

EXCELLENCE



EXCELLENCE

KASIKORNBANKGROUP

to match our slogan, "Towards Service Excellence".

holds to our goal of offering unsurpassed financial services with maximum satisfaction and a satisfying experience



KASIKORNBANKGROUP



EXCELLENCE

Mission

KASIKORNBANKGROUP aims to develop itself into a strong Thai financial 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, employee and the country.

Vision

KASIKORNBANKGROUP aims to be the strongest, the most innovative and the most proactive Thai financial institution in serving customers.

Value

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



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For 60 years now,
KASIKORNBANK has retained
a status of being Thailand's leading
bank due to our transparency in
business operations, good governance
and far-reaching vision, achieving
recognition from organizations locally
and globally. Over and above this
proud achievement, the Bank still
perseveres to give maximum benefit
to our customers, shareholders and
the public.

FINANCIAL HIGHLIGHTS (Consolidated Financial Statements)

As of or for the year ended December 31,	2005	2004	2003	2002	2001
Common Share Information					
Per share (Baht)					
- basic earnings	5.87	6.49	6.27	2.79	0.70
- book value	32.91	28.07	21.99	16.63	13.09
Share price (Baht) ¹⁾					
- high	70.50	66.50	66.00	32.50	28.75
- low	50.00	41.50	25.75	18.50	13.75
- closing	70.00	52.50	65.00	26.00	18.60
Common shares outstanding (thousand share)					
- average basic	2,371,366	2,362,467	2,353,010	2,352,547	2,352,547
- end of year	2,373,294	2,363,625	2,353,518	2,352,547	2,352,547
Market capitalization (Million Baht)	166,131	124,090	152,979	61,166	43,757
Value Measures (Baht)					
Price to earnings ratio (PER)	11.92	8.09	10.37	9.32	26.57
Price to book value ratio (PBV)	2.13	1.87	2.96	1.56	1.42
Operating Results (Million Baht)					
Interest and dividend income	38,065	32,999	32,786	35,909	39,002
Interest expenses	7,283	7,033	13,212	17,287	21,427
Net income from interest and dividends	30,782	25,966	19,574	18,622	17,575
Bad debt and doubtful accounts ²⁾	3,662	2,761	1,434	1,723	2,158
Non-interest income	12,302	12,149	13,693	7,995	8,178
Non-interest expenses	21,426	19,847	16,953	18,262	21,917
Total income ³⁾	43,084	38,115	33,267	26,617	25,753
Net income	13,930	15,340	14,756	6,570	1,636
Operating Measures					
Interest margin	3.84%	3.20%	2.43%	2.39%	2.28%
Efficiency ratio	49.73%	52.07%	50.96%	68.61%	85.10%
Return on average assets (ROA)	1.68%	1.86%	1.87%	0.86%	0.21%
Return on average equity (ROE)	19.29%	25.98%	32.47%	18.79%	5.50%
Number of employees	10,303	10,110	9,912	9,688	10,472
Balance Sheet Information (Million Baht)					
Loans	626,946	592,588	547,918	506,203	476,487
Allowance for doubtful accounts ⁴⁾	37,439	46,346	67,533	80,505	55,107
Non-performing loans (NPL)	56,217	72,809	92,319	124,063	98,741
Total assets	837,309	824,974	821,285	760,768	774,585
Deposits	687,781	705,570	684,946	651,393	664,532
Total liabilities	759,193	758,308	769,171	721,274	743,422
Shareholders' equity ⁵⁾	78,114	66,348	51,765	39,127	30,798
Average assets	831,142	823,130	791,027	767,677	770,755
Average earning assets	802,288	811,832	805,244	780,092	770,521
Average shareholders' equity ⁵⁾	72,231	59,057	45,446	34,963	29,741
Risk weighted assets	653,636	611,104	543,878	509,263	523,905
Balance Sheet Quality Measures					
Loans to deposits ratio	91.15%	83.99%	79.99%	77.71%	71.70%
Equity to risk weighted assets	11.95%	10.86%	9.52%	7.68%	5.88%
Return on risk weighted assets	2.13%	2.51%	2.71%	1.28%	0.31%
Tier 1 capital ratio	9.53%	7.98%	10.46%	8.44%	7.43%
Total capital ratio	14.47%	13.13%	17.48%	14.34%	12.97%
NPLs to loans ⁶⁾	8.88%	12.30%	16.85%	24.30%	20.19%
Total allowance to loans	5.97%	7.82%	12.33%	15.90%	11.57%
Total allowance to NPLs	66.60%	63.65%	73.15%	64.89%	55.81%
NPLs after allowance (Million Baht)	18,778	26,463	24,786	43,558	43,634

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

²⁾ Including loss on debt restructuring

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

⁴⁾ Including revaluation allowance for debt restructuring

⁵⁾ Excluding minority interest

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



MESSAGE FROM THE CHAIRMAN

The Thai economy registered a slower growth rate in 2005 than that of the year before. Manufacturing, consumption and private investment tended to grow more slowly. The tourism sector missed its target for annual expansion, while widespread drought reduced the yearly output of cash crops. Prices of most farm produce rose however, leading to higher income for farmers in general. Despite decelerating growth in the first six months, Thailand's export sector regained its strength in the second half of the year. At the same time, the government continued to launch many remedial measures to resolve the bottlenecks in the real sector. This led to a healthier performance in both the manufacturing and export sectors from the third quarter onward. The year-on-year growth rate of the Thai economy subsequently reached a satisfactory level of 4.5 percent at year-end.

As for the local banking sector, 2005 was a year of broadened scope of business for Thai banks, and accelerated development of human resources to cope with greater competition coming with financial liberalization. The year also marked the 60th anniversary of the founding of KASIKORNBANK in the Thai banking industry. Moving forward, we have intensified our efforts on progress toward being a full-service 'Universal Bank'. KASIKORNBANKGROUP, led by the Bank together with five subsidiaries, KASIKORN FACTORING Co., Ltd., KASIKORN ASSET MANAGEMENT Co., Ltd., KASIKORN RESEARCH CENTER Co., Ltd., KASIKORN SECURITIES Pcl., and KASIKORN LEASING Co., Ltd., was forged to generate greater synergies within the organization under the uniform corporate signature of "K Excellence". This combined effort will lead to effective development of new products and services to ultimately satisfy our customers at all levels. In addition, the Bank has established two new business divisions, i.e., the SME Business and Capital Market Business divisions, thereby increasing the total number of business divisions from eight to ten, for greater flexibility and efficiency. Training courses have been organized at all levels to equip staff with the necessary skills and readiness to adapt to changing environments. As always, the Bank continues to enforce sound risk management and swift development of good corporate governance principles for greater transparency.

KASIKORNBANK reached new milestones in 2005, overcoming many obstacles through a year of economic and financial volatility. Undoubtedly, these successes will be sustained through the efforts of KASIKORNBANK employees, and the continued support of our shareholders, customers, investors at home and abroad, as well as the general public, to all of whom the Board of Directors would like to express sincere gratitude.



(Banyong Lamsam)

Chairman



MANAGEMENT REPORT

MANAGEMENT DISCUSSION AND ANALYSIS

RISK MANAGEMENT AND RISK FACTORS

1945

Suapa

On June 8, 1945, KASIKORNBANK was established with an initial registered capital of Baht 5 million. The first office was opened on Suapa Road, Bangkok, which was the most important business district of Thailand at that time. With the support and the trust of customers and the general public, business thrived. It was considered the founding era for banking and finance business in Thailand, and the beginning of the Bank's successful development in a straightforward and stable manner, ready to grow greatly in the finance and banking arena later on.

MANAGEMENT REPORT

For the year ending December 31, 2005

In 2005, the Bank reinvented the entire corporation to become “KASIKORNBANKGROUP”, with the aim of promoting coordination among subsidiaries using the concept of a full-range financial solution provider, leading to synergy creation among KASIKORNBANKGROUP. The Bank is confident that our full range of financial services will satisfy all customers’ needs, adhering to the group’s “Towards Service Excellence” resolution with the “K Excellence” as a corporate signature to represent the high-quality products and services of the group.

Regarding operating performance in 2005, the Bank’s consolidated net income totaled Baht 13,930 million, decreasing by Baht 1,410 million, or 9.19 percent, from 2004. The decrease was due mainly to an increase in corporate income tax expense of Baht 3,887 million, after the expiration of tax losses carried forward. However, net interest income rose by Baht 4,817 million, due to loan extension and higher interest rates. Meanwhile, non-interest income rose by Baht 153 million. Non-interest expenses rose by Baht 1,579 million, while the sum of reversals of bad debts and doubtful accounts and losses on debt restructuring increased by Baht 902 million, as the Bank set aside allowances for doubtful accounts and incurred losses on debt restructuring in response to the changing economic environment and new loan extension.

On the financial front, as of December 31, 2005, the Bank’s total consolidated assets were Baht 837,309 million, increasing by Baht 12,335 million, or 1.50 percent, over the end of 2004, due mainly to loan growth. The Bank’s consolidated outstanding loans totaled Baht 626,946 million at the end of 2005, rising by Baht 34,358 million, or 5.80 percent, over the end of 2004. Meanwhile, non-performing loans of the Bank and its asset management companies stood at 8.88 percent of the total outstanding credit at the end of 2005, decreasing from 12.30 percent recorded at the end of 2004. As for total consolidated liabilities, they were reported at Baht 759,193 million, rising by Baht 885 million over the end of 2004, following increases in interbank and money market items, borrowing and other liabilities. On the other hand, the Bank’s consolidated deposits equaled Baht 687,781 million, declining by Baht 17,788 million, or 2.52 percent from the end of 2004. Total consolidated shareholders’ equity was Baht 78,116 million, showing a year-over-year increase of Baht 11,450 million, or 17.18 percent, due mainly to the Bank’s profits in 2005. Meanwhile, the capital adequacy ratio of the Bank and its AMCs equaled 14.47 percent, with Tier-1 and Tier-2 capital accounting for 9.53 and 4.93 percent, respectively.

With regard to the operations of the three Business Groups, in addition to achieving continued growth in fee-based income, the Corporate Business Group, at the end of 2005, showed a 10.75 percent increase in the group’s total loans over the end of 2004. This increase was seen in every customer segment, as well as in domestic credit and trade finance products. For the Retail Business Group, innovations and continual development of products, services and sales channels, particularly electronic channels, have resulted

in a substantial increase in the number of users through these channels. Besides this, the Retail Business Group's total loans, at the end of 2005, surged by 15.00 percent year-on-year, following growth in all loan products. Furthermore, the Treasury Group has conducted more financial transactions related to derivative instruments, along with developing new deposit and investment products, to meet customers' needs.

In terms of risk management, work proceeded throughout 2005 on improvements and developments in managing all types of risks. For credit risk management, the Bank has utilized the automatic credit evaluation system and standardized credit approval procedures nationwide, while the credit operational structure was upgraded, leading to higher efficiency and quality in overall credit risk management. Furthermore, for market risk management, the Bank has completed development of a new work procedure, complying with the Bank of Thailand's new regulations regarding capital adequacy for market risk in trading book transactions. To introduce a greater variety of funding sources and better risk diversification, as well as to provide more alternatives in investments for depositors, two projects of short-term debenture and structured note issuances were launched as a part of liquidity risk management. Prior to the Bank of Thailand's plan to implement a new Capital Accord 'Basel II' for commercial banks by 2008, the Bank implemented our own Basel II strategic project in 2005, aiming at streamlining the Bank's system to effectively comply with the Basel II standards. In the meantime, data preparedness and situational modeling to facilitate computation of necessary capital reserves have proceeded, in order to meet the Basel II standards in terms of capital reserves for operational risk.

