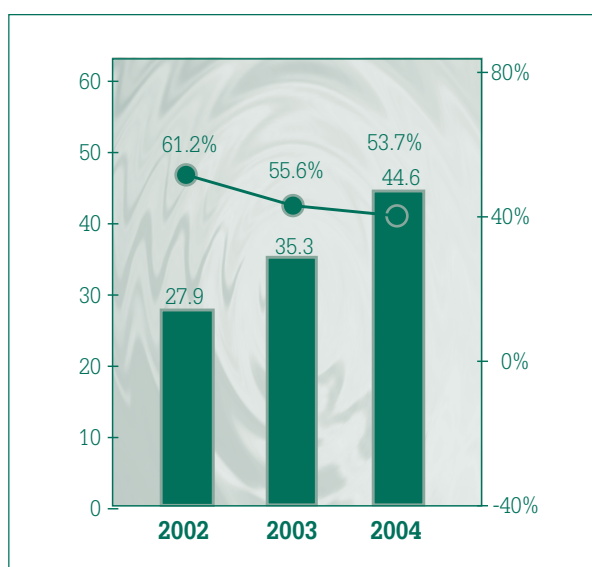


Phethai Asset Management Company Limited, and Ploy Asset Management Company Limited

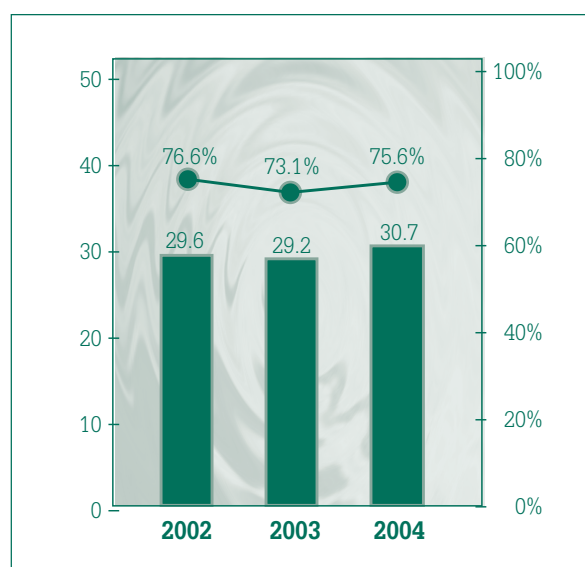
In 1999, the Bank founded Thonburi AMC, later renamed Phethai AMC, to acquire and manage a portion of the Bank's NPLs amounting to Baht 64,481 million at a discount to the net book value.⁴ Chanthaburi AMC, later renamed Ploy AMC, was also founded to acquire and manage Phatra Thanakij Finance Public Company Limited's NPLs, amounting to Baht 41,191 million at net book value. To compensate the Financial Institution Development Fund (FIDF) for its financial assistance amounting to Baht 4,396 million to Phatra Thanakij Finance PCL for repayment to the finance company's depositors and creditors, the Bank agreed to apportion two-thirds of Ploy AMC's profit to FIDF at the end of 2004. Any assets remaining within Ploy AMC would be appraised by independent appraisers and deemed liquidated at that appraised value for the purpose of profit determination.

As of December 31, 2004, Phethai AMC had resolved and/or restructured NPLs amounting to Baht 44,555 million, or 68.81 percent of the total initial unpaid principal balance, with an expected recovery rate of 53.69 percent. Ploy AMC had resolved and/or restructured NPLs totaling Baht 30,659 million, or 74.43 percent of the total initial unpaid principal balance, with an expected recovery rate of 75.63 percent.

Phethai AMC's Cumulative Loans Resolved/Restructured and Cumulative Recovery Rate (Billion Baht)



Ploy AMC's Cumulative Loans Resolved/Restructured and Cumulative Recovery Rate (Billion Baht)



Thai Asset Management Corporation (TAMC)

From 2001 to 2004, the Bank transferred sub-quality debts of 274 borrowers, who had all characteristics as stipulated in the Emergency Decree on the Thai Asset Management Corporation (B.E. 2544) and the Asset Transfer Agreement, to TAMC. Benchmarked to the appraised value of collateral in accordance with BOT regulations, total transferred assets with a gross book value of Baht 14,561 million as of their dates of transfer, were priced at Baht 10,168 million, or 69.83 percent of gross book value.

(Million Baht)

Year	Number of Borrowers	Gross Book Value as of Transferred Date	Transferred Price
2001	213	12,160	9,241
2002	45	2,199	797
2003	12	141	70
2004	4	61	61
Total	274	14,561	10,168

Note: The figures were adjusted for the corrections of transferred debts and their transfer values and the deduction of reversal of transferred debts not satisfying transferal terms and conditions.

⁴ Net book value is the book value of NPLs after subtracting the allowance for doubtful accounts determined per the Bank of Thailand.



In exchange for the transferred asset, TAMC issued the Bank a 10-year, non-transferable, callable note, guaranteed by the Financial Institution Development Fund (FIDF). The note yields an annual at the weighted average of deposit rates of 5 major Thai commercial banks, paid with 1-year, extendable, non-transferable, FIDF-guaranteed note. In 2004, the Bank recorded interest amounting to Baht 64.5 million, equivalent to a yield of 1.02 percent.

Despite the asset transfer to TAMC, the Bank remains exposed to a proportion of risk in our share of TAMC potential losses. According to the Emergency Decree on the Thai Asset Management Corporation (B.E. 2544) and the Asset Transfer Agreement, at the end of the fifth and tenth years beginning July 1, 2001, TAMC and the Bank will share gains or losses arising out of the resolution of the Bank's transferred assets. From this, the Bank may be liable to up to 30 percent of the aggregate transferred price, or Baht 3,041 million. However, the Bank's existing allowances for doubtful accounts, which are in excess of the regulatory requirement, are expected to cover the maximum loss-sharing scenario.

• **Market Risk Management**

Market risk stems from changes in interest rates, exchange rates, and securities prices, which can cause volatility in net interest income or the economic value of assets and liabilities. The purpose of market risk management is to handle the risk in accordance with international standards, while maximizing returns at acceptable risk levels, and to comply with the Bank's policies and procedures.

Core banking business that is exposed to market risk can be divided into 2 major groups: asset and liability management activities and trading activities.

1. Market Risk in Asset and Liability Management Activities

1.1 Interest Rate Risk Management

The Asset and Liability Management Sub-committee (ALCO) is responsible for monitoring and controlling interest rate risk stemming from mismatches between the asset and liability structures of the Bank. ALCO's purpose is to generate the highest returns to the Bank, while maintaining risk within levels approved by the Internal Risk Committee and Board of Directors.

The Bank's approach to evaluating interest rate risk is through analysis of repricing periods of Bank's assets and liabilities. Mismatches in asset and liability repricing periods indicate the interest rate risk level taken by the Bank. Sensitivity Analyses are used to analyze the effect of changes in deposit rate, lending rate, money market rate and capital market rate on the Bank's net interest income over the next 12 months and our financial position.

The Value at Risk (VaR) concept is also employed. VaR is a statistical tool that attempts to specify the probability distribution of risks by using historical data of relevant variables. This helps forecast the potential maximum loss to the Bank at specified confidence level.

Analysis of financial assets and liabilities based on contractual repricing periods, as of the end of 2004 and 2003, are shown below:



Consolidated Financial Statement as of December 31, 2004

(Million Baht)

	Immediate Repricing	Less than 6 months	6 months to 1 year	1 year to 5 years	More than 5 years	Non- interest Bearing	Stop Accrued	Total
Financial Assets								
Cash	-	-	-	-	-	13,536	-	13,536
Interbank and money market items	4,263	65,404	3,516	20	-	3,062	-	76,265
Securities purchased under resale agreements	-	19,040	-	-	-	-	-	19,040
Investment	16,457	14,177	7,646	56,247	7,537	8,335	3,985	114,384
Loans	376,499	71,698	4,358	29,884	10,525	1,276	98,349	592,589
Accrued interest receivables	-	-	-	-	-	2,455	-	2,455
Customers' liability under acceptances	-	-	-	-	-	743	-	743
Accrued income receivables	-	-	-	-	-	1,818	-	1,818
Other assets	-	-	-	-	-	4,348	-	4,348
Total	397,219	170,319	15,520	86,151	18,062	35,573	102,334	825,178
Financial Liabilities								
Deposits	384,552	255,939	21,017	6,113	-	37,949	-	705,570
Interbank and money market items	593	3,432	3,246	200	615	3,439	-	11,525
Liabilities payable on demand	-	-	-	-	-	7,426	-	7,426
Borrowing	-	-	3,843	-	19,768	-	-	23,611
Bank's liability under acceptances	-	-	-	-	-	743	-	743
Accrued interest payables	-	-	-	-	-	1,097	-	1,097
Other liabilities	-	-	-	-	-	6,049	-	6,049
Total	385,145	259,371	28,106	6,313	20,383	56,703	-	756,021
Repricing gap of on-balance sheet items	12,074	(89,052)	(12,586)	79,838	(2,321)	(21,130)	102,334	69,157



Consolidated Financial Statement as of December 31, 2003

(Million Baht)

	Immediate Repricing	Less than 6 months	6 months to 1 year	1 year to 5 years	More than 5 years	Non- interest Bearing	Stop Accrued	Total
Financial Assets								
Cash	-	-	-	-	-	18,699	-	18,699
Interbank and money market items	1,663	7,916	83,800	60	-	11,493	588	105,520
Securities purchased under resale agreements	-	31,710	-	-	-	-	-	31,710
Investment	15,012	20,082	26,442	58,681	5,450	6,746	6,875	139,288
Loans	306,092	47,246	3,867	32,516	8,069	909	149,219	547,918
Accrued interest receivables	-	-	-	-	-	2,971	-	2,971
Customers' liability under acceptances	-	-	-	-	-	676	-	676
Accrued income receivables	-	-	-	-	-	1,671	-	1,671
Other assets	-	-	-	-	-	2,699	-	2,699
Total	322,767	106,954	114,109	91,257	13,519	45,864	156,682	851,152
Financial Liabilities								
Deposits	339,806	273,617	27,305	8,103	-	36,115	-	684,946
Interbank and money market items	1,117	146	1,113	-	-	4,725	-	7,101
Liabilities payable on demand	-	-	-	-	-	7,042	-	7,042
Borrowing	-	39,967	-	-	19,874	-	-	59,841
Bank's liability under acceptances	-	-	-	-	-	676	-	676
Accrued interest payables	-	-	-	-	-	2,564	-	2,564
Other liabilities	-	-	-	-	-	1,626	-	1,626
Total	340,923	313,730	28,418	8,103	19,874	52,748	-	763,796
Repricing gap of on-balance sheet items	(18,156)	(206,776)	85,691	83,154	(6,355)	(6,884)	156,682	87,356



1.2 Foreign Exchange Risk Management

The Treasury Department carries out daily purchases and sales of foreign currencies, which can create exchange rate risk, thereby affecting the Bank's Profit and Loss, and the economic value of assets and liabilities. The Bank has a policy of keeping this risk at a low level by setting limits for foreign currency positions in accordance with the Bank's business and requirements of the BOT. These limits are under the close supervision of the Internal Risk Management Department and Asset and Liability Management Sub-committee.

In addition, the Value at Risk (VaR) method is used to manage foreign exchange risk.

1.3 Equity Risk Management

The Bank plans to reduce the size of equity investments that are unrelated to our core financial business. In this endeavor, we will analyze relevant information and timing to ensure maximum benefit to the Bank.

2. Market Risk in Trading Activities

Trading activities mainly involve the purchase and sale of fixed income securities and derivative instruments, as well as the purchase and sale of major currencies. Market risk in these transactions is managed by the Treasury Department under the close supervision of the Internal Risk Management Department so that risk inherent in the Balance Sheet is within limits. The Value at Risk (VaR) and Sensitivity Analyses are also used to monitor market risk.

In 2004, the Bank also developed a new system to comply with the BOT's new regulations regarding capital adequacy for market risk in trading activities, which will be implemented in 2005. Fundamental structures have been developed to enhance proper risk management for derivative instrument transactions.



• Liquidity Risk Management

Liquidity Risk stems from failure to meet obligations when they come due, due to being unable to convert assets into cash or to obtain sufficient funds to meet the cash needs with appropriate costs within limited time periods.

The Treasury Department is responsible for managing liquidity in order to meet the cash needs of the Head Office and branches by managing highly liquid Baht and foreign currency assets and balancing short-term and long-term funding alternatives. The Asset and Liability Management Sub-committee (ALCO) is responsible for setting policy and procedures for managing liquidity, which must comply with liquidity risk standards approved by the Internal Risk Committee and Board of Directors.

In managing liquidity risk, the Bank has established appropriate levels of liquid assets that should be maintained to sufficiently meet cash needs when demand arises, and to be in line with BOT guidelines. As of December 31, 2004, liquid assets held by the Bank and its subsidiaries were Baht 218,961 million, consisting of cash, interbank and money market items, securities purchased under resale agreements, and investments in securities (net of foreign securities and general investments). This amount decreased by Baht 71,624 million from the level on December 31, 2003, due to the redemption of Subordinated Debentures Cum Preferred Shares No. 1 of Baht 19,967 million and Subordinated Debentures of the Thai Farmers Bank Public Company Limited No. 2 of Baht 20,000 million, on January 12, 2004.

In addition to setting appropriate levels of liquid assets, calculations and analyses of liquidity ratios are used to measure liquidity position. An important liquidity ratio is the Loan-to-Deposit Ratio, which stood at 83.99 percent as of December 31, 2004, increasing from 79.99 percent at the end of 2003.

Designing an appropriate liability structure is another important approach for Liquidity Risk Management. To diversify risk, the Bank obtains funds from various sources, while focusing on the proper proportion of short-term and long-term funds. The future liquidity requirements are assessed by estimating expected cash inflows and outflows based on the current environment, and on the liquidity situation. In addition, contingency funding plans that outline processes for dealing with liquidity shortages and identify sources of funds during crisis have been set.

In 2004, to promote greater variety of funding structures and to provide more alternatives in investments for the public and/or the Bank's depositors, the Bank issued short-term debentures of Baht 3,843 million as part of our Short-term Debenture Project 1/2004 No. 1-7, with a maturity of less than or equal to 270 days. In addition, the Bank is in the process of improving tools for measuring and monitoring risk to enhance liquidity risk management efficiency and comply with BOT regulations.

Financial assets and liabilities, as of the end of 2004 and 2003, based on their contractual maturity are shown below:



Consolidated Financial Statement as of December 31, 2004

(Million Baht)

	At Call	Less than 6 months	6 months to 1 year	1 year to 5 years	More than 5 years	Non- maturity Items	Total
Financial Assets							
Cash	-	-	-	-	-	13,536	13,536
Interbank and money market items	6,926	65,803	3,516	20	-	-	76,265
Securities purchased under resale agreements	-	19,040	-	-	-	-	19,040
Investment	5,765	11,444	8,178	66,518	17,037	5,442	114,384
Loans	163,479	202,757	7,023	98,353	120,977	-	592,589
Accrued interest receivables	-	2,455	-	-	-	-	2,455
Customers' liability under acceptances	-	743	-	-	-	-	743
Accrued income receivables	-	1,818	-	-	-	-	1,818
Other assets	-	-	-	-	-	4,348	4,348
Total	176,170	304,060	18,717	164,891	138,014	23,326	825,178
Financial Liabilities							
Deposits	422,501	255,939	21,017	6,113	-	-	705,570
Interbank and money market items	4,032	2,932	1,146	200	3,215	-	11,525
Liabilities payable on demand	7,426	-	-	-	-	-	7,426
Borrowing	-	-	3,843	-	19,768	-	23,611
Bank's liability under acceptances	-	743	-	-	-	-	743
Accrued interest payables	110	869	79	39	-	-	1,097
Other liabilities	-	-	-	-	-	6,049	6,049
Total	434,069	260,483	26,085	6,352	22,983	6,049	756,021
Liquidity-net	(257,899)	43,577	(7,368)	158,539	115,031	17,277	69,157



Consolidated Financial Statement as of December 31, 2003

(Million Baht)

	At Call	Less than 6 months	6 months to 1 year	1 year to 5 years	More than 5 years	Non- maturity Items	Total
Financial Assets							
Cash	-	-	-	-	-	18,699	18,699
Interbank and money market items	5,273	88,696	11,490	60	-	1	105,520
Securities purchased under resale agreements	-	31,710	-	-	-	-	31,710
Investment	4,629	19,807	26,815	65,971	16,238	5,828	139,288
Loans	183,956	161,910	11,288	80,232	110,532	-	547,918
Accrued interest receivables	-	2,971	-	-	-	-	2,971
Customers' liability under acceptances	-	676	-	-	-	-	676
Accrued income receivables	-	1,671	-	-	-	-	1,671
Other assets	-	-	-	-	-	2,699	2,699
Total	193,858	307,441	49,593	146,263	126,770	27,227	851,152
Financial Liabilities							
Deposits	375,921	273,617	27,305	8,103	-	-	684,946
Interbank and money market items	5,842	146	1,113	-	-	-	7,101
Liabilities payable on demand	7,042	-	-	-	-	-	7,042
Borrowing	-	39,967	-	-	19,874	-	59,841
Bank's liability under acceptances	-	676	-	-	-	-	676
Accrued interest payables	87	777	131	1,238	331	-	2,564
Other liabilities	-	-	-	-	-	1,626	1,626
Total	388,892	315,183	28,549	9,341	20,205	1,626	763,796
Liquidity-net	(195,034)	(7,742)	21,044	136,922	106,565	25,601	87,356



• Operational Risk Management

Operational Risk is defined as risk of loss resulting from inadequate or faulty internal processes, personnel, operational systems, IT systems, or due to external events. The resulting losses may be financial or non-financial in nature, such as the loss of reputation or regulatory standing, which may directly or indirectly impact the Bank's revenue and/or capital. The Bank's operational risk management consists of identifying, evaluating, controlling, relieving, pursuing, and reporting on operational risks. These operations must be carried out continually to ensure that the Bank can keep risk at an acceptable level.

In 2004, the Bank steadily developed the process of operational risk management, comprising the major processes, as follows:

1. Operational risk management in business units. The Bank has set up risk estimation in each unit. This is a process that allows operations staff to review operational efficiency, compliance with laws, rules and regulations, and analysis of risks that affect the accomplishment of objectives in various aspects, as well as participate in enhancing the efficiency and effectiveness of the existing process and controls.

2. Operational risk management in products and processes. The Bank has arranged the analysis, identification, risk estimation, and control of products and financial services of the Bank, including during the launch of new products, product development, changes and development in operational processes, all of which need careful analysis and risk estimation in order to manage risk properly.

3. For processes in collecting operational loss data, the Bank has systematically set up a process to collect the data on operational losses and use these data for keeping risk at an acceptable level.

The Internal Risk Management Committee is responsible for the control and supervision operational risk of the Bank. An operational risk management team has been set up and is responsible for improving risk management processes and developing modern tools, as well as for continuing communicating knowledge and understanding about operational risk management to all employees, who are involved with operational risk at the Bank. The Committee also monitors and supports each operational unit to undertake risk management properly. The Internal Audit Department is in charge of auditing the correctness, transparency, and control of risk to acceptable levels, and that work conforms with the Bank's overall risk management.

• Other Risk Management

Risks Associated with Foreclosing Procedures

Most of the Bank's loans are secured by collateral, but the current Bankruptcy Law and asset foreclosing processes have not been developed to international standards. Although Thailand has been amending its bankruptcy laws and foreclosure laws, the legal execution and foreclosure process has yet to be significantly accelerated. The Bank has nevertheless, set guidelines to closely monitor all foreclosure-related work.

Risk from Guarantees and Avals

Certain transactions with customers are in the form of guarantees on borrowing or performance, letters of credit, or avals on notes. Such transactions are considered as credit or loans, which require submission of collateral. Regarding risk control in this area, the Bank uses the same criteria as those used for the Bank's normal credit approval process. At the end of December 2004, the Bank's contingent obligations were Baht 50,311 million, compared to Baht 45,541 million at the end of December 2003.



Risks Incurred from Contractual Obligations of Derivative Instruments

The Bank conducts various derivative transactions as a tool for risk hedging, including exchange rate, interest rate, and the Bank's securities price risks. The Bank also provides derivative instrument trading services to customers and business allies to increase our fee-based income. The Bank has a policy of engaging in derivatives sales and purchases to support the Bank's trading activities. As of December 31, 2004, the Bank had foreign exchange contracts on the purchase side of Baht 77,668 million, with Baht 196,807 million on the sales side, compared to Baht 53,309 million and 191,447 million at the end of December 2003, respectively. In addition, the Bank had outstanding interest rate contracts on the purchase side of Baht 54,607 million and Baht 50,675 million on the sales side, as of December 31, 2004, compared to Baht 23,743 million and 25,526 million at the end of December 2003, respectively.

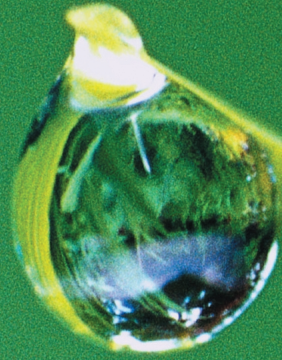
Risks Related to Capital Adequacy

As of December 31, 2004, the Bank's capital adequacy ratio, including the risk assets of Phethai and Ploy AMCs, was at 13.13 percent, which is significantly above the BOT minimum requirement of 8.50 percent. The Bank also monitors capital closely, as it fluctuates with operations.

● Performance Measurement using Risk-adjusted Return on Capital (RAROC) and Economic Profit

In 2004, the Bank began to use the Value-based Management (VBM) system. This guideline uses the principle of Risk-adjusted Return on Capital (RAROC) and Economic Profit, which measures net profit after adjusting both the risk charge and the cost of capital, as tools to determine business strategy, business planning, goals, and prices. This helps the Bank achieve returns at appropriate risk levels and reach the expectation of shareholders, as well as increase the efficiency of capital adequacy management and capital allocation to all business units. The Bank has started to implement the VBM system in the Corporate Business Group and the Retail Business Group for all levels of customers, customer segments, and products, including organizing training programs to inform staff about the RAROC and Economic Profit concepts. The Bank expects to fully implement VBM in all groups in the near future. In order to achieve the aforementioned objective, the Bank has developed many advanced models and tools to estimate and quantify risks in terms of capital, and has initiated plans and processes to fully support the VBM system in the future.





Value

- Customer Satisfaction
- Belief in Teamwork
- Dedication to Professional and Ethical Conduct
- Commitment to Discipline
- Proactiveness

Board of Directors' Responsibilities for Financial Reports

The Board of Directors is responsible for the Bank's financial statements, the consolidated financial statements of the Bank and its subsidiaries, and all financial information appearing in the annual report. These financial statements have been prepared in accordance with generally accepted accounting standards in Thailand, which are based on appropriate accounting policies applied and practiced on a regular basis. The financial statements have also been prepared under careful consideration and the best estimation method. All material information has been sufficiently disclosed in the Notes to Financial Statements.

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

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

The Board of Directors is of the opinion that the Bank's overall internal control system is satisfactory, and allows for reasonable confidence in the reliability of both the Bank's financial statements and the consolidated financial statements of the Bank and its subsidiaries as of December 31, 2004.



Report of the Audit Committee

The Board of Directors of KASIKORNBANK PUBLIC COMPANY LIMITED has appointed an Audit Committee, consisting of M.R. Sarisdiguna Kitiyakara, as Chairman, with Mr. Somchai Bulsook, Professor Khunying Suchada Kiranandana, and Ms. Elizabeth Sam as Members. The Chairman and the Members are not officers or employees of the Bank. In accordance with the provisions of its Charter, the Audit Committee, in 2004, held eleven meetings to review the Bank's activities on behalf of the Board of Directors, consistent with the norms set by the Stock Exchange of Thailand.

The Audit Committee has regularly met with executives of various departments in order to discuss issues arising from the Bank's operations. With regard to risk management, the Committee has reviewed and assessed the effectiveness and sufficiency of the risk management process during meetings and direct discussions with executives of the risk management unit and related departments. Reviews have been made of risk management reports on Credit, Market, including Foreign Exchange and Interest Rate Risks. The Audit Committee has also overseen the development of e-Banking audit project. Aside from this, the Audit Committee has placed considerable emphasis on the Bank's operations to ensure strict compliance with the Securities and Exchange Act, and other laws governing commercial banking operations in Thailand, including the Anti-Money Laundering Act and the Consumer Protection Act.

With regard to connected transactions, where the need for transparency and disclosure of information is paramount, the Audit Committee has reviewed these transactions in regular meetings and discussions with responsible executives. The Audit Committee has held regular meetings with internal auditors to assess the adequacy and effectiveness of the internal control system and reviewed the relevance of the Internal Audit Department Charter. The Audit Committee has also reviewed the internal auditing approach and approved the annual internal audit plan, as well as overseen the initiation and the implementation of Management Audit with internal auditors.

An important role of the Audit Committee is to review the Bank's financial statements at quarterly intervals and at the end of each accounting period, in joint meetings with the Finance and Control Group Executives twice each quarter. Also, it has held joint meetings with the external auditors to discuss reviews and audits of financial statements, observations and assessments of the Bank's internal control system, risk management process, the information technology security systems, as well as special audit reports on specific extraordinary transactions. Moreover, the Committee has evaluated the list of external auditors and the level of annual audit fees for 2005, and made recommendations to the Board of Directors, who will submit the name and the agreed fee to the Shareholders for approval at the Annual General Meeting.

Having reviewed the Bank's financial statements audited by external auditors and the Bank's management process and activities, and having participated in meetings with the external and internal auditors and other relevant executives of the Bank, the Audit Committee has come to the view: there is no misstatement in the Bank's financial statements which would materially affect the Bank's financial position; the Bank has appropriate risk management and internal control systems; the operations are in compliance with relevant laws and regulations; and, related transactions have been conducted and disclosed in accordance with the rules set by regulatory agencies.



(M.R. Sarisdiguna Kitiyakara)
Chairman, Audit Committee
January 27, 2005



Audit Report of Certified Public Accountant

To the Shareholders of KASIKORNBANK PUBLIC COMPANY LIMITED

I have audited the accompanying consolidated balance sheets of KASIKORNBANK PUBLIC COMPANY LIMITED and subsidiaries as at December 31, 2004 and 2003, and the consolidated statements of income, changes in shareholders' equity and cash flows for each of the years then ended. I have also audited the balance sheets of KASIKORNBANK PUBLIC COMPANY LIMITED as at December 31, 2004 and 2003, and the statements of income, changes in shareholders' equity and cash flows for each of the years then ended. The management of the KASIKORNBANK PUBLIC COMPANY LIMITED is responsible for the correctness and completeness of the information presented in these financial statements. My responsibility is to express an opinion on these financial statements based on my audits.

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 KASIKORNBANK PUBLIC COMPANY LIMITED and subsidiaries as at December 31, 2004 and 2003, and the consolidated results of their operations and cash flows for each of the years then ended, and the separate financial position and the results of operations and cash flows of KASIKORNBANK PUBLIC COMPANY LIMITED for the same period, in conformity with generally accepted accounting principles.

Without qualifying my opinion, I draw attention to Note 35 to the financial statements which sets out the rationale for, and the effects on the financial statements of, the change in accounting policy for deferred tax which was effective from December 2004. This change in accounting policy has been applied retrospectively. The comparative financial statements as at and for the year ended December 31, 2003 have been restated in accordance with the new policy.

A. Dimghaant

Supot Singhasaneh

Certified Public Accountant

Registration No. 2826



KPMG Phoomchai Audit Ltd.

Bangkok

February 14, 2005



KASIKORNBANK PUBLIC COMPANY LIMITED and Subsidiaries

Balance Sheets

As of December 31, 2004 and 2003

Baht

	Consolidated		The Bank	
	2004	2003 (Restated)	2004	2003 (Restated)
Assets				
Cash	13,536,066,960	18,699,183,946	13,535,831,175	18,699,095,513
Interbank and money market items (Note 5)				
Domestic items				
Interest bearing	1,218,278,347	419,048,121	1,137,863,638	131,540,875
Non-interest bearing	2,135,366,755	2,844,647,738	2,150,079,907	2,854,343,708
Foreign items				
Interest bearing	71,969,251,131	101,492,418,240	71,969,251,131	101,492,418,240
Non-interest bearing	926,985,867	165,862,338	926,985,867	165,862,338
Total interbank and money market items - net	76,249,882,100	104,921,976,437	76,184,180,543	104,644,165,161
Securities purchased under resale agreements (Note 6)	19,040,000,000	31,710,000,000	19,040,000,000	31,710,000,000
Investments (Notes 3.4, 7 and 28)				
Current investments - net	33,325,170,944	65,490,620,866	31,657,896,392	65,006,385,567
Long-term investments - net	76,347,550,884	69,240,414,800	74,696,583,540	65,939,348,013
Investments in subsidiaries and associated companies - net (Note 35)	462,378,420	520,473,273	10,635,877,986	9,779,988,927
Total investments - net	110,135,100,248	135,251,508,939	116,990,357,918	140,725,722,507
Loans and accrued interest receivables (Note 8)				
Loans (Notes 3.5, 9 and 35)	592,588,468,951	547,917,919,934	578,117,032,454	530,089,906,029
Accrued interest receivables	2,455,343,998	2,970,945,258	1,318,031,786	1,485,101,972
Total loans and accrued interest receivables	595,043,812,949	550,888,865,192	579,435,064,240	531,575,008,001
Less Allowance for doubtful accounts (Notes 3.6 and 10)	(39,068,136,470)	(59,268,090,726)	(26,968,186,450)	(42,995,675,552)
Less Revaluation allowance for debt restructuring (Notes 3.7 and 11)	(4,878,194,345)	(6,665,399,431)	(2,297,055,189)	(4,721,214,714)
Less Normalized provisioning (Notes 3.8 and 12)	(2,400,000,000)	(1,600,000,000)	(2,400,000,000)	(1,600,000,000)
Total loans and accrued interest receivables - net	548,697,482,134	483,355,375,035	547,769,822,601	482,258,117,735
Foreclosed properties - net (Notes 3.9 and 13)	17,397,232,399	14,516,837,350	12,734,511,528	10,860,375,379
Customers' liability under acceptances	743,368,580	676,184,148	743,368,580	676,184,148
Premises and equipment - net (Notes 3.10, 15 and 36)	19,747,325,472	20,083,782,411	19,220,398,395	19,538,385,294
Intangible assets - net (Notes 3.11 and 16)	3,523,349,656	2,585,706,251	2,988,529,800	2,610,180,350
Accrued income receivables	1,818,365,007	1,671,418,278	1,736,440,180	1,597,517,159
Derivative revaluation	6,348,766,754	3,713,330,067	6,348,766,754	3,713,330,067
Other assets - net	7,314,808,687	4,099,506,068	6,649,339,827	3,803,580,242
Total Assets	824,551,747,997	821,284,808,930	823,941,547,301	820,836,653,555

The accompanying notes are an integral part of these financial statements.



KASIKORNBANK PUBLIC COMPANY LIMITED and Subsidiaries

Balance Sheets

As of December 31, 2004 and 2003

Baht

	Consolidated		The Bank	
	2004	2003 (Restated)	2004	2003 (Restated)
Liabilities and Shareholders' Equity				
Deposits (Note 17)				
Deposits in Baht	701,712,987,751	682,385,560,027	702,127,816,843	682,661,690,672
Deposits in foreign currencies	3,856,728,173	2,560,416,551	3,856,728,173	2,560,416,551
Total deposits	705,569,715,924	684,945,976,578	705,984,545,016	685,222,107,223
Interbank and money market items (Note 18)				
Domestic items				
Interest bearing	8,067,531,721	1,890,287,247	7,707,531,721	1,685,287,247
Non-interest bearing	3,182,510,145	4,221,597,522	3,182,510,145	4,221,597,522
Foreign items				
Interest bearing	18,777,373	486,057,709	18,777,373	486,057,709
Non-interest bearing	256,129,941	502,928,879	256,129,941	502,928,880
Total interbank and money market items	11,524,949,180	7,100,871,357	11,164,949,180	6,895,871,358
Liability payable on demand	7,426,010,070	7,041,817,603	7,426,010,070	7,041,817,602
Borrowings				
Short-term borrowings (Note 19)	3,843,000,000	-	3,843,000,000	-
Long-term borrowings (Note 20)	19,767,595,098	59,841,317,549	19,767,595,098	59,841,317,549
Total borrowings	23,610,595,098	59,841,317,549	23,610,595,098	59,841,317,549
Bank's liability under acceptances	743,368,580	676,184,148	743,368,580	676,184,148
Derivative revaluation	1,440,906,348	719,697,679	1,440,906,348	719,697,679
Accrued interest payables	1,096,509,102	2,564,045,074	1,095,565,846	2,563,807,047
Other liabilities	6,474,037,714	6,281,045,539	6,127,969,858	6,110,424,710
Total liabilities	757,886,092,016	769,170,955,527	757,593,909,996	769,071,227,316
Shareholders' equity				
Share capital (Notes 21 and 22)				
Authorized share capital				
547,345 class A preferred shares, Baht 10 par value as of December 31, 2003	-	5,473,450	-	5,473,450
3,048,614,697 ordinary shares, Baht 10 par value as of December 31, 2004	30,486,146,970		30,486,146,970	
2,689,547,345 ordinary shares, Baht 10 par value as of December 31, 2003		26,895,473,450		26,895,473,450
Issued and paid-up share capital				
547,345 class A preferred shares, Baht 10 par value as of December 31, 2003	-	5,473,450	-	5,473,450
2,363,624,537 ordinary shares, Baht 10 par value as of December 31, 2004	23,636,245,370		23,636,245,370	
2,353,518,072 ordinary shares, Baht 10 par value as of December 31, 2003		23,535,180,720		23,535,180,720
Premium on share capital				
Premium on preferred shares (Note 20)	-	27,367,250	-	27,367,250
Premium on ordinary shares (Notes 21 and 33)	17,555,259,156	49,497,553,190	17,555,259,156	49,497,553,190
Premium on expired warrants (Notes 21 and 33)	-	5,520,432,199	-	5,520,432,199
Appraisal surplus on asset revaluation (Notes 3.10, 15 and 35)	8,762,354,744	8,902,634,877	8,762,354,744	8,902,634,877
Revaluation surplus on investments (Notes 3.4, 7 and 35)	951,995,819	1,988,681,245	951,995,819	1,988,681,245
Retained earnings (deficit) (Note 33)				
Appropriated				
Legal reserve (Note 24)	770,000,000	800,000,000	770,000,000	800,000,000
Other reserves (Note 25)	-	26,675,300,000	-	26,675,300,000
Unappropriated (deficit) (Notes 35)	14,671,782,216	(65,187,196,692)	14,671,782,216	(65,187,196,692)
Total shareholders' equity	66,665,655,981	52,113,853,403	66,347,637,305	51,765,426,239
Total Liabilities and Shareholders' Equity	824,551,747,997	821,284,808,930	823,941,547,301	820,836,653,555

Off-balance sheet items - contingencies (Note 29)

Avals on bills and guarantees of loans	614,862,334	5,536,811,552	617,266,534	5,536,811,552
Liability under unmatured import bills	4,290,601,894	3,187,732,093	4,290,601,894	3,187,732,093
Letters of credit	14,103,370,881	9,995,789,834	14,103,370,881	9,995,789,834
Other contingencies	532,959,403,640	431,328,285,406	532,843,314,218	431,274,387,968

P.P. Gen. Pow Sarasin

(Pol. Gen. Pow Sarasin)
Vice Chairman

Banthoon Lamsam

(Banthoon Lamsam)
Director and Chief Executive Officer

The accompanying notes are an integral part of these financial statements.



KASIKORNBANK PUBLIC COMPANY LIMITED and Subsidiaries

Statements of Income

For Each of the Years Ended December 31, 2004 and 2003

Baht

	Consolidated		The Bank	
	2004	2003 (Restated)	2004	2003 (Restated)
Interest and dividend income (Notes 3.2, 3.4 and 35)				
Loans	27,712,132,537	26,121,173,077	25,977,970,262	24,383,366,146
Interbank and money market items	1,526,553,323	2,250,097,811	1,524,696,606	2,247,867,481
Investments	3,760,407,049	4,414,400,286	3,731,076,167	4,404,510,774
Total interest and dividend income	32,999,092,909	32,785,671,174	31,233,743,035	31,035,744,401
Interest expense (Note 3.3)				
Deposits	5,547,532,642	7,746,913,447	5,547,532,642	7,746,913,447
Interbank and money market items	230,474,109	232,891,476	224,198,606	212,173,252
Short-term borrowings	4,985,975	-	4,985,975	-
Long-term borrowings	1,249,657,683	5,232,031,456	1,249,657,683	5,232,031,456
Total interest expense	7,032,650,409	13,211,836,379	7,026,374,906	13,191,118,155
Net income from interest and dividend	25,966,442,500	19,573,834,795	24,207,368,129	17,844,626,246
Reversal of bad debt and doubtful accounts (Notes 3.6 and 26)	(6,958,539,182)	(12,826,315,337)	(5,664,473,590)	(10,607,913,648)
Loss on debt restructuring (Notes 3.7 and 27)	8,919,082,807	13,460,603,293	6,328,951,038	11,195,062,389
Normalized provisions (Notes 3.8 and 12)	800,000,000	800,000,000	800,000,000	800,000,000
Net income from interest and dividend after reversal of bad debt and doubtful accounts, loss on debt restructuring and normalized provisions	23,205,898,875	18,139,546,839	22,742,890,681	16,457,477,505
Non-interest income				
Gain on investments (Notes 3.4 and 7)	2,088,728,065	1,450,823,973	1,892,123,114	1,980,972,380
Share of profit (loss) from investments on equity method (Notes 3.4 and 35)	81,913,500	211,463,325	(160,175,561)	3,438,493,385
Fees and service income				
Acceptances, aval and guarantees	576,680,596	597,986,827	576,680,596	597,986,827
Others	7,530,593,628	6,471,488,268	6,791,218,089	5,958,500,570
Gain on exchanges (Note 3.13)	1,805,557,255	1,822,435,939	1,805,557,255	1,822,435,939
(Loss) gain on transfer of financial assets (Notes 3.4 and 35)	(568,500,832)	2,578,129,356	-	-
Other income	580,358,676	560,372,354	462,552,783	388,216,218
Total non-interest income	12,095,330,888	13,692,700,042	11,367,956,276	14,186,605,319
Non-interest expenses				
Personnel expenses	6,563,891,188	5,246,423,216	6,266,698,981	5,041,290,289
Premises and equipment expenses (Notes 3.10 and 15)	3,514,621,930	3,269,866,629	3,414,999,348	3,174,955,779
Taxes and duties	1,385,627,200	1,232,843,002	1,332,372,820	1,197,467,883
Fees and service expenses	3,078,264,452	2,661,892,627	2,921,821,108	2,062,322,288
Directors' remuneration	55,160,494	55,128,435	47,592,994	47,545,935
Loss on impairment of foreclosed properties (Note 3.9)	705,227,221	429,498,050	545,554,936	429,498,050
Contributions to Financial Institutions Development Fund	2,801,852,879	2,693,797,430	2,801,852,879	2,693,797,430
Other expenses	1,688,723,450	1,363,554,550	1,439,490,014	1,241,235,906
Total non-interest expenses	19,793,368,814	16,953,003,939	18,770,383,080	15,888,113,560
Income before income tax	15,507,860,949	14,879,242,942	15,340,463,877	14,755,969,264
Income tax expense (Notes 3.12 and 35)	115,518,668	93,932,239	-	-
Net income before minority interests	15,392,342,281	14,785,310,703	15,340,463,877	14,755,969,264
Minority interests in net income	(51,878,404)	(29,341,439)	-	-
Net income	15,340,463,877	14,755,969,264	15,340,463,877	14,755,969,264
Basic earnings per share (Note 3.17)	6.49	6.27	6.49	6.27
Number of the weighted average number of ordinary shares (shares)	2,362,466,731	2,353,010,117	2,362,466,731	2,353,010,117

Pol. Gen. Pow Sarasin

(Pol. Gen. Pow Sarasin)
Vice Chairman

Banthoon Lamsam

(Banthoon Lamsam)
Director and Chief Executive Officer

The accompanying notes are an integral part of these financial statements.



KASIKORNBANK PUBLIC COMPANY LIMITED and Subsidiaries

Statements of Changes in Shareholders' Equity

For Each of the Years Ended December 31, 2004 and 2003

Baht

	Consolidated										Total
	Issued and Paid-up Share Capital	Premium on Share Capital	Premium on Expired Warrants	Appraisal Surplus on Asset Revaluation	Revaluation Surplus on Investments	Retained Earnings (Deficit)			Unappropriated (Deficit)	Minority Interests	
						Appropriated		Other Reserves			
						Legal Reserve					
Beginning balance as of December 31, 2002	23,530,947,170	49,505,506,440	5,520,432,199	6,367,116,973	2,773,163,462	800,000,000	26,675,300,000	(80,097,450,675)	370,398,712	35,445,414,281	
Adjustment for cumulative effects of change in accounting policy for prior years (Note 35)	-	-	-	2,728,764,417	1,333,432,076	-	-	(10,240,382)	(4,097,873)	4,047,858,238	
Balance as of December 31, 2002, as restated	23,530,947,170	49,505,506,440	5,520,432,199	9,095,881,390	4,106,595,538	800,000,000	26,675,300,000	(80,107,691,057)	366,300,839	39,493,272,519	
Ordinary shares	9,707,000	-	-	-	-	-	-	-	-	9,707,000	
Premium on ordinary shares	-	19,414,000	-	-	-	-	-	-	-	19,414,000	
Appraisal surplus on asset revaluation	-	-	-	(193,246,513)	-	-	-	193,246,513	-	-	
Revaluation surplus on investments	-	-	-	-	(2,117,914,293)	-	-	-	-	-	
Net gain (loss) not recognised in the statement of income	-	-	-	(193,246,513)	(2,117,914,293)	-	-	193,246,513	-	(2,117,914,293)	
Net income (restated)	-	-	-	-	-	-	-	14,755,969,264	-	14,755,969,264	
Minority interests	-	-	-	-	-	-	-	-	(17,868,158)	(17,868,158)	
Ending balance as of December 31, 2003	23,540,654,170	49,524,920,440	5,520,432,199	8,902,634,877	1,988,681,245	800,000,000	26,675,300,000	(65,158,475,280)	348,432,681	52,142,580,332	
Adjustment for cumulative effects of change in accounting policy for prior years (Note 35)	-	-	-	-	-	-	-	(28,721,412)	(5,517)	(28,726,929)	
Balance as of December 31, 2003, as restated	23,540,654,170	49,524,920,440	5,520,432,199	8,902,634,877	1,988,681,245	800,000,000	26,675,300,000	(65,187,196,692)	348,427,164	52,113,853,403	
Ordinary shares	95,591,200	-	-	-	-	-	-	-	-	95,591,200	
Premium on ordinary shares	-	182,841,415	-	-	-	-	-	-	-	182,841,415	
Appraisal surplus on asset revaluation	-	-	-	(140,280,133)	-	-	-	140,280,133	-	-	
Revaluation surplus on investments	-	-	-	-	(1,036,685,426)	-	-	-	-	(1,036,685,426)	
Legal reserve (Note 24)	-	-	-	-	-	770,000,000	-	(770,000,000)	-	-	
Reduce the accumulated retained deficit (Note 33)	-	(32,152,502,699)	(5,520,432,199)	-	-	(800,000,000)	(26,675,300,000)	65,148,234,898	-	-	
Net gain (loss) not recognised in the statement of income	-	(32,152,502,699)	(5,520,432,199)	(140,280,133)	(1,036,685,426)	(30,000,000)	(26,675,300,000)	64,518,515,031	-	(1,036,685,426)	
Net income	-	-	-	-	-	-	-	15,340,463,877	-	15,340,463,877	
Minority interests	-	-	-	-	-	-	-	-	(30,408,488)	(30,408,488)	
Ending balance as of December 31, 2004	23,636,245,370	17,555,259,156	-	8,762,354,744	951,995,819	770,000,000	-	14,671,782,216	318,018,676	66,665,655,981	

The accompanying notes are an integral part of these financial statements.





KASIKORNBANK PUBLIC COMPANY LIMITED and Subsidiaries

Statements of Changes in Shareholders' Equity

For Each of the Years Ended December 31, 2004 and 2003

Baht

	The Bank							Total	
	Issued and Paid-up Share Capital	Premium on Share Capital	Premium on Expired Warrants	Appraisal Surplus on Asset Revaluation	Revaluation Surplus on Investments	Retained Earnings (Deficit)			
						Legal Reserve	Other Reserves		Unappropriated (Deficit)
Beginning balance as of December 31, 2002	23,530,947,170	49,505,506,440	5,520,432,199	6,367,116,973	2,773,163,462	800,000,000	26,675,300,000	(80,097,450,675)	35,075,015,569
Adjustment for cumulative effects of change in accounting policy for prior years (Note 35)	-	-	-	2,728,764,417	1,333,432,076	-	-	(10,240,382)	4,051,956,111
Balance as of December 31, 2002, as restated	23,530,947,170	49,505,506,440	5,520,432,199	9,095,881,390	4,106,595,538	800,000,000	26,675,300,000	(80,107,691,057)	39,126,971,680
Ordinary shares	9,707,000	-	-	-	-	-	-	-	9,707,000
Premium on ordinary shares	-	19,414,000	-	-	-	-	-	-	19,414,000
Appraisal surplus on asset revaluation	-	-	-	(193,246,513)	-	-	-	193,246,513	-
Revaluation surplus on investments	-	-	-	-	(2,117,914,293)	-	-	-	(2,117,914,293)
Net gain (loss) not recognised in the statement of income	-	-	-	(193,246,513)	(2,117,914,293)	-	-	193,246,513	(2,117,914,293)
Net income (restated)	-	-	-	-	-	-	-	14,755,969,264	14,755,969,264
Ending balance as of December 31, 2003	23,540,654,170	49,524,920,440	5,520,432,199	8,902,634,877	1,988,681,245	800,000,000	26,675,300,000	(65,158,475,280)	51,794,147,651
Adjustment for cumulative effects of change in accounting policy for prior years (Note 35)	-	-	-	-	-	-	-	(28,721,412)	(28,721,412)
Balance as of December 31, 2003, as restated	23,540,654,170	49,524,920,440	5,520,432,199	8,902,634,877	1,988,681,245	800,000,000	26,675,300,000	(65,187,196,692)	51,765,426,239
Ordinary shares	95,591,200	-	-	-	-	-	-	-	95,591,200
Premium on ordinary shares	-	182,841,415	-	-	-	-	-	-	182,841,415
Appraisal surplus on asset revaluation	-	-	-	(140,280,133)	-	-	-	140,280,133	-
Revaluation surplus on investments	-	-	-	-	(1,036,685,426)	-	-	(770,000,000)	(1,036,685,426)
Legal reserve (Note 24)	-	-	-	-	-	770,000,000	-	(770,000,000)	-
Reduce the accumulated retained deficit (Note 33)	-	(32,152,502,699)	(5,520,432,199)	-	-	(800,000,000)	(26,675,300,000)	65,148,234,898	-
Net gain (loss) not recognised in the statement of income	-	(32,152,502,699)	(5,520,432,199)	(140,280,133)	(1,036,685,426)	(30,000,000)	(26,675,300,000)	64,518,515,031	(1,036,685,426)
Net income	-	-	-	-	-	-	-	15,340,463,877	15,340,463,877
Ending balance as of December 31, 2004	23,636,245,370	17,555,259,156	-	8,762,354,744	951,995,819	770,000,000	-	14,671,782,216	66,347,637,305

The accompanying notes are an integral part of these financial statements

KASIKORNBANK PUBLIC COMPANY LIMITED and Subsidiaries

Statements of Cash Flows

For Each of the Years Ended December 31, 2004 and 2003

Baht

	Consolidated		The Bank	
	2004	2003 (Restated)	2004	2003 (Restated)
Cash Flows from Operating Activities				
Net income	15,340,463,877	14,755,969,264	15,340,463,877	14,755,969,264
Add (Less) Adjustments to reconcile net income to net cash from operating activities				
Depreciation and amortization	1,504,231,070	1,596,957,689	1,430,913,405	1,555,132,035
Reversal on bad debt and doubtful accounts	(6,958,539,182)	(12,826,315,337)	(5,664,473,590)	(10,607,913,648)
Loss on debt restructuring	8,919,082,807	13,460,603,293	6,328,951,038	11,195,062,389
Normalized provisions	800,000,000	800,000,000	800,000,000	800,000,000
Interest income from amortization of revaluation allowance for debt restructuring	(1,511,663,615)	(2,024,009,160)	(237,967,825)	(668,293,809)
Loss on revaluation of investments	22,303,603	9,169,937	22,303,603	9,169,937
Loss on impairment of investments (reversal)	34,303,827	(545,357,305)	51,477,080	(1,209,495,760)
Amortization of goodwill	(6,461,730)	(11,163,399)	-	-
Gain on disposal of securities for investments	(2,136,425,257)	(830,650,326)	(1,954,213,307)	(696,326,263)
Amortization of premium and discount on debt instruments	1,272,792,462	4,049,106,932	1,269,959,198	4,046,305,536
Loss on impairment of foreclosed properties	705,227,221	429,498,050	545,554,936	429,498,050
(Reversal) loss on impairment of other assets	(382,255,452)	(133,483,894)	(346,931,418)	43,816,009
Loss on impairment of intangible assets	175,013,696	-	175,013,696	-
(Gain) loss on disposal of premises and equipment	(3,069,145)	1,540,969	(1,697,101)	(1,622,324)
Loss on impairment of premises and equipment (revesal)	1,416,000	(22,177,607)	1,416,000	(16,163,839)
Loss (gain) on transfer of financial assets	568,500,832	(2,578,129,356)	-	-
Share of (profit) loss from investments on equity method	(81,913,500)	(211,463,325)	160,175,561	(3,438,493,385)
Dividend income from subsidiaries and associated companies	106,424,242	28,573,946	320,453,985	206,878,073
Amortization of discount on debentures	4,041,988	4,158,787	4,041,988	4,158,787
Decrease in accrued interest receivables	515,601,260	439,107,022	167,070,186	449,290,841
(Increase) decrease in other accrued income	(146,946,729)	278,074,824	(138,923,020)	286,181,465
Decrease in accrued interest payables	(1,467,535,972)	(465,997,398)	(1,468,241,201)	(466,235,426)
Increase (decrease) in other accrued expenses	553,017,115	(75,339,762)	510,519,460	83,544,674
Decrease in other reserves	(137,000,000)	(438,737,100)	(137,000,000)	(438,737,100)
Minority interests in net income	51,878,404	29,341,439	-	-
Net income from operations before changes in operating assets and liabilities	17,742,487,822	15,719,278,183	17,178,866,551	16,321,725,506
(Increase) decrease in operating assets				
Interbank and money market items (assets)	30,014,898,766	(10,030,590,944)	29,043,337,326	(9,824,042,413)
Securities purchased under resale agreements	12,670,000,000	(13,310,000,000)	12,670,000,000	(13,310,000,000)
Investment for trading	(202,081,980)	6,196,717,795	(202,081,980)	6,196,717,795
Loans	(70,554,908,474)	(48,600,669,253)	(69,816,324,331)	(46,225,130,399)
Foreclosed properties	2,537,905,761	4,602,873,243	2,225,516,131	2,687,233,803
Other assets	(6,117,386,900)	(4,363,654,432)	(5,679,987,657)	(4,498,174,625)

The accompanying notes are an integral part of these financial statements



KASIKORNBANK PUBLIC COMPANY LIMITED and Subsidiaries

Statements of Cash Flows

For Each of the Years Ended December 31, 2004 and 2003

Baht

	Consolidated		The Bank	
	2004	2003 (Restated)	2004	2003 (Restated)
Increase (decrease) in operating liabilities				
Deposits	20,623,739,347	33,552,808,278	20,762,437,793	33,221,958,342
Interbank and money market items (liabilities)	4,424,077,823	443,478,939	4,269,077,823	1,202,478,939
Liabilities payable on demand	384,192,467	3,618,877,474	384,192,467	3,618,877,474
Other liabilities	506,120,461	(1,756,017,939)	377,944,987	(1,750,805,389)
Net Cash Provided by (Used in) Operating Activities	12,029,045,093	(13,926,898,656)	11,212,979,110	(12,359,160,967)
Cash Flows from Investing Activities				
Proceeds from disposal of available for sale investments	118,413,841,264	40,574,574,995	118,335,757,613	40,570,118,067
Proceeds from redemption of held to maturity debt instruments	15,448,808,318	54,311,470,265	13,957,126,358	53,485,130,265
Proceeds from disposal of general investments	6,343,310,805	3,526,537,522	6,143,905,395	1,861,356,923
Purchase of available for sale investments	(92,521,853,312)	(53,555,470,937)	(92,520,093,155)	(53,541,323,527)
Purchase of held to maturity debt instruments	(20,994,168,919)	(30,918,003,788)	(18,543,754,363)	(30,000,027,837)
Purchase of general investments	(4,720,205,477)	(1,306,409,989)	(4,735,448,427)	(1,360,805,668)
Purchase of investments in subsidiaries	(1,383,449,577)	(212,456,000)	(1,383,449,577)	(212,480,000)
Proceeds from disposal of premises and equipment	4,064,561	17,732,001	2,295,453	2,875,349
Purchase of premises and equipment	(902,657,361)	(786,134,640)	(880,171,003)	(771,465,356)
Purchase of intangible assets	(948,467,479)	(771,747,029)	(906,698,757)	(768,365,144)
Net Cash Provided by Investing Activities	18,739,222,823	10,880,092,400	19,469,469,537	9,265,013,072
Cash Flows from Financing Activities				
(Decrease) increase in long-term borrowing	(39,967,145,600)	12,000,000,000	(39,967,145,600)	12,000,000,000
Increase in short-term borrowing	3,843,000,000	-	3,843,000,000	-
Increase in ordinary shares	95,591,200	9,707,000	95,591,200	9,707,000
Increase in premium on share capital	182,841,415	19,414,000	182,841,415	19,414,000
Dividend paid to minority interests	(85,671,917)	(47,336,720)	-	-
Net Cash (Used in) Provided by Financing Activities	(35,931,384,902)	11,981,784,280	(35,845,712,985)	12,029,121,000
Net (decrease) increase in cash and cash equivalents	(5,163,116,986)	8,934,978,024	(5,163,264,338)	8,934,973,105
Cash and cash equivalents at beginning of the year (Notes 3.1 and 4)	18,699,183,946	9,764,205,922	18,699,095,513	9,764,122,408
Cash and cash equivalents at end of the year (Notes 3.1 and 4)	13,536,066,960	18,699,183,946	13,535,831,175	18,699,095,513

Supplemental Disclosures of Cash Flows Information

Cash (received) paid during the year				
Interest expense	8,500,186,381	13,677,833,777	8,494,616,107	13,657,353,580
Income tax	(117,985,084)	217,341,714	163,806,608	138,138,594

The accompanying notes are an integral part of these financial statements.