Throughout 2005, the Bank continued our development efforts in the implementation of human resources projects, with the goal of becoming a competency- and performance-based organization. Other supportive work also progressed on information technology (IT) improvements, including the design of a secure IT infrastructure for innovative products and services, and the introduction of an improved design in the security infrastructure of the Bank's subsidiaries. At the same time, the Bank has continued to improve the efficiency of our IT system under the Transformation Plan, and an IT Master Plan has been drafted to pave the way for improved Bank IT systems in the future.

With our commitment to outstanding business development, the Bank has been widely acknowledged for our efforts. This was confirmed by upgrades in the Bank's credit ratings from international rating agencies, as well as by many prestigious awards received during 2005.

MANAGEMENT DISCUSSION AND ANALYSIS

1. Overview

1.1 Economic Overview and Regulatory Changes

□ Thailand's Economy in 2005 and 2006

Despite all the negative factors, such as higher oil prices and inflation, rising interest rates, falling income from tourism following the tsunami disaster at the 2004 year-end, as well as the first current account deficit since the 1997 economic crisis, Thailand's economy sustained a satisfactory growth rate of around 4.5 percent in 2005, due mainly to a push from exports.

As for 2006, we expect Thai economic growth to average around 4.0-5.0 percent, due to investment expansion by public and private sectors, as well as a rebound in tourism. Still, growth in private consumption is likely to be constrained by the prospect of rising interest rates continuing from last year, while domestic oil prices remain at relatively high levels. Meanwhile, we also expect the current account deficit to continue for the second straight year, against a backdrop of continuing import growth due to investment and export expansion, as well as higher global oil prices.

Thailand's Economic Growth

(Unit: percent change over-year, or as otherwise indicated)

	2005	2006
Private Consumption	4.5%	4.0%-4.3%
Investment	10.9%	7.2%-13.5%
Private	10.7%	7.5%-10.3%
Public	11.2%	6.2%-22.7%
Public Consumption	12.8%	4.0%-6.0%
Exports	15.0%	8.0%-15.0%
Imports	26.0%	8.0%-15.0%
Trade Balance (USD millions)	-8,578	-9,100 to -9,700
Current Account (USD millions)	-3,714	-3,800 to -4,200
Current Account (% to GDP)	-2.1%	-2.1% to -2.3%
Headline CPI Inflation	4.5%	4.3-4.8%
Core CPI Inflation	1.6%	2.0%-3.0%
Average Brent Crude (USD/Barrel)	54.5	60.0-65.0
Average Retail Diesel (Baht/Liter)	20.01	23.9-25.4
Average Baht/USD	40.22	39.50-40.50
Gross Domestic Product (GDP)	4.5%	4.0%-5.0%

Source: KASIKORN RESEARCH CENTER CO., LTD.



Amid continued economic growth and demand for investments from both the public and private sectors, domestic liquidity is likely to recede further. Also, as financial institutions are pushing forward for new loan extension, the declining liquidity situation may heighten competition among financial institutions for deposits. This is particularly true as they try to retain customer bases and manage liquidity at proper levels.

□ Regulatory Changes ¹

During 2005, there were several regulatory changes concerning the Bank's operations, but those of notes are summarized as follows:

- **Granting Approval to Engage in Securities Brokerage Business, Sales of Securities & Unit Trusts**

The Bank of Thailand (BOT) issued a directive, ref. FawKorSor. (11) Wor. 33/2548, dated May 6, 2005, with a BOT announcement, re: "Engaging in Securities Brokerage Business, Sales of Securities & Unit Trusts", which in essence granted approval for commercial banks to engage in such securities business per the particulars of the directive, including the right to appoint private individuals meeting SEC qualifications to be their representatives in such business.

This announcement is viewed as beneficial to the Bank, in that it aids the Bank in expanding into unit trust-related business, thus broadening the services of the Bank.

- **Granting Approval to Engage in Hire Purchase and Leasing Business ²**

The Bank of Thailand (BOT) issued a directive, ref. FawKorSor. (11) Wor. 34/2548, dated May 11, 2005, with a BOT announcement, re: "Granting Approval to Engage in Hire Purchase and Leasing Business", with the purpose of allowing commercial banks to engage in such business, providing they meet with certain prerequisites and qualifications, per the following:

- (1) They must have sound financial and operational status, can set aside adequate allowances and reserves, and be able to

¹ Details of other regulatory changes during the year 2005 may be found in the MD&A reports for the periods ending March 31, June 30 and September 30, 2005.

² This directive is an amendment of previous authorizations, which supersedes the previous BOT directive, re: Granting Approval for Commercial Bank to Engage in Hire Purchase and Leasing Business, dated September 27, 2004.

maintain their capital to risk-weighted asset ratios at a level not lower than the minimum set by the BOT;

(2) They must cooperate with the authorities in implementing the Financial Master Plan in becoming a “One Presence” financial institution, per the policies of the BOT; and,

(3) They must produce a business model detailing their plans in writing to enter into hire purchase and leasing business, which has been approved by the board of directors of the respective bank.

This announcement also aids the Bank in broadening our scope of financial business operations.

- **Measure to Restructure Personal Loan Debts**

The Ministry of Finance issued an announcement, dated October 18, 2005, re: “Measures to Restructure Personal Loan Debts”, which was intended to ameliorate the problem of defaulted personal loans within the general public, as currently held by financial institutions. The targeted debts are those where lending institutions have entered into legal proceedings against defaulted borrowers prior to July 1, 2005, and have outstanding balances due less than or equal to Baht 200,000, but do not include agricultural loans, mortgages or credit card debt.

One condition includes that if the defaulted borrower is able to repay the debt by June 30, 2006, they will have the option of settling the debt with a single payment of only 50 percent of the outstanding principle due. However, if the borrower is unable to meet that deadline on their own, they may choose to apply for supports from the Government Savings Bank (GSB), wherein GSB might lend the 50 percent amount required to clear that debt with the original creditor within the deadline, and the borrower would then be liable to repay a term loan to GSB.

As of the end of 2005, the Bank has not yet completed a summary of the number of defaulted borrowers, or the value of the Bank’s personal loans that would fit the profile to qualify for this debt relief measure, because the deadline for defaulted borrowers to declare their intentions, i.e., May 31, 2006, has not yet been reached. However, the Bank anticipates that this measure will reduce the total amount of NPLs with the Bank to a certain degree, while the impact of this government plan on the operating performance of the Bank will be minimal, because this segment of the Bank’s loan portfolio is not large.

- **Approval for Structured Derivative Transactions**

The Bank of Thailand (BOT) issued a directive, ref. FawNawSor. (21) Wor. 4/2548, dated October 19, 2005, with a BOT announcement, re: “Approval for Structured Derivative Transactions”, with the purpose of granting approval for commercial banks to engage in such transactions, wherein there are such reference variables as interest rates, currency exchange rates or financial indices, in addition to basic ‘plain vanilla’ derivatives.

This new measure broadens the choices in new types of transactions available for the Bank to engage in, which will have a positive impact on the Bank in that will allow the Bank to better meet the needs of customers.

1.2 Direction of Business Operations

□ KASIKORNBANK in 2005 and Outlook in 2006

With a commitment to created outstanding financial services, KASIKORNBANK, in 2005, has embarked upon a strategy of reinventing the entire corporation as the “KASIKORNBANKGROUP”, providing a full range of financial services. The Bank is confident that our services will satisfy the needs of every customer, in every segment, while adhering to the group’s “Towards Service Excellence” resolution.

Recently, at Meetings No. 10/2005 and 14/2005, the KASIKORNBANK Board of Directors passed resolutions allowing the Bank to acquire additional shares in the KASIKORN ASSET MANAGEMENT CO., LTD. This stock acquisition was completed in December 2005, thus enabling KASIKORNBANK to become the first Thai bank to truly offer a full-range of financial solutions in response to the needs of customers.

KASIKORNBANK subsidiaries:

1. KASIKORN FACTORING CO., LTD.

(<http://www.kasikornfactoring.com>)



Presently, KASIKORN FACTORING CO., LTD. (KFactoring), is one of the premier factoring companies in Thailand. KFactoring plays an important role in providing various forms of revolving credit to SME businesses. The company's main services include:

Factoring Services

• **Domestic Factoring**

In this business, clients agree to sell their account receivables to KFactoring. The company offers financing, collection, plus reporting and credit verification services.

• **Import Factoring**

KFactoring provides credit guarantee services to clients in Thailand who are importing products from other countries without opening Letters of Credit (L/C). Business owners operating overseas are, therefore, protected against credit default and collection fraud risks.

• **Export Factoring**

KFactoring delivers factoring services to export clients in Thailand for export orders negotiated without Letters of Credit (L/C). These services include financing, credit risk guarantees, as well as credit verification and collections.

• **Equipment Finance**

KFactoring offers short- and medium-term financing services, ranging between two to five years, to business entities in the form of Equipment Finance (EQF) for leasing and hire-purchase transactions, notably for industrial, commercial, transportation and agricultural equipment/machinery transactions, etc.

2. KASIKORN ASSET MANAGEMENT CO., LTD.

(<http://www.kasikornasset.com>)



KASIKORN ASSET MANAGEMENT CO., LTD. (KAsset) has been at the front line of asset management companies in Thailand, with expertise in managing investments in mutual, private and provident funds.

• **Mutual Fund Business**

KAsset offers mutual fund management services with investment policies for all types of securities, including equity funds, general fixed-income funds, balanced funds, flexible portfolio funds, etc. Each mutual fund offers different levels of returns and risk tolerance that can be best fitted to the needs of each investor.

• **Private Fund Business**

KAsset offers fund management services that respond to individual needs and provide optimal returns to individual investors based on analyses of the needs and requirements of investors. Investment policies are set jointly between the company and

the investor, and investments are then managed accordingly. Investment returns are evaluated according to investors' requirements and investment conditions, while investment policies may be adjusted vis-à-vis changing situations.

- **Provident Fund Management**

KAsset manages provident funds in accordance with each fund's objectives, keeping risks under control to achieve proper returns for the fund members at retirement age. The company offers tailor-made provident funds with individualized investment objectives and risk preferences determined by the fund members.

3. KASIKORN RESEARCH CENTER CO., LTD.

(<http://www.kasikornresearch.com>)



KASIKORN RESEARCH CENTER CO., LTD. (KResearch) is a leading research center in Thailand, continuously releasing quality research papers on economics, finance and other current socio-economic issues. Accuracy, thoroughness and speed are its key principles in providing information services with the following other objectives:

- To provide knowledge about economics, business administration, finance and banking to the employees and customers of the Bank, as well as to the general public;
- To develop an accurate and up-to-date database for public use; and,
- To promote the company's reputation in scholarly expertise as a subsidiary of KASIKORNBANKGROUP

4. KASIKORN SECURITIES PCL.

(<http://www.kasikornsecurities.com>)



KASIKORN SECURITIES PCL. (KSecurities) aims to become a leader in providing a full range of financial solutions and an excellent standard of financial services, with a customer-centric philosophy. Core businesses include securities brokerage and investment banking services.

Securities Brokerage

Securities Brokerage Services include:

- Securities trading through KSecurities marketing staff, as well as over the Internet;
- Providing investment recommendations based on both fundamental and technical points of view by our experienced professionals. Our brokerage team offers quality services with an aim to maximize clients' asset growth, using the same service standards as provided by other leading financial institutions; and,
- Offering analyses and research on securities based on fundamental factors, industrial and stock information, as well as technical analyses, which help facilitate better decision-making for investment.

Investment Banking

- Financial Advisory Services include:

The raising of funds through equity instruments, along with underwriting services;

- Arrangement of Initial Public Offerings (IPO): Public Offerings (PO) and Private Placements (PP);
- Issuance and sale of equity instruments, such as warrants and preferred stock;

Other Financial Advisory Services: Investment banking activities in this area of expertise include:

- Mergers and Acquisitions, Arrangement of Strategic Partners and Joint Ventures
- Independent Financial Advisories

- Financial Structure Planning
- Debt Restructuring

5. KASIKORN LEASING CO., LTD.

(<http://www.kasikornleasing.com>)



KASIKORN LEASING CO., LTD. (KLeasing) offers hire-purchase and finance leasing products to retail and corporate customers, focusing mainly on passenger cars, pickup trucks, vans and commercial vehicles. Its products and services include:

- **Hire-Purchase**

This is a credit line for purchasing new and used vehicles. Ownership is transferred to the customer after the loan is repaid.

- **Finance Leasing**

This is credit financing for corporate business entities in need of passenger cars, pickup trucks, vans and commercial vehicles for business. The main distinction between this type of financing and hire-purchases is that the lessee has the option of ownership rights over the asset upon maturity in lease contracts, or may relinquish these rights, at their choice. Usually, there are greater tax benefits to be gained from leasing contracts than with hire-purchases.

- **Dealer/Wholesale Floorplan Financing**

KLeasing also offers credit financing to car dealers for purchases of vehicles for sale, thus furthering business extension.

- **Refinancing**

Car refinancing to provide cash for investment and expense purposes is also offered.

KASIKORNBANKGROUP promotes coordination between subsidiaries in various aspects, including operations, management and information services, etc., thus leading to synergy creation and benefits to the group. Besides this, the Bank is promoting an image of KASIKORNBANKGROUP as a full-range financial solution provider, offering quality services and products, fusing personal care with modern technology. Services are provided to customers in all segments and for all ages, with all financial needs under the 'K Excellence' concept, which represents the high-quality products and services of the group. This corporate signature is being used with all service channels, as well as at the offices of subsidiaries, branches of the Bank, ATM machines and all advertising materials. All products and services of KASIKORNBANKGROUP guarantee the customer that he/she will receive uniform quality, denoted by the 'K' signature, as with K-SurePay, K-Stock Trade, K-Financial Lease, K-Business Brief, and K-Global Factoring, etc.





EXCELLENCE

Corporate Signature: 'K Excellence'

- The letter "K" will be the prefix of the names of all subsidiaries of KASIKORNBANKGROUP.
- The "K" symbol is written with a brush, conveying tenderness and caring, expressed with calligraphic skill and a heartfelt effort conveyed to the tip of the brush – delicate, yet strong with every move.
- Green is the symbolic color of KASIKORNBANKGROUP – implying freshness, fertility and life.
- A rectangular pedestal is placed at its base, depicting a secure and strong position. Its color is red, representing vigor, warmth and prosperity. The word, "Excellence", is located solemnly and confidently upon it.
- Wherever the letter "K" and "Excellence" are combined as a corporate signature, they will be an assurance of high-quality products and services of KASIKORNBANKGROUP, resolutely delivered with, "Towards Service Excellence".

In order to attain our vision and goals efficiently and effectively, the Bank has adopted a "Balanced Scorecard" concept as a management tool, which has been developed and modified to suit our business undertakings, and to closely monitor implementation of key strategic programs.

The Bank's strategic programs were initiated in the year 2000, and have led to efficient and effective development of our business potential. Strategic programs include the upcountry credit transformation process, centralization of credit operations all over the country, development of a credit underwriting support system, operational restructuring and support programs for international business. In 2005, the Bank initiated the K-Transformation Program for the development of core business strengths in four major areas, to better respond to the needs of our customers.

1. Know Our Customers is aimed at acquiring customer data for product and service analyses and other related functions. More thorough understanding of customers' needs will enable the Bank to offer the right products and services that truly respond to their needs.

2. Multi-channel Sales and Services are aimed at building the capability to optimize channel assets to deliver a unique and consistent customer experience across all channels, seamlessly.

3. IT Capital will enhance the effectiveness of innovations and resources of the entire organization, using a customer-centric IT architecture.

4. The Financial Information System promotes the development of a new chart of accounts for KASIKORNBANKGROUP and a single bank-wide General Ledger System that integrates with other core systems. As a result, management has convenient access to financial data expressed clearly from different perspectives, while also showing the financial standings and performance of the group.



□ Good Corporate Governance

In 2005, KASIKORNBANK continued in our determined efforts toward expanding the Bank's operations within the framework of good corporate governance, in the belief that this path will help the Bank to achieve its vision and strategic targets most swiftly and efficiently. In order for the principles of good corporate governance to achieve material benefits, it is necessary to make these precepts a part of the corporate culture, and in so doing, gain the acceptance of those within as well as outside the organization. This requires the cooperation of every part of the Bank's organization, and the dissemination of the codes of good governance conduct to all stakeholders through all appropriate Bank media channels, so that these stakeholders receive correct and transparent information to support awareness and trust in the transparency of KASIKORNBANK.

Aside from this, with our determination to continually develop our overall business and management, the Bank has achieved considerable success, and has, during 2005, thus been honored by numerous awards and favorable ratings for good corporate governance, including the following:

- **January 2005**
 - 'Best Governance of Asia' Award from Corporate Governance Asia magazine, January 2005 issue.
- **July 2005**
 - 'Best Domestic Commercial Bank' Award from Asia Money magazine.
 - The 'Distinction in Maintaining Excellent Corporate Governance Report', awarded by the Stock Exchange of Thailand, in cooperation with Money and Banking magazine at the 'SET Awards 2005: Engine of Growth' ceremony.
- **August 2005**
 - An upgrade of the Bank's good governance score from 8.80 to 8.89 ("Very Good"), out of a maximum possible score of 10, by Thai Rating and Information Service (TRIS).
 - 'Best in Financial Management' award from the Thai Business Management Association, in cooperation with Sasin Institute.
- **November 2005**
 - Rated one of the Top Ten companies in Thailand in the 'Corporate Governance Report of Thai Listed Companies 2005', by the Thai Institute of Directors Association (IOD) in cooperation with the Thai Securities Exchange Commission (SEC) and the Stock Exchange of Thailand.
 - Honored as one of the best-managed companies in Asia by Euromoney magazine, November 2005 issue, in its report on the achievements commercial banks and financial institutions.
 - 'Board of the Year for Exemplary Practices 2004/2005' Award for the second straight time in receiving this award from the Thai Institute of Directors Association (IOD), in cooperation with the Stock Exchange of Thailand, the Thai Chamber of Commerce and the Federation of Thai Industries.

- 'Best IR by a Thai Company' Award for the third straight year from IR Magazine, in cooperation with the Stock Exchange of Singapore.

2. Operating Performance and Financial Position Analysis

2.1 Operating Performance

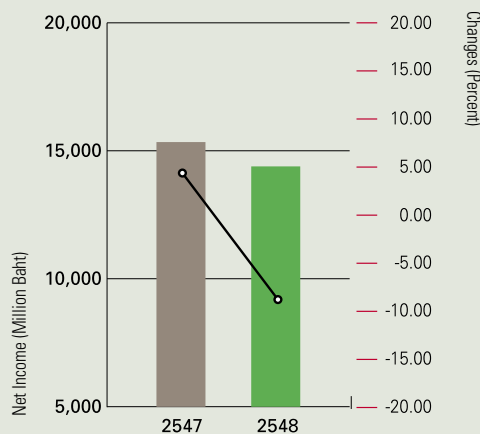
Operating Performance

(Unit : Million Baht)

	2005	2004	Changes	
			Million Baht	Percent Change
Income from interest and dividends	38,066	32,999	5,067	15.36
Interest expense	7,283	7,033	250	3.55
Net income from interest and dividends	30,783	25,966	4,817	18.55
Reversals on bad debts and doubtful accounts	599	(6,159)	6,758	n.a.
Losses on debt restructuring	3,063	8,919	(5,856)	(65.66)
Non-interest income	12,302	12,149	153	1.26
Non-interest expense	21,426	19,847	1,579	7.95
Income tax expense	4,003	116	3,887	3,350.86
Minority interests in net income	(64)	(52)	(12)	(23.08)
Net Income	13,930	15,340	(1,410)	(9.19)

In 2005, the Bank's consolidated net income totaled Baht 13,930 million, decreasing by Baht 1,410 million, or 9.19 percent, from 2004. The decrease was due mainly to an increase in corporate income tax expense of Baht 3,887 million, after the expiration of tax losses carried forward. In addition, non-interest expenses rose by Baht 1,579 million, while the sum of reversals of bad debts and doubtful accounts and losses on debt restructuring increased by Baht 902 million, due to the Bank's new loan extension, as well as new loan loss provisioning guidelines set to dynamically reflect changing economic conditions and other related factors. However, net interest income rose by Baht 4,817 million, due to loan extension and higher interest rates. Meanwhile, non-interest income rose by Baht 153 million.

The Bank' Net Income

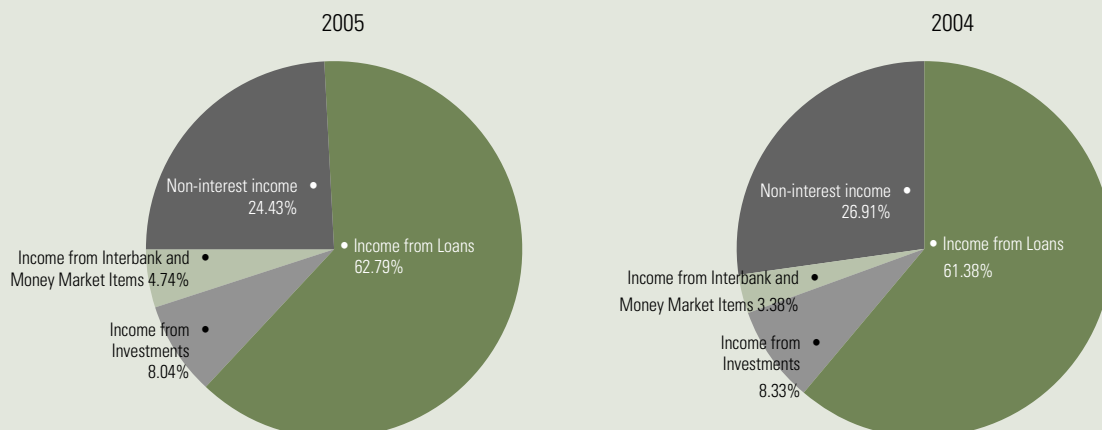


Income Structure

(Unit : Million Baht)

	2005	2004	Changes	
	Million Baht	Million Baht	Million Baht	Percent Change
Interest and dividend income				
1. Loans	31,628	27,712	3,916	14.13
1.1 Loans	14,193	13,583	610	4.49
1.2 Overdrafts	9,192	8,535	657	7.70
1.3 Bills	8,243	5,594	2,649	47.35
2. Interbank and money market items	2,387	1,527	860	56.32
2.1 Deposits	1,875	1,123	752	66.96
2.2 Loans	127	23	104	452.17
2.3 Securities purchased under resale agreements	385	381	4	1.05
3. Investments	4,051	3,760	291	7.74
Total interest and dividen income	38,066	32,999	5,067	15.36
Non-interest income				
1. Fee and service income				
Acceptances, avals, and guarantees	686	577	109	18.89
1.2 Others	8,656	7,531	1,125	14.94
2. Gains on exchange	1,129	1,806	(677)	(37.49)
3. Other income	1,831	2,235	(404)	(18.08)
Total non-interest income	12,302	12,149	153	1.26
Total income	50,368	45,148	5,220	11.56

Diversification of Income



❑ Net Income from Interest and Dividends

In 2005, the Bank's consolidated net income from interest and dividends was Baht 30,783 million, increasing by Baht 4,817 million, or 18.55 percent, over 2004. This was due mainly to an increase in interest income on loans of Baht 3,916 million, achieved through loan extension and higher lending rates. In addition, interest income from interbank and money markets rose by Baht 860 million, in tandem with higher interest rates in money markets. Further boosting the Bank's net income from interest and dividends was increased earnings from investments of Baht 291 million. However, the Bank's interest expense rose by Baht 250 million, due mainly to higher fixed-term deposit rates.