KASIKORNBANK PUBLIC COMPANY LIMITED and Subsidiaries

Notes to Financial Statements

December 31, 2004 and 2003

1. General Information

KASIKORNBANK PUBLIC COMPANY LIMITED, the Bank, is a public company registered in the Kingdom of Thailand and listed on the Stock Exchange of Thailand. The registered office of the Bank is at 1 Soi Kasikornthai, Ratburana Road, Bangkok.

The principal activity of the Bank are commercial banking and the Bank conducts its businesses through a network of branches covering all parts of Thailand and some major parts of the world. As of December 31, 2004 and 2003, the Bank had total staffing of 10,110 and 9,912 persons, respectively.

2. Basis of Preparation of Financial Statements and Basis of Consolidation

2.1 The consolidated and Bank-only financial statements are prepared in accordance with the regulations of the Stock Exchange of Thailand (SET), dated January 22, 2001, regarding the "Preparation and Filing of Financial Statements and Reports Concerning the Financial Status and Results of Business Operations of Listed Companies" (B.E. 2544), and with the Bank of Thailand (BOT) directive dated May 10, 2001, prescribing the forms for balance sheets and profit and loss accounts for commercial banks; and in conformity with generally accepted accounting principles in Thailand.

The financial statements are prepared under the historical cost convention except as disclosed in the accounting policies.

For the convenience of the readers, this English language translation of the financial statements has been prepared from the Thai language financial statements which are issued for domestic reporting purposes.

2.2 The consolidated financial statements of the Bank for each of the years ended December 31, 2004 and 2003 comprise the Bank and its subsidiaries. Details of the Bank's subsidiaries are as follows:

	% Shareholding	
	2004	2003
Phethai Asset Management Co., Ltd. ("Phethai-AMC")	99.99	99.99
Ploy Asset Management Co., Ltd. ("Ploy-AMC")	99.99	99.99
Progress Land and Buildings Co., Ltd. ("PLB")	99.99	99.99
Kasikorn Factoring Co., Ltd. ("KF")	99.99	99.99
Kasikorn Securities Public Co., Ltd. ("K-Securities")	99.91	-
Kasikorn Asset Management Co., Ltd. ("K-ASSET")	71.42	71.42

Phethai Asset Management Company Limited, a company registered in the Kingdom of Thailand on September 24, 1999, was approved by the BOT on October 13, 1999 to also register as an asset management company under the Ministerial Regulation (B.E. 2541) issued with regard to the provisions of the Asset Management Company Act (B.E. 2541). The Company is located at 252/6 Muang Thai - Phatra Office Tower 1, Floor 14, Ratchadaphisek Road, Huaykwang, Bangkok and was established with the objective of managing substandard assets transferred from the Bank.

Ploy Asset Management Company Limited, a company registered in the Kingdom of Thailand on September 30, 1999, was approved by the BOT on October 13, 1999 to register as an asset management company under the Ministerial Regulation (B.E. 2541) issued with regard to the provisions of the Asset Management Company Act (B.E. 2541). The company is located at 252/6 Muang Thai - Phatra Office Tower 1, Floor 5, Ratchadaphisek Road, Huaykwang, Bangkok and was established with the objective of managing substandard assets purchased or transferred from Phatra Thanakit Public Company Limited under the



Memorandum of Understanding (MOU) between the Financial Institution Development Fund (FIDF), the Bank and Phatra Thanakit Public Company Limited dated September 29, 1999. Under this MOU, the management of substandard assets must be completed by December 31, 2004 and the resulting profit or loss is thereafter to be shared among the aforementioned companies and the FIDF, in accordance with the conditions set forth in the MOU.

Progress Land and Buildings Company Limited is a company, which was registered in the Kingdom of Thailand on November 18, 1999 and is located at 400/22 Kasikornbank Building, Floor 16, Phaholyothin Road, Samsennai, Phayathai, Bangkok. The company was established to receive, manage and sell properties that have been foreclosed as well as the premises of Phatra Thanakit Public Company Limited.

Kasikorn Factoring Company Limited is a company, which was registered in the Kingdom of Thailand on July 9, 1990, and is located at 252 Phatra Insurance Building, Floor 1, Ratchadapisek Road, Huaykwang, Bangkok. The company was established to furnish commercial financial services to businesses and provide service in the area of factoring, finance leases, operating leases and hire purchase.

Kasikorn Securities Public Company Limited (formerly: "Asset Plus Securities Public Company Limited") is a company, which was registered in the Kingdom of Thailand on August 13, 1974, and is located at 400/22 Kasikornbank Building, Floor 19, Phaholyothin Road, Samsennai, Phayathai, Bangkok. The company's main businesses are the securities business and investment banking. In December 2004, the Bank purchased 99.91% of the shares in this Company from Asia Plus Securities Public Company Limited. This resulted in the company becoming a subsidiary of the Bank and it is included in the consolidated financial statements in 2004.

Kasikorn Asset Management Company Limited is a company, which was registered in the Kingdom of Thailand on March 18, 1992 and is located at 252/6 Muang Thai - Phatra Office Tower 1, Floor 30 - 32, office No. 252/38 - 41, Ratchadaphisek Road, Huaykwang, Bangkok. The company's main business is asset and fund management.

Significant intra-group transactions between the Bank and its subsidiaries are eliminated on consolidation.

The consolidated financial statements exclude the financial statements of subsidiaries whose financial statements are not material to the Bank. The financial position and results of operations of subsidiaries, which are not included in the consolidated financial statements, are presented as supplementary information in the accompanying Note 7 to these financial statements.

The consolidated and the Bank only financial statements include the accounts of all branches, domestic and outside Thailand, and of the Bank's International Banking Facility. Interoffice transactions have been eliminated.

3. Significant Accounting Policies

3.1 Cash and Cash Equivalents

Cash and cash equivalents represent cash in hand and cash items in process of collection.

3.2 Recognition of Interest Income

Interest and discount income on loans are recognized on an accrual basis, except when interest payments are in arrears for more than three months when, regardless of collateral, the cash basis is adopted.

Income from hire-purchase agreements is recognized using the sum-of-the-digits method.

In compliance with the BOT regulation, the Bank reverses accrued interest receivable on loans for which repayments are more than 3 months in arrears.

The asset management subsidiaries recognize interest income on investments in receivables and loans on a cash basis.

Lease income of a subsidiary is recognized as follows:

Income under finance lease agreements is recognized on the basis of installment payments due by using the effective yield method, calculated from the balance of the net investment in each installment. When installment payments are in arrears for more than six months, the cash basis is adopted.

Income under operating lease agreements is recognized on the basis of equal monthly installments. When installment payments are in arrears for more than six months, the cash basis is adopted.

3.3 Recognition of Interest Expense

Interest expense is recognized on an accrual basis.



3.4 Investments

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

Investments in debt instruments or marketable equity securities classified as available-for-sale investments are stated at fair value. Unrealized gains or losses arising from their revaluation are shown as a component of shareholders' equity and realized in the statement of income upon disposal.

Investments in debt instruments classified as held-to-maturity investments are stated at their amortized cost, after deduction of any allowance for impairment.

Premiums and discounts are amortized using the effective interest yield method.

Investments in non-marketable equity securities that are not investments in subsidiaries or associated companies are stated at cost, after deduction of allowance for impairment.

Investments in the receivables of Ploy Asset Management Company Limited are stated at cost, after deduction of allowance for impairment. Ploy Assets Management Company Limited accounted for the transfer of financial assets by recording the transfer of investments in receivables, which were restructured, to loans at their fair value on the transfer date but not exceeding the outstanding debt based on the original contract. The fair value is determined based on the present value of future cash collections calculated using discount rates equivalent to the market interest rate, adjusted by a risk premium. The difference between the carrying value and fair value at that date was recognized as a gain/loss on the transfer date and included in gain/loss on transfer of financial assets in the statement of income (Note 35).

In the consolidated and the Bank only financial statements, investments in associated companies are accounted for using the equity method, so as to incorporate the Bank's share of profit (loss) and net assets in these companies in the financial statements.

In the Bank-only financial statements, investments in subsidiaries are accounted for using the equity method, so as to incorporate the Bank's share of profit (loss) and net assets in these companies in the financial statements.

An impairment review for investments is carried out when there is a factor indicating that an investment might be impaired. Losses on impairment for all classifications of investments are charged to the statement of income.

Interest and dividend income from investments is recognized on an accrual basis. Gains or losses on sales of securities are recognized in the statement of income upon disposal.

Cost of investments sold is calculated by using the weighted average method.

Investments in marketable equity securities classified as trading investments and available-for-sale investments are stated at fair value based on the last Stock Exchange of Thailand (SET) bid prices as of the end of the year.

Investments in marketable unit trusts classified as trading investments and available-for-sale investments are stated at fair value based on the net assets value as at the end of the year.

Investments in government securities and state enterprise securities guaranteed by the government, and classified as trading investments or available-for-sale investments, are stated at fair value based on the Thai Bond Dealing Centre Government Bond Yield Curve as of the end of the year. State enterprise securities not guaranteed by the government and private debt instruments are stated at fair value based on bid prices from the Thai Bond Dealing Centre as of the end of the year. If not available, the Government Bond Yield for the same period, adjusted by an appropriate risk premium, is used.

3.5 Loans

Except in case of loans effected through overdraft agreements, loans represent only principal amounts. Unearned discounts received in advance are presented as a reduction in loans.

3.6 Allowance for Doubtful Accounts

Allowance for doubtful accounts is determined through methods based on the BOT's regulations, the Bank's analysis of each loan, and an appraisal of the financial standing of each borrower, taking into consideration the Bank's experience in loan risk and collateral value.

In accordance with the regulations of the BOT, the Bank and its asset management companies categorize their loan portfolios into six categories and set minimum reserves based on these categories. The



period that a loan is past due is the principal criteria used in classifying a loan. Non-litigated or non-restructured doubtful loans require the set up of an additional allowance by using the number of days past due (Note 8). The maximum collateral value used in calculating the required allowance for doubtful accounts is based on the type of collateral. Allowances for pass and special mention loans are made based on the outstanding debt before deduction of collateral value.

Allowance for doubtful accounts is charged as an expense in each accounting year.

Bad debts written off or recovered are recorded as charges or credits, respectively, to the allowance for doubtful accounts.

3.7 Troubled Debt Restructuring

The Bank and asset management subsidiaries record foreclosed assets acquired from troubled debt restructuring at fair value up to the legal claim for the debt, including interest receivable. Where restructuring a loan involves modification of its terms, the present value of the expected future cash collections is calculated by using discount rates equivalent to the market rates of interest at the time of restructuring. The difference between the present value of the future cash flows expected to be received and the outstanding balances of investment in loans is recorded in the revaluation allowance for debt restructuring. This revaluation allowance for debt restructuring is amortized to the statement of income according to the amounts received over the remaining period of the debt-restructuring contracts except for restructured loans with high probability of default on their contractual obligations and agreement. In which case the Bank will stop amortizing to the statement of income. The recognition in the statement of income occur when such risk is eliminated.

3.8 Normalized Provisioning

The Bank has begun to set aside normalized provisions above the current level of allowance for doubtful accounts to accommodate unforeseen losses. The Bank sets aside normalized provisions up to approximately 0.5 percent of all normal and non-performing loans. Starting from the quarter ending June 30, 2002 normalized provisioning has been gradually accumulated on a quarterly basis and will continue until the target has been achieved.

Normalized provisioning is charged as an expense in each accounting year.

3.9 Foreclosed Properties

Foreclosed properties are recorded at the lower of market value or the amount of the legal claim on the related debt, including interest receivable. The market value is estimated by using the latest appraisal value after deduction of estimated disposal expenses and holding cost.

Losses on impairment are charged to the statement of income. Gains or losses on disposal of foreclosed properties are recorded as other income or expenses upon disposal.

3.10 Premises and Equipment and Depreciation

Premises and equipment are stated at cost less accumulated depreciation and impairment losses.

• Revalued assets

Land and buildings revaluations are performed by independent professional appraisers according to the Bank of Thailand's criteria with sufficient regularity to ensure that the carrying amount of these assets does not differ materially from that which would be determined using fair values at the balance sheet date.

When an asset's carrying amount is increased as a result of a revaluation, the increase is credited directly to equity under the heading of revaluation surplus. However, a revaluation increase is recognized as income to the extent that it reverses a revaluation decrease of the same asset previously recognized as an expense.

When an asset's carrying amount is decreased as a result of a revaluation, the decrease is recognized as an expense. However, a revaluation decrease is charged directly against any related revaluation surplus to the extent that the decrease does not exceed the amount held in the revaluation surplus in respect of that same asset.

Upon disposal, any restated revaluation surplus is transferred directly from the revaluation reserve to retained earnings.

• Depreciation

Depreciation is charged to the income statement over the estimated useful lives of each part of an item of premises and equipment.



Depreciation on buildings acquired before July 1996 is computed using the declining-balance method. Depreciation on buildings acquired after July 1996 and on equipment is computed using the straight-line method. The estimated useful lives are as follows:

Buildings acquired before July 1996	50 years	
Buildings acquired after July 1996	50 years	(Note 37)
Equipment	5-15 years	

Gains or losses on disposal of premises and equipment are recorded as other income or expense upon disposal.

3.11 Intangible Assets

• Goodwill

Goodwill arising on acquisition represents the excess of the cost of acquisition over the fair value of the Bank's share of the identifiable net assets acquired. Negative goodwill arising on acquisition represents the excess of the fair value of the Bank's share of the identifiable net assets acquired over the cost of acquisition.

Goodwill and negative goodwill are stated at cost less accumulated amortization and impairment losses. Goodwill and negative goodwill arising on acquisition of shares in subsidiaries and associates in the Company's separate financial statements is included in investments.

• Other intangible assets

Other intangible assets are stated at cost less accumulated amortization and impairment losses.

• Amortization

Amortization is charged to the income statement on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Intangible assets with an indefinite useful life are systematically tested for impairment at each balance sheet date. Goodwill, negative goodwill and other intangible assets are amortized from the date they are available for use. The estimated useful lives are as follows:

Goodwill	10 years
Leasehold rights	Over the lease periods
Software licenses	5-10 years
Deferred underwriting license fee and deferred stock exchange membership fee	5 years

3.12 Income Tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date.

3.13 Translation of Foreign Currencies

Assets, liabilities and forward contracts denominated in foreign currencies are translated into Baht at the rates of exchange prevailing on the dates of the transactions. Assets, liabilities and forward contracts denominated in foreign currencies at the end of the year are translated into Baht at the reference rates announced by the BOT on that date.

Exchange gains or losses on translation and on transactions in foreign currencies are included in revenues and expenses for the year.

3.14 Derivatives

Forward Exchange Contracts

For hedging transactions, the difference between the forward rate and the spot rate on the date of entering into a forward exchange contract is amortized to the statement of income over the period of the contract.

Trading transactions are carried at fair value using the Mark-to-Market approach. Gains or losses resulting from changes in fair values are included in revenues and expenses for the period.

Cross Currency Swaps and Interest Rate Swaps

The accounting for these derivative transactions depends on their purpose:



1. Hedging of the Bank's Exposure to Financial Risks

Derivative contracts are recorded off-balance sheet. Revenues, expenses and gains or losses resulting from changes in the fair values of contracts are recognized in accordance with the standard accounting treatment for revenues, expenses, gains or losses on underlying assets, liabilities or other financial obligations as follows:

Where gains or losses on the underlying transactions are recorded based on fair value, losses or gains on derivative transactions used as the hedge are recognized based on fair value throughout the corresponding hedging period.

Where gains or losses on the underlying transactions are recorded on an accrual basis, losses or gains on derivative transactions used as a hedge are also recognized on an accrual basis over the period of the contracts.

2. Trading

Mark-to-market accounting is applied to trading transactions. Hence, traded derivative transactions are carried at their fair values. Gains or losses resulting from changes in fair values are recognized in the income statement and included as part of gain on exchange.

3.15 Staff Retirement Fund

Staff members are entitled to retirement pay upon termination of employment depending upon length of service and other conditions. It is management's policy to contribute an appropriate amount to the Fund each period.

3.16 Provident Fund

The Bank established a provident fund under the Provident Fund Act (B.E. 2530), and registered this Fund with the Ministry of Finance on August 16, 1994.

According to the Fund's Articles, every employee is entitled to apply for membership, and each member must contribute to the Fund at the rate of 3% of their basic salary, while the Bank contributes an additional 3.0 - 4.5%. Upon termination of employment, employees are entitled to receive this benefit except when terminated "without compensation".

3.17 Basic Earnings per Share

Basic earnings per share is computed by dividing net income by the weighted average number of ordinary shares which issue during the year.

There is no diluting effect on earnings per share that might result from an assumed exercise of warrants.

3.18 Use of Accounting Estimates

In order to prepare financial statements in conformity with generally accepted accounting standards in Thailand, management needs to make estimates and set assumptions that affect income, expenditure, assets and liabilities in order to disclose information on the valuation of assets, liabilities and contingent liabilities. Actual outcomes may, therefore, differ from the estimates used.

The estimates and underlying assumptions used in the preparation of these financial statements are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

4. Supplementary Information

Non-cash items are as follows:

The Bank and its subsidiaries have provided for a revaluation surplus (deficit) on investments and have presented it as a change in shareholders' equity for each of the years ended December 31, 2004 and 2003 as follows:

(Million Baht)

	Consolidated and The Bank	
	2004	2003
Revaluation surplus (deficit) on investments	(1,037)	(2,117)



For each of the years ended December 31, 2004, and 2003, the Bank recognized the realized portion of the appraised surplus on asset revaluation amounting to Baht 140 million and Baht 193 million, respectively, by transferring these amounts to retained earnings from appraisal surplus on asset revaluation.

For each of the years ended December 31, 2004 and 2003, the Bank and its subsidiaries received foreclosed properties arising from debt settlement amounting to Baht 1,827 million and Baht 1,840 million, respectively on a consolidated basis and Baht 1,113 million and Baht 1,189 million, respectively for the Bank only.

For each of the years ended December 31, 2004, and 2003, the Bank transferred sub-quality assets to Thai Assets Management Corporation (TAMC) amounting to Baht 61 million and Baht 66 million, respectively and in return received non-transferable promissory notes from TAMC, which have been included in investments in held-to-maturity debt instruments (Note 7).

5. Interbank and Money Market Items (Assets)

Interbank and money market items (assets) as of December 31, 2004, and 2003, consisted of:

(Million Baht)

	Consolidated					
	2004			2003		
	At call	Term	Total	At call	Term	Total
1. Domestic						
The BOT and FIDF	1,961	-	1,961	2,611	-	2,611
Commercial banks	760	-	760	434	161	595
Other banks	4	-	4	3	-	3
Finance, securities and credit foncier companies	240	-	240	644	-	644
Others	-	400	400	-	-	-
Total Domestic	2,965	400	3,365	3,692	161	3,853
Less Allowance for doubtful accounts	(7)	(4)	(11)	(589)	-	(589)
Total	2,958	396	3,354	3,103	161	3,264
2. Foreign						
US Dollars	3,197	68,938	72,135	1,450	100,085	101,535
Japanese Yen	29	-	29	21	-	21
Other currencies	735	1	736	110	1	111
Total Foreign	3,961	68,939	72,900	1,581	100,086	101,667
Less Allowance for doubtful accounts	(4)	-	(4)	(8)	(1)	(9)
Total	3,957	68,939	72,896	1,573	100,085	101,658
Total Domestic and Foreign	6,915	69,335	76,250	4,676	100,246	104,922



(Million Baht)

	The Bank					
	2004			2003		
	At call	Term	Total	At call	Term	Total
1. Domestic						
The BOT and FIDF	1,961	-	1,961	2,611	-	2,611
Commercial banks	694	-	694	242	75	317
Other banks	4	-	4	3	-	3
Finance, securities and credit foncier companies	240	-	240	644	-	644
Others	-	400	400	-	-	-
Total Domestic	2,899	400	3,299	3,500	75	3,575
Less Allowance for doubtful accounts	(7)	(4)	(11)	(589)	-	(589)
Total	2,892	396	3,288	2,911	75	2,986
2. Foreign						
US Dollars	3,197	68,938	72,135	1,450	100,085	101,535
Japanese Yen	29	-	29	21	-	21
Other currencies	735	1	736	110	1	111
Total Foreign	3,961	68,939	72,900	1,581	100,086	101,667
Less Allowance for doubtful accounts	(4)	-	(4)	(8)	(1)	(9)
Total	3,957	68,939	72,896	1,573	100,085	101,658
Total Domestic and Foreign	6,849	69,335	76,184	4,484	100,160	104,644

6. Securities Purchased under Resale Agreements

Securities purchased under resale agreements as of December 31, 2004, and 2003, consisted of:

(Million Baht)

	Consolidated and The Bank	
	2004	2003
Government Bonds and BOT Bonds	18,195	31,710
State enterprise Bonds	845	-
Total	19,040	31,710



7. Investments

Investments as of December 31, 2004 and 2003 consisted of:

(Million Baht)

	Consolidated			
	2004			
	Cost Value/ Amortized Cost Value	Unrealized Gain	Unrealized Loss	Fair Value
1. Current Investments				
1.1 Trading investments				
1.1.1 Government and state enterprise securities	1,312	3	-	1,315
Add Allowance for revaluation	3			-
Total	1,315			1,315
1.2 Available-for-sale investments				
1.2.1 Government and state enterprise securities	14,409	113	(210)	14,312
1.2.2 Private enterprise debt instruments	324	-	(3)	321
1.2.3 Foreign debt instruments	9,458	12	(1)	9,469
1.2.4 Marketable equity securities - domestic	1,055	565	(572)	1,048
1.2.5 Others	100	-	(48)	52
Total	25,346	690	(834)	25,202
Add Allowance for revaluation	462			-
Less Allowance for impairment	(606)			-
Total	25,202			25,202
1.3 Held-to-maturity debt instruments				
1.3.1 Government and state enterprises securities	4,624	12	(1)	4,635
1.3.2 Private enterprises debt instruments	4	-	(4)	-
1.3.3 Foreign debt instruments	2,210	-	(37)	2,173
Total	6,838	12	(42)	6,808
Less Allowance for impairment	(30)			-
Total	6,808			6,808
Total Current Investments - net	33,325			33,325



(Million Baht)

	Consolidated			
	2004			
	Cost Value/ Amortized Cost Value	Unrealized Gain	Unrealized Loss	Fair Value
2. Long-term Investments				
2.1 Available-for-sale investments				
2.1.1 Government and state enterprise securities	21,791	210	(119)	21,882
2.1.2 Private enterprise debt instruments	2,522	9	(31)	2,500
2.1.3 Foreign debt instruments	14,643	105	(35)	14,713
2.1.4 Marketable equity securities				
- domestic	247	353	(1)	599
2.1.5 Others	59	1	-	60
Total	39,262	678	(186)	39,754
Add Allowance for revaluation	492			-
Total	39,754			39,754
2.2 Held-to-maturity debt instruments				
2.2.1 Government and state enterprises securities	21,798	359	(488)	21,669
2.2.2 Private enterprises debt instruments	1,061	-	(787)	274
2.2.3 Foreign debt instruments	11,428	19	(84)	11,363
Total	34,287	378	(1,359)	33,306
Less Allowance for impairment	(1,205)			-
Total	33,082			33,306
2.3 General investments				
2.3.1 Non-marketable equity securities				
- domestic	2,857	-	(813)	2,044
2.3.2 Non-marketable equity securities				
- overseas	419	-	(323)	96
2.3.3 Investments in receivables	3,356	-	(1,984)	1,372
Total	6,632	-	(3,120)	3,512
Less Allowance for impairment	(3,120)			-
Total	3,512			3,512
Total Long-term Investments - net	76,348			76,572



(Million Baht)

	Consolidated			
	2003			
	Cost Value/ Amortized Cost Value	Unrealized Gain	Unrealized Loss	Fair Value
1. Current Investments				
1.1 Trading investments				
1.1.1 Government and state enterprise securities	805	1	-	806
1.1.2 Private enterprise debt instruments	369	-	-	369
Total	1,174	1	-	1,175
Add Allowance for revaluation	1			-
Total	1,175			1,175
1.2 Available-for-sale investments				
1.2.1 Government and state enterprise securities	45,061	895	(164)	45,792
1.2.2 Private enterprise debt instruments	1,692	9	(11)	1,690
1.2.3 Foreign debt instruments	5,470	26	(1)	5,495
1.2.4 Marketable equity securities - domestic	556	161	(52)	665
1.2.5 Others	186	11	(45)	152
Total	52,965	1,102	(273)	53,794
Add Allowance for revaluation	923			-
Less Allowance for impairment	(94)			-
Total	53,794			53,794
1.3 Held-to-maturity debt instruments				
1.3.1 Government and state enterprise securities	9,527	30	-	9,557
1.3.2 Private enterprise debt instruments	257	-	-	257
1.3.3 Foreign debt instruments	738	1	-	739
Total	10,522	31	-	10,553
Total Current Investments - net	65,491			65,522



(Million Baht)

	Consolidated			
	2003			
	Cost Value/ Amortized Cost Value	Unrealized Gain	Unrealized Loss	Fair Value
2. Long-term Investments				
2.1 Available-for-sale investments				
2.1.1 Government and state enterprises securities	25,096	603	(42)	25,657
2.1.2 Private enterprises debt instruments	2,462	20	(15)	2,467
2.1.3 Foreign debt instruments	9,654	91	(28)	9,717
2.1.4 Marketable equity securities				
- domestic	322	440	(80)	682
Total	37,534	1,154	(165)	38,523
Add Allowance for revaluation	1,065			-
Less Allowance for impairment	(76)			-
Total	38,523			38,523
2.2 Held-to-maturity debt instruments				
2.2.1 Government and state enterprises securities	22,775	736	(368)	23,143
2.2.2 Private enterprises debt instruments	1,919	1	(948)	972
2.2.3 Foreign debt instruments	2,015	41	(45)	2,011
Total	26,709	778	(1,361)	26,126
Less Allowance for impairment	(1,354)			-
Total	25,355			26,126
2.3 General investments				
2.3.1 Non-marketable equity securities				
- domestic	3,667	-	(1,264)	2,403
2.3.2 Non-marketable equity securities				
- overseas	479	-	(365)	114
2.3.3 Investments in receivables	5,618	-	(2,773)	2,845
Total	9,764	-	(4,402)	5,362
Less Allowance for impairment	(4,402)			-
Total	5,362			5,362
Total Long-term Investments - net	69,240			70,011



(Million Baht)

	The Bank			
	2004			
	Cost Value/ Amortized Cost Value	Unrealized Gain	Unrealized Loss	Fair Value
1. Current Investments				
1.1 Trading investments				
1.1.1 Government and state enterprises securities	1,312	3	-	1,315
Add Allowance for revaluation	3			-
Total	1,315			1,315
1.2 Available-for-sale investments				
1.2.1 Government and state enterprises securities	14,409	113	(210)	14,312
1.2.2 Private enterprises debt instruments	324	-	(3)	321
1.2.3 Foreign debt instruments	9,458	12	(1)	9,469
1.2.4 Marketable equity securities				
- domestic	1,055	565	(572)	1,048
1.2.5 Others	100	-	(48)	52
Total	25,346	690	(834)	25,202
Add Allowance for revaluation	462			-
Less Allowance for impairment	(606)			-
Total	25,202			25,202
1.3 Held-to-maturity debt instruments				
1.3.1 Government and state enterprises securities	2,957	9	-	2,966
1.3.2 Private enterprises debt instruments	4	-	(4)	-
1.3.3 Foreign debt instruments	2,210	-	(37)	2,173
Total	5,171	9	(41)	5,139
Less Allowance for impairment	(30)			-
Total	5,141			5,139
Total Current Investments - net	31,658			31,656



(Million Baht)

	The Bank			
	2004			
	Cost Value/ Amortized Cost Value	Unrealized Gain	Unrealized Loss	Fair Value
2. Long-term Investments				
2.1 Available-for-sale investments				
2.1.1 Government and state enterprises securities	21,791	210	(119)	21,882
2.1.2 Private enterprises debt instruments	2,522	9	(31)	2,500
2.1.3 Foreign debt instruments	14,643	105	(35)	14,713
2.1.4 Marketable equity securities				
- domestic	136	277	-	413
2.1.5 Others	59	1	-	60
Total	39,151	602	(185)	39,568
Add Allowance for revaluation	417			-
Total	39,568			39,568
2.2 Held-to-maturity debt instruments				
2.2.1 Government and state enterprises securities	21,727	358	(488)	21,597
2.2.2 Private enterprises debt instruments	1,061	-	(787)	274
2.2.3 Foreign debt instruments	11,428	19	(84)	11,363
Total	34,216	377	(1,359)	33,234
Less Allowance for impairment	(1,205)			-
Total	33,011			33,234
2.3 General investments				
2.3.1 Non-marketable equity securities				
- domestic	2,819	-	(798)	2,021
2.3.2 Non-marketable equity securities				
- overseas	419	-	(323)	96
Total	3,238	-	(1,121)	2,117
Less Allowance for impairment	(1,121)			-
Total	2,117			2,117
Total Long-term Investments - net	74,696			74,919



(Million Baht)

	The Bank			
	2003			
	Cost Value/ Amortized Cost Value	Unrealized Gain	Unrealized Loss	Fair Value
1. Current Investments				
1.1 Trading investments				
1.1.1 Government and state enterprises securities	805	1	-	806
1.1.2 Private enterprises debt instruments	369	-	-	369
Total	1,174	1	-	1,175
Add Allowance for revaluation	1			-
Total	1,175			1,175
1.2 Available-for-sale investments				
1.2.1 Government and state enterprises securities	45,061	895	(164)	45,792
1.2.2 Private enterprises debt instruments	1,692	9	(11)	1,690
1.2.3 Foreign debt instruments	5,470	26	(1)	5,495
1.2.4 Marketable equity securities - domestic	556	161	(52)	665
1.2.5 Others	186	11	(45)	152
Total	52,965	1,102	(273)	53,794
Add Allowance for revaluation	923			-
Less Allowance for impairment	(94)			-
Total	53,794			53,794
1.3 Held-to-maturity debt instruments				
1.3.1 Government and state enterprises securities	9,042	30	-	9,072
1.3.2 Private enterprises debt instruments	257	-	-	257
1.3.3 Foreign debt instruments	738	1	-	739
Total	10,037	31	-	10,068
Total Current Investments - net	65,006			65,037



(Million Baht)

	The Bank			
	2003			
	Cost Value/ Amortized Cost Value	Unrealized Gain	Unrealized Loss	Fair Value
2. Long-term Investments				
2.1 Available-for-sale investments				
2.1.1 Government and state enterprises securities	25,096	603	(42)	25,657
2.1.2 Private enterprises debt instruments	2,462	20	(15)	2,467
2.1.3 Foreign debt instruments	9,654	91	(28)	9,717
2.1.4 Marketable equity securities				
- domestic	302	427	(78)	651
Total	37,514	1,141	(163)	38,492
Add Allowance for revaluation	1,054			-
Less Allowance for impairment	(76)			-
Total	38,492			38,492
2.2 Held-to-maturity debt instruments				
2.2.1 Government and state enterprises securities	22,594	732	(369)	22,957
2.2.2 Private enterprises debt instruments	1,804	1	(926)	879
2.2.3 Foreign debt instruments	2,015	41	(45)	2,011
Total	26,413	774	(1,340)	25,847
Less Allowance for impairment	(1,332)			-
Total	25,081			25,847
2.3 General investments				
2.3.1 Non-marketable equity securities				
- domestic	3,466	-	(1,196)	2,270
2.3.2 Non-marketable equity securities				
- overseas	419	-	(323)	96
Total	3,885	-	(1,519)	2,366
Less Allowance for impairment	(1,519)			-
Total	2,366			2,366
Total Long-term Investments - net	65,939			66,705



As of December 31, 2004, and 2003, investments in held-to-maturity debt instruments, which are government or state enterprise securities, included promissory notes from TAMC of Baht 3,668 million and Baht 7,315 million, respectively, and the right to receive promissory notes from TAMC of Baht 2,658 million and Baht 95 million, respectively.

Gain (loss) on investments presented in the statement of income for each of the years ended December 31, 2004 and 2003 consisted of:

(Million Baht)

	Consolidated		The Bank	
	2004	2003	2004	2003
Gain on disposal of investments				
Held for trading investments	95	206	95	206
Available-for-sale investments	1,565	2,171	1,530	2,168
Held-to-maturity debt	2	-	2	-
General investments	976	403	845	403
Investments in receivables	14	132	-	-
Total	2,652	2,912	2,472	2,777
Loss on disposal of investments				
Held for trading investments	(83)	(121)	(83)	(121)
Available-for-sale investments	(340)	(631)	(340)	(630)
General investments	(84)	(1,245)	(84)	(1,245)
Total	(507)	(1,997)	(507)	(1,996)
Loss from revaluation	(22)	(9)	(22)	(9)
(Loss) reversal on impairment	(34)	545	(51)	1,209
Total Gain on Investments	2,089	1,451	1,892	1,981

Revaluation surplus on investments as of December 31, 2004 and 2003 consisted of:

(Million Baht)

	Consolidated		The Bank	
	2004	2003	2004	2003
Revaluation surplus on investments				
Debt instruments	49	1,384	49	1,384
Equity securities	903	605	829	593
Share of revaluation surplus in subsidiaries and associated companies using the equity method	-	-	74	12
Total	952	1,989	952	1,989



As of December 31, 2004, and 2003, a maturity analysis for debt instruments resulted in the following:

(Million Baht)

	Consolidated							
	2004				2003			
	Maturity				Maturity			
	1 year	Over 1 year to 5 years	Over 5 years	Total	1 year	Over 1 year to 5 years	Over 5 years	Total
1. Available-for-sale investments								
1.1 Government and state enterprise securities	5,524	25,164	5,512	36,200	29,628	36,452	4,077	70,157
1.2 Private enterprise debt instruments	287	2,559	-	2,846	919	3,235	-	4,154
1.3 Foreign debt instruments	9,458	10,809	3,834	24,101	5,470	8,422	1,232	15,124
Total	15,269	38,532	9,346	63,147	36,017	48,109	5,309	89,435
Add (Less) Allowance for revaluation	19	126	(95)	50	261	1,121	1	1,383
Total	15,288	38,658	9,251	63,197	36,278	49,230	5,310	90,818
2. Held-to-maturity debt instruments								
2.1 Government and state enterprise securities	4,624	15,472	6,326	26,422	9,527	15,365	7,410	32,302
2.2 Private enterprise debt instruments	4	278	783	1,065	257	226	1,693	2,176
2.3 Foreign debt instruments	2,210	11,428	-	13,638	738	2,015	-	2,753
Total	6,838	27,178	7,109	41,125	10,522	17,606	9,103	37,231
Less Allowance for impairment	(30)	-	(1,205)	(1,235)	-	(46)	(1,308)	(1,354)
Total	6,808	27,178	5,904	39,890	10,522	17,560	7,795	35,877
Total Debt Instruments	22,096	65,836	15,155	103,087	46,800	66,790	13,105	126,695



	The Bank							
	2004				2003			
	Maturity				Maturity			
	1 year	Over 1 year to 5 years	Over 5 years	Total	1 year	Over 1 year to 5 years	Over 5 years	Total
1. Available-for-sale investments								
1.1 Government and state enterprise securities	5,524	25,164	5,512	36,200	29,628	36,452	4,077	70,157
1.2 Private enterprise debt instruments	287	2,559	-	2,846	919	3,235	-	4,154
1.3 Foreign debt instruments	9,458	10,809	3,834	24,101	5,470	8,422	1,232	15,124
Total	15,269	38,532	9,346	63,147	36,017	48,109	5,309	89,435
Add (Less) Allowance for revaluation	19	126	(95)	50	261	1,121	1	1,383
Total	15,288	38,658	9,251	63,197	36,278	49,230	5,310	90,818
2. Held-to-maturity debt instruments								
2.1 Government and state enterprise securities	2,957	15,401	6,326	24,684	9,042	15,184	7,410	31,636
2.2 Private enterprise debt instruments	4	278	783	1,065	257	226	1,578	2,061
2.3 Foreign debt instruments	2,210	11,428	-	13,638	738	2,015	-	2,753
Total	5,171	27,107	7,109	39,387	10,037	17,425	8,988	36,450
Less Allowance for impairment	(30)	-	(1,205)	(1,235)	-	(46)	(1,286)	(1,332)
Total	5,141	27,107	5,904	38,152	10,037	17,379	7,702	35,118
Total Debt Instruments	20,429	65,765	15,155	101,349	46,315	66,609	13,012	125,936



As of December 31, 2004, and 2003, investments held by the Bank and its subsidiaries in financial institutions that were closed on December 8, 1997, or investments in listed companies which meet SET's criteria for delisting, and are in default on debt instruments, or companies whose ability to continue as a going concern is uncertain, or unlisted companies whose financial position and operating results are the same as companies which meet SET's criteria for delisting were as follows:

(Million Baht)

	Consolidated				
	2004				
	Cost Value/Book Value		Fair Value		Allowance for Impairment
	Equity Securitates	Debt Instruments	Equity Securities	Debt Instruments	
1. Closed financial institutions	1	131	-	-	(132)
2. Listed companies which meet SET's criteria for delisting, and are in default on debt instruments	121	200	14	-	(309)
3. Companies whose ability to continue as a going concern is uncertain, or unlisted companies whose financial position and operating results are the same as companies which meet SET's criteria for delisting	967	452	2	-	(1,417)
Total	1,089	783	16	-	(1,858)

(Million Baht)

	Consolidated				
	2003				
	Cost Value/Book Value		Fair Value		Allowance for Impairment
	Equity Securitates	Debt Instruments	Equity Securities	Debt Instruments	
1. Closed financial institutions	1	131	-	-	(132)
2. Listed companies which meet SET's criteria for delisting, and are in default on debt instruments	296	204	361	-	(255)
3. Companies whose ability to continue as a going concern is uncertain, or unlisted companies whose financial position and operating results are the same as companies which meet SET's criteria for delisting	1,108	568	43	93	(1,540)
Total	1,405	903	404	93	(1,927)



(Million Baht)

	The Bank				
	2004				
	Cost Value/Book Value		Fair Value		Allowance for Impairment
	Equity Securites	Debt Instruments	Equity Securities	Debt Instruments	
1. Closed financial institutions	1	131	-	-	(132)
2. Listed companies which meet SET's criteria for delisting, and are in default on debt instruments	121	200	14	-	(309)
3. Companies whose ability to continue as a going concern is uncertain, or unlisted companies whose financial position and operating results are the same as companies which meet SET's criteria for delisting	967	452	2	-	(1,417)
Total	1,089	783	16	-	(1,858)

(Million Baht)

	The Bank				
	2003				
	Cost Value/Book Value		Fair Value		Allowance for Impairment
	Equity Securites	Debt Instruments	Equity Securities	Debt Instruments	
1. Closed financial institutions	1	131	-	-	(132)
2. Listed companies which meet SET's criteria for delisting, and are in default on debt instruments	296	204	361	-	(255)
3. Companies whose ability to continue as a going concern is uncertain, or unlisted companies whose financial position and operating results are the same as companies which meet SET's criteria for delisting	1,108	452	43	-	(1,517)
Total	1,405	787	404	-	(1,904)



As of December 31, 2004, and 2003, investments in ordinary shares of subsidiaries and associated companies were as follows:

(Million Baht)

Type of Business	% Shareholding		Consolidated Investments				The Bank Investments			
	2004	2003	Cost method	Equity method	Cost method	Equity method	Cost method	Equity method	Cost method	Equity method
			2004	2003	2004	2003	2004	2003	2004	2003
Phethai Asset Management Co., Ltd.	99.99%	99.99%	-	-	-	-	5,998	5,998	3,659	3,723
Ploy Asset Management Co., Ltd.	99.99%	99.99%	-	-	-	-	5,000	5,000	2,938	3,305
Kasikorn Research Center Co., Ltd.	99.99%	99.99%	3	3	21	22	3	3	21	22
Progress Land and Buildings Co., Ltd.	99.99%	99.99%	-	-	-	-	1,700	1,700	1,374	1,360
Kanpai Co., Ltd.	99.99%	99.99%	21	21	54	60	21	21	54	60
Progress Plus Co., Ltd.	99.99%	99.99%	4	4	26	21	4	4	26	21
Kasikorn Factoring Co., Ltd.	99.99%	99.99%	-	-	-	-	237	237	304	231
Progress Facilities Management Co., Ltd.	99.99%	99.99%	5	5	16	12	5	5	16	12
Progress Management Co., Ltd.	99.99%	99.99%	6	6	11	10	6	6	11	10
Kasikorn Leasing Co., Ltd.	99.99%	-	60	-	60	-	60	-	60	-
Progress Software Co., Ltd.	99.99%	60.00%	18	6	45	33	18	6	45	33
Progress Storage Co., Ltd.	99.98%	99.98%	3	3	18	10	3	3	18	10
Progress Services Co., Ltd.	99.97%	99.97%	2	2	26	16	2	2	26	16
Progress HR Co., Ltd.	99.94%	-	1	-	1	-	1	-	1	-
Kasikorn Securities Public Co., Ltd.	99.91%	-	-	-	-	-	1,310	-	1,305	-

(Million Baht)

Type of Business	% Shareholding		Consolidated Investments				The Bank Investments			
	2004	2003	Cost method		Equity method		Cost method		Equity method	
			2004	2003	2004	2003	2004	2003	2004	2003
Progress Appraisal Co., Ltd.	99.84%	99.84%	5	5	26	67	5	5	26	67
Kasikorn Asset Management Co., Ltd.	71.42%	71.42%	-	-	-	-	683	683	594	640
Thai Administration Services Co., Ltd.	51.00%	51.00%	13	13	19	21	13	13	19	21
Processing Center Co., Ltd.	30.00%	30.00%	3	3	160	144	3	3	160	144
N.C. Associate Co., Ltd.	28.23%	28.23%	1	1	1	1	1	1	1	1
Rural Capital Partners Co., Ltd.	27.50%	27.50%	2	2	3	3	2	2	3	3
Progress Information Co., Ltd.	20.00%	20.00%	14	14	3	4	14	14	3	4
M. Grand Hotel Co., Ltd.	20.00%	20.00%	355	355	168	184	355	355	168	184
E.S. Industries Co., Ltd.	20.00%	20.00%	11	11	11	11	11	11	11	11
Total			527	454	669	619	15,455	14,072	10,843	9,878
Less Allowance for impairment			(383)	(261)	(207)	(98)	(3,335)	(3,212)	(207)	(98)
Investments in Subsidiaries and Associated Companies - Net			144	193	462	521	12,120	10,860	10,636	9,780



The recording of investments in subsidiaries and associated companies using the equity method in the financial statements is based on financial information obtained from audited or reviewed financial statements in accordance with standards established by The Institute of Certified Accountants and Auditors of Thailand and from management information that has not been audited or reviewed by the auditors in accordance with standards established by The Institute of Certified Accountants and Auditors of Thailand.

As of December 31, 2004 and 2003, investments held by the Bank and its subsidiaries, that comprised more than 10% of those companies' shares and were not investments in subsidiaries and associated companies, classified by industry were as follows:

(Million Baht)

	Consolidated		The Bank	
	2004	2003	2004	2003
Agricultural and mining	48	-	-	-
Manufacturing and commerce	277	285	277	285
Property development and construction	1,153	1,274	1,153	1,274
Infrastructure and services	6	6	1	1
Others	394	420	394	420
Total	1,878	1,985	1,825	1,980

The Financial position and results of operations of the Bank's subsidiaries in the consolidated financial statements based on the audited financial statements are set out below:

Plethai Asset Management Company Limited

Condensed Balance Sheets

As of December 31, 2004 and 2003

	Million Baht	
	2004	2003
Assets		
Cash and deposits at financial institutions	161	112
Long-term investments - net	50	-
Investments in receivables - net	4,981	8,746
Loans, receivables and accrued interest receivables - net	4,508	6,355
Properties foreclosed - net	1,124	365
Equipment - net	6	20
Other assets - net	402	31
Total Assets	11,232	15,629
Liabilities and Shareholders' Equity		
Liabilities		
Borrowings from financial institutions	7,440	11,850
Other liabilities	133	56
Shareholders' Equity	3,659	3,723
Total Liabilities and Shareholders' Equity	11,232	15,629



Phethai Asset Management Company Limited

Condensed Statements of Income

For the Years Ended December 31, 2004, and 2003

	Million Baht	
	2004	2003
Interest and dividend income	608	969
Interest expense	98	204
Net income from interest and dividend	510	765
Reversal of bad debt and doubtful accounts	(104)	(38)
Loss on debt restructuring	1,018	1,469
Net expense from interest and dividend after bad debt and doubtful accounts and loss on debt restructuring	(404)	(666)
Non-interest income	742	3,036
Non-interest expense	402	608
Net (loss) profit	(64)	1,762
Basic (loss) earnings per share (Baht)	(0.11)	2.94



Phethai Asset Management Company Limited

Statements Cash Flows

For the Years Ended December 31, 2004, and 2003

	Million Baht	
	2004	2003
Cash Flows from Operating Activities		
Net (loss) profit	(64)	1,762
Add (less) Adjustments to reconcile net (loss) profit to net cash from operating activities		
Gain on transfer of financial assets	(829)	(2,734)
Loss on impairment of investments in receivables (reversal)	265	(7)
Reversal of bad debt and doubtful accounts	(104)	(38)
Loss on debt restructuring	1,018	1,469
Interest income from amortization of revaluation allowance for debt restructuring	(320)	(699)
Depreciation and amortization	6	5
Loss on impairment of properties foreclosed (revesal)	65	(12)
Loss on impairment of assets to be transferred	59	-
Loss on impairment of investments	7	-
Reversal of loss on impairment of other assets	(34)	(170)
Decrease in accrued interest payables	(27)	(29)
Increase (decrease) in accrued expenses	30	(146)
Net profit (loss) from operations before changes in operating assets and liabilities	72	(599)
Decrease in operating assets		
Investments in receivables	459	1,622
Loans and receivables	3,836	3,350
Foreclosed properties	64	286
Other assets	20	153
Increase (decrease) in operating liabilities		
Other liabilities	47	(14)
Net Cash Provided by Operating Activities	4,498	4,798
Cash Flows from Investing Activities		
Purchases of general long-term investments	(31)	-
Purchases of intangible assets	(7)	(3)
Purchases of equipment	(1)	-
Net Cash Used in Investing Activities	(39)	(3)



Phethai Asset Management Company Limited

Statements of Cash Flows (Continued)

For the Year Ended December 31, 2004, and 2003

	Million Baht	
	2004	2003
Cash Flows from Financing Activities		
Cash paid for repayment of borrowings from financial institutions	(4,410)	(5,000)
Net Cash (Used in) provided by Financing Activities	(4,410)	(5,000)
Net increase(decrease) in cash and cash equivalents	49	(205)
Cash and cash equivalents at the beginning of the years	112	317
Cash and cash equivalents at the end of the years	161	112
Supplemental Disclosures of Cash Flows Information		
Cash (received) paid during the year		
Interest expense	125	233
Income tax	(2)	-

Ploy Asset Management Company Limited

Condensed Balance Sheets

As of December 31, 2004, and 2003

	Million Baht	
	2004	2003
Assets		
Cash and deposits at financial institutions	23	84
Long-term investments - net	185	266
Investments in receivables - net	1,372	2,845
Loans, receivables and accrued interest receivables - net	4,013	5,510
Foreclosed properties - net	2,973	2,595
Leasehold improvements and equipment - net	1	3
Other assets - net	87	34
Total Assets	8,654	11,337
Liabilities and Shareholders' Equity		
Liabilities		
Borrowings from financial institutions	5,665	8,005
Other liabilities	16	27
Shareholders' Equity	2,973	3,305
Total Liabilities and Shareholders' Equity	8,654	11,337



Ploy Asset Management Company Limited

Condensed Statements of Income

For the Years Ended December 31, 2004, and 2003

	Million Baht	
	2004	2003
Interest and dividend income	1,186	1,008
Interest expense	68	145
Net income from interest and dividend	1,118	863
(Reversal) bad debt and doubtful accounts	(510)	764
Loss on debt restructuring	1,572	797
Net income (expense) from interest and dividend after bad debt and doubtful accounts and loss on debt restructuring	56	(698)
Non-interest (expense) income	(205)	2,192
Non-interest expense	247	202
Net (loss) profit	(396)	1,292
Basic (loss) earnings per share (Baht)	(0.79)	2.58



Ploy Asset Management Company Limited

Statements of Cash Flows

For the Years Ended December 31, 2004, and 2003

	Million Baht	
	2004	2003
Cash Flows from Operating Activities		
Net (loss) profit	(396)	1,292
Add(less) Adjustments to reconcile net (loss) profit to net cash from operating activities		
Gain on investments in securities	(224)	(37)
Loss (gain) on transfer of financial assets	569	(2,578)
Loss on impairment of investments in receivables	-	699
(Reversal) bad debt and doubtful accounts	(510)	764
Loss on debt restructuring	1,572	797
Interest income from amortization of revaluation allowance for debt restructuring	(953)	(657)
Depreciation and amortization	2	2
Gain on disposal of equipment	-	(1)
Loss on impairment of properties foreclosed	95	5
Reversal of loss on impairment of other assets	(2)	(7)
Decrease in accrued interest payables	-	(3)
Increase (decrease) in accrued expenses	1	(36)
Net profit from operations before changes in operating assets and liabilities	154	240
(Increase) decrease in operating assets		
Investments in receivables	17	1,531
Loans and receivables	1,700	1,205
Foreclosed properties	32	1,325
Prepaid income tax	23	(14)
Other assets	2	7
Decrease in operating liabilities		
Deferred income	(6)	-
Other liabilities	(5)	-
Net Cash Provided by Operating Activities	1,917	4,294



Ploy Asset Management Company Limited

Statements of Cash Flows (Continued)

For the Years Ended December 31, 2004, and 2003

	Million Baht	
	2004	2003
Cash Flows from Investing Activities		
Proceeds from disposal of general long-term investments	362	7
Purchases of long-term investments	-	(6)
Proceeds from disposal of equipment	-	1
Net Cash Provided by Investing Activities	362	2
Cash Flows from Financing Activities		
Cash paid for repayment of borrowing from financial institutions	(2,340)	(4,365)
Net Cash Used in Financing Activities	(2,340)	(4,365)
Net decrease in cash and cash equivalents	(61)	(69)
Cash and cash equivalents at the beginning of the years	84	153
Cash and cash equivalents at the end of the years	23	84
Supplemental Disclosures of Cash Flows Information		
Cash paid (received) during the years		
Interest expense	68	149
Income tax	(23)	14



Progress Land and Buildings Company Limited

Condensed Balance Sheets

As of December 31, 2004, and 2003

	Million Baht	
	2004	2003
Assets		
Cash and deposits at financial institutions	109	23
Investments - net	358	300
Other current assets	7	7
Foreclosed properties - net	565	692
Premises and equipment - net	346	359
Total Assets	1,385	1,381
Liabilities and Shareholders' Equity		
Liabilities	12	23
Shareholders' equity	1,373	1,358
Total Liabilities and Shareholders' Equity	1,385	1,381

Progress Land and Buildings Company Limited

Condensed Statements of Income

For the Years Ended December 31, 2004, and 2003

	Million Baht	
	2004	2003
Revenues	118	40
Expenses	99	42
Net profit (loss)	19	(2)
Earnings (loss) per share (Baht)	0.94	(0.11)



Kasikorn Factoring Company Limited

Condensed Balance Sheets

As of December 31, 2004 and 2003

	Million Baht	
	2004	2003 (Restated)
Assets		
Current Assets		
Cash and deposits at financial institutions	103	39
Factoring receivables - net	2,708	1,836
Current portion of finance lease receivables - net	90	146
Current portion of installation receivables - net	16	6
Other current assets	16	9
Non-Current Assets		
Factoring receivables due over one year	95	4
Finance lease receivables - net	104	119
Installment receivables - net	34	32
Other non-current assets	16	6
Total Assets	3,182	2,197
Liabilities and Shareholders' Equity		
Liabilities		
Short-term loans from financial institutions	1,700	1,090
Accounts payables	4	1
Factoring payables	616	404
Current portion of long-term loan	260	100
Long term loan - net	220	300
Other liabilities	88	84
Shareholders' Equity	294	218
Total Liabilities and Shareholders' Equity	3,182	2,197



Kasikorn Factoring Company Limited

Condensed Statements of Income

For the Years Ended December 31, 2004, and 2003

	Million Baht	
	2004	2003 (Restated)
Revenues	244	215
Expenses	168	157
Net profit	76	58
Earnings per share (Baht)	47.71	36.68

Kasikorn Security Public Company Limited

Condensed Balance Sheet

As of December 31, 2004

	Million Baht
Assets	
Cash and cash equivalents	2
Investments - net	760
Other assets	7
Total Assets	769
Liabilities and Shareholders' Equity	
Liabilities	3
Shareholders' Equity	766
Total Liabilities and Shareholders' Equity	769



Kasikorn Security Public Company Limited

Condensed Statements of Income

For the Year Ended December 31, 2004

	Million Baht
Revenues	456
Expenses	357
Net profit	99
Earnings per share (Baht)	1.65

Kasikorn Asset Management Company Limited

Condensed Balance Sheets

As of December 31, 2004, and 2003

	Million Baht	
	2004	2003 (Restated)
Assets		
Cash and cash equivalents	83	295
Investments - net	627	374
Fee receivables	81	73
Foreclosed properties - net	1	2
Premises and equipment - net	165	176
Other assets	335	392
Total Assets	1,292	1,312
Liabilities and Shareholders' Equity		
Liabilities	182	95
Shareholders' Equity	1,110	1,217
Total Liabilities and Shareholders' Equity	1,292	1,312



Kasikorn Asset Management Company Limited

Condensed Statements of Income

For the Years Ended December 31, 2004, and 2003

	Million Baht	
	2004	2003 (Restated)
Revenues	768	489
Expense	575	389
Net profit	193	100
Earnings per share (Baht)	7.12	3.68

The summary of financial position and results of operations of its subsidiaries, which are not included in the consolidated financial statements, are as follows:

(Million Baht)

	Balance Sheets					
	As of December 31,					
	2004 (Unaudited) (Reviewed)			2003 (Audited)		
	Total Assets	Total Liabilities	Shareholders' Equity	Total Assets	Total Liabilities	Shareholders' Equity
Kasikorn Research Center Co., Ltd.	23	2	21	24	4	20
Kanpai Co., Ltd.	134	79	55	105	44	61
Progress Plus Co., Ltd.	59	33	26	54	36	18
Progress Facilities Management Co., Ltd.	25	9	16	20	7	13
Progress Services Co., Ltd.	33	6	27	23	6	17
Progress Management Co., Ltd.	17	6	11	17	8	9
Progress Storage Co., Ltd.	20	2	18	13	3	10
Progress Appraisal Co., Ltd.	48	21	27	88	21	67
Progress Software Co., Ltd.	65	20	45	71	15	56
Thai Administration Services Co., Ltd.	91	54	37	112	70	42
Progress H.R. Co., Ltd.	1	-	1	-	-	-
Kasikorn Leasing Co., Ltd.	60	-	60	-	-	-
	576	232	344	527	214	313



(Million Baht except for Earnings (Loss) per Share)

	Statements of Income							
	For the Years Ended December 31							
	2004 (Unaudited) (Reviewed)				2003 (Audited)			
	Revenue	Expenses	Net Profit	Earnings per Share (Baht)	Revenue	Expenses	Net Profit	Earnings per Share (Baht)
Kasikom Research Center Co., Ltd.	48	47	1	5.26	51	47	4	43.84
Kanpai Co., Ltd.	167	139	28	138.62	155	140	15	73.54
Progress Plus Co., Ltd.	358	355	3	33.83	387	375	12	51.59
Progress Facilities Management Co., Ltd.	61	58	3	65.15	57	53	4	71.00
Progress Services Co., Ltd.	146	136	10	514.56	138	127	11	546.84
Progress Management Co., Ltd.	35	33	2	26.27	32	31	1	9.53
Progress Storage Co., Ltd.	26	11	15	495.92	20	14	6	198.78
Progress Appraisal Co., Ltd.	149	137	12	2,454.42	131	111	20	3,935.19
Progress Software Co., Ltd.	113	98	15	146.02	13	12	1	8.90
Thai Administration Services Co., Ltd.	92	82	10	0.99	89	74	15	1.50
	1,195	1,096	99		1,073	984	89	



8. Loans and Accrued Interest Receivables

Loans and accrued interest receivables as of December 31, 2004, and 2003 consisted of:

1. Classified by Type of Loan

(Million Baht)

	Consolidated		The Bank	
	2004	2003	2004	2003
Overdrafts	133,708	142,022	125,871	124,024
Loans	259,209	236,523	243,911	224,433
Bills	177,657	149,970	189,467	163,758
Others	22,015	19,403	18,868	17,875
Total	592,589	547,918	578,117	530,090
Add Accrued interest receivables	2,455	2,971	1,318	1,485
	595,044	550,889	579,435	531,575
Less Allowance for doubtful accounts	(39,068)	(59,268)	(26,968)	(42,996)
Less Revaluation allowance for debt restructuring	(4,878)	(6,666)	(2,297)	(4,721)
Less Normalized provisioning	(2,400)	(1,600)	(2,400)	(1,600)
Total	548,698	483,355	547,770	482,258

2. Classified by Maturity of Contracts

(Million Baht)

	Consolidated		The Bank	
	2004	2003	2004	2003
Within 1 year	374,926	359,150	378,858	363,400
Over 1 year	220,118	191,739	200,577	168,175
Total	595,044	550,889	579,435	531,575



3. Classified by Currencies and Residency of Borrowers

(Million Baht)

	Consolidated					
	2004			2003		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	568,678	12	568,690	529,593	12	529,605
US Dollars	21,496	1,442	22,938	16,945	1,958	18,903
Other currencies	3,400	16	3,416	2,317	64	2,381
Total	593,574	1,470	595,044	548,855	2,034	550,889

(Million Baht)

	The Bank					
	2004			2003		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	553,069	12	553,081	510,279	12	510,291
US Dollars	21,496	1,442	22,938	16,945	1,958	18,903
Other currencies	3,400	16	3,416	2,317	64	2,381
Total	577,965	1,470	579,435	529,541	2,034	531,575

4. Classified by Type of Business and Account Status

(Million Baht)

	Consolidated					
	2004					
	Pass	Special Mention	Sub- Standard	Doubtful	Doubtful of Loss	Total
Agricultural and mining	14,948	406	394	359	2,032	18,139
Manufacturing and commerce	312,191	2,902	3,021	8,091	27,195	353,400
Property development and construction	30,206	841	1,034	720	8,792	41,593
Infrastructure and services	51,612	752	2,904	1,361	5,670	62,299
Housing loans	53,488	950	802	868	8,211	64,319
Others	50,224	432	296	604	1,489	53,045
	512,669	6,283	8,451	12,003	53,389	592,795
Kasikorn Factoring Co., Ltd.						2,455
Unearned discounts received in advance						(206)
Total						595,044



(Million Baht)

	Consolidated					
	2003					
	Pass	Special Mention	Sub- Standard	Doubtful	Doubtful of Loss	Total
Agricultural and mining	15,100	727	130	171	2,971	19,099
Manufacturing and commerce	267,235	6,902	1,598	3,417	44,237	323,389
Property development and construction	25,416	1,495	278	754	12,661	40,604
Infrastructure and services	50,550	1,971	378	1,325	8,409	62,633
Housing loans	43,757	2,210	722	1,016	11,760	59,465
Others	40,378	496	209	173	2,870	44,126
	442,436	13,801	3,315	6,856	82,908	549,316
Kasikorn Factoring Co., Ltd. Unearned discounts received in advance						1,752 (179)
Total						550,889

(Million Baht)

	The Bank					
	2004					
	Pass	Special Mention	Sub- Standard	Doubtful	Doubtful of Loss	Total
Agricultural and mining	14,945	337	394	359	1,711	17,746
Manufacturing and commerce	307,197	2,438	3,020	8,091	18,482	339,228
Property development and construction	27,362	448	1,035	720	5,546	35,111
Infrastructure and services	49,771	562	2,904	1,361	4,114	58,712
Housing loans	53,288	840	802	868	5,832	61,630
Others	64,826	387	296	604	1,101	67,214
	517,389	5,012	8,451	12,003	36,786	579,641
Unearned discounts received in advance						(206)
Total						579,435



(Million Baht)

	The Bank					
	2003					
	Pass	Special Mention	Sub- Standard	Doubtful	Doubtful of Loss	Total
Agricultural and mining	15,081	721	130	171	2,541	18,644
Manufacturing and commerce	261,136	6,273	1,598	3,417	30,240	302,664
Property development and construction	23,303	1,169	278	754	8,634	34,138
Infrastructure and services	48,160	1,558	378	1,325	6,212	57,633
Housing loans	43,163	2,056	722	1,016	8,598	55,555
Others	60,617	459	209	173	1,662	63,120
	451,460	12,236	3,315	6,856	57,887	531,754
Unearned discounts received in advance						(179)
Total						531,575

5. Classified by Account Status

(Million Baht)

	Consolidated			
	2004			
	Loans and Accrued Interest Receivables	Outstanding Debt after Deduction of Collateral Value	% Used for Calculating The Allowance	Allowance for Doubtful Accounts
Pass	512,669	171,697	1	5,692 *
Special Mention	6,283	1,377	2	191
Sub-Standard	8,451	3,807	20	761
Doubtful	12,003	3,271	50	1,635
Doubtful of Loss	53,389	18,598	100	18,928 **
Allowance established in excess of BOT regulations	-	-		11,782
	592,795	198,750		38,989
Kasikorn Factoring Co., Ltd.	2,455	2,455		79
Unearned discounts received in advance	(206)	(206)		-
Total	595,044	200,999		39,068

* Includes the allowance for doubtful accounts of two asset management companies per BOT audit, which was transferred from the allowance provided in excess of the BOT regulations.

** Includes the allowance for doubtful accounts provided by using number of past due days for non-litigated or non restructured loans in accordance with the BOT regulations.



(Million Baht)

	Consolidated			
	2003			
	Loans and Accrued Interest Receivables	Outstanding Debt after Deduction of Collateral Value	% Used for Calculating The Allowance	Allowance for Doubtful Accounts
Pass	442,436	152,758	1	4,424
Special Mention	13,801	2,214	2	276
Sub-Standard	3,315	650	20	130
Doubtful	6,856	1,856	50	928
Doubtful of Loss	82,908	34,891	100	34,891
Allowance established in excess of BOT regulations	-	-		18,545
	549,316	192,369		59,194
Kasikorn Factoring Co., Ltd.	1,752	1,698		74
Unearned discounts received in advance	(179)	(179)		-
Total	550,889	193,888		59,268

(Million Baht)

	The Bank			
	2004			
	Loans and Accrued Interest Receivables	Outstanding Debt after Deduction of Collateral Value	% Used for Calculating The Allowance	Allowance for Doubtful Accounts
Pass	517,389	181,668	1	5,175
Special Mention	5,012	957	2	100
Sub-Standard	8,451	3,807	20	761
Doubtful	12,003	3,271	50	1,635
Doubtful of Loss	36,786	11,560	100	11,831**
Allowance established in excess of BOT regulations	-	-		7,466
	579,641	201,263		26,968
Unearned discounts received in advance	(206)	(206)		
Total	579,435	201,057		

** Includes the allowance for doubtful accounts provided by using number of past due days for non-litigated or non restructured loans in accordance with BOT regulations.



(Million Baht)

	The Bank			
	2003			
	Loans and Accrued Interest Receivables	Outstanding Debt after Deduction of Collateral Value	% Used for Calculating The Allowance	Allowance for Doubtful Accounts
Pass	451,460	167,041	1	4,515
Special Mention	12,236	1,900	2	245
Sub-Standard	3,315	650	20	130
Doubtful	6,856	1,856	50	928
Doubtful of Loss	57,887	23,563	100	23,563
Allowance established in excess of BOT regulations	-	-		13,615
	531,754	195,010		42,996
Unearned discounts received in advance	(179)	(179)		
Total	531,575	194,831		

Non-performing loans (NPL)

According to the BOT's directive dated January 16, 2003, effective for financial statements ended December 31, 2002, non-performing loans (NPL) were redefined as sub-quality loans, being outstanding loans of sub-standard, doubtful and loss loan accounts in accordance with the BOT's guidelines. This included fully-provisioned loans which had previously been written-off.

As of December 31, 2004 and 2003, non-performing loans (including financial institutions) based on the above directive can be summarized as follows:

(Million Baht)

	2004			
	The Bank	Phethai - AMC (Original principal)	Ploy - AMC	The Bank and AMC
Non-performing loans	56,870	14,407	1,532	72,809
Total loans used for NPL ratio calculation ⁽¹⁾	579,838	19,002	7,939	591,854 ⁽²⁾
Percentage of total loans	9.81	75.82	19.31	12.30



(Million Baht)

	2003			
	The Bank	Phethai - AMC (Original principal)	Ploy - AMC	The Bank and AMC
Non-performing loans	68,316	22,610	1,393	92,319
Total loans used for NPL ratio calculation ⁽¹⁾	531,903	28,908	8,307	547,979 ⁽²⁾
Percentage of total loans	12.84	78.21	16.77	16.85

⁽¹⁾ Total loans used for NPL ratio calculation are loans to general customers as presented in the balance sheet, and loans to financial institutions as included in interbank and money market items.

⁽²⁾ Excluding loans to subsidiaries, as of December 31, 2004, and 2003, amounting to Baht 14,925 millions and Baht 21,139 millions, respectively.

As of December 31, 2004 and 2003, non-accrual loans (including financial institutions) were as follows:

(Million Baht)

	2004				
	The Bank	Phethai - AMC (Original principals)	Ploy - AMC	Kasikorn Factoring	The Bank and Subsidiaries
Non-accrual loans	71,353	19,002	7,939	55	98,349
Total loans used for ratio calculation*	579,838	19,002	7,939	2,455	594,309**
Percentage of total loans	12.31	100.00	100.00	2.23	16.55



(Million Baht)

	2003				
	The Bank	Phethai - AMC (Original principals)	Ploy - AMC	Kasikorn Factoring	The Bank and Subsidiaries
Non-accrual loans	112,532	28,908	8,307	61	149,808
Total loans used for ratio calculation*	531,903	28,908	8,307	1,752	549,731**
Percentage of total loans	21.16	100.00	100.00	3.48	27.25

* Total loans used for NPL ratio calculation are loans to general customers as presented in the balance sheet and loans to financial institutions as included in interbank and money market items.

** Excluding loans to subsidiaries, as of December 31, 2004 and 2003 amounting to Baht 14,925 millions and Baht 21,139 millions, respectively.

As of December 31, 2004 and 2003, loans to listed companies that meet SET's criteria for delisting were as follows:

(Million Baht)

	Consolidated					
	2004			2003		
	Loans and Accrued Interest Receivables	Collateral Value	Allowance for Doubtful Accounts	Loans and Accrued Interest Receivables	Collateral Value	Allowance for Doubtful Accounts
Listed companies which meet SET's criteria for delisting	1,499	834	274	1,784	478	413

(Million Baht)

	The Bank					
	2004			2003		
	Loans and Accrued Interest Receivables	Collateral Value	Allowance for Doubtful Accounts	Loans and Accrued Interest Receivables	Collateral Value	Allowance for Doubtful Accounts
Listed companies meet SET's criteria for delisting	1,148	530	227	1,454	469	92



As of December 31, 2004, and 2003, the outstanding balances of loans to the Bank's wholly-owned subsidiaries were as follows:

(Million Baht)

	2004			
	Type of loans	Maturity	Interest rate	Amount
Phethai Asset Management Co., Ltd.	Bills	3 Months	3-Month Fixed Deposit	7,440
Ploy Asset Management Co., Ltd.	Bills	3 Months	3-Month Fixed Deposit	5,665
Kasikorn Factoring Co., Ltd.	Bills	1-6 Months	Money Market Rate + Spread 1% at least	1,340
	Loans	3 Years	Fixed Rate	480

(Million Baht)

	2003			
	Type of loans	Maturity	Interest rate	Amount
Phethai Asset Management Co., Ltd.	Bills	3 Months	3-Month Fixed Deposit	11,850
Ploy Asset Management Co., Ltd.	Bills	3 Months	3-Month Fixed Deposit	8,005
Kasikorn Factoring Co., Ltd.	Bills	1-6 Months	Money Market Rate + Spread 1% at least	885
	Loans	3 Years	Fixed Rate	400



Transferring of Sub-Standard Quality Assets to Thai Assets Management Corporation (TAMC)

In accordance with the Emergency Decree on the Thai Assets Management Corporation B.E. 2544, on October 12, 2001, the Bank signed an Asset Transfer Agreement with TAMC to transfer eligible sub-standard quality assets outstanding as of December 31, 2000 to TAMC. All rights and duties associated with each transferred sub-standard quality asset were transferred to TAMC at a price determined by the appraised value of the underlying collateral assets, provided that the price did not exceed the book value of credit extended, less existing provisions outstanding, as required by law on the transfer date. TAMC has 180 days from the date of each transfer to examine any transferred assets. TAMC would then quote the transfer price within seven days after the end of the examination period. After confirming the price, TAMC would issue non-transferable 10-year callable promissory notes guaranteed by the FIDF. The notes bear interest equal to the weighted average of the deposit rates of five major banks, and are paid at the end of each year by a non-transferable, extendable 1-year promissory note, guaranteed by the FIDF. The rights to these notes and the received notes are included in investments in held-to-maturity debt instruments.

In accordance with the Emergency Decree and the Asset Transfer Agreement, TAMC and the Bank would jointly share in the profits and responsibility for any losses on transferred assets, which would be payable on the fifth and the tenth anniversaries of the transfers, starting from July 1, 2001. In the case of losses, the Bank would first be responsible for any loss, not exceeding 20% of the transfer price. The second portion of losses, again not exceeding 20% of the transfer price, would be equally shared by TAMC and the Bank. Any remaining loss would then be absorbed by TAMC. In addition, expenses of TAMC are to be included in the calculation of the gain or loss sharing. In the case of profit, the first portion of profits up to 20% of the transfer price is to be shared equally by TAMC and the Bank. Should there be any profit over and above this, the Bank is entitled to the remainder up to the gross book value of the assets, less the transfer price and the Bank's share in the first portion of the profits.

In the years ended December 31, 2004, and 2003, the Bank transferred to TAMC sub-quality assets relating to 4 borrowers and 12 borrowers, respectively, with gross book values (as of their transfer dates) of Baht 61 million and Baht 124 million, (up to December 31, 2004 totaling Baht 14,572 million). The estimated total transfer price was Baht 61 million and Baht 66 million (up to December 31, 2004 totaling Baht 10,163 million). As of December 31, 2004, the Bank had received promissory notes from TAMC totaling Baht 7,505 million and TAMC is examining the remaining assets of Baht 2,658 million and will confirm the transfer price in order to issue notes to the Bank within the aforementioned timeframe.



9. Troubled Debt Restructuring

During the years ended December 31, 2004, and 2003, the Bank and its subsidiaries (Phethai – AMC and Ploy – AMC) engaged in debt restructuring contracts as follows:

(Million Baht)

	Consolidated				The Bank			
	2004		2003		2004		2003	
	Cases	Total Outstanding Debt Before Restructuring	Cases	Total Outstanding Debt Before Restructuring	Cases	Total Outstanding Debt Before Restructuring	Cases	Total Outstanding Debt Before Restructuring
Debt restructuring contracts that incurred losses	5,227	31,398	6,378	46,089	4,454	17,634	5,484	32,678
Debt restructuring contracts that incurred no losses	14,218	26,057	18,053	35,765	13,478	23,239	16,609	31,111
Total	19,445	57,455	24,431	81,854	17,932	40,873	22,093	63,789

Losses on debt restructuring in the years ended December 31, 2004, and 2003, were as follows:

(Million Baht)

Type of Restructuring	Consolidated					
	2004					
	Cases	Outstanding Debt		Transferred Assets		Loss on Debt Restructuring
		Before Restructuring	After Restructuring	Types	Fair Value	
Transfers of assets	4,049	13,115	-	Cash, land, premises and investments	8,113	5,002
Changes in repayment conditions	852	14,105	13,285	-	-	1,973
Debt restructuring in various forms	326	4,178	1,559	Cash, land, premises and investments	1,108	2,152
Total	5,227	31,398	14,844		9,221	9,127



(Million Baht)

Type of Restructuring	Consolidated					
	2003					
	Cases	Outstanding Debt		Transferred Assets		Loss on Debt Restructuring
		Before Restructuring	After Restructuring	Types	Fair Value	
Transfers of assets	5,299	23,473	-	Cash, land, premises and investments	15,322	8,151
Changes in repayment conditions	816	16,463	14,885	-	-	3,203
Debt restructuring in various forms	263	6,153	3,812	Cash, land, premises and investments	1,809	2,401
Total	6,378	46,089	18,697		17,131	13,755

(Million Baht)

Type of Restructuring	The Bank					
	2004					
	Cases	Outstanding Debt		Transferred Assets		Loss on Debt Restructuring
		Before Restructuring	After Restructuring	Types	Fair Value	
Transfers of assets	3,926	11,822	-	Cash, land, premises and investments	7,386	4,436
Changes in repayment conditions	247	2,351	2,142	-	-	410
Debt restructuring in various forms	281	3,461	1,312	Cash, land, premises and investments	977	1,691
Total	4,454	17,634	3,454		8,363	6,537



(Million Baht)

Type of Restructuring	The Bank					
	2003					
	Cases	Outstanding Debt		Transferred Assets		Loss on Debt Restructuring
		Before Restructuring	After Restructuring	Types	Fair Value	
Transfers of assets	5,027	20,709	-	Cash, land, premises and investments	13,234	7,475
Changes in repayment conditions	213	6,557	5,891	-	-	1,918
Debt restructuring in various forms	244	5,412	3,770	Cash, land, premises and investments	1,372	2,110
Total	5,484	32,678	9,661		14,606	11,503

The Bank and its subsidiaries measure expected recoverable amounts of restructured loans with changed repayment conditions using the present value of future cash flows discounted by the market rate.

The terms of debt restructuring agreements with debts which were restructured with changed repayment conditions and restructured in various other ways and which resulted in losses on debt restructuring during the years ended December 31, 2004 and 2003 are as follows:

(Million Baht)

Terms of Debt Restructuring Agreements	Consolidated							
	2004				2003			
	Outstanding Debt				Outstanding Debt			
	Cases	Before Restructuring	After Restructuring	End of Year	Cases	Before Restructuring	After Restructuring	End of Year
Less than 5 years	900	12,730	10,578	8,367	679	10,557	8,045	4,857
5 to 10 years	159	2,065	1,528	1,298	115	5,331	4,206	4,024
Over 10 years	119	3,488	2,738	2,388	285	6,728	6,446	6,245
Total	1,178	18,283	14,844	12,053	1,079	22,616	18,697	15,126

(Million Baht)

Terms of Debt Restructuring Agreements	The Bank							
	2004				2003			
	Outstanding Debt				Outstanding Debt			
	Cases	Before Restructuring	After Restructuring	End of Year	Cases	Before Restructuring	After Restructuring	End of Year
Less than 5 years	476	4,152	2,755	2,238	415	5,468	3,962	2,692
5 to 10 years	21	353	104	103	27	2,765	1,976	1,974
Over 10 years	31	1,307	595	588	15	3,736	3,723	3,695
Total	528	5,812	3,454	2,929	457	11,969	9,661	8,361



The Bank and its subsidiaries recognized interest income from debt restructuring for each of the years ended December 31, 2004 and 2003 as follows:

(Million Baht)

	Consolidated		The Bank	
	2004	2003	2004	2003
Debt restructuring contracts that incurred losses	2,352	2,858	927	1,320

As of December 31, 2004 and 2003, the Bank had commitments to extend additional loans to these borrowers as follow:

(Million Baht)

	Consolidated and The Bank	
	2004	2003
Debt restructuring contracts that incurred losses	90	117

As of December 31, 2004 and 2003, the Bank and its subsidiaries had outstanding balances in restructured debt accounts during the period/year as follows:

(Million Baht)

	Consolidated		The Bank	
	2004	2003	2004	2003
Debt restructuring contracts that incurred losses	12,053	15,126	2,929	8,361
Debt restructuring contracts that incurred no losses	16,220	22,702	14,343	21,237
Total	28,273	37,828	17,272	29,598

As of December 31, 2004 and 2003, the Bank and its subsidiaries had outstanding balances relating to all restructured debts which had been performing in accordance with agreements as follows:

(Million Baht)

	Consolidated		The Bank	
	2004	2003	2004	2003
Debt restructuring contracts that incurred losses	23,448	28,354	14,625	20,940
Debt restructuring contracts that incurred no losses	44,293	57,298	39,532	50,941
Total	67,741	85,652	54,157	71,881



1 O. Allowance for Doubtful Accounts

Movements in the allowance for doubtful accounts during the years shown were as follows:

(Million Baht)

	Consolidated						
	2004						
	Pass	Special Mention	Sub- Standard	Doubtful	Doubtful of Loss	Allowances Established in Excess of BOT Regulations	Total
Balance at beginning of the year	4,424	276	130	928	34,891	18,545	59,194
Transferred from investments in receivables	-	-	-	-	778	-	778
Doubtful accounts (reversal)	1,268	(85)	631	707	(2,142)	(6,763)	(6,384)
Bad debts recovered	-	-	-	-	1,565	-	1,565
Bad debts written off	-	-	-	-	(16,348)	-	(16,348)
Others	-	-	-	-	184	-	184
Balance at end of the year	5,692	191	761	1,635	18,928	11,782	38,989
Kasikorn Factoring Co.,Ltd.							79
Balance at end of the year							39,068

(Million Baht)

	Consolidated						
	2003						
	Pass	Special Mention	Sub- Standard	Doubtful	Doubtful of Loss	Allowances Established in Excess of BOT Regulations	Total
Balance at beginning of the year	3,722	248	255	1,994	43,983	26,748	76,950
Transferred from investments in receivables	39	8	-	-	575	44	666
Doubtful accounts (reversal)	663	20	(125)	(1,066)	(4,030)	(8,247)	(12,785)
Bad debts recovered	-	-	-	-	1,795	-	1,795
Bad debts written off	-	-	-	-	(8,259)	-	(8,259)
Allowance for loans transferred to TAMC	-	-	-	-	(60)	-	(60)
Others	-	-	-	-	887	-	887
Balance at end of the year	4,424	276	130	928	34,891	18,545	59,194
Kasikorn Factoring Co., Ltd.							74
Balance at end of the year							59,268



(Million Baht)

	The Bank						
	2004						
	Pass	Special Mention	Sub- Standard	Doubtful	Doubtful of Loss	Allowances Established in Excess of BOT Regulations	Total
Balance at beginning of the year	4,515	245	130	928	23,563	13,615	42,996
Doubtful accounts (reversal)	660	(145)	631	707	(785)	(6,149)	(5,081)
Bad debt recovered	-	-	-	-	1,565	-	1,565
Bad debt written off	-	-	-	-	(12,381)	-	(12,381)
Others	-	-	-	-	(131)	-	(131)
Balance at end of the year	5,175	100	761	1,635	11,831	7,466	26,968

(Million Baht)

	The Bank						
	2003						
	Pass	Special Mention	Sub- Standard	Doubtful	Doubtful of Loss	Allowances Established in Excess of BOT Regulations	Total
Balance at beginning of the year	3,950	229	255	1,994	28,606	19,886	54,920
Doubtful accounts (reversal)	565	16	(125)	(1,066)	(3,679)	(6,271)	(10,560)
Bad debt recovered	-	-	-	-	1,795	-	1,795
Bad debt written off	-	-	-	-	(3,039)	-	(3,039)
Allowance for loans transferred to TAMC	-	-	-	-	(60)	-	(60)
Others	-	-	-	-	(60)	-	(60)
Balance at end of the year	4,515	245	130	928	23,563	13,615	42,996



1 1. Revaluation Allowance for Debt Restructuring

Movements in the revaluation allowance for debt restructuring during the years shown were as follows:

(Million Baht)

	Consolidated		The Bank	
	2004	2003	2004	2003
Balance at beginning of the year	6,666	2,755	4,721	2,647
Addition	1,586	3,357	513	2,825
Decrease due to being written-off	(2,699)	-	(2,699)	-
Change in classification	837	2,660	-	-
Amortization to interest income	(1,512)	(2,106)	(238)	(751)
Balance at end of the year	4,878	6,666	2,297	4,721

1 2. Normalized Provisioning

Movements in the normalized provisioning during the year were as follows:

(Million Baht)

	Consolidated and The Bank	
	2004	2003
Balance at beginning of the year	1,600	800
Addition	800	800
Balance at end of the year	2,400	1,600

1 3. Foreclosed Properties

Foreclosed Properties as of December 31, 2004, and 2003, consisted of:

(Million Baht)

Type of Foreclosed Properties	Consolidated			
	2004			
	Beginning Balance	Additions	Disposals	Ending Balance
1. Assets acquired from debt repayment				
1.1 Immovable assets	17,075	5,780	(2,592)	20,263
1.2 Movable assets	28	-	-	28
Total	17,103	5,780	(2,592)	20,291
2. Others	1,169	4	(247)	926
Total Foreclosed Properties	18,272	5,784	(2,839)	21,217
Less Allowances for impairment	(3,755)	(705)	640	(3,820)
Total Foreclosed Properties - net	14,517	5,079	(2,199)	17,397



(Million Baht)

Type of Foreclosed Property	Consolidated			
	2003			
	Beginning Balance	Addition	Disposal	Ending Balance
1. Assets acquired from debt repayment				
1.1 Immovable assets	18,063	4,364	(5,352)	17,075
1.2 Movable assets	26	2	-	28
Total	18,089	4,366	(5,352)	17,103
2. Others	1,442	90	(363)	1,169
Total Foreclosed Properties	19,531	4,456	(5,715)	18,272
Less Allowances for impairment	(4,444)	(472)	1,161	(3,755)
Total Foreclosed Properties - net	15,087	3,984	(4,554)	14,517

(Million Baht)

Type of Foreclosed Property	The Bank			
	2004			
	Beginning Balance	Addition	Disposal	Ending Balance
1. Assets acquired from debt repayment				
1.1 Immovable assets	13,891	4,285	(2,379)	15,797
1.2 Movable assets	28	-	-	28
Total	13,919	4,285	(2,379)	15,825
2. Others	283	-	(37)	246
Total Foreclosed Properties	14,202	4,285	(2,416)	16,071
Less Allowances for impairment	(3,342)	(545)	551	(3,336)
Total Foreclosed Properties - net	10,860	3,740	(1,865)	12,735

(Million Baht)

Type of Foreclosed Property	The Bank			
	2003			
	Beginning Balance	Addition	Disposal	Ending Balance
1. Assets acquired from debt repayment				
1.1 Immovable assets	14,701	2,895	(3,705)	13,891
1.2 Movable assets	26	2	-	28
Total	14,727	2,897	(3,705)	13,919
2. Others	376	90	(183)	283
Total Foreclosed Properties	15,103	2,987	(3,888)	14,202
Less Allowances for impairment	(4,034)	(446)	1,138	(3,342)
Total Foreclosed Properties - net	11,069	2,541	(2,750)	(10,860)



14. Classified Assets

As of December 31, 2004 and 2003, assets of the Bank and its subsidiaries classified as investments, loans and accrued interest receivables (including financial institutions), foreclosed properties and other assets were categorized by quality in compliance with the BOT regulations, taking into account analyses of each loan and appraisals of the financial standing of each borrower were as follows:

(Million Baht)

	Consolidated				
	2004				
	Investments	Loans and Accrued Interest Receivables	Foreclosed Properties	Other Assets	Total
Pass	-	516,385	-	-	516,385
Special Mention	-	6,283	-	-	6,283
Sub-Standard	-	8,445	-	-	8,445
Doubtful	-	12,024	-	-	12,024
Doubtful of Loss	5,575	53,422	1,736	1,102	61,835
Total	5,575	596,559	1,736	1,102	604,972

(Million Baht)

	Consolidated				
	2003				
	Investments	Loans and Accrued Interest Receivables	Foreclosed Properties	Other Assets	Total
Pass	-	445,174	-	21	445,195
Special Mention	-	13,800	-	-	13,800
Sub-Standard	-	3,315	-	-	3,315
Doubtful	-	6,883	-	-	6,883
Doubtful of Loss	5,645	83,529	1,582	1,420	92,176
Total	5,645	552,701	1,582	1,441	561,369



(Million Baht)

	The Bank				
	2004				
	Investments	Loans and Accrued Interest Receivables	Foreclosed Properties	Other Assets	Total
Pass	-	518,704	-	-	518,704
Special Mention	-	5,012	-	-	5,012
Sub-Standard	-	8,445	-	-	8,445
Doubtful	-	12,003	-	-	12,003
Doubtful of Loss	3,584	36,786	1,369	991	42,730
Total	3,584	580,950	1,369	991	586,894

(Million Baht)

	The Bank				
	2003				
	Investments	Loans and Accrued Interest Receivables	Foreclosed Properties	Other Assets	Total
Pass	-	452,506	-	-	452,506
Special Mention	-	12,236	-	-	12,236
Sub-Standard	-	3,315	-	-	3,315
Doubtful	-	6,856	-	-	6,856
Doubtful of Loss	3,661	58,474	1,360	1,339	64,834
Total	3,661	533,387	1,360	1,339	539,747



15. Premises and Equipment

From October 1, 2004, estimated useful lives of buildings acquired after July 1996 have been changed from 30 years to 50 years in accordance with the estimates of independent appraisers. (Note 36)

Changes in premises and equipment for the year ended December 31, 2004, are summarized below :

	Consolidated															
	2004															
	Change of Cost				Change of Accumulated Depreciation				Change of Allowance for Impairment				Book Value			
	Beginning Balance	Purchase	Transfer in	Disposal	Transfer out	Ending Balance	Beginning Balance	Depreciation	Disposal	Transfer out	Ending Balance	Beginning Balance	Increase	Ending Balance	Beginning Balance	Ending Balance
Land																
Cost	2,936	-	9	-	-	2,945	-	-	-	-	-	479	4	483	2,457	2,462
Revalued cost in 2000	5,957	-	-	-	-	5,957	-	-	-	-	-	-	-	-	5,957	5,957
Buildings																
Cost	9,303	-	19	-	(6)	9,316	3,074	249	-	(1)	3,322	334	-	334	5,895	5,660
Revalued cost																
- in 2000	4,877	-	-	-	-	4,877	1,937	140	-	-	2,077	-	-	-	2,940	2,800
- in 2002	10	-	-	-	-	10	5	-	-	-	5	-	-	-	5	5
Equipment	11,669	3	485	(51)	(151)	11,955	9,260	714	(50)	(147)	9,777	-	1	1	2,409	2,177
Others	469	900	-	(14)	(621)	734	48	13	(13)	-	48	-	-	-	421	686
Total	35,221	903	513	(65)	(778)	35,794	14,324	1,116	(63)	(148)	15,229	813	5	818	20,084	19,747

(Million Baht)

Depreciation presented in the statement of income of the Bank and its subsidiaries for each of the years ended December 31, 2004 and 2003 amounted to Baht 1,116 million and Baht 1,210 million, respectively (including depreciation on building revaluation of Baht 140 million and Baht 148 million, respectively). As of December 31, 2004 and 2003, premises and equipment with an original cost of Baht 7,404 million and Baht 7,005 million, respectively, were fully depreciated but still in use.



(Million Baht)

The Bank																
2004																
	Changes in Cost					Changes in Accumulated Depreciation					Changes in Allowances for Impairment			Book Value		
	Beginning Balance	Purchase	Transfer in	Disposal	Transfer out	Ending Balance	Beginning Balance	Depreciation	Disposal	Transfer out	Ending Balance	Beginning Balance	Increase	Ending Balance	Beginning Balance	Ending Balance
Land																
Cost	2,842	-	9	-	-	2,851	-	-	-	-	-	461	4	465	2,381	2,386
Revalued cost in 2000	5,957	-	-	-	-	5,957	-	-	-	-	-	-	-	-	5,957	5,957
Buildings																
Cost	8,660	-	19	-	(6)	8,673	2,961	228	(1)	3,188	240	-	-	240	5,459	5,245
Revalued cost																
- in 2000	4,877	-	-	-	-	4,877	1,937	140	-	2,077	-	-	-	-	2,940	2,800
- in 2002	10	-	-	-	-	10	5	-	-	5	-	-	-	-	5	5
Equipment	11,628	1	485	(49)	(151)	11,914	9,233	707	(147)	9,745	-	1	1	2,395	2,168	
Others	401	879	-	-	(621)	659	-	-	-	-	-	-	-	-	401	659
Total	34,375	880	513	(49)	(778)	34,941	14,136	1,075	(148)	15,015	701	5	706	19,538	19,220	

Depreciation presented in the statement of income of the Bank for each of the years ended December 31, 2004, and 2003, amounted to Baht 1,075 million and Baht 1,167 million, respectively (including depreciation on building revaluation of Baht 140 million and Baht 148 million, respectively). As of December 31, 2004, and 2003, premises and equipment with an original cost of Baht 7,399 million and Baht 6,964 million, respectively, were fully depreciated but still in use.

16. Intangible Assets

Changes in intangible assets for the year ended December 31, 2004 are summarized as follows:

(Million Baht)

	Consolidated												
	2004												
	Changes in Cost			Changes in Accumulated Amortization			Changes in Allowances for Impairment			Book Value			
Beginning Balance	Increase	Transfer out	Ending Balance	Beginning Balance	Amortization	Transfer out	Ending Balance	Beginning Balance	Increase	Ending Balance	Beginning Balance	Ending Balance	
Leaseholds	1,030	13	(213)	830	579	49	(211)	417	-	-	-	451	413
Application software	3,639	901	(1)	4,539	1,463	310	(4)	1,769	-	175	-	2,176	2,595
Goodwill	(109)	545	-	436	(68)	(6)	-	(74)	-	-	-	(41)	510
Others	-	5	-	5	-	-	-	-	-	-	-	-	5
Total	4,560	1,464	(214)	5,810	1,974	353	(215)	2,112	-	175	-	2,586	3,523

Amortization presented in the statement of income of the Bank and its subsidiaries for each of the years ended December 31, 2004, and 2003, amounted to Baht 353 million and Baht 319 million, respectively, as of December 31, 2004, and 2003, and intangible assets with an original cost of Baht 1,018 million and Baht 1,101 million, respectively, had been fully amortized but were still in use.



(Million Baht)

The Bank												
2004												
	Changes in Cost			Changes in Accumulated Amortization			Changes in Allowances for Impairment			Book Value		
	Beginning Balance	Increase	Transfer out	Ending Balance	Beginning Balance	Amortization	Transfer out	Ending Balance	Beginning Balance	Increase	Ending Balance	
Leaseholds	1,030	13	(213)	830	579	49	(211)	417	-	-	451	413
Application software	3,599	893	-	4,492	1,440	304	(3)	1,741	-	175	2,159	2,576
Total	4,629	906	(213)	5,322	2,019	353	(214)	2,158	-	175	2,610	2,989

Amortization presented in the statement of income of the Bank for each of the years ended December 31, 2004 and 2003 amounted to Baht 353 million and Baht 325 million, respectively. As of December 31, 2004 and 2003, intangible assets with an original cost of Baht 1,004 million and Baht 1,086 million, respectively, had been fully amortized but were still in use.

17. Deposits

Deposits as of December 31, 2004, and 2003, were classified as follows:

1. Classified by Type of Deposit

(Million Baht)

	Consolidated		The Bank	
	2004	2003	2004	2003
Current	38,063	36,048	38,367	36,292
Savings	384,437	339,873	384,548	339,905
Term				
- Less than 6 months	225,246	238,488	225,246	238,488
- 6 months and less than 1 year	4,928	5,679	4,928	5,679
- 1 year and over 1 year	52,896	64,858	52,896	64,858
Total	705,570	684,946	705,985	685,222

2. Classified by Maturity of Contract

(Million Baht)

	Consolidated		The Bank	
	2004	2003	2004	2003
Within 1 year	699,457	676,843	699,872	677,119
Over 1 year	6,113	8,103	6,113	8,103
Total	705,570	684,946	705,985	685,222

3. Classified by Currencies and Residency of Depositors

(Million Baht)

	Consolidated					
	2004			2003		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	685,842	15,871	701,713	668,878	13,507	682,385
US Dollars	3,234	185	3,419	1,766	295	2,061
Other currencies	359	79	438	423	77	500
Total	689,435	16,135	705,570	671,067	13,879	684,946

(Million Baht)

	The Bank					
	2004			2003		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	686,257	15,871	702,128	669,154	13,507	682,661
US Dollars	3,234	185	3,419	1,766	295	2,061
Other currencies	359	79	438	423	77	500
Total	689,850	16,135	705,985	671,343	13,879	685,222



18. Interbank and Money Market Items (Liabilities)

Interbank and money market items (liabilities) as of December 31, 2004 and 2003 consisted of:

(Million Baht)

	Consolidated					
	2004			2003		
	At call	Term	Total	At call	Term	Total
1. Domestic						
The BOT and FIDF	-	2,691	2,691	-	68	68
Commercial banks	862	132	994	369	205	574
Other banks	140	-	140	201	-	201
Finance, securities and credit foncier companies	2,265	10	2,275	3,535	81	3,616
Other financial institutions	705	4,445	5,150	617	1,036	1,653
Total Domestic	3,972	7,278	11,250	4,722	1,390	6,112
2. Foreign						
US Dollars	17	-	17	446	3	449
Yen	6	-	6	31	-	31
Other currencies	252	-	252	509	-	509
Total Foreign	275	-	275	986	3	989
Total Domestic and Foreign	4,247	7,278	11,525	5,708	1,393	7,101

(Million Baht)

	The Bank					
	2004			2003		
	At call	Term	Total	At call	Term	Total
1. Domestic						
The BOT and FIDF	-	2,691	2,691	-	68	68
Commercial banks	627	7	634	369	-	369
Other banks	140	-	140	201	-	201
Finance, securities and credit foncier companies	2,265	10	2,275	3,535	81	3,616
Other financial institutions	705	4,445	5,150	617	1,036	1,653
Total Domestic	3,737	7,153	10,890	4,722	1,185	5,907
2. Foreign						
US Dollars	17	-	17	446	3	449
Yen	6	-	6	31	-	31
Other currencies	252	-	252	509	-	509
Total Foreign	275	-	275	986	3	989
Total Domestic and Foreign	4,012	7,153	11,165	5,708	1,188	6,896



19. Short-Term Borrowings

The Board of Directors at its meeting on October 28, 2004, approved the issuance of short-term unsubordinated debentures in name certificates without security, non-convertible, unrepresented by debenture holders in Thai Baht currency not exceeding Baht 50,000 million, with a maturity of not more than 270 days and an interest rate of 1.35% per annum, payable quarterly, in order to allow the Bank better flexibility and more variety in administration of its funding structure and to expand the investment alternatives to the public and/or depositors of the Bank.

20. Long-Term Borrowings

Long-term borrowings as of December 31, 2004 and 2003 consisted of:

(Million Baht)

	Consolidated and The Bank					
	2004			2003		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Subordinated Debentures	-	7,768	7,768	-	7,874	7,874
Subordinated Debentures cum Preferred Shares	-	-	-	19,967	-	19,967
Subordinated Debentures of the Thai Farmers Bank Plc. No.2	-	-	-	20,000	-	20,000
Subordinated Debentures of the KASIKORNBANK Plc. No.3	12,000	-	12,000	12,000	-	12,000
Total	12,000	7,768	19,768	51,967	7,874	59,841

Subordinated Debentures

The Board of Directors in its meeting on July 25, 1996, approved the issuance of US\$ 200 million in unsecured subordinated debentures, having a face value of US\$ 100,000 each, with a twenty-year maturity offered at a price of US\$ 98,997 each on August 21, 1996, and carrying on 8.25 percent coupon rate payable semi-annually.