❑ Provisions for Allowance for Doubtful Accounts

In response to the changing economic environment and new loan extension, the Bank and its subsidiaries, in 2005, set aside allowances for doubtful accounts and incurred losses on debt restructuring totaling Baht 3,662 million, which was Baht 902 million higher than that of 2004.

The Bank has maintained a policy of setting aside an allowance for doubtful accounts in excess of the BOT regulations, as well as normalized provisioning at the rate of 0.50 percent of total loans, which had already reached the policy target in the second quarter of 2005, as well as the allowance for normal loans at 1.00 percent in proportion to the net incremental normal loans.

However, as a result of changing economic conditions, the demand for loans has been on an upward trend, leading the Bank's loans to grow continuously. Therefore, to manage the allowance for doubtful accounts to dynamically reflect changing economic conditions and other related factors, from the third quarter of 2005 onward, the Bank has rescinded the normalized provisioning policy and transferred the outstanding amount to inclusion in the allowance for doubtful accounts.

The provision for non-performing loans has been specifically determined by the nature of loans and related factors such as debt servicing ability, fair value of collateral, default history and loss severity. Provisioning for performing loans has been assessed based upon general factors such as default histories and loss severity, credit risks, economic conditions and management experience. For corporate loans, provisioning is determined on a case-by-case basis, while provisioning for retail loans is determined on portfolio basis with similar risk characteristics.

❑ Non-interest Income

In 2005, the Bank's consolidated non-interest income was Baht 12,302 million, increasing by Baht 153 million, or 1.26 percent, over 2004. This was due largely to an increase in fee and service income of Baht 1,234 million, or 15.22 percent, over 2004, mostly from loan-related fees, as well as our cash management, ATM and credit card businesses.

The Bank's gains on exchange, however, dropped by Baht 677 million, due mainly to a decrease in gains on foreign exchange-linked derivatives. Other income also decreased by Baht 404 million from 2004, following an over-year decrease of Baht 1,711 million in gains on investments in debt and equity securities, as the Bank, in 2004, recorded substantial gains on sales of investments in firms not directly related to the Bank's main business. Contributing to the decrease in other income was a Baht 117 million decrease in the Bank's share of profits (losses) from subsidiary and associated companies. Other types of other income increased Baht 859 million over 2004, due mainly to profits from the sale of foreclosed properties, while gains on the transfer of financial assets increased by Baht 564 million.

□ Non-interest Expense

The Bank's consolidated non-interest expense in 2005 was Baht 21,426 million, increasing by Baht 1,579 million, or 7.95 percent, over 2004. This was due mainly to a rise in personnel expense of Baht 1,277 million, following the Bank's annual pay raise and provisioning for bonuses and the staff retirement fund, which follows the Thai Accounting Standard No. 53, on 'Provision, Contingent Liabilities and Contingent Assets', enacted in 2005.

2.2 Financial Position Analysis

Financial Position

(Unit : Million Baht)

	Dec 31, 2005	Dec 31, 2004	Changes	
			Million Baht	Percent Change
Assets	837,309	824,974	12,335	1.50
Liabilities and Shareholders' Equity				
- Total liabilities	759,193	758,308	885	0.12
- Total shareholders' equity	78,116	66,666	11,450	17.18
Total Liabilities and Shareholders' Equity	837,309	824,974	12,335	1.50

□ Assets

As of the end of 2005, the Bank's total consolidated assets were Baht 837,309 million, increasing by Baht 12,335 million, or 1.50 percent, over the end of 2004. The items having significant changes are as follows:

- Loans, as of December 31, 2005, were at Baht 626,946 million, rising by Baht 34,358 million, or 5.80 percent, over the end of 2004. The increase in loans was largely in line with the country's economic growth.
- As of the end of 2005, the Bank's allowances for doubtful accounts stood at Baht 37,439 million, decreasing by Baht 8,907 million, or 19.22 percent, from the end of 2004. The decrease was due to write-offs of bad loans in accordance with BOT regulations.
- Interbank and money market items, as of December 31, 2005, totaled Baht 65,929 million, decreasing by Baht 10,321 million, or 13.54 percent, from the end of 2004, as some of the Bank's term-deposits abroad became due. Loan extension and increasing investments in securities yielding higher returns during the second half of 2005 also contributed to a decrease in these interbank and money market items.
- Net investments, as of December 31, 2005, stood at Baht 99,565 million, decreasing by Baht 10,993 million, or 9.94 percent, from the end of 2004, following the Bank's reallocation of assets from investments in fixed-income securities into loans, which yielded higher returns.
- Securities purchased under resale agreements, as of the end of December 2005, totaled Baht 9,500 million, decreasing by Baht 9,540 million, or 50.11 percent, from the end of 2004, as the Bank managed liquidity to facilitate loan extension.

□ Liabilities and Shareholders' Equity

Total consolidated liabilities of the Bank, as of December 31, 2005, were Baht 759,193 million, increasing by Baht 885 million, or 0.12 percent, over the end of 2004. Consolidated liabilities that changed significantly are as follows:

- Deposits, as of December 31, 2005, were Baht 687,781 million, decreasing by Baht 17,788 million, or 2.52 percent, from the end of 2004. The decrease in deposits was mainly in fixed-term accounts. There was a change in the Bank's deposit structure, with current and savings accounts accounting for 5.77 and 56.71 percent of the total deposits, respectively, increasing from 5.39 and 54.49 percent at the end of 2004, respectively. Meanwhile, fixed-term accounts accounted for 37.52 percent of the total deposits, dropping from 40.12 percent in 2004.

- Interbank and money market items, as of December 31, 2005, were at Baht 19,508 million, increasing by Baht 7,983 million, or 69.27 percent, over the end of 2004. This rise was attributed to an increase in sales of discounted promissory notes to the BOT, in compliance with BOT policy.

- Borrowing, as of December 31, 2005, totaled Baht 27,727 million, increasing by Baht 4,116 million, or 17.43 percent, over the end of 2004. Most of this increase was in short-term borrowing as the Bank issued short-term debentures to enhance flexibility and variety of funding structure management, as well as to provide more alternatives in investments to the public and the Bank's depositors.

- Other liabilities, as of December 31, 2005, totaled Baht 14,381 million, increasing by Baht 6,388 million, or 79.92 percent, over the end of 2004. The increase in other liabilities was due mainly to deferred corporate tax payments for 2005, and obligations on the Bank's investments in foreign securities purchased through liquidity management companies, wherein transactions have not yet been settled in cash.

As of December 31, 2005, total consolidated shareholders' equity was Baht 78,116 million, increasing by Baht 11,450 million, or 17.18 percent, over the end of 2004, due to the Bank's profits in 2005.

□ Relationship Between Sources and Uses of Funds

As of December 31, 2005, the funding structure as shown in the Consolidated Financial Statement comprised Baht 759,193 million in liabilities and Baht 78,116 million in shareholders' equity, resulting in a debt-to-equity ratio of 9.72. The major source of funds on the liabilities side was deposits, which accounted for 82.14 percent of the total. Other sources of funds included interbank and money market items and borrowing, which accounted for 2.33 percent and 3.31 percent of the total, respectively.

The Bank and its subsidiaries' major use of funds was loans. As of December 31, 2005, loans amounted to Baht 626,946 million, resulting in a loan-to-deposit ratio of 91.15 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 2005 are categorized by contractual maturity periods in the following table:

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

(Unit : Million Baht)

Period	Deposits				Loans			
	Dec. 31, 2005	Percent	Dec. 31, 2004	Percent	Dec. 31, 2005	Percent	Dec. 31, 2004	Percent
≤ 1 year	678,980	98.72	699,457	99.13	396,745	63.28	373,259	62.99
> 1 year	8,801	1.28	6,113	0.87	230,201	36.72	219,330	37.01
Total	687,781	100.00	705,570	100.00	626,946	100.00	592,589	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 2005 totaled Baht 678,980 million, decreasing by Baht 20,477 million, or 2.93 percent, from the Baht 699,457 million at the end of 2004. Deposits with remaining maturities of over 1 year at the end of December 2005 were Baht 8,801 million, increasing by Baht 2,688 million, or 43.97 percent, over Baht 6,113 million at the end of 2004.

At the end of December 2005, the Bank and its subsidiaries had loans with remaining maturities of less than, or equal to, 1 year totaling Baht 396,745 million, rising by Baht 23,486 million, or 6.29 percent, over the Baht 373,259 million at the end of 2004. Loans with remaining maturities of over 1 year amounted to Baht 230,201 million, increasing by Baht 10,871 million, or 4.96 percent, over the Baht 219,330 million at the end of 2004.

From the above table, it can be seen that, as of December 31, 2005, deposits with remaining maturities of less than or equal to 1 year were larger 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 reach maturity, it is likely that they will remain with the Bank longer than their stated contractual term, thereby helping to support funds for the Bank's lending. In addition, in December 2005, the Bank issued the Baht 6,816 million Short-Term Debenture Project 1/2005 and Project 2/2005 to promote better flexibility and variety in the Bank's funding structure, as well as to provide more alternatives in investments for public and the Bank's depositors.

□ Investments

The Bank's and 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 the type of investment, as of the end of December 2005, are shown below:

Investments

(Unit : Million Baht)

Type of Investments	Dec 31, 2005	Percent	Sep 30, 2005	Percent	Dec 31, 2004	Percent
Debt Instruments	92,402	92.81	88,964	91.86	104,824	94.81
Government and State Enterprise Securities						
• Trading Investments	1,155	1.16	1,240	1.28	1,315	1.19
• Available-for-sale Investments	26,125	26.24	29,108	30.05	36,194	32.74
• Held-to-maturity Investments	21,708	21.80	24,860	25.67	26,422	23.90
Private Enterprise Debt Instruments						
• Trading Investments	-	-	22	0.02	-	-
• Available-for-sale Investments	2,178	2.19	2,050	2.12	2,821	2.55
• Held-to-maturity Investments	223	0.22	223	0.23	278	0.25
Foreign Debt Instruments						
• Available-for-sale Investments	27,522	27.64	17,987	18.57	24,182	21.87
• Held-to-maturity Investments	13,491	13.55	13,474	13.91	13,612	12.31
Equity Securities	7,163	7.19	7,887	8.14	5,733	5.19
Available-for-sale Investments	1,086	1.09	1,293	1.34	1,766	1.60
General Investments	5,626	5.65	6,161	6.36	3,504	3.17
Investments in Subsidiary and Associated Companies	451	0.45	433	0.45	463	0.42
Total Investments – Net	99,565	100.00	96,851	100.00	110,557	100.00

□ Liquidity

Cash and cash equivalents, according to the Bank's consolidated financial statement, as of at the end of December 2005, totaled Baht 14,913 million, increasing by Baht 1,377 million over the end of 2004, due to the following activities:

- Net cash use in operating activities totaled Baht 2,715 million, as a result of changes in key operating assets and liabilities. Interbank and money market items (on the asset side) decreased by Baht 10,277 million, while securities purchased under resale agreements declined by Baht 9,540 million. Loans, however, increased by Baht 51,323 million. Deposits showed a decrease of Baht 17,788 million, whereas interbank and money market items (on the liabilities side) increased by Baht 7,983 million.