Subordinated Debentures Cum Preferred Shares No.1 (Commonly Referred to as "SLIPS")

On January 11, 1999, the Bank jointly and simultaneously issued 547,345 Class A Preferred Shares (the "Preferred Shares"), with a par value of Baht 10 per share and a liquidation preference of US\$ 1,000 per share, and 547,345 Subordinated Debentures Cum Preferred Shares of the Thai Farmers Bank Public Company Limited No. 1 ("Debentures #1"), with a face value of US\$ 1,000 per debenture, for total proceeds of US\$ 547,345,000 (Baht 19,999,986,300). These securities were purchased by The Preferred Shares-Subordinated Debentures of Thai Farmers Bank Plc. Fund (the "Fund") and offered as Investment Units to institutional investors. The Bank and the Fund entered into a Master Investment Contract (the "Contract") that sets forth certain terms and conditions for the securities.

The Preferred Shares are noncumulative. The Bank must declare and pay a full dividend on the Preferred Shares if it declares and pays a dividend on ordinary shares of the Bank. The amount of the dividend on the Preferred Shares shall be limited to Baht 1 per share per annum if either the Bank continues to pay interest on the Debentures #1 in full or the liquidation preference of the Preferred Shares has been reduced to par as discussed below. If the Bank has not continued to pay interest in full on the Debentures #1, the dividend on the Preferred Shares shall be equal to the annual interest not paid on the Debentures #1. If the Bank does not declare and pay a dividend to ordinary shareholders and, therefore, is not required to pay a dividend on the Preferred Shares, the Bank still has the option to pay part or all of the dividends on the Preferred Shares if there are sufficient retained profits or not to pay any dividend. Upon a redemption of the Debentures #1, the liquidation preference of the Preferred Shares is reduced to par value and each Preferred Share shall be converted into one ordinary share of the Bank under the terms set forth in the Contract.

The Debentures #1 mature upon liquidation of the Bank. They are redeemable early at the option of the Bank, and upon approval of the Bank of Thailand, if the Debentures #1 and Preferred Shares no longer qualify as



tier 1 capital of the Bank, or if interest payments under the Debentures #1 are no longer deductible as an expense for income tax purposes. Otherwise, they are redeemable at the option of the Bank after five years. The Debentures #1 bear interest at a stated rate of 19.32% per annum payable semi-annually, though the effective interest rate is higher as discussed below. The Bank is only required to pay such interest if it would otherwise be required to pay dividends on the Preferred Shares. If the Bank is not required to pay interest, the Bank still may pay part or all of the interest at its option.

The Contract stipulates that, prior to redemption of the Debentures #1, the Preferred Shares may only be transferred to another person if the Fund simultaneously transfers the Debentures #1 to the same person and such person agrees to be bound by the Contract. Also under the Contract, the Fund and the Bank agree that, upon redemption of the Debentures #1, the liquidation preference of the Preferred Shares is reduced to par and each Preferred Share shall be converted into one ordinary share of the Bank. The Contract also effectively converts the Debentures #1 from a US\$ obligation to a Baht obligation by fixing the Baht equivalent exchange rate for interest payments and redemption to the exchange rate officially declared by the Bank of Thailand on the day immediately prior to the issue date of the Debentures #1. The resulting effective Baht denominated interest rate for the Debentures #1 is 23% per annum. Under the Contract, it is understood that redemption of the Debentures #1 by the Bank shall be deemed to be full payment to the Fund under the terms of the Debentures #1 and Preferred Shares as set forth in the prospectus and the Articles of Association, respectively.

Subordinated Debentures No.2

Also on January 11, 1999, the Bank issued 20,000,000 Subordinated Debentures of the Thai Farmers Bank Public Company Limited No. 2 Due 2549 (“Debentures #2”), with a face value of Baht 1,000 per debenture, for total proceeds of Baht 20,000,000,000. The Debentures #2 mature seven years after the issue date. They are redeemable early at the option of the Bank, and upon approval of the Bank of Thailand, after five years. The Debentures #2 bear interest at 22.296175% per annum payable quarterly.

The Bank presented the transactions of the subordinated debentures cum preferred shares of Baht 19,999 million to conform with the Institute of Certified Accountants and Auditors of Thailand’s third interpretation titled The Hybrid Financial Instruments Issued by Financial Institutions. In this regard, the Bank presents the preferred shares and the premiums on preferred shares totaling Baht 33 million as a part of shareholders’ equity and presents the remaining Baht 19,967 million in a separate item under “Subordinated debentures cum preferred shares” as a part of liabilities. However the total amount of subordinated debentures cum preferred shares can be counted as tier 1 capital as permitted by the Bank of Thailand. The Debentures #2 of the Baht 20,000 million are presented as part of long-term borrowings.

Subordinated Debentures No.3

The Board of Directors in its meeting on September 25, 2003 approved the issuance of the Subordinated Debentures in name certificates without security, non-convertible, unrepresented by debenture holders in Thai Baht currency not exceeding Baht 12,000 million, with a maturity of not more than 10 years in order to raise long-term funding at reasonable cost, to efficiently manage interest rate risk and liquidity risk, as well as to strengthen the status of the Bank’s Tier 2 capital. On October 16, 2003, the Bank issued the Subordinated Debentures of KASIKORNBANK PUBLIC COMPANY LIMITED No.3 Due A.D. 2013 in the amount of Baht 12,000 million, with a ten-year maturity. In accordance with certain terms and conditions and with the approval of the Bank of Thailand, the Bank may redeem the debentures before maturity as follows: (1) on the fifth anniversary of the issue date or any subsequent interest payment date after the fifth anniversary of the issue date; or (2) if the Bank can demonstrate that interest payments under the Debentures are no longer, or will no longer be, deductible as an expense for income tax purposes; or (3) in any other case as may be later stipulated by the Bank of Thailand. The debentures bear interest at the fixed interest rate for the first five years of 3.75% per annum and the fixed interest rate for the second five years of 4.25% per annum. Interest is payable quarterly.



Redemption of the Subordinated Debentures cum Preferred Shares No.1 (SLIPS) and the Subordinated Debentures No.2

On January 12, 2004, the Bank redeemed early the Subordinated Debentures cum Preferred Shares of the Thai Farmers Bank Public Company Limited No.1 in the amount of Baht 19,999,986,300 and the Subordinated Debentures of the Thai Farmers Bank Public Company Limited No.2 in the amount of Baht 20,000,000,000 and payment was made to the Preferred Shares-Subordinated Debentures of Thai Farmers Bank Plc. Fund. The preferred shares were converted into ordinary shares of 547,345 shares as of the same date.

21. Warrants

The Board of Directors in its meeting on September 25, 2003 approved the second issuance of warrants of 100 million units having a six-year maturity, were offered to existing shareholders in the ratio of eight ordinary shares for each warrant, at a price of Baht 25 each totaling Baht 2,500 million. Each warrant can be exercised quarterly over their maturity for a Baht 10 par value ordinary share at a price of Baht 200 each. The subscription period was during September 4-12, 1996. On August 20, 1999, the exercise price was adjusted to Baht 131.832 and the exercise ratio of ordinary shares was 1.51708 per each warrant. The last exercise date was September 16, 2002 and expired warrants amounting to Baht 2,520 million have been presented in the financial statements as premium on expired warrants.

A resolution was passed by the Extraordinary Meeting of Shareholders held on August 11, 1999 authorizing (i) the issuance and offering for sale of 50,000,000 units of warrants for ordinary shares of the Bank to the Bank's employees, except for directors, under a three-year plan and (ii) allocating 50,000,000 new ordinary shares from the increase of the authorized share capital, with a par value of Baht 10 each, to support the exercise of the warrants for ordinary shares of the Bank to be issued and offered for sale to Bank employees, except for directors, under the above scheme.

Warrants issued to Bank employees (except directors) consisted of:

Details of Warrants	Phase 1	Phase 2	Phase 3
1. Offering date	August 1-31, 2000	December 7-28, 2001	December 2-30, 2002
2. Maturity	five-year and four-month	five-year and one-day	five-year
3. Offering price	zero Baht	zero Baht	zero Baht
4. Right to exercise	1 warrant : 1 ordinary share	1 warrant : 1 ordinary share	1 warrant : 1 ordinary share
5. Exercise price	30 Baht	30 Baht	27.82 Baht
6. Exercise date (every last business day)	June and December	June and December	March, June, September and December
7. Term of exercise period	Dec. 28, 2001 - Dec. 30, 2005	Dec. 30, 2002 - Dec. 29, 2006	Dec. 30, 2003 - Dec. 30, 2007
8. Total offered	18,500,000 units	5,000,000 units	26,500,000 units
9. Total allocated	15,612,600 units	3,962,500 units	26,490,560 units
10.Total allocated and accepted	15,586,300 units	3,885,300 units	26,048,380 units



The movements of warrants during the year	Phase 1	Phase 2	Phase 3	Total
Beginning balance as of January 1, 2003	13,813,900	3,293,400	26,048,380	43,155,680
Less Exercised	(5,045,940)	(739,720)	(2,670,872)	(8,456,532)
Less Exercise right terminated by employee's retirement	(522,200)	(131,560)	(229,980)	(883,740)
Ending balance as of December 31, 2003	8,245,760	2,422,120	23,147,528	33,815,408
Less Exercised	(3,495,120)	(711,420)	(4,136,778)	(8,343,318)
Less Exercise right terminated by employee's retirement	(112,040)	(43,200)	(318,496)	(473,736)
Ending balance as of December 31, 2004	4,638,600	1,667,500	18,692,254	24,998,354

22. Share Capital

On January 9, 2004, the Bank registered a change in its paid-up capital as a result of the increase in paid-up capital of 7,485,832 shares at Baht 10 par value, totaling Baht 74,858,320, arising from the exercise of warrants for ordinary shares, which were issued and offered for sale to Bank employees, except for directors. On January 13, 2004, the Bank also registered a change in its paid-up capital as a result of the conversion of Class A Preferred Shares into ordinary shares of 547,345 shares at Baht 10 par value, totaling Baht 5,473,450. As of January 13, 2003, the Bank had a total paid-up share capital of Baht 23,615,512,490 comprising 2,361,551,249 ordinary shares at Baht 10 par value.

On April 2, 2004, the Annual General Meeting of shareholders passed a resolution to approve the following matters:

- The amendment of the Memorandum of Association with respect to the registered capital from Baht 26,900,946,900, comprising 2,689,547,345 ordinary shares at Baht 10 par value and 547,345 Class A preferred shares at Baht 10 par value, to a registered capital of Baht 26,900,946,900, comprising 2,690,094,690 ordinary shares at Baht 10 par value so as to reflect the fact that the Bank no longer has any preferred shares as a result of the conversion of Class A preferred shares into ordinary shares.

- The reduction in the registered capital from Baht 26,900,946,900 to Baht 23,986,146,970 by retiring the registered shares which had not yet been issued.

- The increase in the registered capital from Baht 23,986,146,970 to Baht 30,486,146,970 through the creation of 650 million new ordinary shares at Baht 10 par value.

On April 16, 2004, the Bank registered the change in its registered share capital, in accordance with the above resolution, with the Ministry of Commerce and on the same date the Bank also registered the change in its paid-up share capital as a result of the increase in paid-up capital of 675,722 shares at Baht 10 par value, totaling Baht 6,757,220 from the exercise of warrants for ordinary shares, which were issued and offered for sale to Bank employees (who were not directors).

On July 12, 2004, the Bank registered the change in its paid-up share capital as a result of the increase in paid-up capital of 1,222,340 shares at Baht 10 par value, totaling Baht 12,223,400, from the exercise of warrants for ordinary shares, which were issued and offered for sale to Bank employees (except for directors).

On October 12, 2004, the Bank registered the change in its paid-up share capital as a result of the increase in paid-up capital of 175,226 shares at Baht 10 par value, totaling Baht 1,752,260 from the exercise of warrants for ordinary shares, which were issued and offered for sale to Bank employees (except for directors). As of October 12, 2004 The Bank had a total paid-up share capital of Baht 23,636,245,370 comprising 2,363,624,537 ordinary shares at Baht 10 par value.

As a result, as of December 31, 2004, the Bank had a registered share capital of Baht 30,486,146,970, comprising 3,048,614,697 ordinary shares at Baht 10 par value and a paid-up share capital of Baht 23,636,245,370, comprising 2,363,624,537 ordinary shares at Baht 10 par value.



23. Capital Requirements

The ratio of capital to assets (Capital Adequacy Ratio) as of December 31, 2004, and 2003 were calculated from the financial statements of the Bank and include the risk assets of the Bank's two subsidiary asset management companies as follows:

(Million Baht)

	2004	2003
Tier 1 Capital		
Issued and fully paid up share capital, premiums on share capital, warrants and premiums on warrants	41,191	78,586
Legal reserves	-	800
Other reserves	-	26,675
Net income (loss) after appropriation	7,585	(69,157)
Subordinated debentures cum preferred shares	-	19,967
Total Tier 1 Capital	48,776	56,871
Tier 2 Capital		
Surplus on land revaluation	4,168	4,168
Surplus on premises revaluation	1,401	1,471
Surplus on marketable equity securities revaluation	406	272
Provision for normal assets	5,725	4,448
Subordinated debentures	19,735	27,845
Total Tier 2 Capital	31,435	38,204
Total Capital Requirements	80,211	95,075

The BOT's regulations requires that banks registered in Thailand maintain a ratio of capital to assets and contingencies of not less than 8.5% and that tier-1 capital must not be less than 4.25% of such assets and contingencies. The capital adequacy ratio of the Bank in 2004, and 2003, was as follows:

(Million Baht)

	Percentage	
	2004	2003
Total Capital Requirements	13.13	17.48
Tier-1 Capital	7.98	10.46

24. Legal Reserves

According to Public Company Act, the Bank has to allocate at least 5 percent of its net income for the year, less accumulated net loss (if any), to capital reserves until this reserved capital is not less than 10 percent of authorized share 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 percent of its net income each time a dividend is declared until the reserve reaches 10 percent of authorized share capital. The reserve is not available for dividend distribution.

25. Other Reserves

The Bank allocates part of its net income for the year to other reserves which are classified or considered to be general capital with no specific purpose.



26. Bad Debt and Doubtful Accounts (Reversals)

Bad debt and doubtful accounts (reversals) for each of the years ended December 31, 2004 and 2003 consisted of:

(Million Baht)

	Consolidated		The Bank	
	2004	2003	2004	2003
General customers	(6,385)	(12,785)	(5,081)	(10,560)
Financial institutions	(583)	(47)	(583)	(47)
Kasikorn Factoring Co., Ltd.	(6,968)	(12,832)	(5,664)	(10,607)
Total	9	6	-	-
	(6,959)	(12,826)	(5,664)	(10,607)

27. Loss on Debt Restructuring

Loss on debt restructuring for each of the years ended December 31, 2004 and 2003 consisted of:

(Million Baht)

	Consolidated		The Bank	
	2004	2003	2004	2003
Net present value of cashflows lower than investments in receivables	1,586	3,357	513	2,825
Transferred assets lower than investments in receivables	7,333	10,103	5,816	8,370
Total	8,919	13,460	6,329	11,195

28. Assets Pledged as Collateral

Assets pledged as collateral as of December 31, 2004, and 2003, consisted of:

(Million Baht)

	Consolidated and The Bank	
	2004	2003
Deposits	-	12
Government bonds	6,733	15,084
State enterprise bonds	3,866	1,289
Foreign bonds	4,645	-
Total	15,244	16,385

The Bank has pledged these assets as collateral for derivatives, electricity consumption, court collateral and repurchase agreements.



29. Contingencies

Contingencies as of December 31, 2004, and 2003, consisted of:

(Million Baht)

	Consolidated					
	2004			2003		
	Baht	Foreign Currency	Total	Baht	Foreign Currency	Total
Avals on bills	340		340	459	-	459
Letters of indemnity-						
borrowing	34	243	277	69	5,009	5,078
Other guarantees	31,494	4,210	35,704	25,889	4,172	30,061
Letters of credit	626	13,477	14,103	493	9,503	9,996
Exchange rate agreements						
Purchase agreements	13,093	64,575	77,668	469	52,840	53,309
Sale agreements	4,695	192,112	196,807	-	191,447	191,447
Interest rate agreements						
Purchase agreements	30,510	24,097	54,607	2,000	21,743	23,743
Sale agreements	30,510	20,165	50,675	2,000	23,526	25,526
Credit default swap	-	5,468	5,468	-	792	792
Unused credit line of						
overdraft	110,224	-	110,224	105,176	-	105,176
Others	272	5,823	6,095	174	4,286	4,460
Total	221,798	330,170	551,968	136,729	313,318	450,047

(Million Baht)

	The Bank					
	2004			2003		
	Baht	Foreign Currency	Total	Baht	Foreign Currency	Total
Avals on bills	340	-	340	459	-	459
Letters of indemnity-						
borrowing	34	243	277	69	5,009	5,078
Other guarantees	31,494	4,096	35,590	25,891	4,118	30,009
Letters of credit	626	13,477	14,103	493	9,503	9,996
Exchange rate agreements						
Purchase agreements	13,093	64,575	77,668	469	52,840	53,309
Sale agreements	4,695	192,112	196,807	-	191,447	191,447
Interest rate agreements						
Purchase agreements	30,510	24,097	54,607	2,000	21,743	23,743
Sale agreements	30,510	20,165	50,675	2,000	23,526	25,526
Credit default swap	-	5,468	5,468	-	792	792
Unused credit line of						
overdraft	110,224	-	110,224	105,176	-	105,176
Others	272	5,823	6,095	174	4,286	4,460
Total	221,798	330,056	551,854	136,731	313,264	449,995



Under normal business operations, the Bank is a defendant in various litigation against the Bank. These include cases of wrongful acts brought against the Bank, with total claims amounting to Baht 1,628 million and Baht 935 million as of December 31, 2004 and 2003, respectively. The Management believes that any liability resulting from this litigation will not be material to the Bank's financial position or on the results of operations.

30. Related Party Transactions

1. Loans and contingencies made to executive officers and to business entities where the Bank and its subsidiaries, their directors or executive officers, holds 10% or more of their paid-up capital, as of December 31, 2004 and 2003 are summarized as follows:

(Million Baht)

	Consolidated	
	2004 End of Year	2003 End of Year
Loans		
1. Executive officers	20	16
2. Business entities where the Bank and subsidiaries, their directors or executive officers, hold 10% or more of the paid - up capital ⁽¹⁾	1,192	1,629
Total	1,212	1,645
Contingencies		
1. Executive officers	-	-
2. Business entities where the Bank and subsidiaries, their directors or executive officers, hold 10% or more of the paid - up capital	74	69
Total	74	69

(Million Baht)

	The Bank	
	2004 End of Year	2003 End of Year
Loans		
1. Executive officers	20	16
2. Business entities where the Bank, its directors or executive officers, hold 10% or more of the paid - up capital ⁽¹⁾	16,117	22,769
Total	16,137	22,785
Contingencies		
1. Executive officers	-	-
2. Business entities where the Bank, its directors or executive officers, hold 10% or more of the paid - up capital	76	72
Total	76	72

(1) Transactions occurring between the Bank and related business entities are charged at market prices as with other normal business.



2. Related Parties

Relationships between the Bank and other business entities where control exists consisted of:

Company Name	Type of Relationship	% Shareholding		Type of Share	Type of Business
		December 31, 2004	December 31, 2003		
Phethai Asset Management Co., Ltd.	Subsidiary	99.99%	99.99%	Ordinary share	Asset Management
Ploy Asset Management Co., Ltd.	Subsidiary	99.99%	99.99%	Ordinary share	Asset Management
Kasikorn Research Center Co., Ltd.	Subsidiary	99.99%	99.99%	Ordinary share	Service
Progress Land and Buildings Co., Ltd.	Subsidiary	99.99%	99.99%	Ordinary share	Property Development
Kasikorn Factoring Co., Ltd.	Subsidiary	99.99%	99.99%	Ordinary share	Lending
Kanpai Co., Ltd.	Subsidiary	99.99%	99.99%	Ordinary share	Service
Progress Plus Co., Ltd.	Subsidiary	99.99%	99.99%	Ordinary share	Service
Progress Facilities Management Co., Ltd.	Subsidiary	99.99%	99.99%	Ordinary share	Service
Progress Management Co., Ltd.	Subsidiary	99.99%	99.99%	Ordinary share	Service
Progress Software Co., Ltd.	Subsidiary	99.99%	60.00%	Ordinary share	Service
Kasikorn Leasing Co., Ltd.	Subsidiary	99.99%	-	Ordinary share	Service
Progress Storage Co., Ltd.	Subsidiary	99.98%	99.98%	Ordinary share	Service
Progress Service Co., Ltd.	Subsidiary	99.97%	99.97%	Ordinary share	Service
Progress H.R. Co., Ltd.	Subsidiary	99.94%	-	Ordinary share	Service
Kasikorn Securities Public Co., Ltd.	Subsidiary	99.91%	-	Ordinary share	Securities Business
Progress Appraisal Co., Ltd.	Subsidiary	99.84%	99.84%	Ordinary share	Service
Kasikorn Asset Management Co., Ltd.	Subsidiary	71.42%	71.42%	Ordinary share	Mutual Fund Management
Thai Administration Services Co., Ltd.	Subsidiary	51.00%	51.00%	Ordinary share	Service

3. Significant transactions occurring between the Bank and related parties are summarized as follows:

(Million Baht)

	The Bank	
	December 31, 2004	December 31, 2003
Loans		
Subsidiary Companies		
- Phethai Asset Management Co., Ltd.		
Beginning balance	11,850	16,850
Deductions	(4,410)	(5,000)
Ending balance	7,440	11,850
- Ploy Asset Management Co., Ltd.		
Beginning balance	8,005	12,370
Deductions	(2,340)	(4,365)
Ending balance	5,665	8,005
Accrued interest receivables		
Subsidiary Companies		
- Phethai Asset Management Co., Ltd.	-	27
- Ploy Asset Management Co., Ltd.	5	5
Deposits		
Subsidiary Companies		
- Phethai Asset Management Co., Ltd.	160	115
- Ploy Asset Management Co., Ltd.	24	84



(Million Baht)

	The Bank	
	For the year ended December 31, 2004	For the year ended December 31, 2003
Interest income		
Subsidiary Companies		
- Phethai Asset Management Co.,Ltd.	98	204
- Ploy Asset Management Co.,Ltd.	68	146

Loans to Phethai Asset Management Company Limited are 3-month bills with interest rates equal to the interest rate on a 3-month fixed deposit pledged as collateral. As of December 31, 2004 and 2003, the pledged deposits were Baht 160 million and Baht 115 million, respectively.

Loans to Ploy Asset Management Company Limited are 3-month bills with interest rates equal to the interest rate on a 3-month fixed deposit pledged as collateral. As of December 31, 2004 and 2003, the pledged deposits were Baht 24 million and Baht 84 million, respectively.

As of December 31, 2004, and 2003, the Bank had provided allowances for the doubtful accounts of Phethai Asset Management Company Limited, classified as normal loans, amounting to Baht 74 million and Baht 119 million, respectively.

As of December 31, 2004, and 2003, the Bank had provided an allowance for the doubtful accounts of Ploy Asset Management Company Limited, classified as normal loans, amounting to Baht 57 million and Baht 80 million, respectively.

Income and expenses shared between the Bank, Phethai Asset Management Company Limited and Ploy Asset Management Company Limited are charged at cost, except for fee income, which is charged at market prices.

The Bank has provided an allowance for doubtful accounts for related business entities using the same method as for general customers and in accordance with the BOT regulations.



4. Additional transactions occurring between the Bank and related business entities, which are charged at market prices as with other normal business or the price as stipulated in the agreement, are as follows:

4.1 Assets, liabilities and contingencies shared between the Bank, its subsidiary and associated companies as of December 31, 2004, and 2003, are summarized as follows:

(Million Baht)

	Consolidated		The Bank	
	2004	2003	2004	2003
Loans				
Subsidiary Companies				
- Kasikorn Factoring Co., Ltd.	-	-	1,820	1,285
- Thai Administration Services Co., Ltd.	36	48	36	48
Associated Company				
- E. S. Industry Co., Ltd.	-	325	-	325
Other Assets				
Subsidiary Company				
- Kasikorn Assets Management Co., Ltd.	-	-	24	8
Deposits				
Subsidiary Companies				
- Kasikorn Research Center Co., Ltd.	18	18	18	18
- Progress Appraisal Co., Ltd.	31	40	31	40
- Progress Land and Buildings Co., Ltd.	-	-	109	23
- Progress Software Co., Ltd.	20	22	20	22
- Progress Plus Co., Ltd.	14	11	14	11
- Progress Facilities Management Co., Ltd.	18	9	18	9
- Progress Service Co., Ltd.	28	16	28	16
- Progress Management Co., Ltd.	13	10	13	10
- Kasikorn Factoring Co., Ltd.	-	-	103	40
- Kanpai Co.,Ltd.	14	9	14	9
- Thai Administration Service Co., Ltd.	15	5	15	5
- Progress Storage Co., Ltd.	10	9	10	9
- Kasikorn Leasing Co., Ltd.	60	-	60	-
Associated Company				
- Processing Center Co., Ltd.	26	56	26	56
Interbank and Money Market Items (Liabilities)				
Subsidiary Company				
- Kasikorn Asset Management Co., Ltd.	-	-	12	14
Other Liabilities				
Subsidiary Companies				
- Progress Software Co., Ltd.	43	40	43	40
- Progress Plus Co., Ltd.	14	21	14	21
Contingencies				
Subsidiary Company				
- Thai Administration Services Co., Ltd.	22	33	22	33
Associated Company				
- E.S. Industry Co., Ltd.	16	16	16	16



Certain subsidiaries and associated companies have entered into 2-year building lease agreements. Rentals are charged at cost. As of December 31, 2004, and 2003, the Bank and its related parties have rental agreements with remaining tenures amounting to Baht 12 million and Baht 3 million, respectively.

4.2 Revenue and expenses occurring between the Bank, its subsidiary and associated companies for the years ended December 31, 2004, and 2003, are summarized as follows:

(Million Baht)

	Consolidated		The Bank	
	2004	2003	2004	2003
Subsidiary Companies				
Revenue:				
Interest income	-	-	43	18
Dividend income	102	24	316	203
Fee income	-	1	122	66
Other income	13	12	23	13
Expenses:				
Other expenses	972	974	973	974
Associated Companies				
Expenses:				
Other expenses	38	36	38	36

4.3 Assets, liabilities and contingencies shared between the Bank and other business entities in which the directors, key executive officers and close members of their families have significant influence as of December 31, 2004, and 2003, were summarized as follows:

(Million Baht)

	Consolidated and The Bank	
	2004	2003
Loans		
- T T & T Public Co., Ltd.	2,271	2,425
- Bangkok Glass Industry Co., Ltd.	813	-
- Charoen Pokhaphand Feedmill Public Co., Ltd.	290	100
- Thanakorn Vegetable Oil Products Co., Ltd.	271	-*
- Siam Container Pipe Co., Ltd.	227	227
- Siam Food Products Public Co., Ltd.	130	86
- Loxley Public Co., Ltd.	115	-*
- Indo Worth (Thailand) Ltd.	72	44
- Yip In Tsoi & Jacks Ltd.	45	-
- Manager Media Group Public Co., Ltd.	35	-*
- Thai British Security Printing Public Co., Ltd.	26	-
- Jutha Maritime Public Co., Ltd.	10	10



(Million Baht)

	Consolidated and The Bank	
	2004	2003
Deposits		
- T T & T Public Co., Ltd.	731	2,125
- Muang Thai Life Assurance Co., Ltd.	332	257
- Sermasuk Public Co., Ltd.	238	262
- Loxley Public Co., Ltd.	135	-*
- Com - Link Co., Ltd.	128	60
- Mitsubishi Elevator Asia Co., Ltd.	92	81
- Globex securities Co., Ltd.	79	-*
- Thai British Security Printing Public Co., Ltd.	75	46
- Siam Motors Parts Co., Ltd.	53	18
- Siam Food Products Public Co., Ltd.	44	14
- Point Asia Dot Com (Thailand) Ltd.	38	-*
- Dole Thailand Co., Ltd.	35	1
- Samart Corporation Public Co., Ltd.	33	110
- Sermasuk Beverage Co., Ltd.	32	13
- Bangkok Glass Industry Co., Ltd.	32	20
- Smithihada Co., Ltd.	30	-*
- Charoen Pokhaphand Feedmill Public Co., Ltd.	25	-
- Ruam Samphant Co., Ltd.	24	-*
- CS Loxinfo Public Co., Ltd.	24	-*
- Suludee Co., Ltd.	23	-*
- Aspac Oil (Thailand) Co., Ltd.	20	-*
- Tueetramote Co., Ltd.	19	-
- Nithi Thamrong Co., Ltd.	14	-*
- Loxley Property Development Co., Ltd.	10	-*



(Million Baht)

	Consolidated and The Bank	
	2004	2003
Contingencies		
- Siam Food Products Public Co., Ltd.	409	1,177
- Loxley Public Co., Ltd.	390	- *
- Bangkok Glass Industry Co., Ltd.	173	91
- Dole Thailand Co., Ltd.	91	71
- Thai British Security Printing Ltd.	81	22
- Loxley Trading Co., Ltd.	80	- *
- Com - Link Co., Ltd.	62	59
- T T & T Public Co., Ltd.	58	6
- Yip In Tsoi & Jacks Ltd.	50	19
- Smart Telcom Public Co., Ltd.	44	- *
- Charoen Pokhaphand Feedmill Public Co., Ltd.	39	7
- Thanakorn Vegetable Oil Products Co., Ltd.	37	- *
- Sermasuk Public Co., Ltd.	17	18

* These companies were not the Bank's related companies as of December 31, 2003.

4.4 Assets, liabilities and contingencies shared between the Bank and its directors and key executive officers or the Bank's employees in which such persons have authority and responsibility for planning, directing and controlling the activities of the Bank as of December 31, 2004 and 2003 are summarized as follows:

(Million Baht)

	Consolidated and The Bank	
	2004	2003
Loans	31	21
Deposits	1,039	579

31. Benefits of Directors and Executives

The Bank and its subsidiary companies have not paid other benefits to directors and executives except for the benefits that are normally paid, such as directors' fees, directors' bonuses (if any) and income tax, executives' salaries and bonuses.

32. Long-Term Lease Agreements

1. Lease Agreement

The Bank and its subsidiary companies have entered into land/building lease agreements for branch offices and vehicle lease agreements. As of December 31, 2004, and 2003, the Bank and its subsidiary companies were committed to pay future rentals, which are summarized as follows:

(Million Baht)

Type of Lease Agreement	Remaining of Period	Consolidated	The Bank
		2004	2004
Land/building lease agreements	January 1, 2005 - October 17, 2027	518	518
Vehicle lease agreements	January 1, 2005 - December 17, 2008	468	452
Total		986	970



(Million Baht)

Type of Lease Agreement	Remaining Period	Consolidated	The Bank
		2003	2003
Land/building lease agreements	January 1, 2004 - October 17, 2027	368	368
Vehicle lease agreements	January 1, 2004 - November 30, 2007	399	377
Total		767	745

2. Service Agreements

On November 12, 2002 the Bank entered into an Information Technology Service Agreement with IBM Thailand Co., Ltd., under which services will be provided until December 31, 2012, and for which as of December 31, 2004, and 2003, the Bank was committed to pay total service fees of Baht 8,220 million and Baht 9,143 million, respectively.

33. Reduction in Retained Deficit

On April 2, 2004, the Annual General Meeting of shareholders passed a resolution to reduce the retained deficit in the amount of Baht 65,148 million through the transfer of Baht 26,675 million from other reserves, the transfer of Baht 800 million from legal reserves, Baht 5,520 million from the premium on expired warrants and Baht 32,153 million from the premium on ordinary shares. There was no change in the total amount of shareholders' equity and the Bank's capital funds, effective January 1, 2004.

34. Subsequent Events

On January 11, 2005, the Bank registered a change in its paid-up capital as a result of the increase in paid-up capital of 6,270,030 shares at Baht 10 par value, totaling Baht 62,700,300 from the exercise of warrants for ordinary shares, which were issued and offered for sale to Bank employees, except for directors. Therefore as of January 11, 2005, the Bank had total paid-up share capital of Baht 23,698,945,670 representing 2,369,894,567 ordinary shares at Baht 10 par value.

35. Change of Accounting Policy

Change of accounting policy for deferred income tax

In December 2004, the Bank and its subsidiaries changed their accounting policy for deferred taxes. Deferred taxes were previously recognized for of temporary differences between the carrying amount of an asset or liability and its tax base, and a deferred tax asset would be recognized only to the amount realized in the future.

Accounting for deferred taxes is an accepted accounting policy internationally. The deferred tax method requires the estimated figure of future benefits in deferred tax assets. The Bank notes that other Thai commercial banks have not generally adopted deferred tax accounting. In order to conform with their conservative concept, the Bank has decided to change the Bank's accounting policy and from December 2004, deferred taxes will no longer be recognized in the financial statements. The Bank is of the opinion that this change in policy will facilitate comparison of the Bank's results and assets with other Thai commercial banks and that the new policy is, therefore, a more appropriate presentation of the financial statements in the context of current business practices in the banking sector in Thailand.

This change in accounting policy has been applied retroactively. The comparative financial statements for the year ended December 31, 2003, have been restated in accordance with this new policy.



The estimated effects of this change in accounting policy in both consolidated and Bank financial statements are summarized as follows: (Million Baht)

	Consolidated		The Bank	
	2004	2003	2004	2003
As of December 31,				
Decrease in investments in subsidiaries and associated companies	-	-	39	39
Decrease in deferred tax assets	3,275	46	3,232	-
Decrease in deferred tax liabilities	3,038	3,347	3,038	3,347
Increase in appraisal surplus on assets revaluation	2,629	2,671	2,629	2,671
Increase in revaluation surplus on investments	286	676	286	676
Decrease in retained earnings	3,148	39	3,148	39
Decrease in minority interests	4	7	-	-
For the year ended December 31,				
Decrease in income tax credit	3,150	61	3,150	58
Decrease in minority interests in net income	-	3	-	-
Decrease in net income	3,150	58	3,150	58
Decrease in basic earnings per share (Baht)	1.33	0.03	1.33	0.03

The deductible temporary differences which result in deferred tax assets are mainly from the allowance for impairment of available-for-sale investments, foreclosed properties and other assets in addition to the provision for liabilities not deductible for tax purposes until actually paid.

Change of Accounting Procedure of Asset Management Subsidiaries

In the accounting period 2003, the asset management subsidiaries accounted for the transfer of financial assets from investment in receivables to loans, in accordance with the Bank of Thailand's directive, dated December 3, 2002, "Re: Accounting procedures regarding purchase or transfer of loans and supervisory guidelines", which is applicable to financial statements for accounting periods ended on or after December 31, 2003, as follows:

Investments in receivables that were restructured, and have been transferred to loans at fair value on the transfer date, including the debts restructured prior to 2003, will be recognized as interest income on loans on a cash basis in 2003, whereas previously they were recognized as interest income by the effective yield method.

The effects of the change in the accounting procedure of the asset management subsidiaries on the consolidated and separate financial statements are summarized as follows:

(Million Baht)

	Consolidated	The Bank
As of December 31, 2003		
Decrease in long-term investments - net	6,939	-
Increase in investment in subsidiaries and associated companies - net	-	2,074
Increase in loans - net	12,251	-
For the year ended December 31, 2003		
Decrease in interest income on loans	(1,265)	-
Decrease in interest income from investments	(1,247)	-
Decrease in bad debt and doubtful accounts	2,008	-
Increase in gain on transfer of financial assets	2,578	-
Increase in share of profit from investments on equity method	-	2,074
Increase in net income	2,074	2,074
Increase in earnings per share	0.88	0.88



In accordance with the Bank of Thailand's notification, dated December 3, 2002, there is no requirement to apply this change in accounting procedure retroactively.

36. Change of Accounting Estimates

From October 1, 2004, the Bank has changed the estimated useful lives for depreciation on buildings acquired after July 1996 from 30 years to 50 years in accordance with the estimates of independent appraisers. The effect of the change was to decrease depreciation for the year 2004 by the amount of Baht 16 million.

37. The Financial Position and Results of Operations Categorized by Domestic and Overseas Business

The financial position and results of operations categorized by domestic and foreign business can be summarized as follows:

1. Financial Position Classified by Type of Business

(Million Baht)

	Consolidated				
	December 31, 2004				
	Domestic Business	Foreign Business	Total	Eliminated Transactions	Total
Total assets	814,308	29,729	844,037	(19,485)	824,552
Interbank and money market items - net (assets)	68,663	7,587	76,250	-	76,250
Investments - net	88,763	21,372	110,135	-	110,135
Loans	592,220	368	592,588	-	592,588
Deposits	705,506	64	705,570	-	705,570
Interbank and money market items (liabilities)	11,525	-	11,525	-	11,525
Borrowings	15,843	7,768	23,611	-	23,611
Contingencies	561,086	7,275	568,361	(16,393)	551,968

(Million Baht)

	Consolidated				
	December 31, 2003				
	Domestic Business	Foreign Business	Total	Eliminated Transactions	Total
Total assets	810,827	20,470	831,297	(10,012)	821,285
Interbank and money market items - net (assets)	99,088	5,834	104,922	-	104,922
Investments - net	121,415	13,837	135,252	-	135,252
Loans	547,151	767	547,918	-	547,918
Deposits	684,874	72	684,946	-	684,946
Interbank and money market items (liabilities)	7,101	-	7,101	-	7,101
Borrowings	51,967	7,874	59,841	-	59,841
Contingencies	444,163	21,841	466,004	(15,957)	450,047



(Million Baht)

	The Bank				
	December 31, 2004				
	Domestic Business	Foreign Business	Total	Eliminated Transactions	Total
Total assets	813,698	29,729	843,427	(19,485)	823,942
Interbank and money market items-net (assets)	68,597	7,587	76,184	-	76,184
Investments - net	95,618	21,372	116,990	-	116,990
Loans	577,749	368	578,117	-	578,117
Deposits	705,921	64	705,985	-	705,985
Interbank and money market items (liabilities)	11,165	-	11,165	-	11,165
Borrowings	15,843	7,768	23,611	-	23,611
Contingencies	560,972	7,275	568,247	(16,393)	551,854

(Million Baht)

	The Bank				
	December 31, 2003				
	Domestic Business	Foreign Business	Total	Eliminated Transactions	Total
Total assets	810,379	20,470	830,849	(10,012)	820,837
Interbank and money market items-net (assets)	98,810	5,834	104,644	-	104,644
Investments - net	126,888	13,838	140,726	-	140,726
Loans	529,323	767	530,090	-	530,090
Deposits	685,150	72	685,222	-	685,222
Interbank and money market items (liabilities)	6,896	-	6,896	-	6,896
Borrowings	51,967	7,874	59,841	-	59,841
Contingencies	444,111	21,841	465,952	(15,957)	449,995

2. Results of Operations Classified by Type of Business

(Million Baht)

	Consolidated				
	For the Year Ended December 31, 2004				
	Domestic Business	Foreign Business	Total	Eliminated Transactions	Total
Interest and dividend income	32,748	568	33,316	(317)	32,999
Interest expense	6,366	984	7,350	(317)	7,033
Net income (expense) from interest and dividend	26,382	(416)	25,966	-	25,966
Non-interest income	11,532	563	12,095	-	12,095
Non-interest expense	22,488	65	22,553	-	22,553
Income before income tax	15,426	82	15,508	-	15,508



(Million Baht)

	Consolidated				
	For the Year Ended December 31, 2003				
	Domestic Business	Foreign Business	Total	Eliminated Transactions	Total
Interest and dividend income	32,514	527	33,041	(256)	32,785
Interest expense	12,529	938	13,467	(256)	13,211
Net income (expense) from interest and dividend	19,985	(411)	19,574	-	19,574
Non-interest income	12,475	1,218	13,693	-	13,693
Non-interest expense	18,309	79	18,388	-	18,388
Income before income tax	14,151	728	14,879	-	14,879

(Million Baht)

	The Bank				
	For the Year Ended December 31, 2004				
	Domestic Business	Foreign Business	Total	Eliminated Transactions	Total
Interest and dividend income	30,982	568	31,550	(317)	31,233
Interest expense	6,359	984	7,343	(317)	7,026
Net income (expense) from interest and dividend	24,623	(416)	24,207	-	24,207
Non-interest income	10,805	563	11,368	-	11,368
Non-interest expense	20,170	65	20,235	-	20,235
Income before income tax	15,258	82	15,340	-	15,340

(Million Baht)

	The Bank				
	For the Year Ended December 31, 2003				
	Domestic Business	Foreign Business	Total	Eliminated Transactions	Total
Interest and dividend income	30,765	527	31,292	(256)	31,036
Interest expense	12,509	938	13,447	(256)	13,191
Net income (expense) from interest and dividend	18,256	(411)	17,845	-	17,845
Non-interest income	12,969	1,218	14,187	-	14,187
Non-interest expense	17,197	79	17,276	-	17,276
Income before income tax	14,028	728	14,756	-	14,756



38. Financial Instruments

A financial instrument is any contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

Credit risk

Credit risk refers to the risk that a counterparty or a borrower may default on its contractual obligations and agreements. Such default may be caused by the counterparty's inability to pay due to financial encumbrances or their intention not to abide by the contractual agreements, resulting in a loss to the Bank.

The Bank has implemented credit risk management processes to measure and control credit risk. Through the use of credit risk rating tools for assessing customers' credit risk rating, the Bank is capable of granting better quality loans. In addition, for retail customer, the Bank used credit scoring as a tool to determine an appropriate return given the risk level of each loan. In addition, the Bank is able to allocate credit concentration to various business sectors and industries, so as to diversify credit risk as a whole.

In the credit approval process, the Bank considers the customer's ability to repay and the loan objectives as key factors in the approval of credit and may obtain sufficient collateral or other securities, where appropriate, as a means of mitigating the risk of financial losses from default. To maximize the effectiveness of the credit approval process, credit analysis and approval functions are separated from the units responsible for maintaining customer relationships. The Bank also has processes for regularly reviewing customers' credit rating and performance on all approved transactions. For non-performing loans (NPL), the Bank has closely and continuously monitored, resolved and/or restructured them to retain maximum benefits for the organization.

Of the "loans" item shown in the balance sheet, the Bank's maximum credit loss is the carrying amount of net loans after deduction of applicable provision for losses without considering the value of collateral. In addition, credit risk may arise from off-balance sheet items or contingencies.

Market risk

Market risk is any risk due to changes in interest rates, foreign exchange rates or securities prices that will have an effect on the Bank's funding costs, investment position or foreign currency position, resulting in possible loss to the Bank. Market risk for the Bank can be categorized as interest rate risk, foreign exchange risk and equity position risk.

1. Interest rate risk

Interest rate risk refers to any risk that arises from changes in interest rates which may affect the value of the Bank's financial instruments or may cause volatility in the Bank's earnings or fluctuations in the value of the Bank's financial assets and liabilities, both in the current reporting period and in future years. Interest rate risk also arises from the structure and characteristics of the Bank's assets, liabilities and equities.

Most of the Bank's credit is based on the Bank's floating interest rates (MLR, MOR and MRR). Deposit interest rates are in line with the announcements made by the Bank. As a result, the interest rate risk faced by the Bank is generally low. However, the Bank actively manages such risk by adjusting its asset and liability structure in order to maximize returns under the acceptable risk levels in order to the best fit current market conditions and trends. Management of interest rate risk is under the supervision of the Bank's Asset and Liability Management Sub-Committee.

An analysis of loans (including financial institutions) at fixed and floating interest rates (MLR, MOR and MRR) as of December 31, 2004 and 2003 is as follows:

(Million Baht)

	Consolidated		The Bank	
	2004	2003	2004	2003
Fixed interest rate	168,787	118,160	169,880	123,733
Floating interest rate	425,522	431,571	409,958	408,170
Total Loans (including financial institutions)	594,309	549,731	579,838	531,903



The following are interest-bearing financial assets and liabilities of the Bank and its subsidiaries, the average balances of which are calculated by using beginning and ending balances. The average interest and dividend rates represent for the years ended December 31, 2004 and 2003 are as follows:

(Million Baht)

	Consolidated					
	2004			2003		
	Average Balance	Interest and Dividend Income/Expense	Average Rate (%)	Average Balance	Interest and Dividend Income/Expense	Average Rate (%)
Interest-bearing Financial Assets						
Interbank and money market items	90,893	1,146	1.26	100,502	1,685	1.68
Securities purchased under resale agreements	25,555	381	1.49	25,055	566	2.26
Investments	126,820	3,760	2.97	153,740	4,414	2.87
Loans	570,253	27,712	4.86	527,061	26,121	4.96
Total	813,521	32,999	4.06	806,358	32,786	4.07
Interest-bearing Liabilities						
Deposits	695,258	5,548	0.80	668,170	7,747	1.16
Interbank and money market items	9,313	221	2.37	6,397	227	3.54
Securities sold under repurchase agreements	2,356	9	0.38	1,363	6	0.44
Borrowings	41,726	1,255	3.01	54,199	5,232	9.65
Total	748,653	7,033	0.94	730,129	13,212	1.81

(Million Baht)

	The Bank					
	2004			2003		
	Average Balance	Interest and Dividend Income/Expense	Average Rate (%)	Average Balance	Interest and Dividend Income/Expense	Average Rate (%)
Interbank and money market items	90,721	1,144	1.26	100,330	1,682	1.68
Securities purchased under resale agreements	25,375	381	1.50	25,055	566	2.26
Investments	130,592	3,731	2.86	150,444	4,405	2.93
Loans	554,104	25,978	4.69	513,308	24,383	4.75
Total	800,792	31,234	3.90	789,137	31,036	3.93
Interest-bearing Liabilities						
Deposits	695,603	5,548	0.80	668,611	7,747	1.16
Interbank and money market items	9,030	214	2.37	6,295	206	3.27
Securities sold under repurchase agreements	2,357	9	0.38	1,363	6	0.44
Borrowings	41,726	1,255	3.01	54,199	5,232	9.65
Total	748,716	7,026	0.94	730,468	13,191	1.81



Financial assets and liabilities, classified by term of interest repricing, as of December 31, 2004, and 2003, are shown below:

(Million Baht)

	Consolidated							
	2004							
	Immediate Repricing	Less than 6 months	6 months to 1 Year	1 Year to 5 Years	Over 5 Years	Non-interest Bearing	Stop Accrued	Total
Financial Assets								
Cash	-	-	-	-	-	13,536	-	13,536
Interbank and money market items	4,263	65,404	3,516	20	-	3,062	-	76,265
Securities purchased under resale agreements	-	19,040	-	-	-	-	-	19,040
Investments	16,457	14,177	7,646	56,247	7,537	8,335	3,985	114,384
Loans	376,499	71,698	4,358	29,884	10,525	1,276	98,349	592,589
Accrued interest receivables	-	-	-	-	-	2,455	-	2,455
Customers' liability under acceptances	-	-	-	-	-	743	-	743
Accrued income receivables	-	-	-	-	-	1,818	-	1,818
Other assets	-	-	-	-	-	4,348	-	4,348
Total Financial Assets	397,219	170,319	15,520	86,151	18,062	35,573	102,334	825,178
Financial Liabilities								
Deposits	384,552	255,939	21,017	6,113	-	37,949	-	705,570
Interbank and money market items	593	3,432	3,246	200	615	3,439	-	11,525
Liabilities payable on demand	-	-	-	-	-	7,426	-	7,426
Borrowings	-	-	3,843	-	19,768	-	-	23,611
Bank's liability under acceptances	-	-	-	-	-	743	-	743
Accrued interest payable	-	-	-	-	-	1,097	-	1,097
Other liabilities	-	-	-	-	-	6,049	-	6,049
Total Financial Liabilities	385,145	259,371	28,106	6,313	20,383	56,703	-	756,021
On-balance sheet items	12,074	(89,052)	(12,586)	79,838	(2,321)	(21,130)	102,334	69,157



(Million Baht)

	Consolidated							
	2003							
	Immediate Repricing	Less than 6 months	6 months to 1 Year	1 Year to 5 Years	Over 5 Years	Non-interest Bearing	Stop Accrued	Total
Financial Assets								
Cash	-	-	-	-	-	18,699	-	18,699
Interbank and money market items	1,663	7,916	83,800	60	-	11,493	588	105,520
Securities purchased under resale agreements	-	31,710	-	-	-	-	-	31,710
Investments	15,012	20,082	26,442	58,681	5,450	6,746	6,875	139,288
Loans	306,092	47,246	3,867	32,516	8,069	909	149,219	547,918
Accrued interest receivables	-	-	-	-	-	2,971	-	2,971
Customers' liability under acceptances	-	-	-	-	-	676	-	676
Accrued income receivables	-	-	-	-	-	1,671	-	1,671
Other assets	-	-	-	-	-	2,699	-	2,699
Total Financial Assets	322,767	106,954	114,109	91,257	13,519	45,864	156,682	851,152
Financial Liabilities								
Deposits	339,806	273,617	27,305	8,103	-	36,115	-	684,946
Interbank and money market items	1,117	146	1,113	-	-	4,725	-	7,101
Liabilities payable on demand	-	-	-	-	-	7,042	-	7,042
Borrowings	-	39,967	-	-	19,874	-	-	59,841
Bank's liability under acceptances	-	-	-	-	-	676	-	676
Accrued interest payable	-	-	-	-	-	2,564	-	2,564
Other liabilities	-	-	-	-	-	1,626	-	1,626
Total Financial Liabilities	340,923	313,730	28,418	8,103	19,874	52,748	-	763,796
On-balance sheet items	(18,156)	(206,776)	85,691	83,154	(6,355)	(6,884)	156,682	87,356



(Million Baht)

	The Bank							
	2004							
	Immediate Repricing	Less than 6 months	6 months to 1 Year	1 Year to 5 Years	Over 5 Years	Non-interest Bearing	Stop Accrued	Total
Financial Assets								
Cash	-	-	-	-	-	13,536	-	13,536
Interbank and money market items	4,182	65,404	3,516	20	-	3,077	-	76,199
Securities purchased under resale agreements	-	19,040	-	-	-	-	-	19,040
Investments	16,457	12,510	7,646	56,177	7,537	18,324	628	119,279
Loans	376,499	83,976	4,306	30,182	10,525	1,276	71,353	578,117
Accrued interest receivables	-	-	-	-	-	1,318	-	1,318
Customers' liability under acceptances	743	-	743	1,736	-	1,736	-	
Other assets	-	-	-	-	-	3,820	-	3,820
Total Financial Assets	397,138	180,930	15,468	86,379	18,062	43,830	71,981	813,788
Financial Liabilities								
Deposits	384,663	255,939	21,017	6,113	-	38,253	-	705,985
Interbank and money market items	358	3,437	3,116	200	615	3,439	-	11,165
Liabilities payable on demand	-	-	-	-	-	7,426	-	7,426
Borrowings	-	-	3,843	-	19,768	-	-	23,611
Bank's liability under acceptances	-	-	-	-	-	743	-	743
Accrued interest payable	-	-	-	-	-	1,096	-	1,096
Other liabilities	-	-	-	-	-	5,824	-	5,824
Total Financial Liabilities	385,021	259,376	27,976	6,313	20,383	56,781	-	755,850
On-balance sheet items	12,117	(78,446)	(12,508)	80,066	(2,321)	(12,951)	71,981	57,938



(Million Baht)

	The Bank							
	2003							
	Immediate Repricing	Less than 6 months	6 months to 1 Year	1 Year to 5 Years	Over 5 Years	Non-interest Bearing	Stop Accrued	Total
Financial Assets								
Cash	-	-	-	-	-	18,699	-	18,699
Interbank and money market items	1,461	7,830	83,801	60	-	11,503	588	105,243
Securities purchased under resale agreements	-	31,710	-	-	-	-	-	31,710
Investments	15,012	19,598	26,442	58,499	5,450	15,610	1,256	141,867
Loans	306,977	65,971	3,803	32,418	8,069	909	111,943	530,090
Accrued interest receivables	-	-	-	-	-	1,485	-	1,485
Customers' liability under acceptances	-	-	-	-	-	676	-	676
Accrued income receivables	-	-	-	-	-	1,597	-	1,597
Other assets	-	-	-	-	-	2,664	-	2,664
Total Financial Assets	323,450	125,109	114,046	90,977	13,519	53,143	113,787	834,031
Financial Liabilities								
Deposits	340,046	273,617	27,305	8,103	-	36,151	-	685,222
Interbank and money market items	942	216	1,013	-	-	4,725	-	6,896
Liabilities payable on demand	-	-	-	-	-	7,042	-	7,042
Borrowings	-	39,967	-	-	19,874	-	-	59,841
Bank's liability under acceptances	-	-	-	-	-	676	-	676
Accrued interest payable	-	-	-	-	-	2,564	-	2,564
Other liabilities	-	-	-	-	-	1,532	-	1,532
Total Financial Liabilities	340,988	313,800	28,318	8,103	19,874	52,690	-	763,773
On-balance sheet items	(17,538)	(188,691)	85,728	82,874	(6,355)	453	113,787	70,258

2. Foreign exchange risk

Foreign exchange risk is risk that occurs from changes in exchange rates which may affect the value of the Bank's financial instruments or may cause volatility in the Bank's earnings or fluctuations in the value of the Bank's assets and liabilities.

The Bank engages in foreign exchange related transactions that may incur foreign exchange risk. However, the Bank believes that such risk is low, as most foreign currency transactions are protected by customers' underlying transactions. The Bank's policy is to minimize foreign exchange risk by closing its foreign exchange position on a daily basis. Management of foreign exchange risk is under the supervision of the Asset and Liability Management Sub-Committee.



The Bank and its subsidiaries' foreign currency position, as of December 31, 2004 and 2003 were as follows:

(Million Baht)

	Consolidated					
	2004					
	Currency					
	US Dollars	Yen	Pounds	Euros	Others	Total
Assets						
Cash	121	23	27	180	82	433
Interbank and money market items-net	72,135	29	129	410	197	72,900
Investments - net	43,869	339	-	-	53	44,261
Loans and accrued interest receivables-net	22,126	1,006	110	1,765	385	25,392
Accrued income receivables	1,055	3	-	-	-	1,058
Other assets	483	2	1	29	11	526
Total assets	139,789	1,402	267	2,384	728	144,570
Liabilities						
Deposits	3,419	139	43	113	143	3,857
Interbank and money market items	22	6	3	1	9	41
Liabilities on demand	3,618	65	58	451	158	4,350
Borrowing	7,768	-	-	-	-	7,768
Accrued interest payables	233	-	-	-	-	233
Other liabilities	107	1	9	8	40	165
Total liabilities	15,167	211	113	573	350	16,414
Foreign currency position of on-balance items-net	124,622	1,191	154	1,811	378	128,156
Off-balance sheet items-net (Forward exchange contracts and cross currency swaps)	(123,489)	(1,178)	(154)	(1,787)	(597)	(127,205)



(Million Baht)

	Consolidated					
	2003					
	Currency					
	US Dollars	Yen	Pounds	Euros	Others	Total
Assets						
Cash	92	9	6	72	36	215
Interbank and money market items - net	101,526	21	10	49	52	101,658
Investments - net	25,885	333	-	-	-	26,218
Loans and accrued interest receivables - net	17,943	861	123	1,182	431	20,540
Accrued income receivables	304	3	-	-	-	307
Other assets	87		1			88
Total assets	145,837	1,227	140	1,303	519	149,026
Liabilities						
Deposits	2,061	259	40	155	46	2,561
Interbank and money market items	449	31	2	8	499	989
Borrowing	7,874	-	-	-	-	7,874
Accrued interest payables	236	-	-	-	-	236
Other liabilities	43	9	16	10	31	109
Total liabilities	10,663	299	58	173	576	11,769
Foreign currency position of on-balance items-net	135,174	928	82	1,130	(57)	137,257
Off-balance sheet items-net (Forward exchange contracts and cross currency swaps)	(135,824)	(915)	(62)	(1,094)	(324)	(138,219)



(Million Baht)

	The Bank					
	2004					
	Currency					
	US Dollars	Yen	Pounds	Euros	Others	Total
Assets						
Cash	121	23	27	180	82	433
Interbank and money market items-net	72,135	29	129	410	197	72,900
Investments - net	43,869	339	-	-	53	44,261
Loans and accrued interest receivables-net	22,126	1,006	110	1,765	385	25,392
Accrued income receivables	1,055	3	-	-	-	1,058
Other assets	483	2	1	29	11	526
Total assets	139,789	1,402	267	2,384	728	144,570
Liabilities						
Deposits	3,419	139	43	113	143	3,857
Interbank and money market items	22	6	3	1	9	41
Liability on demand	3,618	65	58	451	158	4,350
Borrowing	7,768	-	-	-	-	7,768
Accrued interest payables	233	-	-	-	-	233
Other liabilities	105	1	4	8	40	158
Total liabilities	15,165	211	108	573	350	16,407
Foreign currency position of on-balance items-net	124,624	1,191	159	1,811	378	128,163
Off-balance sheet items-net (Forward exchange contracts and cross currency swaps)	(123,489)	(1,178)	(154)	(1,787)	(597)	(127,205)



(Million Baht)

	The Bank					
	2003					
	Currency					
	US Dollars	Yen	Pounds	Euros	Others	Total
Assets						
Cash	92	9	6	72	36	215
Interbank and money market items - net	101,526	21	10	49	52	101,658
Investments - net	25,885	333	-	-	-	26,218
Loans and accrued interest receivables - net	17,943	861	123	1,182	431	20,540
Accrued income receivables	304	3	-	-	-	307
Other assets	87	-	1	-	-	88
Total assets	145,837	1,227	140	1,303	519	149,026
Liabilities						
Deposits	2,061	259	40	155	46	2,561
Interbank and money market items	449	31	2	8	499	989
Borrowing	7,874	-	-	-	-	7,874
Accrued interest payables	236	-	-	-	-	236
Other liabilities	43	9	14	10	31	107
Total liabilities	10,663	299	56	173	576	11,767
Foreign currency position of on-balance items-net	135,174	928	84	1,130	(57)	137,259
Off-balance sheet items-net (Forward exchange contracts and cross currency swaps)	(135,824)	(915)	(62)	(1,094)	(324)	(138,219)

3. Equity position risk

Equity position risk is any risk that arises from changes in the price of equities or common stock that may cause volatility in the Bank's earnings or fluctuations in the value of the Bank's financial assets.

The Bank's policy is not to increase its equity investments, but to divest any equity position that is not directly related to its main banking business. The Bank manages and monitors market situations closely in order to acquire supportive information for proper management and retain maximum benefits for the Bank.

Liquidity risk

Liquidity risk is the risk that the Bank may not be able to meet its obligations as they fall due, become of inability to realise its assets or to cover funding requirements at an appropriate price which results in a loss to the Bank.

The Bank manages its liquidity position under the Bank of Thailand's liquidity reserve regulations and other applicable regulations. The Treasury Department is accountable for managing the Bank's liquidity position by providing short-term and long-term funding sources as well as investing in highly liquid assets in both domestic and foreign currencies. The Bank also ensures that its liquidity position is suitable and sufficient for the current and foreseeable market conditions. The Asset and Liabilities Management Sub-Committee supervise management of liquidity risk.



A maturity analysis of financial assets and liabilities and off-balance sheet items as of December 31, 2004, and 2003, resulted in the following:

(Million Baht)

	Consolidated						
	2004						
	At call	Less than 6 months	6 months to 1 Year	1 Year to 5 Years	Over 5 Years	No Maturity	Total
Financial Assets							
Cash	-	-	-	-	-	13,536	13,536
Interbank and money market items	6,926	65,803	3,516	20	-	-	76,265
Securities purchased under resale agreements	-	19,040	-	-	-	-	19,040
Investments	5,765	11,444	8,178	66,518	17,037	5,442	114,384
Loans	163,479	202,757	7,023	98,353	120,977	-	592,589
Accrued interest receivables	-	2,455	-	-	-	-	2,455
Customers' liabilities under acceptances	-	743	-	-	-	-	743
Accrued income receivables	-	1,818	-	-	-	-	1,818
Other assets	-	-	-	-	-	4,348	4,348
Total Financial Assets	176,170	304,060	18,717	164,891	138,014	23,326	825,178
Financial Liabilities							
Deposits	422,501	255,939	21,017	6,113	-	-	705,570
Interbank and money market items	4,032	2,932	1,146	200	3,215	-	11,525
Liabilities payable on demand	7,426	-	-	-	-	-	7,426
Borrowings	-	-	3,843	-	19,768	-	23,611
Bank's liabilities under acceptances	-	743	-	-	-	-	743
Accrued interest payables	110	869	79	39	-	-	1,097
Other liabilities	-	-	-	-	-	6,049	6,049
Total Financial Liabilities	434,069	260,483	26,085	6,352	22,983	6,049	756,021
Liquidity-net	(257,899)	43,577	(7,368)	158,539	115,031	17,277	69,157



(Million Baht)

	Consolidated						
	2003						
	At call	Less than 6 months	6 months to 1 Year	1 Year to 5 Years	Over 5 Years	No Maturity	Total
Financial Assets							
Cash	-	-	-	-	-	18,699	18,699
Interbank and money market items	5,273	88,696	11,490	60	-	1	105,520
Securities purchased under resale agreements	-	31,710	-	-	-	-	31,710
Investments	4,629	19,807	26,815	65,971	16,238	5,828	139,288
Loans	183,956	161,910	11,288	80,232	110,532	-	547,918
Accrued interest receivables	-	2,971	-	-	-	-	2,971
Customers' liabilities under acceptances	-	676	-	-	-	-	676
Accrued income receivables	-	1,671	-	-	-	-	1,671
Other assets	-	-	-	-	-	2,699	2,699
Total Financial Assets	193,858	307,441	49,593	146,263	126,770	27,227	851,152
Financial Liabilities							
Deposits	375,921	273,617	27,305	8,103	-	-	684,946
Interbank and money market items	5,842	146	1,113	-	-	-	7,101
Liabilities payable on demand	7,042	-	-	-	-	-	7,042
Borrowings	-	39,967	-	-	19,874	-	59,841
Bank's liabilities under acceptances	-	676	-	-	-	-	676
Accrued interest payables	87	777	131	1,238	331	-	2,564
Other liabilities	-	-	-	-	-	1,626	1,626
Total Financial Liabilities	388,892	315,183	28,549	9,341	20,205	1,626	763,796
Liquidity-net	(195,034)	(7,742)	21,044	136,922	106,565	25,601	87,356



(Million Baht)

	The Bank						
	2004						
	At call	Less than 6 months	6 months to 1 Year	1 Year to 5 Years	Over 5 Years	No Maturity	Total
Financial Assets							
Cash	-	-	-	-	-	13,536	13,536
Interbank and money market items	6,860	65,803	3,516	20	-	-	76,199
Securities purchased under resale agreements	-	19,040	-	-	-	-	19,040
Investments	2,893	9,777	8,087	66,434	16,657	15,431	119,279
Loans	157,357	213,741	6,442	94,883	105,694	-	578,117
Accrued interest receivables	-	1,318	-	-	-	-	1,318
Customers' liabilities under acceptances	-	743	-	-	-	-	743
Accrued income receivables	-	1,736	-	-	-	-	1,736
Other assets	-	-	-	-	-	3,820	3,820
Total Financial Assets	167,110	312,158	18,045	161,337	122,351	32,787	813,788
Financial Liabilities							
Deposits	422,916	255,939	21,017	6,113	-	-	705,985
Interbank and money market items	3,797	2,937	1,016	200	3,215	-	11,165
Liabilities payable on demand	7,426	-	-	-	-	-	7,426
Borrowings	-	-	3,843	-	19,768	-	23,611
Bank's liabilities under acceptances	-	743	-	-	-	-	743
Accrued interest payables	110	868	79	39	-	-	1,096
Other liabilities	-	-	-	-	-	5,824	5,824
Total Financial Liabilities	434,249	260,487	25,955	6,352	22,983	5,824	755,850
Liquidity-net	(267,139)	51,671	(7,910)	154,985	99,368	26,963	57,938



(Million Baht)

	The Bank						
	2003						
	At call	Less than 6 months	6 months to 1 Year	1 Year to 5 Years	Over 5 Years	No Maturity	Total
Financial Assets							
Cash	-	-	-	-	-	18,699	18,699
Interbank and money market items	5,081	88,611	11,490	60	-	1	105,243
Securities purchased under resale agreements	-	31,710	-	-	-	-	31,710
Investments	803	19,322	26,723	65,689	14,522	14,808	141,867
Loans	171,920	179,822	10,172	76,501	91,675	-	530,090
Accrued interest receivables	-	1,485	-	-	-	-	1,485
Customers' liabilities under acceptances	-	676	-	-	-	-	676
Accrued income receivables	-	1,597	-	-	-	-	1,597
Other assets	-	-	-	-	-	2,664	2,664
Total Financial Assets	177,804	323,223	48,385	142,250	106,197	36,172	834,031
Financial Liabilities							
Deposits	376,197	273,617	27,305	8,103	-	-	685,222
Interbank and money market items	5,667	216	1,013	-	-	-	6,896
Liabilities payable on demand	7,042	-	-	-	-	-	7,042
Borrowings	-	39,967	-	-	19,874	-	59,841
Bank's liabilities under acceptances	-	676	-	-	-	-	676
Accrued interest payables	87	777	131	1,238	331	-	2,564
Other liabilities	-	-	-	-	-	1,532	1,532
Total Financial Liabilities	388,993	315,253	28,449	9,341	20,205	1,532	763,773
Liquidity-net	(211,189)	7,970	19,936	132,909	85,992	34,640	70,258



Fair Value

Fair value is the estimated value that the Bank and its subsidiaries could receive from the sale of financial assets, or the estimated cost of redeeming their financial liabilities. Fair values are based on market value, or estimated values derived from using general market principles of calculation.

The following is a summary of carrying amounts and estimated fair values of financial assets and liabilities and off-balance sheet items as of December 31, 2004, and 2003.

(Million Baht)

	Consolidated			
	2004		2003	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets				
Cash	13,536	13,536	18,699	18,699
Interbank and money market items - net	76,250	76,250	104,922	104,922
Securities purchased under resale agreements	19,040	19,040	31,710	31,710
Investments - net	110,135	110,359	135,251	135,795
Loans and accrued interest receivables - net	548,697	548,697	483,355	483,355
Customers' liabilities under acceptances	743	743	676	676
Accrued income receivables	1,818	1,818	1,671	1,671
Other assets	4,348	4,348	2,699	2,699
Total Financial Assets	774,567	774,791	778,983	779,527
Financial Liabilities				
Deposits	705,570	705,570	684,946	684,946
Interbank and money market items	11,525	11,550	7,101	7,101
Liabilities payable on demand	7,426	7,426	7,042	7,042
Borrowings	23,611	25,024	59,841	60,930
Bank's liabilities under acceptances	743	743	676	676
Accrued interest payables	1,097	1,097	2,564	2,564
Other liabilities	6,049	6,049	1,626	1,626
Total Financial Liabilities	756,021	757,459	763,796	764,885



	The Bank			
	2004		2003	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets				
Cash	13,536	13,536	18,699	18,699
Interbank and money market items - net	76,184	76,184	104,644	104,644
Securities purchased under resale agreements	19,040	19,040	31,710	31,710
Investments - net	116,990	117,210	140,726	141,522
Loans and accrued interest receivables - net	547,770	547,770	482,258	482,258
Customers' liabilities under acceptances	743	743	676	676
Accrued income receivables	1,736	1,736	1,598	1,598
Other assets	3,820	3,820	2,664	2,664
Total Financial Assets	779,819	780,039	782,975	783,771
Financial Liabilities				
Deposits	705,985	705,985	685,222	685,222
Interbank and money market items	11,165	11,190	6,896	6,896
Liabilities payable on demand	7,426	7,426	7,042	7,042
Borrowings	23,611	25,024	59,841	60,930
Bank's liabilities under acceptances	743	743	676	676
Accrued interest payables	1,096	1,096	2,564	2,564
Other liabilities	5,824	5,824	1,532	1,532
Total Financial Liabilities	755,850	757,288	763,773	764,862

The following methods and assumptions were used by the Bank in estimating fair values of financial assets and liabilities as disclosed herein:

The fair values of cash, interbank and money market items (assets and liabilities), securities purchased under resale agreements, customers' liabilities under acceptances, liabilities payable on demand, securities sold under repurchase agreements, bank's liabilities under acceptances and accrued interest payables are stated at their carrying values at the reporting date.

The fair values of held-for-trading investments, available-for-sale investments and held-to-maturity investments are stated according to the Bank's policy mentioned in Note 3.4

The fair value of general investments is stated at cost, net of allowance for their impairment.

The fair values of loans and accrued interest receivables are based on the carrying values of loans and accrued interest receivables, net of allowance for doubtful accounts since most loans are floating rate ones.

The carrying values of deposits usually approximate fair values, except for negotiable certificates of deposit (NCD) for which fair value is calculated by using the expected yield on borrowings.

The fair values of borrowings are estimated by using market values.

Derivatives

The Bank enters into derivative transactions for the following main reasons:

1. Hedging of the Bank's exposure to financial risks.

Hedging activities are designed to reduce or eliminate exchange rate and/or interest rate risk related to the Bank's financial assets, liabilities, contingent accounts or expected transactions in the future.

Derivatives undertaken for this purpose include Forward Exchange Contracts, Cross Currency Swaps and Interest Rate Swaps.

The Bank controls credit risk on derivatives transactions by using procedures similar to those used when granting general loans.



2. Hedging of the customer's exposure to financial risks.

At the request of a customer, the Bank will enter into certain derivative contracts in order for customers to hedge financial risk. The Bank uses appropriate hedging tools to take advantage of price differences or net market price changes.

The derivatives used for this purpose are Forward Exchange Contracts, Cross Currency Swaps and Interest Rate Swaps.

The market risk of derivative transactions used to hedge the customer's exposure comprises exchange rate risk and interest rate risk. To minimize risks, the Bank's policy is to conduct full-amount hedges with customers or counterparties. The Bank controls credit risk and liquidity risk by using procedures to those used when granting general loans.

3. Trading Purposes

The objective of derivatives for trading purposes is to take advantage of price movement in the short-term market. Derivatives used for this purpose include Forward Exchange Contracts, Cross Currency Swaps and Interest Rate Swaps.

The Bank controls credit risk and liquidity risk by using procedures similar to those used when granting general loans.

The following is a summary of the notional amounts and the fair value of the consolidated and the Bank's derivative instruments as of December 31, 2004 and 2003 :

(Million Baht)

	Consolidated and The Bank			
	2004			
	Notional Amount		Total	Fair Value
	Up to 1 year	Over 1 year		
Forward exchange contracts	239,464	124	239,588	3,831
Cross currency swaps	56	34,319	34,887	1,040
Interest rate swaps	33,906	24,422	58,328	206
Credit default swaps	2,734	2,734	5,468	(2)

(Million Baht)

	Consolidated and The Bank			
	2003			
	Notional Amount		Total	Fair Value
	Up to 1 year	Over 1 year		
Forward exchange contracts	243,719	77	243,796	2,733
Cross currency swaps	-	960	960	(38)
Interest rate swaps	11,332	20,692	32,024	62
Credit default swaps	-	792	792	-

The fair value is ordinarily derived from quoted market price or from generally accepted pricing models, in the case of no market price being available.

39. Reclassification of Accounts

Certain accounts in the financial statements for the year ended December 31, 2003, have been reclassified to conform with the presentation in the financial statements for the year ended December 31, 2004.



Financial Summary

(Million Baht)

Consolidated					
	2004	2003	2002	2001	2000
Assets					
Cash	13,536	18,699	9,764	12,143	11,959
Interbank and money market items					
Domestic items					
Interest bearing	1,218	419	3,458	895	352
Non-interest bearing	2,136	2,845	4,489	3,295	1,178
Foreign items					
Interest bearing	71,969	101,492	86,532	160,120	169,963
Non-interest bearing	927	166	361	795	550
Total interbank and money market items - net	76,250	104,922	94,840	165,105	172,043
Securities purchased under resale agreements	19,040	31,710	18,400	3,700	200
Investments					
Current investments - net	33,325	65,491	72,699	28,349	22,904
Long-term investments - net	76,348	69,240	90,884	93,325	71,055
Investments in subsidiaries and associated companies - net	462	520	1,280	1,427	1,763
Total investments - net	110,135	135,251	164,863	123,101	95,722
Loans and accrued interest receivables					
Loans	592,589	547,918	506,203	476,487	496,141
Accrued interest receivables	2,455	2,971	3,410	4,072	4,470
Total loans and accrued interest receivables	595,044	550,889	509,613	480,559	500,611
Less Allowance for doubtful accounts	(39,068)	(59,268)	(76,950)	(51,326)	(54,744)
Less Revaluation allowance for debt restructuring	(4,878)	(6,665)	(2,755)	(3,781)	(3,102)
Less Normalized provisioning	(2,400)	(1,600)	(800)	-	-
Total loans and accrued interest receivables - net	548,698	483,356	429,108	425,452	442,765
Foreclosed properties - net	17,397	14,517	15,087	14,852	14,766
Customers' liability under acceptances	743	676	597	612	706
Premises and equipment - net	19,747	20,084	20,699	21,559	21,581
Intangible assets - net	3,523	2,586	2,142	1,715	1,217
Accrued income receivables	1,818	1,671	1,950	1,856	2,332
Derivative revaluation	6,349	3,713	746	1,894	1,046
Other assets - net	7,315	4,100	2,572	2,596	2,588
Total Assets	824,551	821,285	760,768	774,585	766,925



(Million Baht)

Consolidated					
	2004	2003	2002	2001	2000
Liabilities and Shareholders' Equity					
Deposits					
Deposits in Baht	701,713	682,386	649,141	660,610	642,477
Deposits in foreign currencies	3,857	2,560	2,252	3,922	4,520
Total deposits	705,570	684,946	651,393	664,532	646,997
Interbank and money market items					
Domestic items					
Interest bearing	8,068	1,890	3,461	4,235	3,615
Non-interest bearing	3,183	4,222	1,788	1,374	1,953
Foreign items					
Interest bearing	19	486	258	8,035	10,371
Non-interest bearing	256	503	186	179	299
Total interbank and money market items	11,526	7,101	5,693	13,823	16,238
Liabilities payable on demand	7,426	7,042	3,423	3,456	2,251
Securities sold under repurchase agreements	-	-	-	-	10
Borrowings					
Short-term borrowings	3,843	-	-	-	7,500
Long-term borrowings	19,767	59,841	48,556	48,748	48,552
Total borrowings	23,610	59,841	48,556	48,748	56,052
Bank's liabilities under acceptances	743	676	597	612	706
Derivative revaluation	1,441	720	1,626	351	4,120
Accrued interest payables	1,096	2,564	3,030	3,685	4,154
Other liabilities	6,474	6,281	6,956	8,215	7,473
Total liabilities	757,886	769,171	721,274	743,422	738,001



(Million Baht)

Consolidated					
	2004	2003	2002	2001	2000
Shareholders' equity					
Share capital					
Authorized share capital					
Preferred shares	-	5	5	5	5
Ordinary shares	30,486	26,895	26,895	26,895	26,895
Issued and paid-up share capital					
Preferred shares	-	5	5	5	5
Ordinary shares	23,636	23,535	23,525	23,525	23,525
Premium on share capital					
Premium on preferred shares	-	27	27	27	27
Premium on ordinary shares	17,555	49,498	49,478	49,478	49,478
Warrants and premium on warrants	-	-	-	2,520	2,520
Premium on expired warrants	-	5,521	5,521	2,999	2,999
Appraisal surplus on asset revaluation	8,762	8,903	9,096	9,310	9,473
Revaluation surplus on investments	952	1,989	4,107	2,356	1,865
Retained earnings (deficit)					
Appropriated					
Legal reserve	770	800	800	800	800
Other reserves	-	26,675	26,675	26,675	26,675
Unappropriated (deficit)	14,672	(65,187)	(80,107)	(86,897)	(88,683)
	66,347	51,766	39,127	30,798	28,684
Minority interests	318	348	367	365	240
Total shareholders' equity	66,665	52,114	39,494	31,163	28,924
Total Liabilities and Shareholders' Equity	824,551	821,285	760,768	774,585	766,925

Off-balance sheet items - contingencies

Avals on bills and guarantees of loans	615	5,537	6,591	9,088	12,517
Liabilities under unmatured import bills	4,291	3,188	2,632	2,781	3,271
Letters of credit	14,103	9,996	8,875	6,529	7,038
Other contingencies	532,959	431,328	380,116	367,471	354,386



(Million Baht)

Consolidated					
	2004	2003	2002	2001	2000
Interest and dividend income					
Loans	27,712	26,121	25,900	28,238	29,404
Interbank and money market items	1,527	2,250	3,578	5,255	5,433
Investments	3,760	4,415	6,430	5,509	6,090
Total interest and dividend income	32,999	32,786	35,908	39,002	40,927
Interest expense					
Deposits	5,548	7,747	11,812	14,619	18,329
Interbank and money market items	230	233	311	1,033	1,331
Short-term borrowings	5	-	-	576	162
Long-term borrowings	1,250	5,232	5,163	5,198	5,742
Total interest expense	7,033	13,212	17,286	21,426	25,564
Net income from interest and dividend	25,966	19,574	18,622	17,576	15,363
Reversal of bad debt and doubtful accounts	(6,959)	(12,826)	(3,304)	(822)	(4,796)
Loss on debt restructuring	8,919	13,461	4,227	2,980	4,457
Normalized provisions	800	800	800	-	-
Net income from interest and dividend after reversal of bad debt and doubtful accounts, loss on debt restructuring and normalized provisions	23,206	18,139	16,899	15,418	15,702
Non-interest income					
Gain (loss) on investments	2,089	1,451	(35)	165	(193)
Share of profit (loss) from investments on equity method	82	212	57	(39)	(16)
Fees and service income					
Acceptances, avals and guarantees	577	598	568	813	593
Others	7,531	6,472	5,829	5,390	4,493
Gain on exchanges	1,806	1,822	985	1,224	1,153
(Loss) gain on transfer of financial assets	(569)	2,578	-	-	-
Other income	580	560	591	625	972
Total non-interest income	12,096	13,693	7,995	8,178	7,002
Non-interest expenses					
Personnel expenses	6,564	5,246	5,300	7,321	7,376
Premises and equipment expenses	3,515	3,270	3,425	3,409	3,465
Taxes and duties	1,386	1,233	1,600	1,530	1,562
Fees and service expenses	3,078	2,662	2,221	2,216	1,762
Directors' remuneration	55	55	49	34	31
Loss on impairment of foreclosed properties	705	429	759	3,030	649
Contributions to Financial Institutions Development Fund	2,802	2,694	2,733	2,667	2,525
Other expenses	1,689	1,364	2,175	1,710	3,190
Total non-interest expenses	19,794	16,953	18,262	21,917	20,560
Income before income tax	15,508	14,879	6,632	1,679	2,144
Income tax expense	116	94	39	32	75
Net income before minority interests	15,392	14,785	6,593	1,647	2,069
Minority interests in net income	(52)	(29)	(23)	(11)	(32)
Net income	15,340	14,756	6,570	1,636	2,037
Basic earnings per share (Baht)	6.49	6.27	2.79	0.70	0.87
Number of the weighted average number of ordinary shares (Million Shares)	2,362	2,353	2,353	2,353	2,353



Corporate Governance Committee Report

The Bank has realized the importance of good corporate governance, which, as it believes, will sharpen its competitive edge, and also lead to greater confidence of its shareholders, investors and all other stakeholders. Good corporate governance strengthens its capabilities to offer wide varieties of financial services, with fairness ensured to all customers, shareholders, employees and the Kingdom of Thailand. Board of Directors Meeting No. 3/2002 resolved to establish the Corporate Governance Committee to oversee the corporate governance of the entire Bank.

The Corporate Governance Committee has set up an operational framework and the principles of good corporate governance in accordance with the Bank's policies, emphasizing effective action and the development of corporate governance principles in line with international standards. Activities related to this work have been promoted on a continual basis. Good corporate governance awareness has been promoted among executives and employees at all levels, and there has been company-wide dissemination of the Statement of Corporate Governance Principles. The Bank encourages its employees to realize their respective duties and responsibilities in compliance with the Code of Conduct, which leads to a good governance culture within the organization. Also, all related information has been communicated to shareholders, investors, other involved parties and the general public.

These actions have enabled the Bank to achieve the highest corporate governance rating by an independent agency granted for listed companies in Thailand. The Office of the Securities and Exchange Commission has publicized this corporate governance rating for KBANK on its website. The Bank, as a result, has received public trust and confidence as a business with transparency, fairness, accountability and responsibility, and respect of public interest, which contribute to sustainable prosperity, and an ideal organization with good corporate governance.



Corporate Governance Policy

The Board of Directors truly believes that good corporate governance process will sustain and enhance the business undertakings of KBANK as a key to success and achievement of its ultimate goals, including the maximization of value to shareholders. As a leading financial institution in Thailand, the Board of Directors strictly adheres to 'best practices' in corporate governance, consisting of the following major components:

1. Integrity
2. Transparency
3. Independence
4. Accountability
5. Responsibility
6. Fairness
7. Social Responsibility

The Statement of Corporate Governance Principles, which reflect the values, procedures and direction adopted for internal use of the Bank. These principles will guide the business activities of KBANK in a manner viable in the market, while also being ethical, meeting international standards and complying with the laws and the Statement of Corporate Governance Principles, adopted by the Stock Exchange of Thailand (SET).

The directors have a broad range of knowledge, skills and experience to bring independent judgement and effective leadership to bear on the strategies, directions, policies and missions of the Bank. Also, they have monitored the Bank's operations in order to achieve goals, and to comply with the laws, rules and regulations enforced by related government agencies. Effective communication has been maintained with all stakeholders and the general public. Risks have been kept at a manageable level. All actions are in compliance with laws, regulations and the resolutions of the Annual General Meeting of Shareholders. They act with integrity and care, for the maximum benefit of the Bank, being responsible to all shareholders and other stakeholders of KBANK. Moreover, in order to enhance effectiveness, efficiency and transparency, the Bank has adopted a self-assessment process for its directors.

The Board of Directors consists of (1) executive directors, not exceeding one-fourth of all directors; (2) non-executive directors, being independent directors, not less than one-third of all directors; and (3) other non-executive directors. The Board of Directors is fully aware of the significance of corporate governance principles, sound and effective internal control and audit systems, and sound risk management. As a result, four Board Committees have been established, comprising the Corporate Governance, Audit, Human Resources and Remuneration, and Risk Management Committees. These Board Committees represent the Board in overseeing KBANK operations in various aspects. All members of these Board Committees possess the qualifications, duties and responsibilities stipulated by the Stock Exchange of Thailand (SET). The legitimate duties and responsibilities of each Board Committee have been stated clearly in their Charter. Nine Sub-committees have been established, also assisting the Board in overseeing KBANK business, striving towards the attainment of designated policies and goals, which, as the Bank believes, will enhance efficiency and effectiveness in its business undertakings. The economic value of the Bank will be thus enhanced, within the realm of laws and the Statement of Corporate Governance Principles of the Bank of Thailand and the Stock Exchange of Thailand.



Rights and Equality of Shareholders

Recognizing the importance of shareholders, KASIKORNBANK has a policy of treating its shareholders equally and fairly in line with the laws of regulatory agencies. Basic legitimate rights of KBANK's shareholders include the right to participate in shareholders' meetings, the right to appoint other persons as a proxy for participating in and voting at meetings, and the right to participate in the election or disqualification of a director, individually. Their rights also include voting on the annual audit fees and appointments of independent auditors, and voting for other businesses of KBANK, such as increases in, or reduction of capital, right to receive dividend payments, as well as the right to give opinions and the right to inquire during shareholders' meeting.

The Annual General Meeting of Shareholders shall be held within the first four months after the end of an accounting year. The Bank will send out a notice to all shareholders at least 14 days in advance before the scheduled meeting of shareholders. Attached to the notice will be sufficient information for voting on every agenda item, each of which shall be identified clearly as either for acknowledgement or consideration, as the case may be, together with comments by the Board on particular issues.

In addition, the notice will clearly inform all shareholders of all required documents to maintain their legitimate rights for participating in the meeting and a Proxy form to appoint proxies to the meeting. Proxies can be other persons, or the Chairman of the Board, or the Chief Executive Officer, or the President, or any independent director. At least one hour before the Meeting begins, the Bank will provide an opportunity for its shareholders to register for the meeting.

At the meeting, the Bank will inform all shareholders of the voting and vote-counting procedures, and during the consideration of each agenda item, all shareholders will have equal rights for expressing opinion and asking questions at an appropriate time. The voting and vote-counting procedures will be conducted openly and efficiently, counting one share as one vote, and approval of a resolution will be based on the majority of votes, except under a special resolution which will require voting by not less than three-fourths of eligible voters being present at a meeting. Each participant shall exercise his/her votes on ballots only for opposition, abstention or split votes, and the ballots will be kept for later inspection. In preparing the Minutes of a Meeting, the Bank has clearly shown total votes in approval, opposition or abstention on each agenda item. These totals will be recorded in writing, together with questions raised on every agenda item, together with clarification and comments by the Bank.

The Bank also emphasizes the disclosure of accurate, complete and transparent information to shareholders, and information updates have been regularly provided on KBANK's website and through the media.

Rights of Stakeholders

The Bank places significant emphasis on the equal rights of all stakeholders, both internal stakeholders, i.e., shareholders, the Board of Directors, and employees of the Bank and its subsidiary companies, and external stakeholders, i.e., customers, counter-parties, creditors, as well as related government agencies. It also takes responsibility to community, society and the environment.

The Bank has established a Code of Business Conduct in writing and disseminated it through KBANK's website for strict adherence by directors, executives and employees at all levels. This Code of Business Conduct and the Code of Conduct have been distributed as guidelines to all employees for their acknowledgement and compliance. Related matters have been communicated to all employees for their understanding via the KBANK Newsletter and KASIKORNTV – both being internal communication channels of the Bank. In order to ensure effective implementation and supervision of the Statement of Corporate Governance Principles, the Bank has assigned the Compliance Department to monitor compliance, and to periodically report to the Corporate Governance Committee for their acknowledgement. All departments responsible for various types of KBANK products must strictly abide by the principles therein.

Shareholders: One of KBANK's ultimate goals is to ensure favorable and stable growth, with solid viability and due consideration to both current and future risks to ensure the highest value to its shareholders over the long-term. Its primary duty is to carry on with usual business, disclose all information fairly and transparently, and use its best efforts to protect its assets and reputation.

The Board of Directors: The Board of Directors is fully aware of the rights of stakeholders and undertakes measures to ensure that these legitimate rights are protected, and that stakeholders will be treated equally and fairly.



Employees: KBANK's employees are perceived as the most valuable assets. The Bank continues to seek capable and experienced personnel in line with its growth and demand in the organization. Necessary training programs have been continuously provided for additional knowledge and skills upgrades to attract high-caliber personnel, with compensations and other benefits comparable to other leading companies. Favorable culture and atmosphere have been promoted in the workplace, together with fair and equal treatment for all employees. The Bank has recognized the welfare and security of its employees, especially in the establishment of a provident fund, scholarships for employees and their children, fire drills, fire prevention system, etc.

Recognizing the benefits of continual development of its key personnel, the Bank has hastened to enhance capabilities and skills necessary for business achievements and customer satisfaction. Its personnel development program has been modified in accordance with business strategies, and is being shifted towards higher professional standards in sales, service, credit underwriting, risk management, leadership, and the efficient management and administration. Again, the primary focus has been placed on actions in strict compliance with the Statement of Corporate Governance Principles and Code of Business Conduct. A standard post-training testing program has been used to measure learning. The Bank has promoted personnel to obtain licenses to act as marketing officers, or as sales agents of financial instruments/unit trusts by the Office of the Securities and Exchange Commission (SEC), or by the Association of Investment Management Companies (AIMC), as well as other professional certifications. In 2004, the Bank organized 105 in-house training courses, or a total of 252 classes, with 10,708 employees completed these courses.

Besides, the Bank has encouraged its personnel to seek new knowledge through participation in seminars organized by specialized institutions both at home and abroad. Variable learning processes have been adopted in order to promote self-study and joint learning approaches among all employees, and are considered a sustainable development process that will eventually lead to a learning organization.

Customers: The Bank aims to promote customer satisfaction through the offering of high-quality products and services. It recognizes the importance of customers, paying due attention to them, and more importantly, protecting their confidential information.

Counter-parties: The Bank respects actions in accordance with trading terms and conditions as contracted, and in fair and acceptable competition, without practicing any dishonest actions.

Creditors: The Bank abides by lending terms and conditions, and by all legitimate duties to creditors, especially account payables, debenture holders, and depositors. It is the duty of the Bank to explain clearly to customers about all possible risks involved with non-deposit services.

Responsibility to the community and society: KBANK acts as a good citizen, being non-partisan, and unaligned with any political party. It bears in mind the awareness and realization of its role in society, contributes to charitable activities and promotes a healthy environment in communities and the society at large, for better living standards.

Responsibility toward the environment: The Bank regards the importance of sound environmental protection through its continuing efforts to promote environmental conservation and protection.

The Bank has also designated other procedural guidelines, as follows:

Fairness: The Bank believes in fairness to all parties having any business relationship with the Bank, and does its best to prevent bias or any event that leads to conflict of interest.

Justice: The Bank adheres to the Code of Business Conduct and integrity in every business endeavor it pursues.

Specialization: The Bank maintains professional standards, aiming high for superb quality integrated with modern and sophisticated technology.

Responsiveness: The Bank keeps itself ready for any changes in customer needs, as well as changes in society, the economy and technology, both present and future.

Discipline and compliance: The Bank pursues business with discipline and ethical principles to ensure that its business undertakings comply with laws, rules and regulations, the Code of Business Conduct and Code of Conduct as mentioned.



General Meetings of Shareholders

In 2004, the Bank held two shareholders' meetings; the General Meeting of Shareholders on April 2, 2004, and the Extraordinary Meeting of Shareholders on November 5, 2004. Normally, the Bank arranges for the delivery of the Notice of the General Meeting, proxy forms and complete meeting agenda documentation to shareholders not less than 14 days prior to meeting dates. In addition, the Bank also places the Notice of the Meeting in Thai daily newspapers for three consecutive days, and not less than three days prior to the meeting date. Moreover, on the meeting day, the Bank arranged for staff to register and facilitate shareholders and other proxies who wished to attend the meeting, using a barcode system for registration, and printed ballots given to each shareholder for voting on every meeting agenda item.

In both shareholders' meetings, the Chairman of the Board acted as the Chairman of the Meeting, and was also attended by the Chief Executive Officer, the President, the Chairmen of Board Committees and directors. In the previous General Meetings of Shareholders, there were 14 directors in attendance:

1. Mr. Banyong	Lamsam	Chairman of the Board
2. Pol. Gen. Pow	Sarasin	Vice Chairman
3. Mr. Banthoon	Lamsam	Director
4. Mr. Sukri	Kaocharern	Director
5. M.R. Sarisdiguna	Kitiyakara	Director
6. Mr. Somchai	Bulsook	Director
7. Ms. Sujitpan	Lamsam	Director
8. Professor Khunying Suchada	Kiranandana	Director
9. Professor Dr. Yongyuth	Yuthavong	Director
10. Dr. Abhijai	Chandrasen	Director
11. Mr. Charles L.	Coltman, III	Director
12. Ms. Elizabeth	Sam	Director
13. Mr. Chaisak	Saeng-Xuto	Director
14. Dr. Schwin	Dhammanungune	Director

Consideration and voting were conducted according to the meeting agenda. During each meeting, apart from related Meeting documents, the Bank also presented information using a video presentation system and provided English translations for foreign shareholders. The Chairman of the Meeting provided the opportunity for shareholders to inquire about all matters and express opinions equally, which were answered and supplemented with complete information to shareholders. Comprehensive minutes of the meetings were recorded, along with details of the voting on each agenda item. The Minutes of Meetings were sent to official regulatory agencies within 14 days after the shareholders' meetings, and will be presented to shareholders for acknowledgement at the next shareholders' meeting.

Leadership and Vision

At KASIKORNBANK, the Board of Directors considers the Bank's vision, missions and strategies, and also approves key issues pertaining to business direction and policies, including the annual business plan and budgets. The Board is also responsible for supervising actions by management consistent with the approved policies and business plans, as well as in compliance with laws, rules and regulations of all involved government agencies, and under resolutions of the Annual General Meeting of Shareholders. The best benefit to the Bank and all stakeholders is thus assured for the higher economic value of the Bank.

In addition to the above, the Bank will assure that it has internal control and risk management systems appropriate and sufficient for the current business undertakings. The Board will work under close cooperation with management continuously striving for excellent performance, taking into consideration the current and future risks, and in a manner consistent with the vision, missions, Business Code of Conduct, and the Statement of Corporate Governance Principles of KBANK.



Protection Against Conflict of Interest

The Bank places great importance on good corporate governance to prevent conflict of interest and the misuse of inside information. All staff are required to strictly comply with the following:

1. Eradication of Conflict of Interest

The Board of Directors considers that some transactions may be involved with conflict of interest, including related or connected transactions, so, to be in compliance with standards of good governance and meet the scrutiny of the Audit Committee, as well as supervision to meet the criteria of the Stock Exchange of Thailand (SET), the Securities and Exchange Commission (SEC) and the Bank of Thailand (BOT), the data of some transactions involving conflict of interest will be revealed to the public. The Bank has defined policies, regulations, and procedures to approve transactions that may involve conflict of interest which executives, staff and related persons must comply with, the important principles of which are as follows:

1.1 For any transactions in which directors, staff or related personnel could derive personal benefit from entering into the transaction with the Bank, all related directors and staff are not permitted to participate in the approval of such transaction, and the price must be properly defined in a manner consistent with that offered to general customers.

1.2 The price must be defined in a fair and suitable manner to prevent conflicts of interest and follow the Bank's general conditions.

1.3 To follow the regulations defined by SET concerning connected transactions, the required connected transactions must be proposed to the Audit Committee to consider for their opinion before asking approval from the Board of Directors, according to the principles of good corporate governance.

1.4 Concerning loan or investment approvals in businesses that the Bank, its directors or the Bank's high-ranking executives having interest, or approvals on loans to major shareholders, the Bank's high-ranking executives or the Board, such transactions may proceed only upon the approval of a Board meeting with its full consent and approval, but without the attendance or vote of related directors or high-ranking executives of such investment or loan.

1.5 Details of transactions, related transactions or connected transactions that may involve conflict of interest according to the criteria of SET and SEC must be disclosed in the annual report form (form 56-1), in the Bank's annual report or other reports declaring such activities. This also includes disclosure of information on connected transactions according to SET regulations, as well as related transactions to the Bank according to standard accounting criteria and the rules of the Bank of Thailand.

The disclosure of connected transactions must be shown in the Notes to Financial Statement, concerning related transactions.

2. Rules for Proper Use of Insider Information

The Bank has a policy to strictly follow good corporate governance principles to encourage good governance and meet targets related to its implementation. Therefore, the Bank has laid down regulations to supervise the use of insider information. These regulations concerning securities trading of directors and staff are in compliance with securities law. The essence of these policies is as follows:

2.1 The Bank has a policy that all operational units must set up a system to maintain inside information under proper supervision.

2.2 Staff are prohibited from buying, selling, transferring or receiving the transfer of securities in any manner that may take advantage of outsiders by relying upon insider information that would be significant to changes in the price of securities that has not been revealed to the public or SET, though they have become aware of such information in their capacity as an employee of the Bank. Such actions are prohibited whether to favor themselves or others, or to reveal such information to others to do and receive any material advantage.

2.3 Directors, Executive Vice Presidents and above, including staff with position of First Vice President and above or in a position equal to department head in any group related to finance and accounting have a duty to submit a report on their holding of securities issued by the Bank, including those of their spouses and children who are considered minors under the law to SET and SEC, and report changes in their securities holdings issued by the Bank at each occasion upon the sale, purchase, transfer or receiving of securities issued by the Bank as required for the disclosure of related forms, and do so within the period set by SET and SEC.



2.4 Concerning the supervision of securities trading and prevention from the misuse of inside information, the timeframe limiting securities trading of directors and staff has been stipulated by the Bank. Regulations preventing the misuse of insider information has been disseminated to directors, staff, or other personnel through the internal database system, internal memoranda, e-mails, and other means.

Business Ethics

The Bank respects a business approach that is transparent, honest and fair. All directors, executives and employees share common goals in carrying out their designated duties, being responsible to the Bank and its stakeholders. They have performed their duties with integrity, in compliance with governing laws and regulations of the Bank, based on professional standards. The Bank has designated a Code of Business Conduct and a Code of Conduct, which are both posted on the KBANK web-site and in its central database. Employees shall observe these rules strictly and prudently. Also, the Bank has established a compliance unit to monitor employees' actions as stated in the Code of Conduct. In addition, certain activities have been launched to promote ethical behavior, within a culture of good corporate governance. Best practices and actions in line with the Code of Conduct have been disseminated to all employees regularly, continuously and effectively, and these activities have been reported to the Corporate Governance Committee for acknowledgement. These actions can be described as:

- The Bank circulates its Code of Conduct to all employees for their acknowledgement.
- The Statement of Corporate Governance Principles and Code of Conduct are two main issues in every orientation program for its newly recruited personnel.
- Actions in compliance with the Code have been disseminated by e-mail.
- Actions that comply with the Code have been promoted through the KBANK closed-circuit TV programs – also known as KASIKORNTV – in order to promote common understanding towards actions stipulated under the Statement of Corporate Governance Principles.
- This includes information posted in the KASIKORN Newsletter, circulated within the Bank, which provides articles, descriptions and a question-and-answer column for issues pertaining to the Code of Conduct.
- Activities have been organized by the electronic networks of KBANK, notably information on the Code of Business Conduct and the Statement of Corporate Government Principles on the “Welcome” Page of its website, and a weekly issue column concerning the Bank’s Codes, including the “Quotes of the Week” article concerning the Code of Conduct.
- Words of wisdom has been disseminated through the internal public address system within the Headquarters on a regular basis.
- A summary of the Statement of Corporate Governance Principles has been disseminated to all employees for acknowledgement.
- Self-assessments of knowledge pertaining to the Statement of Corporate Governance Principles have been disseminated to employees through an electronic system. This includes a checklist for actions in compliance with these principles in order to collect useful data for supervising appropriate and effective actions in compliance with the Statement of Corporate Governance Principles.

Balance of Authority with Non-Executive Directors

The election of members of the Board of Directors must follow the resolutions of shareholders' meetings, as well as complying with the criteria, legal procedures and regulations of the Bank. As of December 31, 2004, the Board of Directors comprised 16 members, including 2 executive Directors, 6 non-executive Directors, and 8 independent Directors that account for 50 percent of the entirety of the Board members. This is aimed at maintaining a balance between auditing and management. Two directors are authorized to sign and affix the common seal of the Company. The first group of the Directors with signatory authority on behalf of the Bank are Mr. Banyong Lamsam, or Mr. Banthoon Lamsam, or Dr. Prasarn Trairatvorakul, or Ms. Sujitpan Lamsam. Anyone of these will have to co-sign with any of the following Directors, i.e., Pol. Gen. Pow Sarasin, or Mr. Sukri Kaocharern, or M.R. Yongswasdi Kridakorn, or Dr. Abhijai Chandrasen.

The Bank has defined the meaning of “Independent Director” to conform to the principles of good Corporate Governance and operational guidelines of the Securities and Exchange Commission and the Stock Exchange of Thailand to create confidence with investors and maintain a balance in good management.



“Independent Director” means a director who does not take part in the management of the Bank, affiliated company, or associated company; is independent from the management or control of shareholders; and has no business relationship with the Bank in any way that may have an impact on their independence in decision-making. He/she must also possess the following qualifications:

1. Holding not more than 0.5 percent of the Bank’s shares with voting rights in the Bank, or those of any affiliated company, or associated company.

2. Not taking part in the management and not being an employee, staff member, adviser who receives a regular salary, nor be an auditor, lawyer or other professional which would affect the giving of independent opinions to the Bank, affiliated company, associated company, nor has other such control over the Bank, affiliated company, associated company, nor be a person with a conflict of interest, except they have exited any such position for at least one year.

3. Having no direct or indirect business relationship which limits the director’s independence with an amount or value in significant proportion to the Bank’s income, nor benefit or interest in finance and management of the Bank, affiliated company, associated company, nor be a person with a conflict of interest that may affect the giving of independent opinions.

4. Not being a close relative of any member of senior management or majority shareholder of the Bank, affiliated or associated company, nor be a person with conflict of interest. Nor shall they be a representative safeguard the rests of Bank directors or majority shareholders.

Separation and Integration of Key Management Positions

Chairman of the Board of Directors is not the same person as the Chief Executive Officer. Neither is he a regular employee nor an executive of the Bank. The Bank has clearly set the scope of duties, responsibilities, and governance authority in the Board of Directors Charter for each of these positions. If and when the Chairman and the Chief Executive Officer are one and the same person, or are related in any way, then the Board shall nominate a senior director who is an independent director to perform specific functions from time to time that would be expected of an independent chairman of the board of directors.