- Net cash received from investment activities was Baht 6,243 million. This amount comprises cash received from the disposal of available-for-sale investments, totaling Baht 44,585 million, and cash received from redemption of debt instruments held to maturity of Baht 10,947 million, while there were cash payments for available-for-sale investments of Baht 38,876 million, and cash payments for debt instruments held to maturity of Baht 7,063 million.

- Net cash used in financial activities totaled Baht 2,151 million, due mainly to the Bank's dividend payments in the second quarter of 2005.

□ Capital Expenditures

To enhance service efficiency, in 2005, the Bank's capital expenditures were primarily for information technology (IT), totaling Baht 1,510 million. Capital expenditures in other fixed assets were Baht 348 million.

2.3 Capital Requirements and Credit Ratings

Capital Funds

As of December 31, 2005, the Bank had a capital base of Baht 94,557 million, comprising Tier-1 capital totaling Baht 62,308 million, and Tier-2 capital totaling Baht 32,249 million. The capital adequacy ratio of the Bank and our asset management companies, Phethai and Ploy AMCs, equaled 14.47 percent, significantly above the BOT's minimum requirement of 8.50 percent. Details of the capital adequacy ratio of the Bank and our AMCs are as follow:

Capital Adequacy Ratios*

(Unit : Percent)

Capital Funds	Dec 31, 2005	Sep 30, 2005	Jun 30, 2005	Mar 31, 2005	Dec 31, 2004
Tier-1 Capital	9.53**	9.58	8.50	7.90	7.98
Tier-2 Capital	4.93	4.93	5.00	5.19	5.14
Total Capital Requirements	14.47**	14.51	13.50	13.09	11.13

Note: * These ratios do not include the net profits of each accounting period. According to BOT regulations, the net profits for the first half of the year shall be included in capital, after approval by the Bank's Board of Directors. The net profits for the second half of the year 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 net profits for the second half of the year, ending on December 31, 2005. Should the net profits for the second half of the year, ending on December 31, 2005, be included, the capital adequacy ratio of Tier-1 capital and of total capital requirements would be equal to 10.39 percent and 15.32 percent, respectively.

Maintenance of Ratios

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, 2005, the Bank had cash, cash at Cash Operation Units, and deposits at the BOT, including eligible securities, totaling Baht 68,622 million.

Credit Ratings

In 2005, the Bank's credit rating was upgraded three times. In the first quarter, Fitch Ratings raised its outlook for the Bank's international long-term debt rating from "stable" to "positive", while the international long-term subordinated debt and individual ratings were upgraded from BBB- to BBB and from C/D to C, respectively.

In the second quarter, Fitch Ratings raised the Bank's international long-term debt rating from BBB to BBB+, and the international short-term debt and deposit rating from F3 to F2. In the third quarter, Standard & Poor's raised three ratings for the Bank and, for the first time, assigned a 'C' rating for the BFSR (Bank Fundamental Strength Rating) to the Bank. The agency upgraded the Bank's long-term debt rating from BB+ to BBB, the Bank's long-term subordinated debt rating from BB- to BBB-, and the Bank's short-term debt and deposit rating from B to A-2.

The details of the Bank's ratings for the years ending 2005 and 2004 are shown in the following table.

KASIKORNBANK's Credit Ratings

Credit Ratings Agency	December 31, 2005	December 31, 2004
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	Positive	
Standard & Poor's ***		
Long-term - Debt	BBB	BB+
- Subordinated Debt	BBB-	BB-
Bank Fundamental Strength Rating (BFSR)	C	-
Short-term - Debt/Deposit	A-2	B
Outlook	Stable	Positive
Fitch Ratings ***		
International credit ratings		
Long-term - Debt	BBB+	BBB
- Subordinated Debt	BBB	BBB-
Individual	C	C/D
Support	2	2
Short-term - Debt/Deposit	F2	F3
Outlook	Positive	Stable
National credit ratings		
Long-term - Debt	AA(th)	AA(th)
- Subordinated Debt	AA-(th)	AA-(th)
Short-term - Debt/Deposits	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 Baa3, from BBB- and from BBB-, respectively. For short-term credit ratings, the investment grade ratings by these three agencies were from P-3, A-3, and F3, respectively.

3. Operations of Business Groups³

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 2005, despite various negative factors, the business groups managed to successfully proceed with work on the Bank's strategies, guidelines, targets and goals. In addition to this, the Bank continued to expedite continuous development in many systems to improve operational capabilities and competitiveness.

3.2 Corporate Business Group

The Corporate Business Group provides services to customers with sales volumes over Baht 50 million per annum. Bearing in mind the benefits to our customers as being 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. 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.

□ Business Operations in 2005

In 2005, operations of the Corporate Business Group are summarized in the following:

Customer Segment

- **Multi-Corporate Banking Segment**

Overview

This unit provides sophisticated financial products and services for multi-corporate and investment project customers with sales volumes over Baht 5,000 million per annum. The main products are capital financing services, which include end-to-end financial offerings such as loan arrangement services, financial advisories and debt instrument underwriting. Other financial services include cash management and foreign exchange services.

Changes in the Operating Environment and Business Operations

Amid market volatility and intense competition throughout 2005, the Bank's fee-based income rose above targets, especially in the fourth quarter. This was due to increased revenues from risk management and corporate finance products, achieved through introducing customers to potential benefits from our products. Meanwhile, bank-customer relationships have been fostered via various activities, including financial consulting, thus gaining the trust of our customers. In addition, different service strategies have been designed for different groups of customers, while relationships with our business alliance partners, both at home and abroad, have been strengthened for future business opportunities.

- **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 that include a complete range of loan facilities, including working capital financing, capital expenditure loans, project finance loans and trade finance. Other financial services include cash management, foreign exchange and financial advisory services.

³ Later in 2005, the Bank reorganized our business structure. The new structure is set to become effective from January 1, 2006. onward.

Changes in the Operating Environment and Business Operations

In 2005, the Corporate Banking Segment achieved continuing growth in income, most notably in interest income, which was due to above-target loan extension, particularly in trade finance. This was also true for fee-based income, which increased steadily from such products as letters of indemnity-borrowing, cash management, corporate finance, and foreign exchange. Aside from continuing product and service developments, the Bank has carried on proactive marketing strategies in which bank-customer relationships are strengthened through various programs. Meanwhile, the Bank, through KASIKORNBANKGROUP, is expanding business and customer bases into the securities business via KASIKORN SECURITIES PCL., and leasing business via KASIKORN LEASING CO.,LTD.

- **Business Banking Segment**

Overview

Customers in this segment are corporate entities with sales volumes between Baht 50-400 million per annum to whom a full range of products, including domestic credit, trade finance and cash management products, is offered to meet customers' varying needs.

Changes in the Operating Environment and Business Operations

In 2005, the Bank achieved satisfactory growth in both new loan extension and fee-based income. The latter was mainly in letters of indemnity-borrowing and cash management services. In addition to marketing products to potential new customers, importance has been placed on improving bank-customer relationships with current customers. Among our marketing campaigns, there were seminars and workshops, which were organized for current and potential customers on topics such as international payments, currency trends, marketing and management.

Product Group

- **Domestic Credit Products and Letters of Indemnity-Borrowing**

Overview

Domestic credit products are divided into two categories: working capital finance, such as 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 guarantee on loans, and financial statements.

Changes in the Operating Environment and Business Operations

Since the beginning of 2005, the Bank had been able to achieve higher growth in domestic lending, while fee-based income from letters of indemnity-borrowing was on target. This growth was achieved through constant improvements in our existing credit products, as well as the introduction of new products that meet customer needs in changing economic conditions. A notable example of this was a revolving fund product for gasoline stations, while the Bank also participated in the "Energy Conservation-Revolving Fund Project", with the approval of the Department of Alternative Energy Development and Efficiency. As for pricing, interest rates on secured loans have been made more competitive by changing the rate structure to deposit rates plus premiums approved by the Bank for each customer, from rates based on benchmarks, such as MFI, MFJ, MSI and MSJ ⁴. For faster service, the Bank has continued to improve credit procedures, including deposit deductions for loan repayments and refinancing procedures.

⁴ MFI : Minimum Fixed Deposit Rate for Individual Persons

MFJ : Minimum Fixed Deposit Rate for Juristic Persons

MSI : Minimum Saving Deposit Rate for Individual Persons

MSJ : Minimum Saving Deposit Rate for Juristic Persons

- **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 2005, the Bank's trade finance lending, both for imports and exports, continued to grow on-target, in tandem with our volume of international trade. Notable growth was observed in electronics, jewelry, construction materials and automobile industries. Such satisfactory growth was a result of the Bank's continuing improvements in our products and services. Examples include advisory services, which are provided under the guidance of international business experts, in addition to quality services by our marketing teams. Furthermore, "Imaging Workflow" technology has been implemented, which has helped facilitate fund transfer transactions. All of these improvements have added extra value to our services to customers.

- **Corporate Finance**

- **Overview**

- There are two major categories of services provided by Corporate Finance, including financial advisory services and corporate finance services, covering a full range of financial products and financial advisory services. In addition to offering services as a broker-dealer and underwriter for state enterprise bonds, Corporate Finance is responsible for researching the debt market and performing analyses on the economy, foreign exchange and the capital markets.

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

- In 2005, the Bank remained the underwriter of choice for the IPO of numerous debentures, while providing financial advisory services to several leading corporations. In addition, the Bank has been entrusted with the role as the sole underwriter of the government's "Savings Bonds", worth Baht 30,000 million, in total. These bonds will be offered to the public from the third quarter of 2005 to August 2006. In the debenture auction business, the Bank has also maintained our position as the top-ranked player, continued from last year.

- **Currency and Interest Rate Risk Management Products**

- **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**

- Despite market volatility caused by several factors, including the weakening of major currencies against the U.S. Dollar during the first half of the year, the revaluation of the Chinese Renminbi on July 21, and the heightened volatility of the Yen and the Euro in the fourth quarter caused by rumors of another Renminbi revaluation in November, the Bank's fee-based income from foreign exchange products continued to grow. This satisfactory growth was attributable to the increased demand for the Bank's currency risk management, as evident in the larger number of transactions. The Bank has also offered customers derivative products with larger sizes and longer maturities, in addition to basic derivative products such as interest rate and currency swaps. Furthermore, as interest rate risks have intensified due to upward trends in interest rates at home and abroad, the Bank continued to meet customers' needs in interest risk management by engaging in derivative transactions on their behalf.