Board of Directors

The Board of Directors of the KASIKORNBANK PUBLIC COMPANY LIMITED, as of December 31, 2004, comprises 16 members, consistent with the Bank of Thailand’s directives concerning board structure to enhance corporate governance of commercial banks, includes:

- 2 executive Directors
- 6 non-executive Directors
- 8 independent Directors, representing half of the Board members

The members of the Board of Directors are qualified persons who have experience beneficial to the Bank.

They are:

1. Mr. Banyong	Lamsam	Chairman
2. Pol. Gen. Pow	Sarasin	Vice Chairman
3. Mr. Banthoon	Lamsam	Executive Director
4. Dr. Prasarn	Trairatvorakul	Executive Director
5. Mr. Sukri	Kaocharern	Director
6. M.R. Sarisdiguna	Kitiyakara *	Director
7. M.R. Yongswasdi	Kridakon	Director
8. Mr. Somchai	Bulsook *	Director
9. Ms. Sujitpan	Lamsam	Director
10. Professor Khunying Suchada	Kiranandana *	Director
11. Professor Dr. Yongyuth	Yuthavong *	Director
12. Dr. Abhijai	Chandrasen	Director
13. Mr. Charles L.	Coltman, III *	Director
14. Ms. Elizabeth	Sam *	Director
15. Mr. Chaisak	Saeng-Xuto *	Director
16. Dr. Schwin	Dhammanungune *	Director

* Independent Directors



Roles and Responsibilities of the Board of Directors

The Board of Directors is responsible for all the Bank's shareholders. Each director represents all shareholders and takes part in supervisory and regulatory functions of the Bank's operations in an independent and impartial manner for the benefits of all shareholders and other stakeholders.

The Board has roles and responsibilities designated in the Board of Directors' Charter, which are:

1. Supervise and manage the Bank so that it is in accordance with the laws and the Bank's objectives, the Articles of Association and the resolutions of Shareholders' Meetings.
2. Approve the Vision, Mission, Value and Business Conduct.
3. Review and discuss Management's proposed strategy options and approve major discussions in respect of direction and policy. The Board also reviews and approves Management's initiated annual Business Plan and Capital Expenditure Budget, other performance goals as well as all the major initiatives central to the achievement of the goals.
4. Monitor the Bank's performance and progress in achieving set objectives as well as practices in compliance with laws, regulations and related policies.
5. Supervise and review the balance between the Bank's short- and long-term objectives.
6. Ensure that the Bank shall vest in the Chief Executive Officer and the President the authority to initiate, commit and approve payments for all expenditures approved in the Capital Expenditure Budget, and other budgets approved by the Board for the purpose of special projects. The Board shall also review and approve credit proposals over the established limits of operational authority;
7. Review and approve the human resources vision and strategy, management development plans and remuneration policy. The Board shall select and appoint successors of the Chief Executive Officer and President as well as appraise their performance and ensure an effective process for the Bank executive performance appraisals;
8. Ensure the existence of an effective internal control system and appropriate risk management framework;
9. Ensure an effective audit system executed by both internal and external auditors;
10. Approve quarterly and annual financial reports; ensure high quality financial reporting to shareholders.
11. Ensure the Bank has a proper system in place to communicate effectively with its stakeholders and the Public.

Selection of Board Members

The Bank appointed the Human Resources and Remuneration Committee to select qualified candidates. In selecting independent Directors, the Human Resources and Remuneration Committee will select qualified persons that do not have forbidden characteristics – including independent Directors – as stipulated by the Bank of Thailand and other state agencies that supervise the Bank, prior to submittal to General Meetings of Shareholders for the position of Board Members. The appointed committee members will be apprised of their roles, duties and responsibilities, including information about the regulations of the Bank and its committees, important policies of the Bank and about the manuals of financial institution committees, as a process to create understanding within committees about their roles and the Bank's business operations.

Appointment and Removal of Directors of the Board

1. The Bank's shareholders shall appoint not less than 7 and no more than 18 directors, whereby no fewer than half of all directors shall reside in the Kingdom. The director may or may not be a Bank shareholder. Directors shall be elected by a meeting of shareholders in accordance with the following rules and procedures:
 - (1) Directors shall be elected individually;
 - (2) Each shareholder shall have one vote per share held by them;
 - (3) Each shareholder shall use all of his votes in the election of directors;
 - (4) Be those persons receiving the highest number of approving votes among all candidates to be elected, in proportion to the number of positions to be filled at that meeting.
 - (5) In the event of a tied vote on candidates for the last opening for a director, the chairman of the meeting shall have the deciding vote.
2. At each General Meeting of Shareholders, one-third of the Directors, or, if their number is not a multiple of three, then the number nearest to one-third must retire from office.



3. The directors who have been in the office longest shall retire first. In the case of disagreement as to who should retire, it shall be decided by drawing lots. The retiring Directors may be re-elected.

4. Any director who passes away, or tenders his/her resignation prior to the end of his/her term, or is resolved to be removed by a meeting, or ordered by a Court of law to resign, or lacks the qualifications set in the regulations, shall be removed from the office immediately.

5. In the case of vacancy in the Board of Directors for reasons other than the expiration of the director's term of office, the remaining Board of Directors shall elect a person who has the proper qualifications, but no prohibited characteristic, as a substitute director at the next meeting of the Board of Directors, unless the remaining term of office of said director is less than two months. Such resolution of the Board of Directors shall consist of the votes of not less than three-fourths of the remaining directors. The substitute director shall hold office only for the remaining term of the director whom he or she replaces.

Empowerment Process by the Board of Directors

On April 5, 2004, the Bank's Chairman and Vice Chairman approved the empowerment of executive authority to the Bank's Chief Executive Officer or President to legally act on behalf of the Bank in conducting transactions up to a limit of Baht 3,000 million for each transaction. Either the Chief Executive Officer or President may delegate this authority to a Bank employee to act on behalf of the Bank within the limit of each employee's responsibility. In case of transactions over the said limit, the Board shall review and approve the limit of such transaction on a case-by-case basis.

Executive Authority of the Bank

In addition to the aforementioned empowerment of an executive authority, the Bank has also established a set of criteria and plan for exercising internal executive authority. These principles help the Bank to delegate authority among employees in various positions, enabling them to perform specific functions and make effective decisions with flexibility, yet without losing control. The internal executive authority is categorized into 3 areas:

- (1) Executive authority shared by various authorities
- (2) Departmental/office executive authority
- (3) Branch executive authority

Principles

The following are the main points of the structure and content of the internal executive authority:

(1) The empowerment of executive authority is the distribution of the Chief Executive Officer's and/or President's authority to administer and execute various tasks within the Bank to the next lower level of management.

(2) The Chief Executive Officer and/or the President are assigned by the Board of Directors to approve the internal executive authority and its Principles.

(3) The internal executive authority shall include:

3.1 The executive authority specified in monetary terms within the limits of the Bank's approved budget;

3.2 Other executive authority that is non-financial, but represents the required authority which management at various levels and positions must use to manage functions, such as the authority to increase or decrease manpower, the authority to disclose sensitive information and the authority to hire outside contractors;

(4) For complete control, executive authority is divided into categories according to their operational function, as follows:

4.1 Executive authority shared among various entities refers to authority that is not assigned specifically to any one particular entity, but may be specified according to the work performed by those employing such authority in various departments. This includes executive authority in 9 areas:

- 4.1.1 Executive authority relating to human resources
- 4.1.2 Executive authority relating to credit approval
- 4.1.3 Executive authority relating to collateral
- 4.1.4 Executive authority in debt restructuring and litigation
- 4.1.5 Executive authority relating to expenditures



4.1.6 Executive authority to quote exchange rates and offer fee and interest rate discounts to domestic and foreign businesses

4.1.7 Executive authority to provide service to customers in export-import businesses

4.1.8 Executive authority of the Assets and Liabilities Management Sub-committee

4.1.9 Executive authority relating to other aspects

4.2 Departmental executive authority is executive authority given to a specific department relative to its business activities and is being delegated to the management of that group or department, as well as to individuals in various positions in the related department(s).

4.3 Branch executive authority is the authority given to a specific branch relative to its business activities, being delegated to District Managers, Zone Managers and Branch Managers, as well as individuals in various positions in the branch.

(5) Executive authority principles are established and presented in tabular form to ensure that the management and staff at all operational levels will perform according to the approved authority and risk management limit.

Board Meetings

The Board schedules Board Meetings for every last Thursday of the month, and, in addition, may hold special meetings as deemed appropriate. The agenda for Board Meetings shall be categorized into groups. The Secretary to the Board shall arrange a Notice of the Board Meeting, agenda and related documents to be delivered to each Director at least 7 days in advance, except in cases of urgency, to allow sufficient time for the Board to study the matters at hand. Each item of agenda and resolution is recorded in writing, and the Minutes of the Board Meeting are certified by the Board and filed for examination by the Board, or others concerned.

In 2004, the Board held a total of 15 meetings: Details of each Director's attendance have appeared under the item of each Board's Meeting in 2004.

Advisers to the Board of Directors

The Board of Directors appointed several qualified persons to act as Advisers to the Board of Directors, comprising:

1. Mr. Pirote Lamsam
2. Mr. Chaleo Yoovidhya
3. Mr. William Mark Evans

Roles and Responsibilities of the Advisers to the Board of Directors

Roles and responsibilities of the Advisers to the Board of Directors are to make recommendations to the Board of Directors in matters that are relevant to, and within, the authority and responsibilities of the Board of Directors. These include, for example, the Bank's policies, or issues that require compliance with established laws and regulations, as well as on other important business that, once undertaken, may cause significant changes to, or clearly impact, the Bank's operations.



The Board Committees

The Board of Directors has appointed persons who have knowledge and skills that are suitable to be members of Board Committees with the specific duty to study and review important matters that need close supervision prior to proposal to the Board of Directors. The Board Committees consist of the Audit Committee, the Corporate Governance Committee, the Human Resources & Remuneration Committee, and the Risk Management Committee. The Bank also has a Management Committee consisting of the Chief Executive Officer, the President and a number of executives to manage and operate the Bank's business as defined by the Board. In addition, a number of directors have been appointed as the Advisory Directors to the Management Committee, with the duty of providing consultation as the Board deems appropriate.

Moreover, the Bank has also appointed nine Sub-committees to consider and review the scope of work designated as the responsibility of each Sub-committee.

1. Audit Committee

The Board of Directors approved the establishment of the Audit Committee on June 25, 1998. Each member has a 3-year term. The Committee must have at least 3 independent members. At present, there are 4 members and at least one of them has specific knowledge, understanding and experience in accounting and finance. Members are:

1. M.R. Sarisdiguna	Kitiyakara	Chairman
2. Mr. Somchai	Bulsook	Member
3. Professor Khunying Suchada	Kiranandana	Member
4. Ms. Elizabeth	Sam	Member
5. Mr. Vasant	Chariyatantiwate	Secretary

The Committee holds meetings and reports on resolutions to the Board of Directors regularly. In 2004, the Committee held a total of eleven meetings and reported all meeting resolutions to the Board.

Roles and Responsibilities of the Audit Committee

The Audit Committee has duties and responsibilities as established by Charter approved by the Board of Directors, as follows:

1. Review the Bank's quarterly, mid-year and annual financial statements with the Bank's Financial and Control Group and commonly review these with the Bank's auditor. This shall ensure as much as possible that the financial statements exhibit the correct and accountable financial status of the Bank, as well as complying with accepted accounting principles and existing banking laws and standards.

2. Review the effectiveness and adequacy of all risk management processes and the internal control system by discussing and evaluating work performed by internal and external auditors.

3. Review the Bank's operations to ensure that they are in compliance with the Securities and Exchange Acts, Stock Exchange of Thailand regulations, banking laws and regulations pertaining to banking business.

4. Review the effectiveness and adequacy of the internal audit functions.

5. Evaluate performance of external auditors, consider and make recommendations to the Board the appointment of external auditors each year, including the audit fees.

6. Review the connected transactions and consider cases for disclosure to ensure transparency in the event of connected or related transactions, or conflict of interest.

7. Prepare the Audit Committee's report to the Board of Directors after each meeting, and submit a yearly report signed by the Committee's Chairman summarizing actions of the Audit Committee to be included in the Bank's annual report.

8. Discuss and review with Management or outside experts any matters or activities having a bearing on the Board's oversight responsibilities.

9. Review its charter and the previous year's performance at least once a year, taking into account any assessment or commentary provided by the Chairman of the Board.

2. Corporate Governance Committee

The Board of Directors approved the establishment of the Corporate Governance Committee on April 3, 2002. Each member has a 3-year term. The committee comprises at least 3 members. At present, there are 2 non-executive Directors and 1 independent director, namely:



1. Pol. Gen. Pow	Sarasin	Chairman
2. Mr. Sukri	Kaocharern	Member
3. Professor Dr. Yongyuth	Yuthavong	Member
4. Ms. Sumonthip	Otrakul	Secretary

In 2004, the Corporate Governance Committee held five meetings and has reported all meeting resolutions to the Board.

Roles and Responsibilities of the Corporate Governance Committee

The Corporate Governance Committee has duties and responsibilities as established by regulations approved by the Board of Directors, as follows:

1. Establish principles and key rules for an effective governance supervision process that suits the Bank.
2. Develop and disseminate the principles for best practices in Corporate Governance.
3. Formulate the Code of Business Conduct and the Code of Conduct for the Bank's employees, and publicize or communicate to all concerned as performance guides, and for public information.
4. Develop and set up a plan for overseeing the Corporate Governance's compliance as proclaimed.
5. Review announcements concerning good corporate governance to prepare and present in the Bank's reports.
6. Recommend the Code of Best Practice for the Board of Directors and propose guidelines for the Board of Directors Charter, as well as all other Board Committee Charters.
7. Recommend the Code of Ethics for the Bank's business practices and the Code of Business Conduct for the Bank's management and personnel.
8. Review operational guidelines and Corporate Governance to ensure consistency and compatibility with the Bank's business.
9. Review and propose public announcements related to Corporate Governance issues.
10. Review and report to the Board of Directors matters related to Corporate Governance and give opinions on practical guidelines and suggest improvements, as deemed appropriate.
11. Monitor Good Corporate Governance at the Bank to have practical results.

3. Human Resources and Remuneration Committee

The Board approved the establishment of the Human Resources and Remuneration Committee on April 3, 2002. Each member has a 3-year term. The committee comprises at least 3 non-executive Directors. As of the end of 2004, there are 4 members; one of them is a non-executive director and 3 are independent directors, namely:

1. Mr. Charles L.	Coltman, III*	Chairman
2. M.R. Yongswasdi	Kridakon	Member
3. Mr. Chaisak	Saeng-Xuto	Member
4. Dr. Schwin	Dhammanungune	Member
5. Mr. Wanarak	Eckachai **	Secretary

* Mr. Charles L. Coltman, III has resigned from the position of Chairman of Human Resources and Remuneration Committee, and Dr. Schwin Dhammanungune has assumed the position.

** Mr. Wanarak Eckachai resigned the secretary's position, and Mr. Somkiat Sirichatchai is his successor as of January 1, 2005.

In 2004, the Human Resources and Remuneration Committee held 3 meetings and has reported all meeting resolutions to the Board of Directors.

Roles and Responsibilities of Human Resources and Remuneration Committee

The Human Resources and Remuneration Committee has duties and responsibilities as established by regulations approved by the Board of Directors, as follows:

1. Review and propose to the Board of Directors for approval issues relating to the human resources vision and strategies that are aligned with the Bank's business strategy.
2. Review the composition, size, experience and remuneration of the Board of Directors as well as selecting and recommending candidates with proper qualifications to the Board prior to further submittal for appointment at a General Meeting of Shareholders.
3. Ensure that a succession plan for senior management in specific positions and a list of candidates entitled for consideration are reviewed from time to time.



4. Review the remuneration strategy and propose for the Board's endorsement as well as review the salaries and benefits of senior management.

5. Establish the terms and conditions for the President and Chief Executive Officer's employment contract, their remuneration, as well as seek and recommend qualified successors to the President and the Chief Executive Officer when considered necessary.

4. Risk Management Committee

The Board of Directors approved to upgrade the status of the Internal Risk Management Sub-committee to that of the Risk Management Committee on April 3, 2003. Each member has a 2-year term and it must comprise at least 7 directors and executives. At present, the committee includes 2 Executive Directors, 1 Non-executive Director and 10 Bank executives, namely:

1. Mr. Banthoon	Lamsam	Chairman
2. Dr. Prasarn	Trairatvorakul	Member
3. Ms. Sujitpan	Lamsam	Member
4. Dr. Piengchai	Pookakupt	Member
5. Mr. Boontuck	Wungcharoen	Member
6. Mr. David L.	Hendrix	Member
7. Mr. Richard A.	Clarke	Member
8. Mr. Teeranun	Srihong	Member
9. Mr. Krisada	Lamsam	Member
10. Ms. Patcharin	Vongsiridej	Member
11. Mr. Surasak	Dudsdeemaytha	Member
12. Ms. Kattiya	Indaravijaya	Member
13. Mr. Prasopsuk	Damrongchietanon	Member and Secretary

In 2004, the Risk Management Committee held 13 meetings and reported to the Board of Directors per their assigned duties. This committee ensures that the Bank has established an effective risk management framework for early warning and sets measures to prevent and manage risks, including risks that affect operations, supervision to follow practices according to policies, and preparation of risk management reports to responsible persons.

Roles and Responsibilities of the Risk Management Committee

The Risk Management Committee has duties and responsibilities as established by regulations approved by the Board of Directors, as follows:

1. Have the authority to make decisions on related operations within the scope of responsibility defined in the Risk Management Committee Charter, with authority to access all pertinent information.

2. Define risk management policies of the Bank and present to the Board of Directors for their consideration such matters. These policies must cover the various types of risks associated with strategies, liquidity, credit, marketing, operation or other significant risks to the Bank.

3. Formulate strategies on the organization and resources used in the Bank's risk management to conform with the risk management policy of the Bank. These strategies must enable the effective analysis, assessment, evaluations, and monitoring of the Bank's risk management.

4. Define maximum credit lines according to the risk appetite and propose to the Board of Directors for consideration.

5. Monitor, review and recommend to the Board of Directors with regard to risk management policy, standard procedures, strategies and an overall risk estimation to ensure that the risk management strategy is being effectively implemented.



5. Advisory Directors to the Management Committee

The Board of Directors and the 88th Annual General Shareholders' Meeting on April 4, 2000, approved the establishment of the Advisory Directors to the Management Committee, comprising 5 members, namely:

- | | |
|--------------------|------------|
| 1. Mr. Banyong | Lamsam |
| 2. Pol. Gen. Pow | Sarasin |
| 3. Mr. Sukri | Kaocharern |
| 4. M.R. Yongswasdi | Kridakon |
| 5. Dr. Abhijai | Chandrasen |

Roles and Responsibilities of the Advisory Directors to the Management Committee

1. Give recommendations to the Management Committee as the Board of Directors deems appropriate.
2. Ensure efficiency of the Bank's management and operations.

6. Management Committee

The Board of Directors and the 88th General Meeting of Shareholders, on April 4, 2000, approved the establishment of the Management Committee, comprising 9 members, namely:

- | | | |
|-------------------|----------------|----------------------|
| 1. Mr. Banthoon | Lamsam | Chairman |
| 2. Dr. Prasarn | Trairatvorakul | Member |
| 3. Mr. Apichai | Bunyakiat | Member |
| 4. Dr. Piengchai | Pookakupt | Member |
| 5. Mr. Boontuck | Wungcharoen | Member |
| 6. Mr. David L. | Hendrix | Member |
| 7. Mr. Richard A. | Clarke | Member |
| 8. Mr. Wanarak | Eckachai* | Member |
| 9. Mr. Somkiat | Sirichatchai | Member and secretary |

**Mr. Wanarak Eckachai left the membership on January 1, 2005.*

In 2004, the Management Committee held a total of 50 meetings and has reported all meeting resolutions to the Board of Directors.

Authorities, Duties and Responsibilities

The Management Committee has duties and responsibilities as established by regulations approved by the Board of Directors, as follows:

1. The Management Committee shall have the responsibility of managing and undertaking the Bank's business as designated by the Board of Directors, or by specific resolution of the Board of Directors.

2. The Management Committee shall have the authority to manage the Bank's business according to given policies and plans.

3. The Management Committee shall have authority delegated by the Board of Directors, under their management jurisdiction of the Bank.

4. Management Committee Chairman shall submit Minutes of Management Committee Meetings for acknowledgement by the Board of Directors, but the following activities require prior approval of the Board of Directors:

4.1 Policy-related issues of the Bank

4.2 Certain issues likely to generate significant impact on the Bank's business

4.3 Certain issues requiring action by the Board of Directors in compliance with law

4.4 Certain issues requiring action in compliance with the Bank's Memorandum of Association

4.5 Issues the Management Committee considers appropriate for approval by the Board of Directors on a case by case basis, or under the criteria designated by the Board of Directors, such as credit underwriting, etc.

5. The Management Committee shall have the responsibility and authority to undertake activities aimed at attaining the Bank's targets, including:

5.1 Preparation and review of strategic objectives, financial plans and key policies of the Bank, to be submitted for approval by the Board of Directors.



5.2 Screening the annual business plans, capital expenditures, performance targets, and other initiatives to attain the Bank's targets, to be submitted for approval by the Board of Directors.

5.3 Screening projects with capital expenditures, in excess of budgets designated by the Board of Directors, and submitting them for approval by the Board.

5.4 Considering and approving other issues stipulated under its legitimate authority, or as delegated by the Board of Directors

5.5 Reviewing management authority in various aspects stipulated under the approval authority hierarchy, to be submitted for approval by the Board of Directors

5.6 Managing and creating a balance between short- and long-term objectives

5.7 Appointing, monitoring and evaluating performances of employees from the level of Department Head down to Middle Management, including the recruitment of successors

5.8 Monitoring and reporting to the Board of Directors the Bank's operating results and other works in progress for achieving the Bank's objectives

5.9 Monitoring performances of employees at all levels with regard to risk management under the Bank's policies, including the effectiveness of the internal control system, and operations in compliance with related laws, rules and regulations

5.10 Reviewing newly initiated major activities or products, to be submitted for consideration and approval by the Board of Directors.

5.11 Communicating with outside stakeholders as deemed appropriate under delegated authority.

Selection of Management

The Management Committee's function is to select qualified candidates to be approved by the Board and appointed as management at the position of First Senior Vice President and above. As for the appointment of management of lower rankings, Group Heads shall select qualified candidates to be nominated and approved by the Management Committee or the President.

7. The Sub-committees

The Sub-committees' roles are to review and manage various matters within the Bank to ensure fairness, appropriateness, effectiveness and the highest efficiency for the Bank. There are nine Sub-committees, namely:

1. Information Technology Sub-committee
2. Assets and Liabilities Management Sub-committee
3. Retail Business Credit Sub-committee
4. Corporate Business Debt Recovering and Restructuring Sub-committee
5. Retail Business Debt Recovering and Restructuring Sub-committee
6. Foreclosed Property Management Sub-committee
7. Information Infrastructure Sub-committee
8. Product Pricing Sub-committee
9. Credit Policy Sub-committee



Meeting attendance of each Board Committee in 2004

Unit : Time

Board Members	Board of Directors (Total 15 meetings)	Corporate Governance Committee (Total 5 meetings)	Risk Management Committee (Total 13 meetings)	Audit Committee (Total 11 meetings)	Human Resources and Remuneration Committee (Total 3 meetings)
Mr. Banyong Lamsam	14				
Pol. Gen. Pow Sarasin	15	5			
Mr. Banthoon Lamsam	15		8		
Dr. Prasarn Trairatvorakul	10		10		
Mr. Sukri Kaocharern	13	4			
M.R. Sarisdiguna Kitiyakara	14			11	
M.R. Yongswasdi Kridakon	13				3
Mr. Somchai Bulsook	15			10	
Ms. Sujitpan Lamsam	14		13		
Professor Khunying Suchada Kiranandana	13			11	
Professor Dr. Yongyuth Yuthavong	13	4			
Mr. Charles L. Coltman, III	11				3
Mr. William Mark Evans	-	1			
Dr. Abhijai Chandrasen	15				
Ms. Elizabeth Sam	14			10	
Mr. Chaisak Saeng-Xuto	15				3
Dr. Schwin Dhammanungune	13				3

Remarks:

The number of members in each committee

<i>Board of Directors</i>	<i>16 members</i>
<i>Corporate Governance Committee</i>	<i>3 members</i>
<i>Risk Management Committee</i>	<i>13 members (3 are Board of Directors' members)</i>
<i>Audit Committee</i>	<i>4 members</i>
<i>Human Resources and Remuneration Committee</i>	<i>4 members</i>

Details of taking up positions:

*Dr. Prasarn Trairatvorakul took the position of Board Director on April 2, 2004.
Mr. William Mark Evans left the position of Board director on April 2, 2004.*

Details of meeting attendance through Teleconferencing system of each committee--

<i>Board of Directors</i>	<i>Mr. Banyong Lamsam</i>	<i>1</i>
	<i>Mr. Banthoon Lamsam</i>	<i>1</i>
	<i>Ms. Sujitpan Lamsam</i>	<i>6</i>
	<i>Mr. Charles L. Coltman, III</i>	<i>9</i>
	<i>Ms. Elizabeth Sam</i>	<i>2</i>



Corporate Governance Committee	Mr. William Mark Evans	1
Risk Management Committee	Ms. Sujitpan Lamsam	10
Audit Committee	Ms. Elizabeth Sam	5
Human Resources and Remuneration Committee	Mr. Charles L. Coltman, III	1

Three Board members, i.e., Mr. Charles L. Coltman, III, Ms. Elizabeth Sam and Ms. Sujitpan Lamsam do not reside in Thailand.

Remuneration to Directors and Executives

The Bank has established a set of well-defined and transparent remuneration policies for Directors. The Human Resources and Remuneration Committee is responsible for reviewing these policies by taking into consideration the appropriateness of remuneration with respect to the obligations and responsibilities of each director, and the Bank's financial status, to ensure that remuneration is comparable to other commercial banks. A member of a committee who is also a member of other committees shall receive additional remuneration according to their increased responsibilities. The Bank has already received approval on its remuneration policies from General Meeting of Shareholders No. 90, dated April 3, 2002.

The remuneration for management is paid according to policies and criteria set by the Board of Directors. It ties directly to the performance of the Bank and Management. The Human Resources and Remuneration Committee shall propose appropriate remuneration to the Board of Directors for consideration and approval.

Details of remuneration to directors and executives are as follows:

1. Financial remuneration

1.1 Directors' remuneration: In 2004, 17 directors received remuneration as Bank Directors, and for the Advisory Directors to the Management Committee, the Audit Committee, the Corporate Governance Committee, the Human Resources and Remuneration Committee as well as Legal Adviser, totaling Baht 35,016,000.

Remuneration for Directors in 2004

Mr. Banyong Lamsam	-Received remuneration for Chairman and Advisory Director to the Management Committee, totaling Baht 6,960,000.
Pol. Gen. Pow Sarasin	-Received remuneration as Vice Chairman and Advisory Director to the Management Committee, totaling Baht 5,196,000; and as Chairman of the Corporate Governance Committee amounting Baht 360,000.
Mr. Bantoon Lamsam	-Received remuneration as a Director totaling Baht 840,000.
Dr. Prasarn Trairatvorakul	-Received remuneration as a Director totaling Baht 630,000.
Mr. Sukri Kaocharern	-Received remuneration as a Director and Advisory Director to the Management Committee, totaling Baht 2,040,000; and as a Member of the Corporate Governance Committee, amounting to Baht 240,000.
M.R. Sarisdiguna Kitiyakara	-Received remuneration as a Director totaling Baht 840,000; and as Chairman of the Audit Committee, amounting to Baht 720,000.
M.R. Yongswasdi Kridakon	-Received remuneration as a Director and Advisory Director to the Management Committee, totaling Baht 2,640,000; and as a Member of the Human Resources and Remuneration Committee, amounting to Baht 240,000.
Mr. Somchai Bulsook	-Received remuneration as a Director, totaling Baht 840,000; and as a Member of the Audit Committee, amounting to Baht 600,000.
Ms. Sujitpan Lamsam	-Received remuneration as a Director totaling Baht 840,000.
Professor Khunying Suchada Kiranandana	-Received remuneration as a Director totaling Baht 840,000 and as a Member of the Audit Committee, amounting to Baht 600,000.



Professor Dr. Yongyuth Yuthavong	- Received remuneration as a Director totaling Baht 840,000; and as a Member of the Corporate Governance Committee, amounting to Baht 240,000.
Dr. Abhijai Chandrasen	- Received remuneration as a Director and Legal Adviser totaling Baht 4,440,000.
Mr. Charles L. Coltman, III	- Received remuneration as a Director totaling Baht 840,000 and as Chairman of the Human Resources and Remuneration Committee amounting to Baht 360,000.
Mr. William Mark Evans	- Received remuneration as a Director totaling Baht 210,000; and as a Member of the Corporate Governance Committee amounting to Baht 60,000.
Ms. Elizabeth Sam	- Received remuneration as a Director totaling Baht 840,000; and as a Member of the Audit Committee amounting to Baht 600,000.
Mr. Chaisak Saeng-Xuto	- Received remuneration as a Director totaling Baht 840,000 and as a Member of the Human Resources and Remuneration Committee amounting to Baht 240,000.
Dr. Schwin Dhammanungune	- Received remuneration as a Director totaling Baht 840,000 and as a Member of the Human Resources and Remuneration Committee amounting to Baht 240,000.

Remarks: Dr. Prasarn Trairatvorakul assumed the position of Director on April 2, 2004.

Mr. William Mark Evans resigned from his position as a Director on April 2, 2004.

1.2 Remuneration for committee advisers totaled Baht 1,056,000.

1.3 Management remuneration: In 2004, executives from the position of Executive Vice Presidents and higher totaling 10 persons, received remuneration including salaries, living expenses, special pensions and bonuses from the Bank totaling Baht 140,594,610.01.

2. Other remuneration

The Extraordinary Meeting of Shareholders No. 1/1999, approved the offering and issuance of 50 million units of warrants to Bank employees (excluding directors) in 3 phases of the ESOP program. The shareholders' delegates or other persons delegated by them shall allocate these warrants to employees by taking into consideration the competency and potential of each employee.

The warrants are irrevocable subscription certificates offered at Baht 0 (zero) per unit. Each warrant can be exercised to purchase one Baht 10 (par) common share at a price of Baht 30 per share. The Bank received approval (from the shareholders) to offer 18.5 million units, of which 15,612,600 units were allocated to employees in Phase 1, August 2000. The first exercise date was December 28, 2001, and the final exercise date will be December 30, 2005. The Bank also received approval to offer 5 million warrants in Phase 2, of which 3,962,500 units were allocated to employees in December 2001. The first exercise date was December 30, 2002, and the final exercise date is December 29, 2006.

In Phase 3, the Bank offered 26.5 million warrants, of which 26,490,560 units were allocated to employees in December 2002. The first exercise date was December 30, 2003, and the last exercise date will be December 30, 2007. For Phase 3, the rules and conditions were revised to comply with a resolution of General Meeting of Shareholders No. 90 on April 3, 2002, as follows:

1. Adjustment of the exercise price from Baht 30 per share to a weighted average price from the last 5 trading days before the offering date, which was then equal to Baht 27.82 per share;

2. Adjustment of the warrant exercise dates from twice a year to four times a year. Exercise dates shall be the last working day of each March, June, September and December, until the expiration of each warrant.

Bank management-level personnel received allocations of warrants in the ratios of 7.68 percent, 11.68 percent and 11.28 percent of the total number of warrants allocated in Phase 1, Phase 2 and Phase 3, respectively. As of December 31, 2004, the total number of exercised warrants was 16,799,850 units, with 8,541,060 units from Phase 1, 1,451,140 units from Phase 2, and 6,807,650 units from Phase 3.

Furthermore, the Bank's executives at positions of Executive Vice President and higher totaling 10 persons received remuneration derived from provident funds totaling Baht 3,914,775.30.



Internal Control and Audit Systems

The Board of Directors has placed significant emphasis on efficient internal control systems, which are considered sufficient and appropriate for the Bank's business undertakings in order to prevent any possible damage to the Bank. It covers all key issues, ranging from management, operations, custodianship, financial systems, risk management, and compliance matters. The organizational structure of the Bank has been rearranged to enhance efficient functioning of management. Targets, strategies and operational guidelines have been set clearly and are measurable. Policies and procedures in writing have been put in place to prevent damage to assets of the Bank and its subsidiaries, or the misuse of power for personal gain. Recognizing the significance of an efficient internal audit system, the Board of Directors has established the Compliance and Audit Group, and this division of the Bank has the duty of supervising and auditing actions taken by Bank personnel and the internal control system itself, the results of which is reporting directly to the Audit Committee on a regular and continual basis. Due attention has been paid to comments and recommendations made by independent auditors, and the auditors of the Bank of Thailand (BOT), which, as the Board believes, enhances the efficiency of the internal control system for the highest efficiency.

Designated contents of the internal control and audit systems are as follows:

1. The Audit Committee is in charge of ensuring the sufficiency of the internal control system of the Bank, by reviewing, regularly and continuously, performance results of the Compliance and Audit Group and independent auditors. The Bank has an internal system considered sufficient and appropriate for current business undertakings, including control of actions in compliance with governing laws and the directives of regulatory agencies. In addition, it is stipulated that the Compliance and Audit Group must participate in discussions and exchange of information, together with reporting on compliance and internal audit actions to the Audit Committee at least once a quarter. This is established to assist the Audit Committee in deliberating on the limits, responsibilities, action plans, sufficiency and quality of the internal control system. Any useful recommendations on major problems or deficiencies will be immediately reported by the Audit Committee to the Board of Directors for timely and effective remedy.

2. The Risk Management Committee is responsible for supervising appropriate management of overall risks of the Bank. It also recommends to the Board of Directors a proper risk management policy, including assessment, mitigation and monitoring of risks, and reporting on the risk status.

3. Job descriptions and authority have been clearly prepared in writing for both the employees and executives. The duties of personnel, supervisors and assessors have been clearly separated as part of a proper check-and-balance system. This includes regular audits and control of its subsidiaries, as well.

4. The Bank has prepared written policies and operational procedures for the different functions of the Bank. Training and orientation programs have been provided for its employees in order to ensure a common understanding and capabilities that will lead to effective functioning. There is a manual for employees providing information on rules and regulations, a professional code of conduct, and standardized disciplinary actions for serious offenses for the sake of efficiency, transparency and fairness in actions for the benefit of all stakeholders.

5. The Compliance and Audit Group, directly under the Audit Committee, supervises the performance of the Bank and its subsidiaries. A risk-based approach has been adopted. It covers the supervision of actions in accordance with directives of regulatory agencies, operational procedures and the Code of Business Conduct of the Bank. The sufficiency of assessment of the internal control system, and appropriate risk management are covered as well. Audit results are reported to the Audit Committee once per quarter, together with further notification to relevant business group heads for action. Should any significant observations or recommendations emerge, the Compliance and Audit Group will immediately inform the President for timely alleviation and also present these findings to the Audit Committee for acknowledgement. Besides this, the Bank has enforced regular reviews of actions taken by the Bank and the internal control systems in order to promote awareness of correct and appropriate actions for Bank personnel.

6. The Bank recognizes the importance of IT and database systems to provide accurate and current information, sufficient for timely decision-making by executives and the Board of Directors. Particular attention has been given to data storage and accounting systems, which were developed in accordance with accounting policies and standards as prescribed by the BOT.

7. Reporting and evaluation: The Bank has monitored its performance results compared with designated goals for each and every month. Rectification is undertaken promptly where any significant deviation exists.



Report by the Board of Directors

It is the duty of the Board of Directors to report on the Bank's operating results and major events over the past year to shareholders for their acknowledgement. Also, the Board is responsible for the risk management and internal control systems to ensure that they be appropriate and effective. Pursuant to this, the Board has appointed the Audit Committee to maintain the quality of the Bank's Financial Statements and the internal control systems, as well as other related processes in compliance with generally accepted accounting standards. The Bank's financial data has been disclosed publicly and transparently. The Board of Directors has provided its report on the Bank's operations, and the Audit Committee report has been included in this Annual Report.

Investor Relations

Realizing the importance of information disclosure, the Bank has supervised and set clear policies, approved by the Board of Directors, relative to communications with outsiders. The objective of this is to ensure that disclosure of the Bank's financial and general information to its shareholders, investors and the general public will be accurate, complete and timely, in accordance with related laws and regulations. The Bank's information has been disseminated via various channels:

1. The Stock Exchange of Thailand, dispatches including -
 - 1.1 The Annual Report Form (56-1 Reporting Form)
 - 1.2 The Bank's Financial Statements (C.B. 1.1 Reporting Form, the Quarterly Financial Statement, and the Annual Financial Statement)
 - 1.3 Notification of the Board of Directors' resolutions and other matters
2. The Office of the Securities and Exchange Commission
3. The Ministry of Commerce
4. Newspapers
5. Magazines
6. Television
7. KBANK PR News
8. KBANK website (www.kasikornbank.com)
9. Company Visits/One-on-One Meetings
10. Non-dealing Roadshows
11. Analyst Meetings
12. Press Conferences
13. Notices to KBANK shareholders

The Bank has granted the Chairman, the Chief Executive Officer, the President and/or executives in the Corporate Communications and Administration Department the authority to reveal the Bank's information as well as reply to questions of investors who are both the Bank's shareholders and those interested in purchasing the Bank's stock. The Investor Relations Division was also established under Corporate Communications and Administration Department, with objectives and responsibilities to handle Investor Relations-related activities. It serves as the focal point for information services to shareholders, investors, analysts and credit rating agencies, both local and foreign. Accurate and timely information enhances the good image and reliability of the Bank to investors, as well as helping to provide service to shareholders more efficiently.

The Investor Relations Division was established on May 18, 1998, being initially called the Investor Relations and Shareholders' Services, under the Executive Office of the Corporate Secretariat Group. Then, on December 20, 2001, the Investor Relations and Shareholders' Services Unit was transferred to the Corporate Communications Department (CN) of the Corporate Secretariat Group. It was restructured on September 29, 2003, and the CN was renamed Corporate Communications and Administration Department, which directly supervises the Investor Relations.



In 2004, the Bank's executives and the Investor Relations Unit met with related persons to provide information in the following activities:

Meeting	No. of Meetings	No. of Companies	No. of Persons
One-on-one-Meetings	155	271	312
Conference Calls	9	10	12
Group Analyst Meetings	25	91	129
Investor Conferences	1	32	42
Roadshows	2	40	48
Total	192	444	543

Of the above figures, 21 meetings, which were attended by 101 persons from 70 companies, met with the Bank's Chief Executive Officer.

In 2004, KBANK Investor Relations won citations and praise from many investor polls conducted by magazines distributed globally, i.e. –

1. The Stock Exchange of Thailand presented KBANK with the “Best Investor Relations” at the SET Award 2004 Fair on July 26, 2004.

2. IR Magazine presented the “Best IR by a Thai Company” Award to KBANK on November 4, 2004, for the second consecutive year.

Corporate Secretary

The Bank has assigned Ms. Tida Samalapa, Secretary to the Board to handle the Corporate Secretariat function, and the Corporate Communications and Administration Department to carry out this function in detail consistent with the Statement of Corporate Governance Principles, for efficient management of the Bank.

The main duties and responsibilities of the corporate secretary include:

1. Providing primary advice pertaining to laws and regulations governing commercial bank business and the Bank's Articles of Association, monitor compliance of subsequent actions on a regular basis, and reporting on any significant changes to the Board.
2. Arranging meetings of shareholders and meetings of the Board of Directors in accordance with laws and regulations, and the Bank's Articles of Association and procedures.
3. Preparing meeting minutes for shareholder and Board of Directors meetings, and monitoring subsequent actions under resolutions of the shareholder and Board meetings.
4. Ensuring that corporate information disclosure to regulatory agencies is in accordance with laws and regulations.
5. Informing general shareholders of their legitimate rights and disseminating the Bank's information.
6. Assisting in Board activities.

Self-Assessment by KBANK Board of Directors

The Bank has resolved to adopt a self-assessment process, and a Self-Assessment Form is being used by the KBANK Board of Directors. It serves as a tool for reviewing performance, problems, issues and obstacles that have faced each director over the past year. Meanwhile, it also helps to strengthen working efficiency, providing a clearly designated scope of work and responsibility, and also complies with Corporate Governance Principles. The Board of Directors of KBANK conducts self-assessments once a year, and the assessment results are brought up for discussion at the next monthly Meeting of the Board.



Appointment of Auditors and Consideration of Audit Fees

The Audit Committee considers the qualifications and operations of auditors for recommendation to the Board of Directors on the appointment of the Bank's auditors, each year, including the audit fee to propose for approval at the Shareholders Meeting. The list of auditors to be proposed as the Bank's auditors must also be approved by the Bank of Thailand.

In 2004, the auditors' remuneration comprised of:

1. Audit Fees

The Bank and its subsidiary companies have paid audit fees to:

- Certified auditors of the Bank totaling Baht 8,602,000 in the past accounting year.
- The respective audit company or its independent, contracted auditors, including individuals or business entities related to the auditors and the respective audit company, totaling Baht 7,726,144 in the past accounting year.

2. Non-Audit Fees

The Bank and its subsidiary companies have paid non-auditing fees, i.e., special purpose audit engagement fees, asset valuations, consulting services irrelevant to auditing and engagements to perform agreed upon procedures, to:

- Certified auditors of the Bank totaling Baht 14,140,000* over the past accounting year, together with future payments of Baht 4,320,000*, due to incomplete work in the past accounting year.
- The respective audit company or its independent, contracted auditors, including individuals or business entities related to the auditors and their respective audit company, totaling Baht 590,250* over the past accounting year, together with future payments of Baht -0-, due to the incomplete work in the past accounting year.

*Note : * Excluding VAT*

Factors Affecting Investment Decisions

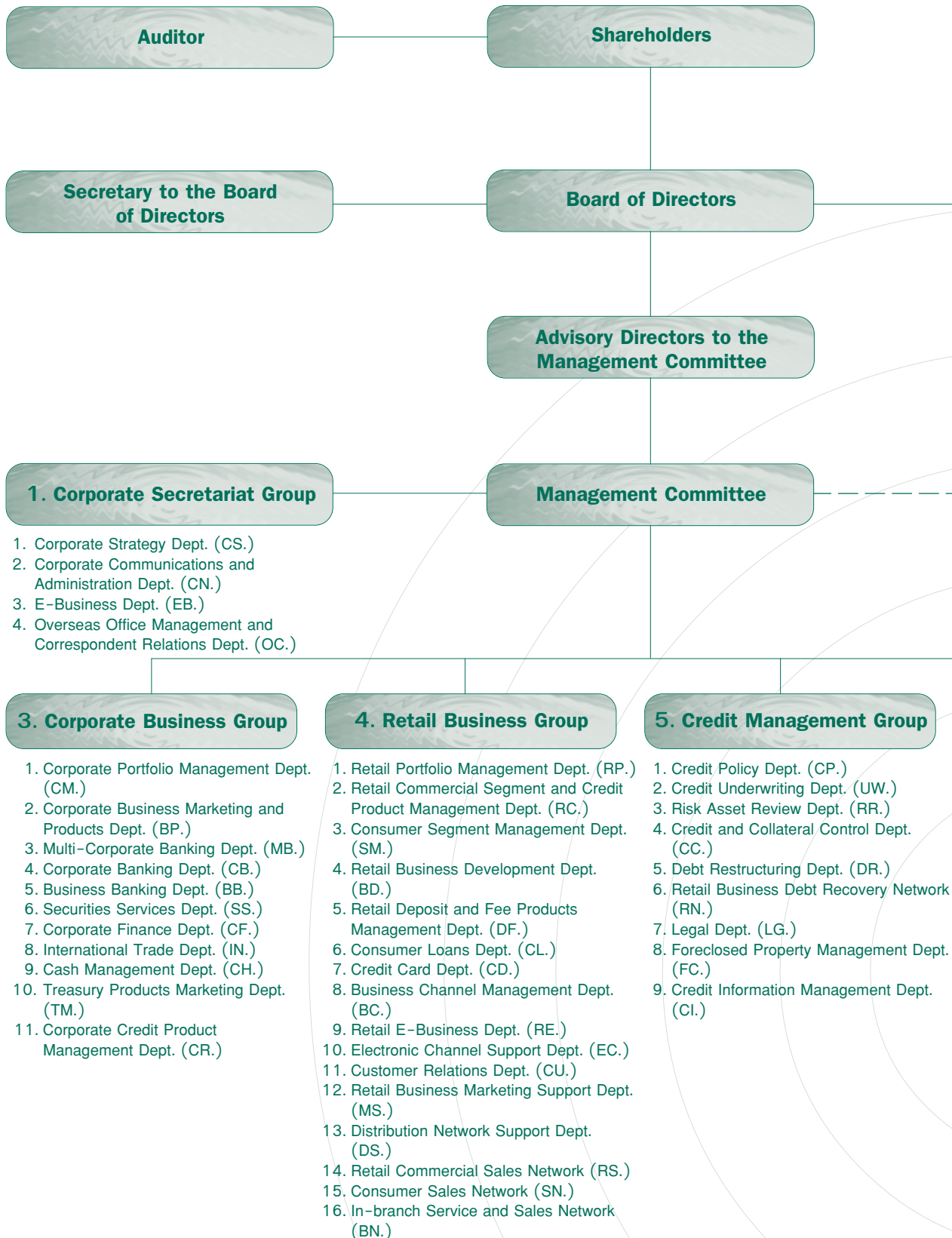
Legal Disputes

With the exception of lawsuits which ordinarily occur in general commercial bank operations, KBANK at present has no conflicts with business counterparts, no pending lawsuits or any litigation involving principals (excluding interest and expenses) exceeding 5 percent of the Total Shareholders' Equity as stated in the latest year-end balance sheet.



KASIKORNBANK PUBLIC COMPANY LIMITED

Organization Chart



**Advisers to the Board of Directors
Legal Adviser**

Corporate Governance Committee

**Human Resources and
Remuneration Committee**

Audit Committee

Risk Management Committee

2. Compliance and Audit Group

1. Compliance Dept. (CO.)
2. Internal Audit Dept. (IA.)

6. Systems Group

1. Process Development Dept. (PD.)
2. Information Technology Management Dept. (IT.)
3. Information Management Dept. (ID.)
4. Information Security Dept. (IS.)
5. Operation Supporting Dept. (OS.)
6. Facilities and Fixed Asset Management Dept. (FM.)
7. Central Operation Dept. (CE.)

7. Finance and Control Group

1. Internal Risk Management Dept. (IM.)
2. Financial Planning Dept. (FP.)
3. Treasury Dept. (TS.)
4. Treasury Operation Dept. (TO.)
5. Financial Accounting Management Dept. (FA.)

8. Human Resource Group

1. Human Resource Management Dept. (HM.)
2. Employee Relations Management Dept. (ER.)
3. Human Resource Development Dept. (HD.)