- **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. To meet the needs of customers in different businesses, there are four key services provided under Cash Management: collection management services, payment management services, liquidity management services and special services such as payroll services.

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

In 2005, the Bank has continued the development of our business according to established strategies. Moreover, services and products have been upgraded to better fit changing market conditions, especially in the second half of the year, when there were several increases in commercial bank deposit rates. During this period, the Bank adjusted fixed-term deposit rates and conditions for saving deposit rates, meeting customers' needs in the rising interest rate environment. Also of note, the Bank, in cooperation with KASIKORN ASSET MANAGEMENT CO., LTD., launched a new deposit product in which customers can transfer their deposits from saving accounts to short-term government bond funds. As for our Business to Business (B2B) debt collection services for large corporate customers, focus has been placed on electronic payment services. For our Business to Customer (B2C) debt collection services, the Bank has implemented several promotional activities through direct marketing, aimed at increasing the transaction volume of our payment and fund transfer "K-SurePay" services. Meanwhile, the Bank's Electronic Banking System for corporate customers has been upgraded to an internet platform, from the previous intranet platform.

- **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 services 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**

In 2005, the Bank's securities services enjoyed satisfactory growth, especially in registrar services for unit trusts and debentures, due to the launch of six mutual funds and ten debentures. In addition, the Bank has expanded custodial services into foreign investment funds and short-term domestic funds, while gaining more business from customers switching to our services. As for the Bank's custodial services for provident funds, we have maintained our leadership in terms of market share, while new services for the government civil servant provident funds have been launched. As for our K-Agency services, in which the Bank operates as a syndicated loan agency, a collateral agency for syndicated loan programs and a bondholder representative, they have all generated on-target fee-based income, exceeding that of the previous year. This was attributable to the Bank's successful expansion in the syndicated loan business and the public sector's mega-investment projects. The Bank is also in the process of preparing staff and operating systems to meet the new requirement of the Securities and Exchange Commission, to be effective in 2006, which stipulates that provident funds have to be provided with asset value verification.

□ Financial Position

Corporate Business Group Credit Classified by Customer Segment

(Unit : Million Baht)

	Percent of Total CBG's Loans	Loans		Changes	
		Dec 31, 2005	Dec 31, 2004	Million Baht	Percent Change
Corporate Business Group	100.00	224,540	202,747	21,793	10.75
Customer Segment					
Multi-corporate Banking Segment	30.53	68,542	66,417	2,125	3.20
Corporate Banking Segment	37.37	83,913	72,750	11,163	15.34
Business Banking Segment	32.10	72,085	63,580	8,505	13.38

As of the end of 2005, the Corporate Business Group's total loans stood at Baht 224,540 million, increasing by Baht 21,793 million, or 10.75 percent, over the end of 2004. Categorized by customer segment, the increase in the Group's total loans in 2005 was due chiefly to a 15.34 percent increase in the Corporate Banking Segment's loans, over the end of 2004, following expansion in iron and steel, chemical and plastic, and agro-industry businesses. Following this was the Business Banking Segment's loans, which grew by 13.38 percent over the end of 2004, while the Multi-corporate Banking segment's loans expanded by 3.20 percent.

Corporate Business Group Credit Classified by Product Group

(Unit : Million Baht)

	Percent of Total CBG's Loans	Loans		Changes	
		Dec 31, 2005	Dec 31, 2004	Million Baht	Percent Change
Corporate Business Group	100.00	224,540	202,747	21,793	10.75
Product group					
Domestic credit products	72.81	163,486	151,348	12,138	8.02
Trade finance	26.03	58,446	47,865	10,581	22.11
BIBF	1.12	2,506	3,378	(872)	(25.81)
Other loans	0.05	102	156	(54)	(34.62)

Categorized by product group, as of the end of 2005, products having the largest loan extension were domestic credit products, which rose Baht 12,138 million over the end of 2004. However, in terms of over-year percent change, trade finance loans recorded the highest growth of 22.11 percent over the end of 2004, due to growth in energy and electrical appliance industries. Following this was domestic credit products, which showed an increase of 8.02 percent over the end of 2004. BIBF loans, however, fell 25.81 percent.



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 their unique financial needs, customers are divided into 4 segments: business & professional customers, Platinum customers, middle-income customers, and general retail customers, or transactors. By group, the Bank's products are classified as follows: retail business lending, consumer loans, credit cards, as well as deposits and fee-based income.

Business Operations in 2005

Throughout 2005, the Bank's products, as well as sales and service channels have been improved to enhance the efficiency of business operations, as follows:

Product Group

- **Retail Business Lending**

To help businesses operate at their full potential, the Bank has provided credit facilities to improve their liquidity, as well as for funding business expansion. Advisory services are also provided to help determine 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

Despite an economic slowdown in 2005, the Bank was able to sustain satisfactory loan growth, which was achieved through our commitment to product and service developments. For example, to facilitate funding for liquidity and business expansion of SME customers, the Bank has launched such innovative products as "KBank SME Klean Credit", which is a non-collateralized loan product, and "KBank SME KMax", which offers credit lines of up to 120 percent of the customer's collateral value. In addition, loan application forms have been standardized nationwide to make them easier for customers to complete, while credit approval processes have been improved for quick and responsive service. Moreover, focus has been placed on fostering bank-customer relationships through various marketing programs, which, we believe, will lead to broader business opportunities in the future.

- **Consumer Loans**

Overview

In understanding the various financial needs of individuals and households, the Bank offers a full spectrum of consumer loan products, covering housing loans and personal loans.

Changes in the Operating Environment and Business Operations

In addition to developing products to better suit customers' needs, the Bank has continued to focus on the use of marketing campaigns to create closer bank-customer relationships. For example, the "Decoration Guide by Home Smiles Club" magazine has been provided to the Bank's "Home Smiles Club" members. Also, an all-in-one mortgage product that comes with laundry and cleaning services for homebuyers has been launched, through collaboration with our alliance partners.



- **Credit Cards**

- **Overview**

The Bank offers a broad array of credit card products and services, including services classified by cardholder type, such as cards for individuals and corporate customers, and services classified by card brand, such as the KBank Card, KBank-VISA Card and KBank-Master Card. For maximum efficiency in our services and the highest satisfaction of customers, the Bank's credit card products and services have been continuously developed and improved.

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

Although consumption spending has been hurt by several negative factors such as volatile oil prices and rising inflation, credit card spending has continued to grow. This was evident in the last quarter of the year, due to a boost from holiday season spending and a rebound in tourism after the tsunami disaster. Meanwhile, the Bank has introduced the "Ideal Card", featuring a security chip preventing forgery. Also, barcodes have been installed on the Bank's credit card statements, making it more convenient for customers to make payments at our branches and ATM machines. Furthermore, "K-mAlert" service, in which information on spending through the Bank's debit and credit cards is sent to customers via SMS service, has been launched. Besides this, since the second quarter, the Bank has extended service to China UnionPay (CUP) credit and debit cards, issued by China's banks.

As for the card-accepting business, competition remains strong, especially in promoting spending through credit cards and increasing shares of card accepting stores. This is evident in the rising number of Electronic Data Capture (EDC) machines being installed by credit card providers in each quarter. In response to this heightened competition, the Bank has expanded our card-accepting business through various service initiatives and product developments. For example, EDC machines have been installed for merchants at various trade fairs. Meanwhile, the number of EDC-equipped stores ready for chip-embedded credit cards has increased. Also, through the Bank's "Loyalty Program", card-accepting stores have been encouraged to deliver quality services, according to the Bank's guidelines, to cardholders in set target groups. A wireless EDC system has also been developed, enabling high-speed GPRS data transfers. In addition, the Bank's "Secure Communications Project" has been implemented, allowing the sending and receiving of data between the Bank and customers to be processed through an Internet system. Besides this, the Retail Business Group, through collaboration with the Corporate Business Group and alliance partners, has sought to broaden the Bank's marketing and business opportunities through the launch of several service packages.\

- **Deposits and Fee-based Income**

- **Overview**

The Bank has offered a wide range of deposit and card access products, including savings accounts, fixed-term deposits, current accounts and ATM cards. For customers' convenience, services such as fund transfers through ATM machines and utilities payments have also been offered.

Changes in the Operating Environment and Business Operations

Amid strong competition in the mutual fund business, the Bank, in cooperation with KASIKORN ASSET MANAGEMENT CO., LTD., has launched several mutual fund products throughout 2005. Products of note include short- and medium-term open-ended funds invested in the public sector's fixed-income securities, as well as the Ruang Khao SET 50 Fund and the Ruang Khao Long-Term Open-Ended 7030 Fund.

In the course of an upward interest rate trend and heightened competition in the Bancassurance business, the Bank, in cooperation with Muang Thai Life Assurance Co., Ltd., has introduced several new life insurance products, including the Ruang Khao Sasomsup 5/1 Fund, the Ruang Khao Sasomsup 10/3 Fund and the Ruang Khao Family Income Fund. As for personal accident insurance products, alternative sales channels in addition to the Bank's branches, such as through direct mailings and telephone contacts, have been further improved, while sales contests have been held to enhance the marketing prowess of the Bank's staff.

Meanwhile, to enhance efficiency in service, additional KBank Bancassurance Advisors (KBAs) have been assigned to the Bank's branches in Bangkok and the Metropolitan Area. Besides this, the Bank has offered such bundled products as "KBank Klean Loan Protection" and "KBank Klean O/D Protection" to our SME customers using these non-collateralized loan products. In a similar vein, Ruang Khao Pithaksin, a property insurance product, has been offered to the Bank's housing loan customers. The Bank has also implemented product cross-selling. For example, debit card products have been cross-sold with personal accident insurance products to customers opening new accounts at the Bank's branches. The first phase of this campaign covers 20 branches in Bangkok and the Metropolitan Area.

Furthermore, the Bank has broadened business opportunities in deposits and fee-based income products by introducing two new fund transfer services in December. These new services include the "Inter-Region Fund Transfer" service, in which money can be sent nationwide to persons without a bank account, and the "Inter-Bank Fund Transfer" service, in which fund transfers can be made to accounts at any bank via the Bank's service counters.

As for debit card products, promotional activities and marketing campaigns have been organized to strengthen the Bank's customer base, as well as encourage transactions through the Bank's cards. Operational procedures have also been made ready for debit cards that are jointly issued with other organizations.

In the foreign exchange business, additional foreign exchange booths were set up, more than doubling the Bank's sales channels over the previous year. All of these efforts, in addition to the policy of offering competitive exchange rates, have resulted in the Bank's being able to maintain our rank as one of the market's top three in this business.

Sales and Service Channels

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

- **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 needs. To facilitate sales and service to targeted customer segments in a highly efficient manner, branches are classified into two groups.

Group 1 Bangkok and the Metropolitan Area and Major Cities:

Branches in Bangkok and major cities 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 three 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 two groups as follows:

Branch Clusters

For branches that are located in malls, or are in the vicinity of one another, and can 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**

Focus has been placed on marketing the Bank's products, especially housing loans, personal loans and credit cards, to middle-income customers, through this channel.

- **Alliance Partners**

Business allies are used to expand the Bank's customer base, develop new products and services, and to build image awareness.

- **Direct Marketing**

The Bank uses this channel to promote a wide range of products and services to new and existing customers, as well as to customers of alliance partners.