Board of Directors

Chairman

Mr. Banyong Lamsam

Vice Chairman

Pol. Gen. Pow Sarasin

Directors

Mr. Banthoon Lamsam
Dr. Prasarn Trairatvorakul
Mr. Sukri Kaocharern
M.R. Sarisdiguna Kitiyakara
M.R. Yongswasdi Kridakon
Mr. Somchai Bulsook
Ms. Sujitpan Lamsam
Professor Khunying Suchada Kiranandana
Professor Dr. Yongyuth Yuthavong
Dr. Abhijai Chandrasen
Mr. Charles L. Coltman, III
Ms. Elizabeth Sam
Mr. Chaisak Saeng-Xuto
Dr. Schwin Dhammanungune

Legal Adviser

Dr. Abhijai Chandrasen

Secretary to the Board of Directors

Ms. Tida Samalapa

Assistant Secretary to the Board of Directors

Ms. Arasa Ampornpong
Ms. Prayoonsri Katanyutanon
Dr. Adit Laixuthai



Mr. Banyong Lamsam
Chairman

Pol. Gen. Pow Sarasin
Vice Chairman



Mr. Banthoon Lamsam
Director

Dr. Prasarn Trairatvorakul
Director



Mr. Sukri Kaocharern
Director

M.R. Sarisdiguna Kitiyakara
Director





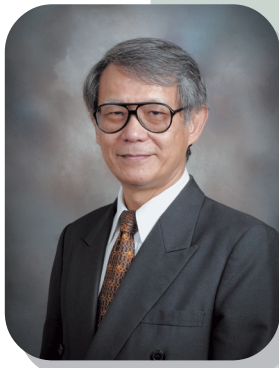
M.R. Yongswasdi Kridakon
Director

Mr. Somchai Bulsook
Director



Ms. Sujitpan Lamsam
Director

Professor
Khunying Suchada
Kiranandana
Director



Professor
Dr. Yongyuth Yuthavong
Director

Dr. Abhijai Chandrasen
Director



Mr. Charles L. Coltman, III
Director

Ms. Elizabeth Sam
Director



Mr. Chaisak Saeng-Xuto
Director

Dr. Schwin Dhammanungune
Director



Board of Directors and Executives of KASIKORNBANK PUBLIC COMPANY LIMITED

Name/Position	Age	Education	Family Relationship	Percentage of Shares Held	Experiences Over Past 5 Years	
					Period	Position Company/Organization
1. Mr. Banyong Lamsam Chairman of the Board, and Advisory Director to the Management Committee (Authorized Signature)	72	<ul style="list-style-type: none"> • BBA (Banking and Finance), University of New Mexico, U.S.A. • Directors Accreditation Program (DAP), Thai Institute of Directors 	Cousin of Ms. Sujitpan Lamsam Uncle of Mr. Bantoon Lamsam	0.142	1992 - Present 2000 - Present 1991 - Present 1992 - Present	Chairman KASIKORNBANK PUBLIC COMPANY LIMITED Advisory Director to the Management Committee KASIKORNBANK PUBLIC COMPANY LIMITED Chairman Dole Thailand Limited Director Com-Link Company Limited
2. Pol. Gen. Pow Sarasin Vice Chairman, Advisory Director to the Management Committee, and Chairman of the Corporate Governance Committee (Authorized Signature)	75	<ul style="list-style-type: none"> • Bachelor of Science (Chemistry), John Hopkins University, U.S.A. • Bachelor of Science (Criminology), University of California, U.S.A. • Directors Accreditation Program (DAP), Thai Institute of Directors 	-	0.013	1992 - Present 2000 - Present 2002 - Present 1993 - Present 1994 - Present 2002 - Present 2002 - Present	Vice Chairman KASIKORNBANK PUBLIC COMPANY LIMITED Advisory Director to the Management Committee KASIKORNBANK PUBLIC COMPANY LIMITED Chairman of the Corporate Governance Committee KASIKORNBANK PUBLIC COMPANY LIMITED Chairman Mitsubishi Elevator Asia Company Limited Independent Director Charoen Pokphand Foods Public Company Limited Director Siam Food Public Company Limited Director Quality House Public Company Limited
3. Mr. Bantoon Lamsam Director, and Chief Executive Officer, and Chairman of the Risk Management Committee (Authorized Signature)	52	<ul style="list-style-type: none"> • MBA, Harvard University, U.S.A. • Directors Certification Program (DCP), Thai Institute of Directors 	Nephew of Mr. Banyong Lamsam and Ms. Sujitpan Lamsam	0.191	2004 - Present 2003 - Present	Director and Chief Executive Officer KASIKORNBANK PUBLIC COMPANY LIMITED Chairman of the Risk Management Committee KASIKORNBANK PUBLIC COMPANY LIMITED



Name/Position	Age	Education	Family Relationship	Percentage of Shares Held	Experiences Over Past 5 Years	
					Period	Position Company/Organization
					1992 - 2004	Director and President KASIKORNBANK PUBLIC COMPANY LIMITED
					1997 - Present	Director Santikaset Company Limited
					1999 - Present	Chairman KASIKORN Research Center Company Limited
4. Dr. Prasarn Trairatvorakul Director and President, and Member of the Risk Management Committee (Authorized Signature)	53	<ul style="list-style-type: none"> Ph.D. (Business Administration), Harvard University, U.S.A. Directors Certification Program (DCP), Thai Institute of Directors 	-	-	2004 - Present	Director and President KASIKORNBANK PUBLIC COMPANY LIMITED
					2004 - Present	Member of the Risk Management Committee KASIKORNBANK PUBLIC COMPANY LIMITED
					December 2004 - Present	Chairman KASIKORN LEASING COMPANY LIMITED
					1999 - 2003	Secretary-General Securities and Exchange Commission of Thailand
5. Mr. Sukri Kaochareem Director, Advisory Director to the Management Committee, and Member of the Corporate Governance Committee (Authorized Signature)	67	<ul style="list-style-type: none"> Master of Science (Accounting), Southern Illinois University, U.S.A. Directors Accreditation Program (DAP), Thai Institute of Directors 	-	0.000	1981 - Present	Director KASIKORNBANK PUBLIC COMPANY LIMITED
					2000 - Present	Advisory Director to the Management Committee KASIKORNBANK PUBLIC COMPANY LIMITED
					2002 - Present	Member of the Corporate Governance Committee KASIKORNBANK PUBLIC COMPANY LIMITED
					1979 - Present	Chairman Thai Caster Oil Company
					2000 - Present	Director and Chairman of the Audit Committee Jutha Maritime Public Company Limited
					2000 - Present	Chairman of the Audit Committee Ministry of Commerce
					2001 - Present	Commissioner Agricultural Futures Trading Commission
					2004 - Present	Chairman and Chairman of the Audit Committee Indorama Polymers Public Company Limited



Name/Position	Age	Education	Family Relationship	Percentage of Shares Held	Experiences Over Past 5 Years	
					Period	Position Company/Organization
6. M.R. Sarisdiguna Kitiyakara Director, and Chairman of the Audit Committee	46	<ul style="list-style-type: none"> BS (Engineering), Cambridge University, England Chairman 2000, Thai Institute of Directors 	-	0.000	1985 - Present 2000 - Present 1994 - Present	Director KASIKORNBANK PUBLIC COMPANY LIMITED Chairman of the Audit Committee KASIKORNBANK PUBLIC COMPANY LIMITED Director and Audit Committee Member Goodyear (Thailand) Public Company Limited
7. M.R. Yongswasdi Kridakon Director, Advisory Director to the Management Committee, and Member of the Human Resources and Remuneration Committee (Authorized Signature)	77	<ul style="list-style-type: none"> Bachelor of Liberal Arts, Randolph - Macon College, U.S.A. Directors Accreditation Program (DAP), Thai Institute of Directors 	-	0.000	1991 - Present 2000 - Present 2002 - Present 1988 - Present 1990 - Present 1997 - Present 2000 - Present	Director KASIKORNBANK PUBLIC COMPANY LIMITED Advisory Director to the Management Committee KASIKORNBANK PUBLIC COMPANY LIMITED Member of the Human Resources and Remuneration Committee KASIKORNBANK PUBLIC COMPANY LIMITED Deputy Director General Bureau of the Crown Property Director Deves Insurance Company Limited Director CPB Equity Company Limited Director CPB Property Company Limited
8. Mr. Somchai Bulsook Director, and Member of the Audit Committee	62	<ul style="list-style-type: none"> BBA, Menlo School of Business, U.S.A. Directors Certification Program (DCP), Thai Institute of Directors 	-	0.011	1993 - Present 1998 - Present 1992 - Present 1996 - Present 1997 - Present 2002 - Present 2003 - Present	Director KASIKORNBANK PUBLIC COMPANY LIMITED Member of the Audit Committee KASIKORNBANK PUBLIC COMPANY LIMITED Director and Executive Director Bangkok Glass Industry Company Limited President & CEO Serm Suk Public Company Limited Chairman Serm Suk Beverage Company Limited Director Petform (Thailand) Company Limited Director Royal Orchid Hotel (Thailand) Public Company Limited



Name/Position	Age	Education	Family Relationship	Percentage of Shares Held	Experiences Over Past 5 Years	
					Period	Position Company/Organization
9. Ms. Sujitpan Lamsam Director, and Member of the Risk Management Committee (Authorized Signature)	46	<ul style="list-style-type: none"> MA Honours (Economics), Cambridge University, England Master of Science in Management, Massachusetts Institute of Technology, U.S.A. Directors Accreditation Program (DAP), Thai Institute of Directors 	Cousin of Mr. Banyong Lamsam Aunt of Mr. Banthoon Lamsam	0.002	1999 - Present 2003 - Present 2000 - Present 2000 - Present 2000 - Present	Director KASIKORNBANK PUBLIC COMPANY LIMITED Member of the Risk Management Committee KASIKORNBANK PUBLIC COMPANY LIMITED Director Muang Thai Life Assurance Company Limited Chairman Ploy Asset Management Company Limited Chairman Phethai Asset Management Company Limited
10. Professor Khuningy Suchada Kiranandana Director, and Member of the Audit Committee	59	<ul style="list-style-type: none"> Ph.D. (Statistics), Harvard University, U.S.A. Directors Certification Program (DCP), Thai Institute of Directors 	-	0.000	2000 - Present 2000 - Present 2004 - Present 1998 - Present 1997 - Present 1999 - 2004	Director KASIKORNBANK PUBLIC COMPANY LIMITED Member of the Audit Committee KASIKORNBANK PUBLIC COMPANY LIMITED Rector Chulalongkorn University Professor Department of Statistics, Faculty of Commerce and Accountancy, Chulalongkorn University President Thai Statistical Association Dean The Graduate School, Chulalongkorn University
11. Professor Dr. Yongyuth Yuthavong Director, and Member of the Corporate Governance Committee	61	<ul style="list-style-type: none"> Ph.D. (Organic Chemistry), Oxford University, England Directors Accreditation Program (DAP), Thai Institute of Directors 	-	-	2000 - Present 2002 - Present 1999 - Present 2004 - Present 1998 - Present	Director KASIKORNBANK PUBLIC COMPANY LIMITED Member of the Corporate Governance Committee KASIKORNBANK PUBLIC COMPANY LIMITED President Thai Academy of Science and Technology Senior Advisor National Science and Technology Development Agency Senior Researcher National Center for Genetic Engineering and Biotechnology



Name/Position	Age	Education	Family Relationship	Percentage of Shares Held	Experiences Over Past 5 Years	
					Period	Position Company/Organization
					1998 - Present	Chairman Advisory Board on ASEAN Plan of Action on Science and Technology
					1984 - Present	Member Council of Trustee and Executive Board Thailand Development Research Institute
12. Dr. Abhijai Chandrasen Director, Legal Adviser, and Advisory Director to the Management Committee (Authorized Signature)	56	<ul style="list-style-type: none"> • Docteur en Droit (with Honors), Paris University (Sorbonne), France • Directors Accreditation Program (DAP), Thai Institute of Directors 	-	0.000	2000 - Present	Director and Legal Adviser and Advisory Director to the Management Committee KASIKORNBANK PUBLIC COMPANY LIMITED
					1979 - Present	Director Siam Motors Parts Company Limited
					1994 - Present	Director Sammakorn Public Company Limited
					2000 - Present	Chairman Punyariddhi Law Office Company Limited
					2003 - Present	Audit Committee Member & Chairman of the Human Resources and Remuneration Committee Sammakorn Public Company Limited
13. Mr. Charles L. Coltman, III Director, and Chairman of the Human Resources and Remuneration Committee	62	<ul style="list-style-type: none"> • Graduate Study in Asian Affairs, American University, U.S.A. 	-	0.001	2000 - Present	Director KASIKORNBANK PUBLIC COMPANY LIMITED
					2002 - Present	Chairman of the Human Resources and Remuneration Committee KASIKORNBANK PUBLIC COMPANY LIMITED
					2000 - Present	Chairman World Risk Consultants LLC
					2001 - Present	Chairman of International Advisory Committee National City Bank
14. Ms. Elizabeth Sam Director, and Member of the Audit Committee	64	<ul style="list-style-type: none"> • BA Honours (Economics), University of Singapore, Singapore 		0.003	2001 - Present	Director and Audit Committee Member KASIKORNBANK PUBLIC COMPANY LIMITED
					1999 - Present	Director Asia Investment Corporation
					2000 - Present	Independent Director Boardroom Limited
					2004 - Present	Director Banyan Tree Holdings Limited



Name/Position	Age	Education	Family Relationship	Percentage of Shares Held	Experiences Over Past 5 Years	
					Period	Position Company/Organization
15. Mr. Chaisak Saeng-Xuto Director, and Member of the Human Resources and Remuneration Committee	60	<ul style="list-style-type: none"> MS (Engineering), University of California, Berkeley, U.S.A. Directors Accreditation Program (DAP), Thai Institute of Directors 	-	0.000	2001 - Present 2002 - Present 2001 - Present 2001 - Present 2000 - Present 1999 - Present	Director KASIKORNBANK PUBLIC COMPANY LIMITED Member of the Human Resources and Remuneration Committee KASIKORNBANK PUBLIC COMPANY LIMITED Adviser Siam Cement Public Company Limited Adviser to the Board Siam Pulp and Paper Public Company Limited Audit Committee Member Samakki Insurance Public Company Limited Director Thai British Security Printing Public Company Limited
16. Dr. Schwin Dhammanungune Director, and Member of the Human Resources and Remuneration Committee	51	<ul style="list-style-type: none"> D.B.A. (International Business Administration), US International University, U.S.A. Ph.D. (I/O Psychology), US International University, U.S.A. Directors Certification Program (DCP), Thai Institute of Directors 	-	-	2001 - Present 2002 - Present 1999 - Present 1995 - Present 1993 - Present 1996 - 2004	Director KASIKORNBANK PUBLIC COMPANY LIMITED Member of the Human Resources and Remuneration Committee KASIKORNBANK PUBLIC COMPANY LIMITED Member of the Regulatory Committee of International Business Program Eastern Asia University President Business Intelligence & Creativity Company Limited President LEARNET International (Thailand) Company Limited Chairman of the Industrial Organization Program Faculty of Psychology, Chulalongkorn University
17. Mr. Apichai Bunyakiat Executive Vice President	59	<ul style="list-style-type: none"> Master of Science in Commerce, St. Louis University, U.S.A. 	-	0.003	1997 - Present 1994 - 1996	Executive Vice President KASIKORNBANK PUBLIC COMPANY LIMITED First Senior Vice President KASIKORNBANK PUBLIC COMPANY LIMITED



Name/Position	Age	Education	Family Relationship	Percentage of Shares Held	Experiences Over Past 5 Years	
					Period	Position Company/Organization
18. Dr. Piengchai Pookakupt Executive Vice President	51	<ul style="list-style-type: none"> Ph.D. International Business, University of Wisconsin - Madison, U.S.A. Directors Certification Program (DCP), Thai Institute of Directors Association 	-	-	1999 - Present 1995 - 1998	Executive Vice President KASIKORNBANK PUBLIC COMPANY LIMITED First Senior Vice President KASIKORNBANK PUBLIC COMPANY LIMITED
19. Mr. Boontuck Wungcharoen Executive Vice President	48	<ul style="list-style-type: none"> Master of Business Administration, New York University, U.S.A. 	-	-	1999 - Present 1995 - 1998	Executive Vice President KASIKORNBANK PUBLIC COMPANY LIMITED First Senior Vice President KASIKORNBANK PUBLIC COMPANY LIMITED
20. Mr. Richard A. Clarke Executive Vice President	58	<ul style="list-style-type: none"> Bachelor of Arts, University of Notre Dame, Indiana, U.S.A. 	-	-	2002 - Present 1998 - 2001 1995 - 1998 1991 - 1995 1989 - 1991	Executive Vice President KASIKORNBANK PUBLIC COMPANY LIMITED Managing Director and Group Head-Leveraged - Finance First Union Corporation SVP and Senior Managing Director, Corporate Finance CoreStates Financial Corporation SVP and Managing Director, Syndications CoreStates Financial Corporation SVP, Specialized Banking Group CoreStates Financial Corporation
21. Mr. David L. Hendrix Executive Vice President	61	<ul style="list-style-type: none"> Master of Arts, Tufts University, U.S.A. 	-	0.002	2001 - Present 1997 - 2000 1995 - 1996 1986 - 1995	Executive Vice President KASIKORNBANK PUBLIC COMPANY LIMITED EVP, Consumer Banking Group Bank of Asia VP and Global Corporate Banking Country Head Citibank, Taiwan General Manager and Corporate Country Officer Citibank, Thailand



Name/Position	Age	Education	Family Relationship	Percentage of Shares Held	Experiences Over Past 5 Years	
					Period	Position Company/Organization
22. Mr. Wanarak Eckachai Executive Vice President <small>* resigned from the position of Executive Vice President on January 1, 2005, and currently act as Adviser to Chief Executive Officer</small>	48	<ul style="list-style-type: none"> Bachelor of Science, Madison Business College, U.S.A.. 	-	-	December 2002 - 2004 * March 2002 - November 2004 1999 - 2001	Executive Vice President KASIKORNBANK PUBLIC COMPANY LIMITED Adviser to President KASIKORNBANK PUBLIC COMPANY LIMITED Chairman IBM Thailand Company Limited
23. Mr. Somkiat Sirichatchai Executive Vice President	40	<ul style="list-style-type: none"> Master of Business Administration, University of Pennsylvania, (Wharton), U.S.A. 	-	-	2004 - Present 2001 - 2003 1999 - 2000	Executive Vice President KASIKORNBANK PUBLIC COMPANY LIMITED First Senior Vice President KASIKORNBANK PUBLIC COMPANY LIMITED Senior Vice President Executive Services Department KASIKORNBANK PUBLIC COMPANY LIMITED
24. Mr. Predee Daochai Executive Vice President	47	<ul style="list-style-type: none"> Master of Comparative Laws, University of Illinois, U.S.A. 	-	0.005	April 2004 - Present 2001 - March 2004 1999 - 2000	Executive Vice President KASIKORNBANK PUBLIC COMPANY LIMITED First Senior Vice President KASIKORNBANK PUBLIC COMPANY LIMITED Senior Vice President Debt Restructuring Department KASIKORNBANK PUBLIC COMPANY LIMITED
25. Ms. Chawiwan Varophas First Senior Vice President (Finance and Control Group)	52	<ul style="list-style-type: none"> Master of Science, Syracuse University, U.S.A. M.B.A. (Management Data System), Syracuse University, U.S.A. 	-	-	2001 - Present 1996 - 2001 1994 - 1996	First Senior Vice President KASIKORNBANK PUBLIC COMPANY LIMITED Senior Vice President Financial Planning Department KASIKORNBANK PUBLIC COMPANY LIMITED First Vice President Financial Planning Department KASIKORNBANK PUBLIC COMPANY LIMITED
26. Mr. Prasopsuk Damrongchietanon First Senior Vice President (Finance and Control Group)	43	<ul style="list-style-type: none"> Master of Business Administration, Columbia University, U.S.A. 	-	-	2003 - Present 2001 - 2003 1999 - 2001	First Senior Vice President KASIKORNBANK PUBLIC COMPANY LIMITED Senior Vice President Internal Risk Management Department KASIKORNBANK PUBLIC COMPANY LIMITED First Vice President Internal Risk Management Department KASIKORNBANK PUBLIC COMPANY LIMITED



Name/Position	Age	Education	Family Relationship	Percentage of Shares Held	Experiences Over Past 5 Years	
					Period	Position Company/Organization
27. Ms. Pranee Tirasest Senior Vice President Financial Accounting Management Department	52	• Master of Science, Carnegie - Mellon University, U.S.A.	-	-	1998 - Present	Senior Vice President Financial Accounting Management Department KASIKORNBANK PUBLIC COMPANY LIMITED
					1992 - 1997	First Vice President Financial Accounting Management Department KASIKORNBANK PUBLIC COMPANY LIMITED
28. Ms. Siriluck Ratanachai First Vice President Financial Planning Department	38	• Master of Business Administration, University of Chicago, U.S.A.	-	-	April 2004 - Present	First Vice President Financial Planning Department KASIKORNBANK PUBLIC COMPANY LIMITED
					November 2003 - March 2004	First Vice President Head of Accounting Information Management Financial Accounting Management Department KASIKORNBANK PUBLIC COMPANY LIMITED
					2000 - October 2003	First Vice President Financial Accounting Management Administrator Financial Accounting Management Department KASIKORNBANK PUBLIC COMPANY LIMITED

Note: Fourteen out of sixteen directors of the Bank have attended a training course organized by the Thai Institute of Directors Association. The number of shares held by KASIKORNBANK in 2004, including exercised warrants from the ESOP program (for employees, excluding directors), Phases 1-3.



**Details of Directorship of KBANK's Directors and Executives
in Subsidiaries and Associated Company as of December 31, 2004**

Name	Position	Subsidiaries															Associated Company	
		KASIKORNBANK PCL														1		
		1	2	3	4	5	6	7	8	9	10	11	12	13	14			
1. Mr. Banyong Lamsam	Chairman																	
2. Pol. Gen. Pow Sarasin	Vice Chairman																	
3. Mr. Banthoon Lamsam	Chief Executive Officer					x												
4. Dr. Prasarn Trairatvorakul	President																x	
5. Mr. Sukri Kaochareem	Director																	
6. M.R. Sarisdiguna Kitiyakara	Director																	
7. M.R. Yongswasdi Kridakon	Director																	
8. Mr. Somchai Bulsook	Director																	
9. Ms. Sujitpan Lamsam	Director	x	x															
10. Professor Khunying Suchada Kiranandana	Director																	
11. Professor Dr. Yongyuth Yuthavong	Director																	
12. Mr. Charles L. Coltman, III	Director																	
13. Dr. Abhijai Chandrasen	Director																	
14. Ms. Elizabeth Sam	Director																	
15. Mr. Chaisak Saeng-Xuto	Director																	
16. Dr. Schwin Dhammanungune	Director																	
17. Mr. Apichai Bunyakiat	Executive Vice President					/						/						/
18. Mr. Richard A. Clarke	Executive Vice President	/	/	/														
19. Dr. Piengchai Pookakupt	Executive Vice President	/	/	/														
20. Mr. Boontuck Wungcharoen	Executive Vice President																	
21. Mr. David L. Hendrix	Executive Vice President																/	
22. Mr. Wanarak Eckachai	Executive Vice President			x	x		x	x	x	x	x	x			x	/		
23. Mr. Somkiat Sirichatchai	Executive Vice President				/												/	
24. Mr. Predee Daochai	Executive Vice President																/	
25. Ms. Chawiwat Varophas	First Senior Vice President			/														
26. Mr. Prasopsuk Damrongchietanon	First Senior Vice President																	
27. Ms. Pranee Tirasest	Department Head-Financial Accounting Management Department																	
28. Ms. Siriluck Ratanachai	Department Head-Financial Planning Department																	

Comment

- 1) X = Chairman
/ = Director
// = Executive Director

2) List of Subsidiaries

1. Ploy Asset Management Company Limited
2. Phethai Asset Management Company Limited
3. Progress Plus Company Limited
4. Progress Land and Buildings Company Limited
5. KASIKORN Research Center Company Limited
6. Progress Facilities Management Company Limited
7. Progress Management Company Limited

8. Progress Storage Company Limited
9. Progress Service Company Limited
10. Progress Appraisal Company Limited
11. Progress Software Company Limited
12. KASIKORN LEASING COMPANY LIMITED
13. PROGRESS H R COMPANY LIMITED
14. KASIKORN SECURITIES PUBLIC COMPANY LIMITED

3) List of Associated Company

1. Processing Center Co., Ltd.

4) None of the above holds directorship in a related company



Executive Board

Chief Executive Officer

Mr. Banthoon Lamsam

President

Dr. Prasarn Trairatvorakul

Executive Vice President

Mr. Apichai Bunyakiat

Dr. Piengchai Pookakupt

Mr. Boontuck Wungcharoen

Mr. David L. Hendrix

Mr. Richard A. Clarke

Mr. Somkiat Sirichatchai

Mr. Predee Daochai

First Senior Vice President

Mr. Tongchai Charoensit

Mr. Methee Pattarakornkul

Ms. Chawiwat Varophas

Mr. Pramoth Chaiamphorn

Ms. Buranee Arunpairojana

Mr. Siripongs Kalayanarooj

Ms. Patcharin Vongsiridej

Mr. Sasawat Virapriya

Mr. Tawit Thanachanan

Mr. Teeranun Srihong

Mr. Surasak Dudsdeemaytha

Mr. Ampol Polohakul

Mr. Prasopsuk Damrongchietanon

Mr. Krisada Lamsam

Mr. Chartchai Sundharagiati

Ms. Kattiya Indaravijaya

Mr. Suwat Charoenvijitjai

Corporate Strategy Department

First Vice President

Mr. Kittipong Koomman

Corporate Communications and Administration Department

Senior Vice President

Ms. Daranee Tanchaiswasd

Dr. Adit Laixuthai

Ms. Arasa Ampornpong

First Vice President

Ms. Prayoonsri Katanyutanon

Mr. Surapong Bumroongsook

Ms. Janjaree Buranavej

E-Business Department

First Vice President

Ms. Phoranee Rhuwadhana

Overseas Office Management and Correspondent Relations Department

Senior Vice President

Dr. Adit Laixuthai

First Vice President

Mr. Chaivudh Chaiphan

Compliance Department

Senior Vice President

Mr. Vasant Chariyatantiwate

First Vice President

Ms. Vaurarat Hunsakulbunteng

Ms. Warathorn Engsombon

Ms. Amara Wamasuree

Internal Audit Department

Senior Vice President

Ms. Sumontip Otrakul

First Vice President

Mr. Veerasak Farkmitra

Mr. Krisana Tesprasit

Corporate Portfolio Management Department

First Vice President

Mr. Pongpichet Nananukool

Corporate Business Marketing and Products Department

First Vice President

Ms. Savitri Chatsirivichaiikul

Multi-Corporate Banking Department

Senior Vice President

Mr. Pattanapong Tansomboon

First Vice President

Mr. Vasin Vanichvoranun

Mr. Narongyut Lochanajaroenporn

Mr. Sammit Sakulwira

Mr. Suradech Kietthanakorn

Corporate Banking Department

First Vice President

Mr. Prasong Hanpiyavatanasakul

Mr. Surin Seubvongpataya

Ms. Nartsinee Sarnvanichpitak

Business Banking Department

Senior Vice President

Mr. Pakorn Partanapat

First Vice President

Ms. Oratai Nateeratanakamjai

Mr. Thanit Shumnij

Securities Services Department

First Vice President

Ms. Pranee Buranawatanachoke



Corporate Finance Department**First Vice President**

Mr. Vikran Paovarojkit
Mr. Photjanart Sangpruaksa
Ms. Nattharin Talthong

International Trade Department**First Vice President**

Mr. Boonyong Puapongsathorn
Mr. Gunt Aungsuthanatharn
Mr. Vichai Dittasri

Cash Management Department**First Vice President**

Mr. Weerachai Amornrat-Tana

Treasury Product Marketing Department**First Vice President**

Mr. Songpol Chevapanyaroj

Corporate Credit Product Management Department**First Vice President**

Ms. Savitri Chatsirivichaikul

Retail Portfolio Management Department**First Vice President**

Ms. Kanokwan Tantivongskorn

Retail Business Marketing Support Department**First Vice President**

Ms. Charee Kanungvanichkul

Business Channel Management Department**Senior Vice President**

Mr. Piti Tantakasem

In-Branch Service and Sales Network 1**First Vice President**

Mr. Vinit Nopkhun

In-Branch Service and Sales Network 2**First Vice President**

Mr. Somchai Trilerklith

In-Branch Service and Sales Network 3**First Vice President**

Mr. Chalot Nongkai

In-Branch Service and Sales Network 4**First Vice President**

Mr. Weeranant Chuensuwan

Consumer Sales Network**First Vice President**

Mr. Phole Dhanashoti

Retail Commercial Sales Network 1**Senior Vice President**

Mr. Vichien Juprasurtporn

Retail Commercial Sales Network 2**First Vice President**

Mr. Chutchaval Viruttanachai

Retail Commercial Sales Network 3**First Vice President**

Mr. Akadej Chotivanich

Retail Commercial Sales Network 4**First Vice President**

Mr. Suwat Pisuthiporn

Customer Relations Department**First Vice President**

Ms. Kwannet Ratanapruk

Retail Commercial Segment and Credit Product Management Department**First Vice President**

Mr. Pipit Aneaknithi

Credit Card Department**First Vice President**

Ms. Porawan Sudsok

Consumer Loans Department**Senior Vice President**

Mr. Chatchai Payuhanaveechai

Retail Deposit and Fee Products Management Department**Senior Vice President**

Mr. Som Pisarnsopon

Electronic Channel Support Department**First Vice President**

Mr. Nimit Polchai

Retail E-Business Department**Senior Vice President**

Mr. Prayootd Tansrisuwarn

Consumer Segment Management Department**Retail Business Development Department****Distribution Network Support Department****Credit Policy Department****First Vice President**

Mr. Pattarapong Kanhasuwan

Credit Underwriting Department**Senior Vice President**

Ms. Pannee Lertchanyakul

First Vice President

Ms. Sarunya Leelarasamee

Risk Asset Review Department**First Vice President**

Mr. Dolapar Petpiroon



**Credit and Collateral Control
Department**

First Vice President

Mr. Vachara Tuntariyanond
Ms. Chalida Sirampuj
Ms. Warunee Chumnansipet

Debt Restructuring Department

First Vice President

Mr. Wirawat Panthawangkun
Ms. Nidapa Sutiratana
Mr. Thitipat Na-Pombejra
Mr. Chitcharoen Phichitkurugarn
Mr. Worawut Piyasachaboon
Mr. Wichai Yongchaitrakul

**Retail Business Debt Recovery
Network**

Senior Vice President

Mr. Somchai Visitkitchakarn

First Vice President

Mr. Tanong Sombutpanit
Mr. Samphant Takasiyanant
Mr. Weeranant Chuensuwan
Mr. Manus Pinthong

Legal Department

Senior Vice President

Mr. Pornsak Sakpunpanom

First Vice President

Mr. Sittiporn Mahaswat

**Foreclosed Property
Management Department**

First Vice President

Mr. Atipat Asawachinda

**Credit Information Management
Department**

First Vice President

Mr. Niasinn Lamsam

**Information Management
Department**

First Vice President

Ms. Apiwan Suttitossatum

**Information Technology
Management Department**

Senior Vice President

Ms. Orn-Anong Thonguthai

First Vice President

Mr. Wichai Jermhansa
Mr. Winij Panamaeta

**Process Development
Department**

Information Security Department

First Vice President

Mr. Surose Petchakich

**Operation Supporting
Department**

**Facilities and Fixed Asset
Management Department**

Senior Vice President

Mr. Thamrong Nakornratanachai

Central Operation Department

Senior Vice President

Mr. Yuthchai Chusakpakdee

First Vice President

Mr. Sakchai Sombatsrisomboon
Mr. Yudhana Sinwasod
Mr. Noppadol Chotigagamthorn

**Internal Risk Management
Department**

First Vice President

Mr. Krit Jitjang

Financial Planning Department

First Vice President

Ms. Siriluck Ratanachai
Ms. Choopit Wattanachai

Treasury Department

First Vice President

Mr. Chongrak Boonchayanurak

**Financial Accounting
Management Department**

Senior Vice President

Ms. Pranee Tirasest

First Vice President

Ms. Wasana Surakit
Ms. Supranee Kittikorn

Treasury Operation Department

Senior Vice President

Ms. Chantana Soi-Ampornkun

First Vice President

Ms. Pensri ROUNGPONG

**Human Resource Management
Department**

First Vice President

Ms. Duenpen Pawakranond

**Employee Relations
Management Department**

Senior Vice President

Mr. Thanawat Duang-Udom

First Vice President

Mr. Wiwat Rumratana

**Human Resource Development
Department**

First Vice President

Ms. Pranee Visitkitchakarn
Ms. Passamon Vichitkamthorn



Investments of the KASIKORNBANK PUBLIC COMPANY LIMITED in Subsidiaries, Associated and Other Companies

The following is a list of companies in which KBANK, as of December 31, 2004 made investments in the form of stockholding of 10 percent or more of the total number of stocks issued.

Name of Company	Location of Corporate Headquarters	Type of Business	Total Number of Paid-up Stocks	Total Number of Stocks Held	Proportion of Total Stocks Held (%)	Type of Stock
1 PLOY ASSET MANAGEMENT CO., LTD. Tel 0 2693 2020 Fax 0 2693 2525	Bangkok	Services	500,000,000	499,999,993	99.99	Common Stock
2 PHETHAI ASSET MANAGEMENT CO., LTD. Tel 0 2694 5000 Ext. 5208 Fax 0 2694 5203	Bangkok	Services	800,000,000	799,999,993	99.99	Common Stock
3 KANPAI CO., LTD. Tel 0 2270 1261 Fax 0 2270 1262	Bangkok	Services	200,000	199,993	99.99	Common Stock
4 PROGRESS PLUS CO., LTD. Tel 0 2270 1272 Fax 0 2270 1273	Bangkok	Services	230,000	229,993	99.99	Common Stock
5 KASIKORN FACTORING CO., LTD. Tel 0 2290 2900 Fax 0 2275 5165	Bangkok	Factoring	1,600,000	1,599,994	99.99	Common Stock
6 PROGRESS LAND AND BUILDINGS CO., LTD. Tel 0 2273 3884 Fax 0 2273 3883	Bangkok	Real Estate Development	20,000,000	19,999,992	99.99	Common Stock
7 KASIKORN RESEARCH CENTER CO., LTD. Tel 0 2273 1874 Fax 0 2270 1569	Bangkok	Services	100,000	99,993	99.99	Common Stock
8 PROGRESS FACILITIES MANAGEMENT CO., LTD. Tel 0 2273 3289-91 Fax 0 2273 3292	Bangkok	Services	50,000	49,993	99.99	Common Stock
9 PROGRESS MANAGEMENT CO., LTD. Tel 0 2273 3880-2 Fax 0 2273 3883	Bangkok	Services	60,000	59,993	99.99	Common Stock
10 PROGRESS SOFTWARE CO., LTD. Tel 0 2273 3829-30 Fax 0 2270 1197	Bangkok	Services	100,000	99,994	99.99	Common Stock
11 KASIKORN LEASING CO., LTD. Tel - Fax -	Bangkok	Leasing	6,000,000	5,999,993	99.99	Common Stock
12 PROGRESS STORAGE CO., LTD. Tel 0 2273 3833 Fax 0 2271 4784	Bangkok	Services	30,000	29,993	99.98	Common Stock
13 PROGRESS SERVICE CO., LTD. Tel 0 2273 3293-4 Fax 0 2273 3292	Bangkok	Services	20,000	19,993	99.97	Common Stock



Name of Company	Location of Corporate Headquarters	Type of Business	Total Number of Paid-up Stocks	Total Number of Stocks Held	Proportion of Total Stocks Held (%)	Type of Stock
14 PROGRESS H R CO., LTD. Tel 0 2273 1785-6 Fax 0 2270 1273	Bangkok	Services	10,000	9,994	99.94	Common Stock
15 KASIKORN SECURITIES PUBLIC CO., LTD. Tel - Fax -	Bangkok	Securities	60,000,000	59,944,662	99.91	Common Stock
16 PROGRESS APPRAISAL CO., LTD Tel 0 2273 3654-6 Fax 0 2270 1051	Bangkok	Services	5,000	4,992	99.84	Common Stock
17 MANAGER MEDIA GROUP PUBLIC CO., LTD. TEL 0 2281 8333 FAX 0 2280 0724	Bangkok	Services	102,499,834	98,023,029	95.63	Common Stock
18 SIAM CONTAINER PIPE CO., LTD. Tel 0 2639 6699 Fax -	Bangkok	Metals Industry	20,041	15,367	76.68	Common Stock
19 PHATRA REAL ESTATE PUBLIC CO., LTD. Tel 0 2693 3990-9 Fax 0 2693 3950	Bangkok	Real Estate Development	383,406,405	277,018,336	72.25	Preferred Stock
20 KASIKORN ASSET MANAGEMENT CO., LTD. Tel 0 2693 2300 Fax 0 2693 2320	Bangkok	Mutual Fund Management	27,154,274	19,394,156	71.42	Common Stock
21 THAI ADMINISTRATION SERVICES CO., LTD. Tel 0 2670 9494 Fax 0 2670 9499	Bangkok	Services	2,500,000	1,274,997	51.00	Common Stock
22 CONTINENTAL PETROCHEMICAL (THAILAND) CO., LTD. Tel 0 2315 1478 Fax -	Samutprakarn	Manufacturing	62,160	27,327	43.96	Preferred Stock
23 FUEL PIPELINE TRANSPORTATION LTD. Tel 0 2574 6180-3 Fax 0 2574 6101	Bangkok	Fuel Pipeline Transportation	7,960,000	2,481,138	31.17	Preferred Stock
24 PROCESSING CENTER CO., LTD. Tel 0 2237 6330-4 Fax 0 2634 3231	Bangkok	Services	100,000	30,000	30.00	Common Stock
25 SIAM PHIWAN CO., LTD Tel 0 2658 1000-19 Fax 0 2658 1020-1	Bangkok	Services	1,000,000	298,700	29.87	Preferred Stock
26 N.C. ASSOCIATE CO., LTD. Tel 0 2661 5200 Fax 0 2661 4136	Bangkok	Trading	10,000	2,823	28.23	Common Stock
27 RURAL CAPITAL PARTNERS CO., LTD. Tel 0 2318 3958 Fax 0 2318 3958 Ext. 406	Bangkok	Joint Ventures	1,000,000	275,000	27.50	Common Stock
28 WTA (THAILAND) CO., LTD. Tel 0 2699 1609 Fax 0 2643 1881	Bangkok	Trading	1,000	249	24.90	Common Stock
29 PROGRESS INFORMATION CO., LTD. Tel 0 2263 3850 Fax 0 2263 8051	Bangkok	Services	1,000,000	200,000	20.00	Common Stock
30 M GRAND HOTEL CO., LTD. Tel 0 2617 1949 Fax 0 2617 1940-1	Bangkok	Hotel	100,000,000	20,000,000	20.00	Common Stock
31 E.S. INDUSTRIES CO., LTD. Tel 0 2516 9124-8 Fax 0 2516 9202	Pathum Thani	Textiles	1,100,000	220,000	20.00	Common Stock
32 UNITAS CO., LTD. Tel 0 2249 0491 Fax 0 2249 0503	Bangkok	Holding Company	110,532	21,152	19.14	Common Stock



Name of Company	Location of Corporate Headquarters	Type of Business	Total Number of Paid-up Stocks	Total Number of Stocks Held	Proportion of Total Stocks Held (%)	Type of Stock
33 PHATRA REAL ESTATE PUBLIC CO., LTD. Tel 0 2693 3990-9 Fax 0 2693 3950	Bangkok	Real Estate Development	96,000,000	16,500,000	17.19	Common Stock
34 KHUNKA PALANG THAI CO., LTD. Tel 0 2716 1600 Fax 0 2716 1488	Bangkok	Energy	10,000	1,538	15.38	Common Stock
35 PALANG THAI KAOWNA CO., LTD. Tel 0 2716 1600 Fax 0 2716 1488	Bangkok	Energy	10,000	1,538	15.38	Common Stock
36 SIAM TECHNO CITY CO., LTD. Tel 0 2634 0655-6 Fax 0 2634 0657	Bangkok	Real Estate Development	10,000,000	1,500,000	15.00	Common Stock
37 AMERICAN APPRAISAL (THAILAND) CO., LTD. Tel 0 2675 8403-15 Fax 0 2675 8427-8	Bangkok	Services	10,000	1,165	11.65	Common Stock
38 MISUHO CORPORATION LEASING (THAILAND) CO., LTD. Tel 0 2266 6431-6 Fax 0 2266 6440	Bangkok	Leasing	60,000	6,000	10.00	Common Stock
39 E.C. LEASING CO., LTD. Tel 0 2664 1366 Fax 0 2664 1367	Bangkok	Leasing	100,000	10,000	10.00	Common Stock
40 TELESAT CORPORATION CO., LTD. Tel 0 2682 6111 Fax 0 2682 6306	Bangkok	Telecommunications	30,000,000	3,000,000	10.00	Common Stock
41 ZIN SUAPAH CO., LTD. Tel 0 2221 5895 Fax 0 2224 4499	Bangkok	Services	6,000	600	10.00	Common Stock
42 SEACON DEVELOPMENT CO., LTD. Tel 0 2721 8888 Fax 0 2721 9444	Bangkok	Real Estate Development	5,740,000	574,000	10.00	Common Stock
43 BAAN SOMTHAVIL CO., LTD. Tel 0 2332 0352 Fax 0 2332 0372-4	Bangkok	Real Estate Development	1,000,000	100,000	10.00	Common Stock
44 SUN VALLEY CO., LTD. Tel 0 2226 3390 Fax 0 2222 9021	Bangkok	Real Estate Development	1,000,000	100,000	10.00	Common Stock
45 MUANG THAI HOLDING CO., LTD. Tel 0 2274 9400 Fax 0 2276 1997-8	Bangkok	Joint Ventures	42,000,000	4,200,000	10.00	Common Stock
46 INTERNATIONAL SOFTWARE FACTORY CO., LTD. Tel 0 2273 1840-9 Fax 0 2270 1145	Bangkok	Computer Software	5,000,000	500,000	10.00	Common Stock
47 ADVANCE MICRO TECH CO., LTD. Tel 0 2739 4095-8 Fax 0 2739 4099	Bangkok	Electronics	600,000	60,000	10.00	Common Stock
48 WEI POA CO., LTD. Tel 0 2224 3839 Fax 0 2224 8031	Hongkong	Agro-Industry	5,500,000	550,000	10.00	Common Stock
49 PALIT PALANGGAN CO., LTD. Tel 0 2716 1600 Fax 0 2716 1488	Bangkok	Energy	10,000	1,000	10.00	Common Stock



Activities for Charity, Society and the Environment

For the entire 60 years of our service to all our clients, KASIKORNBANK has always realized that we are a part of society and have the intention of operating our business with ethical conduct in conjunction to our responsibility to society. Therefore, in each year the Bank undertakes projects to help develop society in many aspects such as preserving nature and environment, promotion of Buddhism, educational support, developing youth and the under-privileged, and taking part in promoting the government's projects. The Bank hopes that these charitable activities will help to encourage better lives in Thai society, as well as further instill an attitude of help and support for each other. This, it is hoped, will encourage everyone to be more responsible in helping to create sustainable prosperity for our country. In 2004, the Bank supported numerous social activities as follows:

The Clean Waterways Project: Clear Waters around Thailand, Like the Good Heart of Her Majesty the Queen

This is a major project initiated by KBANK, as part of a concerted effort within the Kingdom to commemorate the auspicious occasion of the 72nd Birthday of Her Majesty the Queen in 2004. The project was aimed primarily at honoring Her Majesty's concerns about the environment, including forest and water resources. Waterways are extremely important for the Thai people and the society is closely involved with them. KBANK has thus cooperated with the Basic Education Commission of the Ministry of Education in encouraging students from Prathomsuksa 1 to Mathayomsuksa 6, equivalent to grades 1-12, from schools all over the country to write a project proposal for the development and preservation of neighboring water resources located not further than 3 kilometers from their schools. The main thrust of this is to restore clean and clear water in a sustainable fashion. The Bank will provide financial support of up to Baht 50,000 for each project, equal to total budget support of Baht 72 million. Project applications were submitted for the Bank's consideration during June 8 through July 25, 2004, and are due for implementation between November 5, 2004, through to March 31, 2005. There were 4,798 project proposals submitted, and KBANK's funding was granted for 2,999 projects, altogether.



Bridges-Dialogues towards a Culture of Peace Project

KASIKORNBANK supports the activities of the International Peace Foundation which encourages Thailand to be a center for exchanging ideas, diplomatic relations and international understanding, including finding guidelines to create peace in the world. Twenty-eight Nobel laureates from the fields of peace, physics, chemistry, medicine, literature and economic sciences were invited to lecture in Thailand to impart knowledge as a general benefit for those in academic circles and the general public.



KBANK Little League Soccer Competition

KBANK Club, under its sport promotion policy for Thai youth, has cooperated with Siam Sport Syndicate Co., Ltd., in organizing the first KBANK Little League Soccer Competition for primary school students, aged between 9–12 years old. Ten soccer teams entered the competition for prizes provided as scholarships worth about Baht 238,000, together with trophies from the KBANK Little League. The competition was held at the KBANK Club between June 26–December 26, 2004



Royal Kathin Robe Presentation Ceremony

On November 6, 2004, the Bank organized the Royal Kathin Robe Presentation Ceremony at the Wat Wiharn Bot Temple in Tambon Thong Chai, Muang, Phetchaburi province. The Bank raised financial contributions of Baht 5.5 million from the Board of Directors, employees, customers and the general public. The total sum was used for the construction of a ‘viharn’ for sermons, renovation of the Chatchawanwiangchai Chamber (Kra Chom Kao) at National Museum at Phra Nakhon Khiri, Phetchaburi province, and financial contribution to other charitable organizations.

Scholarships

Acknowledging that education is vital to the development of children and young people, the Bank has, for 35 years since 1969, provided scholarships to needy students with excellent academic records all over the country. In 2004, the Bank provided 1,277 scholarships, a total funding of Baht 2,844,300 million. There were 91 scholarships provided for students in Greater Bangkok. In provinces outside the capital, 1,177 scholarships were granted, along with one grant for studies at the Master’s degree level, six scholarships to fund the writing of student theses, and two for Royal Scholarships at the BA level.

In addition, the Bank has, since 1966, provided post-graduate scholarships in the Business Administration field to promote education, which is a vital foundation to the country’s development and a means to improve the potential of the Bank’s human resources. In 2004, three scholarships were provided to the general public for the studies in the USA, Japan and the People’s Republic of China; plus one scholarship to a Bank employee to study in the USA, and two others for post-graduate study at institutions in Thailand.

Assistance for Tsunami Victims in Southern Thailand

KBANK donated a sum of Baht 5 million to the Rachaprachanukroh Foundation under the Royal Patronage of His Majesty the King. The Bank also set up special deposit accounts to accept public donations for the Rachaprachanukroh Foundation under the Royal Patronage of His Majesty the King and the Thai Red Cross Society in order to provide financial support for “tsunami” victims in six southern provinces, i.e., Phuket, Ranong, Phang Nga, Krabi, Satun and Trang.





OTOP Project Support

The Bank has contributed in many forms to the One Tambon, One Product Project (OTOP) initiated by the government. Soft loans have been provided for the production of leading OTOP products, together with the establishment of OTOP Info Centers at eight KBANK branches. These are the Thanon Chang Khlan branch in Chiang Mai, plus branches in Phitsanulok, Nakhon Sawan, Chon Buri, Nakhon Ratchasima, Phuket, Surat Thani and Bangkok (Phahon Yothin Main Branch Office) branches. Each of these Info Centers will serve as a central point of reference for its region. A computerized OTOP database has also been installed and is accessible at branches in 76 provinces all over the country. The Bank also encourages the use of OTOP products in its gift-giving for many occasions.

Youth Camp, New Year Party, Seaside Trip for Underprivileged Children

The Bank organized a New Year Youth Camp for underprivileged children from the “Tai Saphan” (Under the Bridge) community and for handicapped children, so that they would have the opportunity to celebrate the New Year and to enjoy playing sports, arts and music. New Year gifts were presented to every child in the Camp. By mid-year, the Bank had taken 450 underprivileged and handicapped children to the beach, staying at the Bank’s seaside resort at Hua Hin for two days and one night.

Safety, Occupational Health and Environment

The Bank ensures that its buildings are safe, hygienically clean and have pleasant environments are favorable for staff to work in efficiently as well as convenient for customers and persons doing business with the Bank.

Head office buildings and other high rise buildings of the Bank are designed and installed with standard fire protection systems according to the NFPA (National Fire Protection Association) of the USA; a standard that is accepted worldwide. Important systems within the building comprise an automatic fire alarm system, fire extinguishing systems, smoke ventilation systems, compressed air system within floors, and fire escape stairs. Moreover, the Bank has also set up a helicopter landing pad on the roof of the car parking building as another fire escape egress path through the air.

The Emergency Master Fire Plan of the Bank was set up by experts and is updated continually. The Bank regularly arranges fire drills at least twice a year so that staff and personnel who are responsible for fire fighting administration have the required knowledge and expertise to assist in building evacuation according to these plans.

The public utility system installed within the buildings are there for the health and safety of personnel working in these buildings, and include such systems as double air filtration, air-conditioning systems to purify the air within the building and eliminate outside pollution, lighting systems with standardized lighting values that will not harm eyesight, and water purification systems for drinking water using ozone to clean and clarify drinking water, etc.

The environment in public areas and in communities is another point that the Bank has always realized the importance of. The location of the head office is designed to have good environment and be shady with landscaped gardens, trees, fountains, sculptures and activities, etc. Emergency electricity generators are installed with exhaust systems that filter smoke, smells, and have noise abatement devices to prevent disturbing nearby communities. The high-efficiency waste water treatment system provides treated water to the gardens and for use in the air-conditioning system. Therefore, apart from helping to preserve the environment, the system also helps the Bank to save on the cost of water dramatically.

The Bank is also an organization that supports efforts to preserve the environment by steadily encouraging the use of recycle paper. In addition, the Bank also has a policy not to approve loans to projects that violate environmental laws of the country.



General Information

KASIKORNBANK Pcl. conducts commercial banking business under the regulations of Thailand's Commercial Banking Act and other related directives of the Bank of Thailand.

Head Office	: 1 Soi Kasikornthai, Ratburana Road, Bangkok 10140, Thailand
Company Registration Number	: PCL. 105
Home Page	: http://www.kasikornbank.com
Telephone	: 0 2222 0000
Fax	: 0 2470 1144-5
Call Center	: +66 2888 8800 (English)
	: +66 2888 8888 (Thai)
	: +66 2800 8888 (Mandarin)

Major Shareholders of KASIKORNBANK PUBLIC COMPANY LIMITED

At the Closing of registration for attendance at the Extraordinary Meeting of Shareholders No.1/2004, October 15, 2004:

Unit : Number of Shares

Rank	Name	No. of Common Shares	Percentage Held
1	THAI NVDR CO.,LTD.	209,893,253	8.88
2	THAILAND SECURITIES DEPOSITORY COMPANY LIMITED FOR DEPOSITORS	86,978,167	3.68
3	STATE STREET BANK AND TRUST COMPANY	68,609,628	2.90
4	THE BANK OF NEW YORK (NOMINEES) LIMITED	52,766,966	2.23
5	BOSTON SAFE DEPOSIT AND TRUST COMPANY	52,514,795	2.22
6	HSBC BANK PLC-CLIENTS GENERAL A/C	51,009,005	2.16
7	HSBC (SINGAPORE) NOMINEES PTE LTD.	46,596,634	1.97
8	CHASE NOMINEES LIMITED 1	42,296,200	1.79
9	CLEARSTREAM NOMINEES LTD.	42,006,733	1.78
10	GOVERNMENT OF SINGAPORE INVESTMENT CORPORATION C	35,654,100	1.51
11	Others	1,675,299,056	70.88
	Total paid-up capital	2,363,624,537	100.00
	Thai shareholders	1,210,968,031	51.23
	Foreign shareholders	1,152,656,506	48.77

Number of the Bank's Common Shares

As of December 31, 2004, the Bank's registered and paid-up capital were as follows:

Registered capital, comprising 3,048,614,697 shares, at Baht 10 per share, totaling Baht 30,486,146,970.

Paid-up capital, comprising 2,363,624,537 shares, at Baht 10 per share, totaling Baht 23,636,245,370.

Notes : The above data does not include 6,270,030 shares derived from conversion of warrants allocated to employees (excluding directors) under the ESOP program in December 2004.

On January 11, 2005, the Bank had registered paid-up capital with the Ministry of Finance totaling Baht 23,698,945,670.



Dividend Policy

• The Bank's Dividend Policy

The Bank will take into account its operating results and long-term returns for shareholders in paying dividends. Dividend payments will be in accordance with the Bank's Regulation No. 32, stipulating that funds other than profits are forbidden for use in making dividend payments; payments of dividend are also barred if the Bank holds retained losses; dividends are divided equally according to number of the shares held by shareholders and dividend payments must be approved by a shareholders' meeting. The Board may approve interim dividend payments to shareholders if the Bank has profits. In case of interim dividend payments, the Board will inform the next shareholders' meeting of this.

Dividend payments must also be consistent with the Bank of Thailand's Directive, Re: Worthless or Irrecoverable Assets and Doubtful Assets which may be Worthless or Irrecoverable of Commercial Banks; dated August 23, 2004. It stipulates that if worthless or irrecoverable assets are not written off or full provisioning for doubtful assets which may be worthless or irrecoverable has yet been set aside, banks cannot pay dividends or other benefits to shareholders. Payments of dividend must also be in accordance with the directive, BOT.FPG. (31)c 1729/2546, Re: Dividend Policy of Commercial Banks, dated July 28, 2003; stipulating that banks should not use unrealized profits or unrealized cashflow receivables for dividend payments. Gains derived from non-material liquidation of assets that cause banks to post higher profits or lower losses than usual should also not be used for dividend payments.