- **Phone Channel: K-Contact Center (formally known as "KBank e-Phone")**

Throughout 2005, the Bank continued to improve our customer relations service through this phone channel. For example, the Interactive Voice Response (IVR) system has been upgraded to enhance the efficiency of service to customers, while a "Web Chat" service, which is connected to customer relations officers providing online help, has been introduced. Also, service teams have been trained and informed about product features, and tests have regularly been conducted on teams and team managers. Meanwhile, K-Contact Center has been used constantly as an additional channel promoting the Bank's services and products, such as credit

cards featuring specific promotional offerings for different groups of customers. Also, via this channel, data on customer satisfaction and customer behavior has been collected for analysis and improvements on the Bank's products and services.

- **Electronic Channels**

For a better service coverage in response to the growing demands of customers, the Bank has continued to upgrade products and services provided through these channels. Moreover, since the fourth quarter, the names of products and services have been changed, for consistency with the Bank's new K Excellence concept. They are divided into four groups, as follows.

- 1. Interactive Machines**

- 1.1 K-ATM (formally known as "e-ATM")**

As of the end of 2005, the Bank's ATM machines have increased to 1,962 units, from 1,391 units at the end of 2004, all of which have been modified to handle transactions for China UnionPay (CUP) cards, and were ready for this as of May 13, 2005. Menus were adjusted to make them easier to use, and the "K-SurePay" service was advertised on monitors. The Bank's ATM machines have also been upgraded for faster transaction handling. At the same time, the Bank is in the process of upgrading systems in preparation for encrypted ATM card PINs, in compliance with the standards set by VISA International, and will be ready by July 1, 2007. In addition, since December 22, 2005, customers have been able to complete their unit trust transactions through the Bank's ATM machines in Bangkok and the Metropolitan Area, with the Bank's aim to provide nationwide coverage by January 2006. Besides this, applications for mobile phone banking services can now be made through the Bank's ATM machines.

- 1.2 K-CDM (formally known as "e-CDM")**

To facilitate customers' deposit transactions, the Bank has increased the number of Cash Deposit Machines to 124 units at the 2005 year-end, from 70 units at the end of 2004.

- 2. Internet Banking**

The Bank's Internet Banking service, comprising K-Cyber Banking for individual customers, and K-BizNet for small business customers, has witnessed strong growth. Since a substantially larger volume of transactions is expected in the near future, the Bank has ceaselessly upgraded operations and services to make certain that they will be ready for future demand. For example, since August 2005, the Bank's has streamlined application approval procedures, in which applications can now be approved within two working days -- down from seven working days. Meanwhile, the number of the Bank's business partners accepting payments via our Internet Banking services has been increased considerably, making it more convenient for customers to make their purchases online.

- 2.1 K-Cyber Banking (formally known as "e-Internet")**

The Bank's Internet Banking service for individual customers has enjoyed satisfactory growth of 89.79 percent over 2004 in the number of users of this service. Developments of note in 2005 included a service in which new PINs are provided, either through e-mail or collectable at the Bank's branches, for customers who forget their passwords.

- 2.2 K-BizNet (formally known as "e-BizLink")**

The Bank's Internet Banking service for small business customers has also sustained strong growth of 212.69 percent over 2004.

- 3. K-mPay (formally known as "KBank mPay", or "e-Mobile Phone Banking")**

The Bank's bill payment facilities via mobile phone systems for individual customers have registered growth of 900.00 percent over 2004. Notable developments in 2005 include the implementation of the "Mobile Back Office" system for more efficient service, as well as improvements in PIN registration to speed up approval processes. Besides this, the Bank has launched the "K-mAlert" service, which provides information on customers' debit and credit card spending via SMS service. Furthermore, the

Bank's operational system, since May 2005, has been undergoing upgrades to handle transactions for VISA cards, in addition to those carried out for the Bank's savings and current accounts.

4. K-Payment Gateway (formally known as "e-Commerce")

The Bank's payment service for online business has recorded growth of 12.39 percent over 2004 in the number of stores using our service. Service system developments have been completed, resulting in a more stable platform for a larger number of orders. Participating stores have also been transferred to this new platform for faster and more efficient service. In addition, the Bank is in the process of upgrading the level of security in accordance with "Verified by VISA" and "Master Card Secure" policies. This upgrade is expected to be completed by the first quarter of 2006.

- **Business Service Center (formally known as the "Business Banking Center")**

Since January 2005, the operation of the Business Banking Center has been transferred from the Corporate Business Group to the Retail Business Group, while the Center has been renamed the "Business Service Center". Through this channel, standard banking services similar to those at the Bank's branches, as well as commercial loan and cash management services are provided. By the end of 2005, twenty-six Centers had been opened nationwide, with twenty in Bangkok and the Metropolitan region, and six Centers upcountry. Five additional Centers are expected to be put into operation in 2006, providing better service coverage for our customers.

Financial Position

- **Loans**

Retail Business Group Credits classified by Product

(Unit : Million Baht)

	Percent of Total RBG's Loans	Loans		Changes	
		Dec 31, 2005	Dec 31, 2004	Million Baht	Percent Change
Total	100.00	318,426	276,894	41,532	15.00
Retail business lending	74.26	236,478	210,055	26,423	12.58
Housing loans	20.54	65,415	52,306	13,109	25.06
Credit card products	3.90	12,428	11,690	738	6.31
Other loans	1.30	4,105	2,843	1,262	44.39

As of December 31, 2005, the Retail Business Group's total outstanding loans were Baht 318,426 million, increasing by Baht 41,532 million, or 15.00 percent, over the end of 2004. The increase in the Group's total loans in 2005 was due mainly to a Baht 26,423 million increase in retail business lending, mostly in promissory notes. However, in terms of over-year percent changes, the product with the highest growth was housing loans that grew by 25.06 percent over the end of 2004.

- **Deposit Products**

**Proportion of Deposits Classified by Product Group
(Under the Retail Business Group)**

(Unit : Million Baht)

	Percent of Total RBG's Loans	Loans		Changes	
		Dec 31, 2005	Dec 31, 2004	Million Baht	Percent of Change
Total	100.00	571,374	602,958	(31,584)	(5.24)
Current accounts	2.47	14,130	12,991	1,139	8.77
Savings accounts	55.40	316,527	321,652	(5,125)	(1.59)
Fixed-term deposit accounts	42.13	240,717	268,315	(27,598)	(10.29)
3 months	31.60	180,526	216,523	(35,997)	(16.62)
6 months	2.88	16,458	4,469	11,989	268.29
1 year	6.06	34,613	34,396	217	0.63
> 2 years	1.59	9,120	12,927	(3,807)	(29.45)

As of December 31, 2005, the Retail Business Group's total deposits amounted to Baht 571,374 million, falling by Baht 31,584 million, or 5.24 percent, from the end of 2004. This was due mainly to a fall in fixed-term deposits, particularly in the 3-month tenor that reported the largest contraction in terms of over-year percent change, following heightened competition from other deposit-taking institutions, and also from securities that yield higher returns. It should be noted that these deposits do 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 the Bank's 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.

□ Business Operations in 2005

In 2005, market yields exhibited great volatility and mixed directions across a range of maturities, causing heightened interest rate risks for investors, save those with proper hedging. Mid-term and long-term yields eased during the first half due to the economic slowdown triggered by the tsunami disaster at the 2004 year-end and higher oil prices. Yields, however, edged up during the third quarter to early November as a result of accelerating inflationary pressure and market expectations of aggressive tightening by the BOT, as well as increases in deposit rates by large commercial banks. Afterwards, oil prices began to moderate, and yields softened due to rising demand for long-term investments, compensating for falling demand by commercial banks associated with declining liquidity.

Yields on short-term debentures have been rising in line with the BOT's interest rate tightening. In 2005, the BOT and the U.S. Federal Reserve raised their benchmark interest rates six and eight times, respectively. As a result, at the end of 2005, the BOT's 14-day repurchase rate stood at 4.00 percent, increasing from 2.00 percent at the end of 2004, while the U.S. Fed Funds rate was at 4.25 percent, increasing from 2.25 percent at the 2004 year-end.

The liquidity of Thai commercial banks declined throughout 2005, especially at large commercial banks. This was due to loan extension and heightened competition for deposits among Thai and foreign banks, as well as mutual fund and life insurance companies. Such competition was evident in the pricing strategies adopted and products with high returns offered by these players.

As interest rate trends are likely to remain upward both at home and abroad, the Bank has maintained our interest rate risk policy by not increasing investments in fixed-income securities, while shifting more weight toward short-term investments. Meanwhile, our focus has remained on increasing non-interest income through derivative instruments. At the same time, products yielding higher returns, including structured products and credit default swap products, have been developed, helping us to better manage declining liquidity. The Bank has also continued with our strategy of not increasing investments in equity securities. Meanwhile, the Bank has conducted more financial transactions related to other types of derivative instruments to meet with customers' needs and expand the customer base in this business. Innovative deposit and investment products have also been developed, enabling us to offer customers a wider range of saving and investment choices. This, in turn, has helped us manage our liquidity and adjust our liability structure for a better balance.

□ Financial Position and Operating Performance

As of December 31, 2005, total investments of the Treasury Group were Baht 190,280 million, decreasing by Baht 900 million, or 0.47 percent, from the end of 2004. Investments in the money market accounted for 47.72 percent of the total investments, while investments in the capital market accounted for the remaining 52.28 percent.

Treasury Group's Income

(Unit Million Baht)

Type of Transaction	Percent of Total TG's Income	Loans		Changes	
		2005	2004	Million Baht	Percent of Change
Interest and Dividend Income					
Interbank and money market items	36.06	2,418	1,510	908	60.13
Investments	53.92	3,615	3,641	-26	-0.71
Non-interest Income					
Gains on investments	4.19	281	1,854	-1,573	-84.84
Gains on exchange and other income	5.83	391	1,014	-623	-61.44
Total	100.00	6,705	8,019	-1,314	-16.39

Note: The figures above are managerial figures.

For 2005, the Group had total income of Baht 6,705 million, declining by Baht 1,314 million, or 16.39 percent, from 2004. This was attributed to a decline in non-interest income of Baht 2,196 million, due mainly to decreases in gains on exchange and gains on investments in fixed-income securities. Interest and dividend income, however, increased by Baht 882 million, due to a rising interest rate trend.

4. Functional Groups

During 2005, the Bank continued our development efforts in many areas, such as in human resources and in information technology (IT), in order to support core business groups toward greater efficiency.

□ Building an Effective, Performance-Based Organization

With the goal of becoming a competency- and performance-based organization, the Bank continued with the implementation of human resources projects throughout the year 2005. To enhance employees' skills and work efficiency, individual employees' goals have been set in a clear and measurable way, while assessments have been made by comparing the employees' performance versus their individual goals and that of their peers. As regards the Bank's management staff, not only their individual targets have been set, but "shared goals" have also been introduced, in order to increase cooperation between departments and operating groups. Also, rewards and other incentives have been established to encourage performance, based on individual performance and overall organizational operating results.

Aside from these implementations, the Bank has undertaken extensive surveys of compensation in the job market to ensure that our levels of compensation are commensurate and competitive with those offered elsewhere in the market. In 2005, the Bank increased its employees' cost-of-living allowance by another Baht 1,000 as a matter of concern for their welfare under the current economic conditions.

To groom future leaders, the Bank has carried out the "Leadership Development Program", which will include training in the fundamentals of leadership capability for promising employees in preparation for further advancement. Pursuant to this, criteria for selection and assessment tools have been set in three key areas, i.e., professional discipline, management capability and leadership competency. The Bank will proceed with assessment and development of individual development plans, further on.