• Dividend Policy for Subsidiaries

The Bank has not fixed a dividend payment ratio for its subsidiaries. Their dividend payments shall depend on the operating results of each company.

Dividend payments of subsidiaries to the Bank must be in accordance with each company's regulations on dividend payments that must be approved by a resolution of their general meetings of shareholders. Interim dividend payments are allowed. In paying dividends, subsidiary companies must record some profit. In case of losses, dividend payments will be barred until the losses are covered. In addition, at least one-twentieth ($1/20$) of all profit must be set aside as provisioning reserves until provisioning reserves account for one-tenth ($1/10$) of a companies' capital funds.



Awards and Citations in 2004

Many honorary awards and citations have been given to the Bank which reflect the Bank's achievements in business, such as:

- “Best Market Contributor Award” (citing cooperation and contribution to the general development of the bond market), from Best Bond Awards 2003, organized by the Thai Bond Dealing Center (TBDC).
- “Thailand Corporate Excellence Award 2003”, organized by the Business Management Association of Thailand, and SASIN Business Administration School of Chulalongkorn University.
- “Super Brand Award 2004” by the Readers’ Digest Magazine
- “Outstanding Retail Banking Services in 2003”, cited by the Asian Banker Journal.
- Three SET Awards in 2004, i.e., “Best Performance Award in Finance and Banking Sector” for two consecutive years; “Best Corporate Governance Report” for two consecutive years, and “Best IR (Best Investor Relations) Award”.
- “Best Bank in Thailand” Award by Euromoney Magazine.
- “Best Bank in Thailand” Award by Finance Asia Magazine.
- “Bank of the Year” Award by Banker Magazine.
- “Bank of the Year” Award for 2004 by Money and Banking Magazine the third year in a row for receiving this award.



Names, Offices, Telephone and Fax Numbers of Referenced Entities

Registrar	<ul style="list-style-type: none"> - Ordinary Shares - KBANK Subordinated Debentures No.3 due for redemption in 2013 - KBANK Short-term Debentures Project 1/2004 No.1-7 issued under KBANK Short-term Debentures Project 1/2004 (the Short-term Debenture Project). - Warrants for Ordinary Shares No.3, 4 and 5 (offered to employees) - KBANK 8 1/4% Subordinated Bonds due 2016. 	<ul style="list-style-type: none"> : Thailand Securities Depository Company Limited The Stock Exchange of Thailand Building 62 Ratchadaphisek, Klongtoey Bangkok 10110 Tel. 0 2229 2800; Fax. 0 2359 1262-3 : KASIKORNBANK Public Company Limited 1 Soi Kasikornthai, Ratburana Road, Bangkok 10140 Tel. 0 2222 0000 Fax. 0 2470 1144-5 : The Bank of New York, One Wall Street New York, N.Y. 10286, USA Tel. (212) 495 1784; Fax. (212) 635 1799
Auditors		<ul style="list-style-type: none"> : Mr. Supot Singhasaneh CPA No.2826 Mr. Nirand Lilamethwat CPA No.2316 Mr. Thirathong Thepmangkorn CPA No.3787 Ms. Wilai Buranakittisophon CPA No. 3920 KPMG Phoomchai Audit Limited Empire Tower 21 Fl., 195 South Sathorn Rd. Yannawa, Sathorn District, Bangkok 10120 Tel. 0 2658 5000; Fax. 0 2658 0880-3
Legal Adviser		<ul style="list-style-type: none"> : Dr. Abhijai Chandrasen 22 Soi Soonthornsaratoon (On Nut 21/1) Sukhumvit 77 Suanluang District, Bangkok 10250 Tel. 0 2730 6969-76; Fax. 0 2730 6967-8



153 Metropolitan Branches

Open 8.30 - 15.30 hrs. (Monday - Friday, except holidays)

		Tel	Fax
1	Asok Sub-Branch	0 2664 1350-3	0 2664 2570
2	Ban Thad Thong	0 2612 3536-41	0 2215 5971
3	Bang Bon	0 2899 8330-7	0 2416 4396
4	Bang Chak	0 2741 7661-5	0 2741 8352
5	Bang Khae	0 2801 0610-9	0 2454 2891
6	Bang Khun Non	0 2882 5818	0 2882 5495
7	Bang Khun Thian	0 2878 0023-4	0 2878 0526
8	Bang Krabu	0 2669 0870-6	0 2669 0877
9	Bang Lamphu	0 2629 1123-8	0 2629 0947
10	Bang Mot	0 2870 0224-33	0 2428 2025
11	Bang Pakok	0 2874 4764-70	0 2428 3523
12	Bang Phlat	0 2885 3333-6	0 2434 6197
13	Bang Pho	0 2912 6790-9	0 2585 7700
14	Bang Rak	0 2630 6370-7	0 2266 7540
15	Bang Son	0 2910 8768-9	0 2587 0094
16	Bang Su	0 2910 4142-8	0 2587 0652
17	Bang Yikhan	0 2883 0163-7	0 2433 1337
18	BIG-C Ratburana Sub-Branch	0 2873 1267-8	0 2873 1269
19	Bukkhalo	0 2877 6689-96	0 2477 2812
20	Chakkrawat	0 2225 5807-9	0 2225 9675
21	Charansanitwong 11	0 2412 0068-71	0 2412 8296
22	Chok Chai 4 Sub-Branch	0 2539 8735-7	0 2530 4584
23	Chong Nonsi Sub-Branch	0 2285 2071-3	0 2678 0844
24	Dao Khanong	0 2877 5670-2	0 2476 4463
25	Din Daeng Sub-Branch	0 2248 1841	0 2248 1843
26	Huay Kwang	0 2692 1375-9	0 2276 1820
27	Khlong Chan	0 2733 7136-40	0 2733 7141
28	Khlong San	0 2437 0260-2	0 2439 3344
29	Khlong Tan	0 2717 8870-4	0 2319 8352
30	Khlong Toei	0 2671 2042-5	0 2249 5011
31	King Phet	0 2612 0463-74	0 2612 1550
32	Kluai Num Thai	0 2367 3111-7	0 2367 3109
33	Lat Krabang	0 2739 0187-94	0 2326 7198
34	Lat Phrao 10	0 2938 7425-8	0 2512 5565
35	Lat Phrao 25	0-2938-3100-2	0 2513 1603
36	Lat Phrao 67	0 2933 0960-8	0 2539 3273



		Tel	Fax
37	Maha Phruttharam	0 2639 0740-9	0 2236 5566
38	Min Buri	0 2918 7708-12	0 2518 1475
39	Na-Na Nua	0 2655 0735-40	0 2253 0298
40	Nang Loeng	0 2629 8810-7	0 2629 9379
41	On Nut	0 2742 5080-4	0 2332 5285
42	On Nut 39 Sub-Branch	0 2322 6514-5	0 2721 3031
43	Phasi Charoen	0 2869 7462-6	0 2869 7128
44	Phetkasem 51	0 2801 3626-9	0 2454 2975
45	Pho Sam Ton	0 2891 0034-5	0 2465 4660
46	Phra Khanong	0 2711 2748-53	0 2711 1682
47	Phran Nok	0 2866 1323-7	0 2866 1328
48	Pin Klao	0 2884 6380-91	0 2433 9920
49	Pracha Niwet 1 Sub-Branch	0 2954 3334-7	0 2589 2914
50	Pratu Nam (Bai Yoke) Sub-Branch	0 2208 0120-1	0 2208 0118
51	Pratu Nam Pathum Wan	0 2208 0112-7	0 2208-0096
52	Prawet	0 2726 0484-7	0 2726 0494
53	Ratburana Main Branch	0 2871 3650-5	0 2871 3645
54	Ratchadamri	0 2655 0275-83	0 2253 1423
55	Ratchawat Sub-Branch	0 2243 7815-7	0 2668 5637
56	Sampheng Sub-Branch	0 2622 6326-8	0 2224 8059
57	Samre	0 2438 0050-1	0 2437 8236
58	Sanam Pao	0 2617 2838-41	0 2617 2842
59	Sao Chingcha	0 2622 0034-6	0 2622 1344
60	Saphan Krung Thon	0 2883 0172-9	0 2433 4554
61	Saphan Luang	0 2611 6183-6	0 2215 9240
62	Saphan Mai Don Muang	0 2972 5512-20	0 2552 6544
63	Saphan Phut	0 2623 7504-8	0 2623 7613
64	Si Yaek Bang Na	0 2745 2900-5	0 2393 5546
65	Si Yaek Saphan Krung Thep	0 2689 0092-6	0 2689 0694
66	Si Yaek Thanon Chan - Liab Khlong Chong Nonsi	0 2678 4101-4	0 2678 4105
67	Si Yaek Wang Hin	0 2940 4824-8	0 2940 4840
68	Siangkong	0 2639 4041-5	0 2237 4990
69	Silom Main Branch	0 2234 7050-99	0 2234 7445
70	Soi Chalaem Nimit (Pha Du 1)	0 2688 4250-5	0 2291 1079
71	Soi Charurat	0 2651 7093-8	0 2253 3537
72	Soi Thong Lo Sub-Branch	0 2712 8770-2	0 2390 0457
73	Soi Udomsuk Sub-Branch	0 2361 7666-7	0 2361 7668
74	Song Prapha-Don Muang Sub-Branch	0 2566 4345-6	0 2566 4347
75	Suan Chatuchak	0 2617 6040-7	0 2272 0857
76	Suan Phlu	0 2679 4246-53	0 2213 1362
77	Sukhaphiban 1 (Bang Bon) Sub-Branch	0 2454 4331-2	0 2454 4333
78	Sukhumvit 57	0 2714 1089-94	0 2390 0784
79	Surawong	0 2639 4056-60	0 2639 0927
80	Sutthisan	0 2616 9990-5	0 2616 9997
81	Suwinthawong Nong Chok	0 2988 0680-7	0 2988 0692
82	Talat Phattanakan Sub-Branch	0 2321 7426-7	0 2321 7425
83	Talat Phlu	0 2891 4022-9	0 2891 4278
84	Taopoon Sub-Branch	0 2911 3126-8	0 2911 3129
85	Tha Phra	0 2868 0125-35	0 2457 8812



		Tel	Fax
86	Tha Rua Sathu Pradit	0 2295 0123-5	0 2294 6661
87	Thanon Asok Din Daeng	0 2641 8660-2	0 2247 7552
88	Thanon Bang Na-Trat Km.4	0 2399 0871-2	0 2399 4275
89	Thanon Chan	0 2212 9788-9	0 2673 0438
90	Thanon Charoen Nakorn 36 Sub-Branch	0 2862 7920-2	0 2862 7924
91	Thanon Charoen Rat Sub-Branch	0 2437 0256-8	0 2437 0259
92	Thanon Lan Luang	0 2628 1390-6	0 2628 1406
93	Thanon Lang Suan	0 2652 1981-5	0 2652 1987
94	Thanon Lat Ya	0 2861 4415-20	0 2438 0538
95	Thanon Maha Chai	0 2621 0764-8	0 2226 4805
96	Thanon Phanit Chayakan Thonburi Sub-Branch	0 2865 7364-5	0 2865 7367
97	Thanon Phattanakan	0 2722 1004-8	0 2322 2589
98	Thanon Phetchaburi Tat Mai	0 2716 5205-8	0 2716 5209
99	Thanon Pracha Chun	0 2586 9352-3	0 2586 0757
100	Thanon Pracha Uthit	0 2428 7390-7	0 2428 3987
101	Thanon Pradiphat	0 2618 4168-70	0 2618 6042
102	Thanon Rama II	0 2894 0274-7	0 2416 5554
103	Thanon Rama III	0 2683 4250-60	0 2683 4264
104	Thanon Rama IX	0 2719 6809-16	0 2318 4820
105	Thanon Ramkham Haeng Sub-Branch	0 2718 8066-8	0 2314 1873
106	Thanon Rang Nam	0 2642 4611-6	0 2640 0128
107	Thanon Rarm Intra	0 2552 3060-2	0 2971 6515
108	Thanon Ratchada Phisek (Sukhumvit-Rama IV)	0 2264 0213-6	0 2264 0221
109	Thanon Ratchada Phisek (Taksin-Tha Phra)	0 2878 8670-5	0 2476 8862
110	Thanon Sathu Pradit	0 2674 0164-71	0 2212 2900
111	Thanon Sirinthon Sub-Branch	0 2881 9818	0 2423 0918
112	Thanon Sri Nakharin Km.9 Sub-Branch	0 2393 5850-4	0 2361 7236
113	Thanon Suk Sawat	0 2877 0350-5	0 2877 1090
114	Thanon Sukhaphiban 1 Bang Kapi	0 2374 0269-72	0 2375 0986
115	Thanon Sukhaphiban 2 Suan Siam	0 2919 9861-9	0 2518 2043
116	Thanon Sukhaphiban 3 Bung Kum	0 2373 0981-4	0 2373 0985
117	Thanon Witthayu	0 2252 2177-9	0 2252 2055
118	Thanon Wutthakat Sub-Branch	0 2875 4536	0 2875 4535
119	Thewet	0 2628 5051-3	0 2628 5050
120	Thiam Ruam Mit Sub-Branch	0 2274 4200	0 2274 4203
121	Thon Buri	0 2861 4356-64	0 2438 9921
122	Thungkru Sub-Branch	0 2873 5140-1	0 2873 5144
123	Wat Sai	0 2893 6285-93	0 2416 5371
124	Wong Wan Rob Nok (Ekachai-Bang Bon)	0 2899 6930-9	0 2416 0356
125	Wong Wian 22 Karakada	0 2623 3760-4	0 2224 9860
126	Worachak	0 2621 6679-83	0 2621 5635
127	Yan Nawa	0 2675 5120-4	0 2212 3281
128	Yaowarat	0 2623 0016-9	0 2226 4806
129	Yotse	0 2621 6650-2	0 2224 4819



In-Store Branches

Open daily, 11.00 - 19.00 hrs.

		Tel	Fax
130	Big-C Saphankhwai Sub-Branch	0 2616 7468-70	0 2616 7471
131	Central Ladprao Sub-Branch	0 2541 1543-5	0 2541 1548
132	Central Pinklao Sub-Branch	0 2424 3595-6	0 2424 2834
133	Central Rama II Sub-Branch	0 2872 4250-2	0 2872 4555
134	Central Rama III Sub-Branch	0 2673 6338-9	0 2673 6240
135	Fashion Island Ramindra	0 2519 4813-6	0 2519 5167
136	Lotus Rama IV Sub-Branch	0 2672 7953	0 2671 4661
137	Mahboonkrong Center Sub-Branch	0 2216 4820	0 2216 4821
138	Seacon Square	0 2721 8554-61	0 2721 8562
139	The Mall Bang Khae Sub-Branch	0 2454 9023-6	0 2454 9027
140	The Mall Bangkokkapi Sub-Branch	0 2374 4261-3	0 2374 7298
141	Victory Monument Sub-Branch	0 2644 6879-80	0 2644 6881

New Look & Feel Branches

Open Monday - Friday, 8.30 - 19.00 hrs.

and Saturday - Sunday, 11.00 - 19.00 hrs.

		Tel	Fax
142	Bang Kapi	0 2261 0150-9	0 2261 0164
143	Wang Burapha	0 2623 7681-90	0 2225 0344

Open daily, 10.00 - 19.00 hrs.

		Tel	Fax
144	Siam Square	0 2658 1755-9	0 2658 1754

Open Monday - Friday, 8.30 - 19.00 hrs.

		Tel	Fax
145	Thanon Sua Pa Main Branch	0 2226 4560-79	0 2225 6573

Open Monday - Friday, 8.30 - 15.30 hrs.

		Tel	Fax
146	Bang Khen	0 2930 1234-7	0 2513 9040
147	Ekkamai	0 2714 1081-8	0 2714 0410
148	Hua Mak	0 2732 2560-3	0 2375 6487
149	Lat Phrao 99	0 2932 3289-94	0 2530 0548
150	Phahon Yothin Main Branch	0 2222 0000	0 2273 1399
151	Phat Phong	0 2637 0041-8	0 2637 0477
152	Thanon Ratchada Phisek Huay Kwang	0 2693 2460-9	0 2693 2472
153	Thanon Sathon	0 2633 8013-7	0 2633 8018



342 Up-country Branches

Open 8.30 - 15.30 hrs. (Monday - Friday, except holidays)

Central 105 Branches

			Tel	Fax
Ang Thong	1	Ang Thong	0 3561 1306-7	0 3561 1346
	2	Pa Mok	0 3566 1235-6	0 3566 1237
	3	Wiset Chai Chan	0 3562 7229-31	0 3563 1262
Ayutthaya	4	Ayutthaya	0 3525 2260-2	0 3525 2256
	5	Phak Hai	0 3523 9324-5	0 3539 1298
	6	Pratu Nam Phra In	0 3521 9524-7	0 3536 1123
	7	Sena	0 3521 7332-4	0 3520 1551
	8	Thanon Rojjana Ayutthaya	0 3521 3870-2	0 3521 3875
	9	Wang Noi	0 3521 5286-8	0 3521 5289
Chai Nat	10	Chai Nat	0 5641 1264	0 5641 1331
	11	Hankha	0 5645 1373-5	0 5645 1378
	12	Sankhaburi	0 5648 1362-3	0 5648 1004
	13	Wat Sing	0 5646 1080-3	0 5646 1085
Kanchanaburi	14	Kanchanaburi	0 3462 3273-4	0 3451 2382
	15	Tha Rua	0 3463 6859-60	0 3456 1994
Lopburi	16	Ban Mi	0 3662 8731-2	0 3647 1675
	17	Khok Samrong	0 3662 4992-3	0 3644 1581
	18	Lam-Narai	0 3646 1151-2	0 3646 1153
	19	Nong Muang	0 3664 8452-6	0 3643 1103
	20	Thanon Surasongkhram Lopburi	0 3661 7282-5	0 3641 3761
	21	Wong Wian Sa Kaew Lopburi	0 3661 3770-1	0 3641 3733
Nakhon Nayok	22	Nakhon Nayok	0 3732 1159-64	0 3731 1854
	23	Ongkharak	0 3739 1486-90	0 3739 1492
Nakhon Pathom	24	Huay Plu	0 3423 9662-4	0 3438 9121
	25	Nakhon Pathom	0 3425 3822-9	0 3425 2510
	26	Om Yai	0 2811 5860-6	0 2420 8607
	27	Sam Phran	0 3422 5649-51	0 3432 2990
	28	Thanon Phetkasem Nakhon Chaisi Sub-Branch	0 3421 3387-9	0 3421 3390
	29	Thanon Phetkasem Nakhon Pathom	0 3423 0513-6	0 3423 0517
Nonthaburi	30	Bang Kruai	0 2879 3060-6	0 2447 0696
	31	Bang Yai	0 2921 1145-56	0 2594 0626
	32	Nonthaburi	0 2967 4023-30	0 2967 2006
	33	Pak Kret	0 2960 8940-5	0 2583 8919
	34	Sam Yaek Nonthaburi	0 2965 9070-8	0 2965 9086
	35	Talat Amphoe Bang Kruai Sub-Branch	0 2883 6218-9	0 2883 6222
	36	Talat Bang Yai Sub-Branch	0 2595 1261-3	0 2595 1264
	37	Thanon Chaeng Watthana	0 2982 9760-5	0 2982 9934
	38	Thanon Ngam Wong Wan	0 2951 0930-4	0 2589 5091
	39	Thanon Ratanathibet	0 2969 8085-90	0 2526 8009
	40	Thanon Samakee Sub-Branch	0 2573 6191	0 2573 8542
	41	Thanon Tiwanon (Khaerai)	0 2950 2005-12	0 2580 2838
Pathum Thani	42	Khlong 2 Thanyaburi Sub-Branch	0 2996 0772-3	0 2996 0774
	43	Khlong 6 Thanyaburi	0 2577 2360-3	0 2577 2366
	44	Khlong Luang	0 2986 9380-5	0 2516 2998



			Tel	Fax
	45	Lat Lum Kaew	0 2979 3434	0 2979-3131
	46	Nava Nakorn	0 2909 1123-5	0 2529 2904
	47	Pathum Thani	0 2978 0112-8	0 2581 1773
	48	Rangsit	0 2959 0001-10	0 2531 4124
	49	Talat Si Mum Muang-Rangsit	0 2992 0046-54	0 2536 7171
Phetchaburi	50	Ban Laem	0 3248 1184-6	0 3248 1118
	51	Cha-am	0 3243 3894-6	0 3247 1409
	52	Phetchaburi	0 3241 4977-9	0 3242 6245
	53	Tha Yang	0 3246 1166	0 3246 1222
Prachuap Khiri Khan	54	Bang Saphan	0 3254 8435-7	0 3269 1249
	55	Hua Hin	0 3253 0501-9	0 3251 2585
	56	Prachuap Khiri Khan	0 3255 0933-5	0 3261 1101
	57	Pran Buri	0 3262 1992-3	0 3262 1942
	58	Sam Roi Yot	0 3257 3317-9	0 3268 8553
	59	Thap Sakae	0 3254 6686-8	0 3267 1212
Ratchaburi	60	Ban Pong	0 3220 0714-5	0 3220 1193
	61	Ratchaburi	0 3231 5049-56	0 3232 5834
	62	Thanon Srisuriyawong Ratchaburi Sub-Branch	0 3231 0630-3	0 3231 0634
Samut Prakan	63	Bang Bo	0 2338 1184-7	0 2338 1113
	64	Bang Khru	0 2819 0858-9	0 2463 4549
	65	Bang Mek Khao	0 2703 8524-31	0 2387 2779
	66	Bang Phli	0 2751 0650-4	0 2316 7827
	67	Khlong Dan	0 2707 3080-5	0 2330 1136
	68	Phra Pradaeng	0 2818 0990-9	0 2463 1976
	69	Phra Samut Chedi	0 2819 7747-50	0 2819 7967
	70	Pu Chao Saming Phrai	0 2754 3348-52	0 2754 5531
	71	Samrong (Pu Chao Center)	0 2757 8963-8	0 2384 3413
	72	Samut Prakan	0 2701 7800-4	0 2701 7805
	73	Talat Bang Bo	0 2708 4686-9	0 2338 1188
	74	Talat Namdaeng Sub-Branch	0 2754 7160-1	0 2754 7844
	75	Talat Samut Prakan Sub-Branch	0 2387 0995	0 2387 1794
	76	Thanon Bang Na-Trad Km.18	0 2740 6611-8	0 2740 6623
	77	Thanon Sri Nakharin Km.15 Sub-Branch	0 2385 7901-2	0 2385 7149
	78	Thanon Sri Nakharin Km.17	0 2385 6968-71	0 2385 6977
	79	Thanon Thepharak	0 2758 2770-5	0 2394 6966
Samut Sakhon	80	Ban Phaeo Lak Sam	0 3485 0597-9	0 3448 1463
	81	Om Noi Sub-Branch	0 2420 1571	0 2420 2364
	82	Phutta Monthon Sai 4	0 2813 1701-7	0 2420 9978
	83	Samut Sakhon	0 3481 1087-91	0 3442 3013
	84	Talat Samut Sakhon Sub-Branch	0 3442 7138	0 3442 7137
	85	Thanon Setthakit 1 Samut Sakhon	0 3481 6662-9	0 3481 6671
Samut Songkhram	86	Samut Songkhram	0 3471 1522-3	0 3471 2433
Saraburi	87	Nong Khae	0 3632 6281-5	0 3632 6290
	88	Phra Phuttha Bat	0 3626 6716-7	0 3626 6998
	89	Saraburi	0 3622 0414-8	0 3622 0422
	90	Thanon Sutbanthad Saraburi	0 3622 1132-3	0 3622 1941
Sing Buri	91	In Buri	0 3653 3519-21	0 3658 1722
	92	Sing Buri	0 3652 0035-7	0 3651 1308
	93	Talat Channasut Bang Rachan	0 3654 4226-7	0 3659 1479



			Tel	Fax
	94	Tha Chang	0 3653 6265-6	0 3659 5237
Suphan Buri	95	Dan Chang	0 3559 5013	0 3559 5252
	96	Doembang Nangbuat	0 3550 8672-3	0 3557 8099
	97	Song Phi Nong	0 3553 1943-4	0 3553 1092
	98	Suphan Buri	0 3551 1522-3	0 3552 2155
	99	Talat Nangbuat	0 3540 9327-8	0 3557 8471
	100	Thanon Malaiman Suphan Buri	0 3552 4044-6	0 3552 4047
	101	U Thong	0 3540 4202-4	0 3555 1405

In-Store Branches

Open daily, 11.00 - 19.00 hrs.

			Tel	Fax
Nonthaburi	102	The Mall Ngamwongwan Sub-Branch	0 2550 0790	0 2550 0799
Pathum Thani	103	Future Park Rangsit Sub-Branch	0 2958 0971-2	0 2958 0974
	104	Zeer Rangsit Sub-Branch	0 2992 6112-4	0 2992 6117
Sumut Prakan	105	Big-C Suksawat	0 2464 4281-5	0 2464 4284

North 71 Branches

			Tel	Fax
Chiang Mai	1	Bo Sang	0 5338 6850-1	0 5333 9036
	2	Chang Phuak Chiang Mai	0 5341 2697-9	0 5321 2013
	3	Chom Thong	0 5334 1181-2	0 5334 1180
	4	Fang	0 5345 1111-3	0 5345 1114
	5	Mae Chaem	0 5348 5124-5	0 5382 8192
	6	Night Bazaar Sub-Branch	0 5381 9117-9	0 5327 3552
	7	Sam Yaek San Sai Sub-Branch	0 5349 1822	0 5349 1821
	8	San Pa Tong	0 5382 3503-4	0 5331 1113
	9	Saraphi	0 5342 3248-50	0 5332 1591
	10	Si Yaek Sanambin Chiang Mai	0 5320 2529-37	0 5327 0825
	11	Talat Warorot Sub-Branch	0 5325 2960-1	0 5325 2961
	12	Thanon Chang Klan Chiang Mai	0 5328 1850-3	0 5328 1859
	13	Thanon Charoen Muang Chiang Mai	0 5330 8661-4	0 5324 2901
	14	Thanon Chiang Mai-Maejo Sub-Branch	0 5385 4217-9	0 5324 3853
	15	Thanon Moon Muang Chiang Mai	0 5321 8210-3	0 5321 8217
	16	Thanon Ratchawong Chiang Mai	0 5325 1852-3	0 5323 3918
	17	Thanon Si Don Chai Chiang Mai	0 5320 6533-8	0 5327 9026
	18	Thanon Suthep Chiang Mai	0 5380 8514-6	0 5380 8523
	19	Thanon Tha Phae Chiang Mai	0 5327 0151-8	0 5328 2679
Chiang Rai	20	Chiang Khong	0 5365 5393-4	0 5379 1112
	21	Chiang Rai	0 5375 2225-9	0 5371 4003
	22	Ha Yaek Po Khun Mengrai Sub-Branch	0 5374 8311-3	0 5374 8314
	23	Huai Khrai Mae Chan Sub-Branch	0 5376 3003-4	0 5376 3004
	24	Mae Chan	0 5377 1230-2	0 5377 1054
	25	Mae Sai	0 5364 0786-90	0 5373 3101
	26	Pa Daet	0 5365 4282-4	0 5376 1011
	27	Thanon Superhighway Chiang Rai	0 5375 4144-5	0 5371 7489
Kamphaeng Phet	28	Kamphaeng Phet	0 5571 1244	0 5571 3702
	29	Khlong Khlung	0 5572 4383-7	0 5572 4390



			Tel	Fax
	30	Khlong Lan Kamphaeng Phet	0 5573 5252-4	0 5578 6233
Lampang	31	Thanon Chatchai Lampang	0 5422 4826-7	0 5422 1994
	32	Thanon Robwiang Lampang	0 5432 3501-4	0 5422 7676
Lamphun	33	Lamphun	0 5356 1115-7	0 5356 1118
	34	Li	0 5359 9101-2	0 5359 9111
	35	Pa Sang	0 5355 7264-8	0 5352 0227
Mae Hong Son	36	Mae Hong Son	0 5362 0337-9	0 5361 1557
Nan	37	Nan	0 5471 0162	0 5471 0566
	38	Pua	0 5479 1106-7	0 5479 1108
Nakhonsawan	39	Lat Yao	0 5631 7640-2	0 5627 1438
	40	Nong Bua	0 5632 3533-4	0 5625 1053
	41	Takhli	0 5632 9007-10	0 5626 1972
	42	Tha Tako	0 5636 0636-8	0 5624 9330
	43	Thanon Kosi Nakhonsawan	0 5631 2885-8	0 5622 5202
	44	Thanon Sai Asia Nakhonsawan Sub-Branch	0 5622 9120-1	0 5622 9122
	45	Thanon Sawanwithee Nakhonsawan	0 5631 1500-3	0 5622 1581
Phayao	46	Chiang Kham	0 5441 6340-3	0 5445 1432
	47	Chun	0 5442 0186-7	0 5445 9033
	48	Phayao	0 5441 2210-6	0 5443 1774
	49	Si Yaek Mae Tam Phayao Sub-Branch	0 5441 2526-9	0 5441 2530
Phetchabun	50	Dong Khui	0 5676 9223-5	0 5676 9226
	51	Lom Sak	0 5670 2627-9	0 5670 1119
	52	Phetchabun	0 5672 2262-3	0 5671 1163
	53	Sap Samo Thot	0 5656 1548-51	0 5673 1169
	54	Talat Huay Phai	0 5675 0045-8	0 5675 0050
Phichit	55	Bang Mun Nak	0 5666 0758-60	0 5663 1278
	56	Phichit	0 5661 2532-4	0 5661 2178
	57	Taphan Hin	0 5662 2836-8	0 5662 1488
	58	Thap Khlo	0 5664 1237-8	0 5665 4430
Phitsanulok	59	Ha Yaek Khok Matum	0 5530 2015-7	0 5530 2018
	60	Nong Tom	0 5536 6000-1	0 5536 6002
	61	Phitsanulok	0 5524 9141-3	0 5524 1744
Phrae	62	Phrae	0 5462 7230-2	0 5452 1483
Sukhothai	63	Sawankhalok	0 5562 3771-3	0 5564 1392
	64	Sukhothai	0 5562 0253-5	0 5561 2887
Tak	65	Mae Sot	0 5554 4824-8	0 5553 2738
	66	Tak	0 5554 0609-11	0 5551 1188
Uthai Thani	67	Lan Sak	0 5653 7002-4	0 5653 7003
	68	Nong Chang	0 5653 1037-8	0 5653 1190
	69	Uthai Thani	0 5651 1414-5	0 5651 1962
Uttaradit	70	Uttaradit	0 5544 1829-31	0 5541 2082

In-Store Branch

Open daily, 11.00 - 19.00 hrs.

			Tel	Fax
Chiang Mai	71	Central Airport Plaza Chiangmai Sub-Branch	0 5390 3607-8	0 5390 3612



Northeast 69 Branches

			Tel	Fax
Amnat Charoen	1	Amnat Charoen	0 4527 0803-5	0 4551 1560
Buri Ram	2	Buri Ram	0 4461 3458-9	0 4461 2590
	3	Nang Rong	0 4462 4466-8	0 4463 1863
	4	Prakhon Chai	0 4467 1627-9	0 4467 1483
	5	Satuk	0 4462 7407-9	0 4468 1325
Chaiyaphum	6	Chaiyaphum	0 4483 8015-7	0 4481 1267
	7	Kaeng Khro	0 4483 1784-6	0 4488 2758
	8	Phu Khieo	0 4484 4900-2	0 4486 1498
	9	Thep Sathit	0 4485 7005	0 4485 7131
Kalasin	10	Kalasin	0 4381 1024	0 4381 1497
Khon Kaen	11	Ban Phai	0 4337 4934-6	0 4327 2435
	12	Chum Phae	0 4338 7025-7	0 4331 1007
	13	Kranuan	0 4325 2205- 6	0 4325 1683
	14	Muang Phon	0 4333 9202-4	0 4341 4138
	15	Thanon Mittraphap Khon Kaen	0 4332 5519-24	0 4332 5442
	16	Thanon Na Muang Khon Kaen	0 4322 5771-5	0 4322 5069
	17	Thanon Pracha Samoson Khon Kaen	0 4333 3761-7	0 4323 7709
	18	Thanon Sri Chan Khon Kaen Sub-Branch	0 4332 6154-5	0 4332 6156
Loei	19	Loei	0 4281 1080	0 4281 1443
	20	Wang Saphung	0 4285 0920-2	0 4284 1043
Maha Sarakham	21	Maha Sarakham	0 4374 0920-4	0 4371 1242
	22	Wapi Pathum	0 4379 9375-8	0 4379 9380
Mukdahan	23	Mukdahan	0 4263 1200-5	0 4263 1206
	24	Talat Mukdahan Sub-Branch	0 4261 1655	0 4261 1620
Nakhon Phanom	25	Nakhon Phanom	0 4252 2896-7	0 4251 1411
	26	Si Songkhram	0 4259 9160-2	0 4259 9165
	27	Tha Uthen	0 4252 4131-3	0 4258 1116
Nakhon Ratchasima	28	Dan Khun Thot Sub-Branch	0 4420 4875-8	0 4420 4874
	29	Hua Tha Le Nakhon Ratchasima	0 4425 1372-4	0 4425 6394
	30	Khon Buri	0 4444 8011-2	0 4444 8012
	31	Pak Chong	0 4428 0383-6	0 4431 1387
	32	Pak Thong Chai	0 4428 3970-1	0 4444 1433
	33	Phimai	0 4428 7403-6	0 4447 1394
	34	Sam Yaek Pak Thong Chai Nakhon Ratchasima	0 4421 3542-3	0 4421 3541
	35	Soeng Sang	0 4444 7150-5	0 4444 7079
	36	Thanon Chomphon Nakhon Ratchasima	0 4426 8206-12	0 4425 3225
	37	Thanon Mittraphap Nakhon Ratchasima	0 4426 8239-42	0 4425 1367
	38	Wang Nam Khieo	0 4422 8023-5	0 4422 8026
Nong Bua Lam Phu	39	Nong Bua Lam Phu	0 4236 0843-7	0 4236 0852
	40	Si Bun Ruang	0 4235 1039-40	0 4235 1041
Nong Khai	41	Bung Kan	0 4249 1667-9	0 4249 1666
	42	Nong Khai	0 4241 1669-70	0 4241 1058
	43	Pak Khat	0 4240 4260-4	0 4248 0016
	44	Si Chiang Mai Nong Khai Sub-Branch	0 4240 6503-5	0 4245 1449
	45	Tha Bo	0 4243 1329-31	0 4243 1332
Roi Et	46	Roi Et	0 4352 2790-1	0 4351 2426
	47	Thanon Thevaphiban Roi Et	0 4352 4627-30	0 4351 3023



			Tel	Fax
Sakon Nakhon	48	Phang Khon	0 4273 4928-30	0 4277 1282
	49	Sakon Nakhon	0 4273 3581-2	0 4271 1712
	50	Sawang Daen Din	0 4272 1588-90	0 4272 1592
Si Sa Ket	51	Kantharalak	0 4563 5893-4	0 4566 1160
	52	Si Sa Ket	0 4562 0708-9	0 4561 2874
	53	Uthumphon Phisai	0 4569 1202-4	0 4569 1440
Surin	54	Samrong Thap	0 4456 9098-9	0 4456 9103
	55	Sangkha	0 4457 1071-3	0 4457 1020
	56	Surin	0 4451 1543	0 4451 4416
Ubon Ratchathani	57	Det Udom	0 4528 9114-6	0 4536 1199
	58	Phibun Mangsahan	0 4520 4817-9	0 4544 1871
	59	Thanon Chayangkun Ubon Ratchathani	0 4526 1598-9	0 4524 2803
	60	Thanon Phrom Thep Ubon Ratchathani	0 4526 1280-5	0 4525 5675
	61	Warin Chamrap	0 4526 9416-8	0 4526 9415
Udon Thani	62	Ban Dung	0 4227 1097-8	0 4227 1100
	63	Kumphawapi	0 4220 2941-4	0 4233 1993
	64	Nam Som	0 4228 9174-8	0 4228 9179
	65	Talat Ban Huay Udon Thani Sub-Branch	0 4224 6419	0 4224 6274
	66	Thanon Prajak Udon Thani	0 4224 8570-5	0 4222 2416
	67	Udon Thani	0 4224 1121-2	0 4224 3320
Yasothon	68	Yasothon	0 4572 0827-8	0 4571 2679

In-Store Branch

Open daily, 11.00 - 19.00 hrs.

			Tel	Fax
Nakhon Ratchasima	69	The Mall Nakhon Ratchasima Sub-Branch	0 4428 8490-2	0 4428 8493

East 50 Branches

			Tel	Fax
Chachoengsao	1	Bang Khla	0 3882 5445-7	0 3854 1391
	2	Bang Pakong	0 3883 2449-51	0 3853 2815
	3	Bang Wua Sub-Branch	0 3884 1040-2	0 3884 1043
	4	Bus Station Chachoengsao Sub-Branch	0 3881 2085-6	0 3881 2087
	5	Chachoengsao	0 3881 6296	0 3851 2195
	6	Phanom Sarakham	0 3883 8059-62	0 3855 1025
	7	Suwinthawong Chachoengsao	0 3859 3470-3	0 3859 3475
	8	Talat Khlong Suan	0 3859 5061-2	0 3859 5063
Chantaburi	9	Khlung	0 3936 6405-7	0 3944 1367
	10	Soi Dao	0 3938 1384-6	0 3938 1387
	11	Tha Mai	0 3935 6810-2	0 3943 1547
	12	Thanon Sri Rong Muang Chantaburi	0 3932 5964-7	0 3932 1172
	13	Thanon Triratana Chantaburi	0 3932 1822-3	0 3932 1824
Chon Buri	14	Ban Bung	0 3844 3097-8	0 3844 3707
	15	Bang Lamung	0 3822 5660-3	0 3822 5664
	16	Bang Pakong Industrial Estate	0 3821 3555-8	0 3821 3560
	17	Bo Thong	0 3821 1001-3	0 3821 1005
	18	Ko Sichang	0 3821 6131-2	0 3821 6133
	19	Laem Chabang	0 3849 3624-7	0 3849 3628



			Tel	Fax
	20	Na Klue	0 3872 7450-2	0 3872 7454
	21	Nong Mon Chon Buri	0 3839 2601-3	0 3839 2604
	22	Nong Pru	0 3829 2444-8	0 3829 2450
	23	Om Muang Chon Buri Sub-Branch	0 3827 1995	0 3879 8993
	24	Pattaya Klang	0 3842 5583-8	0 3842 5582
	25	Pattaya Tai	0 3842 8513-5	0 3842 7696
	26	Phanat Nikhom	0 3847 3080-3	0 3847 3085
	27	Saha Industrial Park Si Racha Sub-Branch	0 3876 2787-90	0 3876 2791
	28	Sattahip	0 3843 7626-7	0 3843 7666
	29	Si Racha	0 3831 1194-5	0 3832 2476
	30	Talat Ko Pho	0 3820 9101-3	0 3820 9104
	31	Thanon Sukhumvit Chon Buri 1	0 3827 3862-6	0 3827 3867
	32	Thanon Sukhumvit Chon Buri 2	0 3827 2055-7	0 3827 2058
	33	Thanon Sukhumvit Chon Buri 3 (Si Yaek Chalermthai)	0 3879 4689-92	0 3879 4593
	34	Thanon Wachira Prakan Chon Buri	0 3827 3850-5	0 3827 3856
Prachin Buri	35	Kabin Buri	0 3720 2385-7	0 3728 1880
	36	Prachin Buri	0 3721 1440-1	0 3721 2305
	37	Simahosot	0 3727 6509-10	0 3727 6511
Rayong	38	Ban Chang	0 3860 2335-6	0 3860 2577
	39	Klaeng	0 3888 4119-21	0 3867 1360
	40	Mabtapud	0 3860 7518-21	0 3860 7525
	41	Rayong	0 3887 6581-5	0 3861 3969
	42	Thanon Chantaudom Rayong	0 3861 6002-5	0 3861 6006
Sa Kaew	43	Aranyaprathet	0 3722 6026-7	0 3723 1072
	44	Khlong Hat	0 3751 2251-4	0 3751 2249
	45	Sa Kaew	0 3722 0522-3	0 3724 1022
	46	Wang Nam Yen	0 3725 1002-3	0 3725 1001
Trat	47	Khlong Yai	0 3958 1123-4	0 3958 1255
	48	Laem Ngop	0 3959 7045-6	0 3953 8297
	49	Trat	0 3953 2853-5	0 3953 2857

In-Store Branch

Open daily, 11.00 - 19.00 hrs.

			Tel	Fax
Chon Buri	50	Central Festival Pattaya Sub-Branch	0 3841 5273-4	0 3841 5277

South 47 Branches

			Tel	Fax
Chumphon	1	Chumphon	0 7757 1498-9	0 7750 1029
	2	Lang Suan Chumphon	0 7758 1490-2	0 7754 1071
	3	Pak Nam Chumphon	0 7752 1013	0 7752 1620
	4	Tha Sae	0 7759 9260-1	0 7759 9262
Krabi	5	Krabi	0 7563 1460-2	0 7563 1465
	6	Talat Kao Krabi Sub-Branch	0 7561 2804-5	0 7561 1512
Nakhon Si Thammarat	7	Chandi	0 7548 6490-3	0 7548 6446
	8	Nakhon Si Thammarat	0 7531 2085-9	0 7534 2891
	9	Talat Hua It	0 7534 5771-2	0 7534 5773



			Tel	Fax
	10	Tha Sala	0 7552 1337-8	0 7552 1336
	11	Thung Song	0 7533 2423-5	0 7541 1798
Narathiwat	12	Narathiwat	0 7351 1360	0 7351 1231
	13	Rue Soh	0 7357 1186-7	0 7357 1196
	14	Sungai Kolok	0 7361 5501-3	0 7361 2455
Pattani	15	Pa Lat	0 7348 5184-5	0 7348 5186
	16	Pattani	0 7331 1518-20	0 7333 1039
Phangnga	17	Phangnga	0 7643 0250-3	0 7641 1888
	18	Talat Yan Yao	0 7642 1555	0 7642 1389
	19	Thai Muang	0 7643 2183-4	0 7657 1203
Phatthalung	20	Phatthalung	0 7462 7808-9	0 7461 2214
Phuket	21	Hat Patong	0 7634 0447-9	0 7634 0198
	22	Phuket	0 7621 3903-4	0 7621 3561
	23	Tilok Center Phuket	0 7621 8068-70	0 7621 8074
Ranong	24	Ranong	0 7783 2188-9	0 7781 1345
	25	Thanon Saphan Pla Ranong Sub-Branch	0 7783 5216-8	0 7783 5219
Satun	26	Satun	0 7473 0431-5	0 7472 1358
Songkhla	27	Hat Yai Nai	0 7425 7840-2	0 7425 7843
	28	Padang Besa	0 7452 1977-8	0 7452 1980
	29	Songkhla	0 7444 0420-6	0 7432 1071
	30	Thanon Nakhon Nai Songkhla Sub-Branch	0 7432 1063-4	0 7432 1065
	31	Thanon Phetkasem Hat Yai	0 7436 6151-2	0 7424 6923
	32	Thanon Saiburi Songkhla	0 7431 3222	0 7431 3322
	33	Thanon Si Phuwanat Hat Yai	0 7435 4727-9	0 7423 5770
	34	Thanon Supphasan Rangsang Hat Yai	0 7435 0785-8	0 7424 5233
Surat Thani	35	Ban Ta Khun	0 7739 7003-4	0 7739 7055
	36	Chaiburi	0 7736 7141-3	0 7736 7150
	37	Ko Samui	0 7742 1200-1	0 7742 0141
	38	Phunphin	0 7724 0160-3	0 7731 1000
	39	Si Yaek Sang Phet Surat Thani Sub-Branch	0 7721 8392	0 7721 9594
	40	Surat Thani	0 7727 2200	0 7728 3972
	41	Thanon Talat Mai Surat Thani	0 7728 4093-5	0 7728 4096
	42	Wiang Sa	0 7736 1661-3	0 7736 2007
Trang	43	Kantang	0 7523 8100-4	0 7523 8111
	44	Trang	0 7521 0137-8	0 7521 8200
Yala	45	Betong	0 7324 5806-7	0 7323 1386
	46	Yala	0 7324-0816-8	0 7321 4190

In-Store Branch

Open daily, 11.00 - 19.00 hrs.

			Tel	Fax
Phuket	47	Central Festival Phuket Sub-Branch	0 7624 9981-3	0 7624 9985



Platinum Signature Centers

Open Monday - Friday, 9.00 - 18.00 hrs.

	Platinum Signature Center	Tel	Fax
1	Platinum Signature Center Phahon Yothin	0 2273 1211-2	0 2273 1234
2	Platinum Signature Center Thanon Sathon	0 2238 2880-6	0 2238 2887

Business Banking Centers

Open Monday - Friday, 8.30 - 15.30 hrs.

	Province	Business Banking Center	Tel	Fax
Bangkok Metropolitan Area				
1	Bangkok	Dao Khanong	0 2877 5670-81 ext. 121	0 2476 4463
2	Bangkok	Tha Rua Sathu Pradit	0 2682 0172-5 ext. 132, 133	0 2294 6661
3	Bangkok	Bang Kapi	0 2261 0161-2	0 2261 0164
4	Bangkok	Bang Bon	0 2899 8336-9 ext. 101	0 2416 4396
5	Bangkok	Bang Yikhan	0 2883 0163-9 ext. 500-1	0 2433 1337
6	Bangkok	Thanon Sri Nakharin Km.9 Sub-Center	0 2393 5850-4 ext. 129	0 2361 7236
7	Bangkok	Rajadamri	0 2655 0275-83 ext. 112, 113	0 2253 1423
8	Bangkok	Lat Krabang	0 2739 0187-9 ext. 131, 132	0 2326 7198
9	Bangkok	Lat Phrao 25	0 2938 3040-2 ext. 103	0 2513 1603
10	Bangkok	Thanon Suapa	0 2226 4560-79 ext. 5521	0 2222 5741
11	Bangkok	Phahon Yothin Main	0 2273 1398	0 2273 1399
12	Bangkok	Silom Main	0 2234 9289, 0 2234 7050 ext. 5208	0 2234 5145
13	Bangkok	Ekkamai	0 2714 1081-8 ext. 109, 110	0 2714 0410
14	Nakhon Pathom	Om Yai	0 2811 5860-1 ext. 103	0 2420 8607
15	Nonthaburi	Thanon Ngam Wong Wan	0 2591 7895-7 ext. 106	0 2951 0953
16	Pathum Thani	Nava Nakorn	0 2909 1121-6 ext. 123, 124	0 2529 2904
17	Samut Prakan	Bang Phli	0 2751 0647-9 ext. 110	0 2316 7827
18	Samut Prakan	Phra Pradaeng	0 2818 0990-5 ext. 119, 142	0 2463 1976
19	Samut Prakan	Samut Prakan	0 2701 7800-4 ext. 137, 138	0 2701 7805
20	Samut Sakhon	Thanon Setthakit 1 Samut Sakhon	0 3481 6662-8 ext. 115	0 3481 6671
Up-country				
21	Chiang Mai	Thanon Tha Phae Chiang Mai	0 5327 0151-8 ext. 130	0 5328 2679
22	Nakhon Ratchasima	Hua Tha Le Nakhon Ratchasima	0 4425 1372-4 ext. 138, 139	0 4425 6394
23	Songkhla	Thanon Phetkasem Hat Yai	0 7422 0504 ext. 107	0 7424 6923
24	Chon Buri	Laem Chabang	0 3849 3624-7 ext. 161, 162	0 3849 3628
25	Chon Buri	Bang Pakong Industrial	0 3821 3555-7	0 3821 3560
26	Rayong	Mabtapud	0 3860 7518-9 ext. 102, 103	0 3860 7525



International Trade Centers

Bangkok Metropolitan Area

International Trade Centers

1. International Trade Center Phahon Yothin

Tel : 0 2273 1401-10
Fax : 0 2273 3631, 0 2273 1635, 0 2273 1472

2. International Trade Center Silom

Tel : 0 2234 7050, 0 2634 0580-9
Fax : 0 2234 6178, 0 2234 9650, 0 2234 5140

3. International Trade Center Thanon Suapa

Tel : 0 2221 3131-8, 0 2223 1337-8,
0 2226 4560-79
Fax : 0 2225 6575, 0 2226 1795

4. International Trade Center Sukhumvit

Tel : 0 2261 0133-44
Fax : 0 2261 0145-7

5. International Trade Center Thanon Srinakharin

Tel : 0 2399 4225-7, 0 2361 7235
Fax : 0 2398 0477

6. International Trade Center Ladkrabang

Tel : 0 2739 0191-5, 0 2326 8304
Fax : 0 2326 8303

7. International Trade Center Samutprakan

Tel : 0 2395 3085, 0 2395 3799, 0 2395 3441,
0 2387 0039
Fax : 0 2387 1192

8. International Trade Center Dao Khanong

Tel : 0 2476 0617-9, 0 2877 5641-7
Fax : 0 2476 0620, 0 2877 5697

9. International Trade Center Thanon Setthakit 1 Samutsakhon

Tel : 0 3481 6666, 0 3481 6707,
0 3442 2395-6
Fax : 0 3481 6708

10. International Trade Center Omyai

Tel : 0 2811 6845-6
Fax : 0 2431 2042

11. International Trade Center Nava Nakorn

Tel : 0 2529 1572-3, 0 2529 1231,
0 2529 2343
Fax : 0 2529 1963, 0 2529 1522

Up-Country International Trade Centers

12. International Trade Center Hat Yai

Tel : 0 7422 0501-2, 0 7424 6716
Fax : 0 7423 5772

13. International Trade Center Laem Chabang

Tel : 0 3833 0053-4, 0 3849 3620-1
Fax : 0 3833 0055, 0 3849 3622

14. International Trade Center Bangpakong

Tel : 0 3874 3853-5
Fax : 0 3874 3856

15. International Trade Center Chiang Mai

Tel : 0 5328 2681, 0 5327 1677
Fax : 0 5328 2680

16. International Trade Center Mabtapud

Tel : 0 3860 9490
Fax : 0 3860 9489



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Cable : FARMERBANK LOS ANGELES
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Summary of Specified Items per Form 56-2 In 2004 Annual Report

(Presented in accordance with SEC notification Ref. Kor. Jor. 40/2540 and additional corrections regarding principles, conditions and methods in presentation of financial data and operation results of a company which issues securities)

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