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

Since the first quarter of 2005, the Bank has completed all main credit service projects. These projects included improvements in credit support and operations to facilitate centralized operations after credit approval processes. Other projects completed were the centralization of contract and collateral documents retrieval systems for the Corporate and Retail Business groups in Bangkok and its Metropolitan region, the Document Management System (DMS), and the Document & Collateral Control System (DCS). These systems help to better manage and control internal viewing and use of important document originals, such as those related to credit contracts and collateral, thus facilitating faster credit and debt restructuring operations, while also reducing the risk of loss or damage to originals during physical handling, and facilitating efficiency in internal auditing.

□ IT Security Policy and Infrastructure

For the highest security in maintenance of customer data, the Bank has continually upgraded and developed standards for our IT systems. This has included work that proceeded on the IT Security Policy and ongoing upgrades in the IT infrastructure throughout 2005. In the first quarter of 2005, the Bank completed design of a secure IT infrastructure put in place to accept China

UnionPay credit cards, and a 'metadirectory' was implemented to centrally register authorized users of the Bank's important system applications. This feature helps prevent unauthorized access to the Bank's IT system, while the registry was also upgraded to contemporary standards. Thereafter, in the second quarter of the year, the Bank expanded the domain of these new infrastructural improvements to subsidiary companies, the work of which was completed in the fourth quarter. This has afforded the Bank with the ability to control and manage the IT system registry with the highest security and efficiency.

Likewise, also in the fourth quarter, the Bank proceeded with the development and implementation of a new security infrastructure for electronic transactions ('e-business') to completion during the period, improving management and control of the system in preparation for increased e-business transactions. The Bank also introduced an improved design in the security infrastructure for the Bank's subsidiaries, completing the standardization of the entire KASIKORNBANKGROUP IT system. In doing so, the entire network's security has been significantly improved, providing secure file transfers between the Bank and outlying operational units. Besides this, the Bank has proceeded with the more detailed electronic security audits, especially for the Cash Connect system.

□ IT Outsourcing

The Bank, in cooperation with IBM Thailand Co., Ltd., has continued to improve the efficiency of our IT system under the Transformation Plan. In the first quarter of 2005, improvements in the Disaster Recovery Plan and back-up systems for mainframes were completed, along with updates in the Local Area Network (LAN) system. Further enhancements were undertaken in the second quarter of 2005, wherein complete redesign of the Bank's LAN and its related systems were commenced prior to further upgrades and tests, which proceeded throughout the rest of the year, and will be completed in the first quarter of 2006. In addition, an enterprise architecture team has been created to manage a new enterprise IT architecture and establish appropriate standards for future IT development, along with drafting an IT Master Plan to shorten development timeframes and reduce redundancies in system development, thus leading to a better IT platform, overall.

Besides this, in the third quarter of 2005, the Bank began implementation of the Desktop Management System, to link all desktop personal computers of the Bank to a centralized control center that manages software installations and upgrades on all these machines using online controls, which will not only help reduce the Bank's operating costs, but is also more convenient, and allows more thorough Bank-wide management of software. Installation of this system was completed in the fourth quarter of 2005.

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 control these firms' financial and operating policies through their boards of directors and shareholders meetings.

Associated companies refer to companies where the Bank has invested in more than 20 percent, but not greater than 50 percent, of the fully paid equity in the company. The Bank has influence upon decision-making 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 for long-term strategic benefit. The Bank and subsidiary companies collaborate in reviewing business strategies, as well as co-operate in business operations and management for maximum efficiency. Such work is achieved through the use of the Bank's strengths in our customer base, database and quality customer relationships, along with the KASIKORNBANK corporate signature, which is a vital tool used to present KASIKORNBANKGROUP's products to customers.

- **Outsourcing Investments**

The Bank invests in companies that support the Bank's operations. These are companies providing services that are not the core business of the Bank, and need flexibility in management. Bank executives are appointed as directors of these companies in order to have control over their management and operating policies, aimed at maximizing the Bank's efficiency and benefits.

- **Trading and Other Investments**

The Bank invests in associated companies to seek benefit from returns on investments, such as dividend payments and capital gains, without the intention of having control over their management. Investments in some cases are a result of debt restructuring.

The Bank's investments in subsidiary and associated companies as of the end of 2005 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	2005 Operating Performance* (Baht)
Investment in Asset Management Companies							
1. PHETHAI ASSET MANAGEMENT CO., LTD. Tel. 0 2694 5000 Fax. 0 2694 5202	Bangkok	Services	800,000,000	799,999,993	99.99	Ordinary	253,598,204
2. PLOY ASSET MANAGEMENT CO., LTD. Tel. 0 2694 5000 Fax. 0 2693 2525	Bangkok	Services	500,000,000	499,999,993	99.99	Ordinary	54,281,858
Investment in Subsidiary and Associated Companies							
1. PROGRESS GUNPAI CO.,LTD. Tel. 0 2273 3898 Fax. 0 2270 1262	Bangkok	Services	200,000	199,993	99.99	Ordinary	26,853,884
2. PROGRESS PLUS CO.,LTD. Tel. 0 2225-2020 Fax. 0 2270 1273	Bangkok	Services	230,000	229,993	99.99	Ordinary	791,951
3. KASIKORN FACTORING CO.,LTD. Tel. 0 2290 2900 Fax. 0 2275 5165	Bangkok	Factoring	1,600,000	1,599,994	99.99	Ordinary	83,423,636
4. PROGRESS LAND AND BUILDING CO., LTD. Tel. 0 2225 9435 Fax. 0 2273 3883	Bangkok	Real Estate Development	13,200,000	13,199,992	99.99	Ordinary	12,272,451
5. KASIKORN RESEARCH CENTER CO.,LTD. Tel. 0 2273 1144 Fax. 0 2270 1569	Bangkok	Services	100,000	99,993	99.99	Ordinary	1,151,046

Company Name	Place	Type of Business	No. of Shares issued	No. of Shares Held	Percentage Held (%)	Type of Shares	2005 Operating Performance* (Baht)
6. PROGRESS FACILITIES MANAGEMENT CO.,LTD. Tel. 0 2273 3289-9 Fax. 0 2273 3292	Bangkok	Services	50,000	49,993	99.99	Ordinary	4,373,916
7. PROGRESS MANAGEMENT CO.,LTD. Tel. 0 2225 2005 Fax. 0 2273 3883	Bangkok	Services	60,000	59,993	99.99	Ordinary	4,790,770
8. PROGRESS SOFTWARE CO.,LTD. Tel. 0 2225 7900 Fax. 0 2270 1197	Bangkok	Services	100,000	99,994	99.99	Ordinary	22,575,231
9. KASIKORN LEASING CO.,LTD. Tel. 0 2696 9900 Fax. 0 2696 9977	Bangkok	Leasing	21,000,000	20,999,994	99.99	Ordinary	(88,020,536)
10. PROGRESS STORAGE CO.,LTD. Tel. 0 2273 3832 Fax. 0 2271 4784	Bangkok	Services	30,000	29,993	99.98	Ordinary	7,976,386
11. PROGRESS SERVICE CO.,LTD. Tel. 0 2273 3293-4 Fax. 0 2273 3292	Bangkok	Services	20,000	19,993	99.97	Ordinary	10,493,233
12. PROGRESS H R CO.,LTD. Tel. 0 2273 1785-6 Fax 0 2270 1273	Bangkok	Services	10,000	9,993	99.93	Ordinary	3,020,271
13. KASIKORN SECURITIES PCL. Tel. 0 2696 0071 Fax. 0 2696 0099	Bangkok	Securities	60,000,000	59,989,762	99.98	Ordinary	(80,896,193)
14. PROGRESS APPRAISAL CO.,LTD. Tel. 0 2273 3649 Fax. 0 2270 1051	Bangkok	Services	5,000	4,992	99.84	Ordinary	8,336,296
15. KASIKORN ASSET MANAGEMENT CO.,LTD. Tel. 0 2693 2300 Fax. 0 2693 2320	Bangkok	Mutual Fund Management	27,154,274	27,154,273	99.99	Ordinary	241,507,619
16. PROCESSING CENTER CO., LTD. Tel. 0 2237 6330-4 Fax. 0 2634 3231	Bangkok	Services	100,000	30,000	30.00	Ordinary	82,504,241
17. N.C. ASSOCIATE CO., LTD. Tel. 0 2661 5200 Fax 0 2661 4136	Bangkok	Trading	10,000	2,823	28.23	Ordinary	(86,527)
18. RURAL CAPITAL PARTNERS CO., LTD. Tel 0-2318-3958 Fax 0-2318-3958 ext. 406	Bangkok	Joint Venture	1,000,000	275,000	27.50	Ordinary	(419,692)
19. PROGRESS INFORMATION CO.,LTD. Tel. 0 2642 7242 Fax 0 2263 8051	Bangkok	Services	1,000,000	200,000	20.00	Ordinary	(7,203,337)
20. 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	(837,883)
21. 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.

RISK MANAGEMENT AND RISK FACTORS

1. Overall Risk Management

To provide a full range of financial services, KASIKORNBANK operates using the concept of a 'financial business group', which includes subsidiary and associated companies offering other types of financial services and support functions, respectively. In doing so, the Bank adheres to service principles that are the utmost in responsibility and accountability to all stakeholders and customers with regards to proper risk evaluation. The Bank's risk management policy consists of the following main elements:

□ Risk Management Principles

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

- **Business Lines Accountable for Risk** business units own the risks assumed, and are responsible for continuous and active management of all risk exposures, so that risks and returns are optimally managed in line with the risk appetite. Meanwhile, support units, which provide services to core business units and share common business goals, are accountable for managing business-derived operational risks.

- **Independent Risk Controls** an independent risk control process is implemented with the establishment of control functions responsible for providing an independent and objective view of risk-taking activities to safeguard the integrity of the entire risk process. In addition, these control functions are set to ensure that the risk level is in line with the risk appetite.

- **Defined Risk Management Policy** risk Management Committee determines risk management policy under guidelines from the Bank's Board of Directors.

- **Integrated Risk Management** the management of various kinds of risks incurred from all aspects of the Bank's business transactions is carried out in an integrated framework at all levels within the organization.

- **Risk-adjusted Performance Measurement** the performance of business units is measured and evaluated on a risk-adjusted basis.

□ Risk Management Process

To ensure effective risk management, the Bank has outlined a risk management process, which includes the following key steps:

- **Risk Identification** key risks are proactively identified in detail, including types and sources of risks, as well as other risk-related factors, both internal and external. Assessments and projections of the Bank's current and expected risks are also in place.

- **Risk Measurement** various models and methodologies for risk measurements suitable for different business characteristics are utilized. These models and methodologies are verified, approved and reviewed, regularly.

- **Risk Monitoring and Control** risk measurement policies and appetites designated by the Bank's Board of Directors, which are implemented through various guidelines, procedures and risk limits, are continuously monitored.

- **Risk Reporting**

Timely and adequate risk reports covering all aspects of operations are required to ensure highest effectiveness in risk management. Besides this, in order to avoid large financial losses, and to ensure continuity in business operations, the risk management process also takes into account both normal and crisis conditions.

□ Risk Management Structure

The Bank's organization has been structured to facilitate all aspects of risk management, while each business unit's responsibility and segregation of duties have been clearly identified in accordance with good internal-control practices. The Bank's overall risk management framework encompasses the following organizational structure:

- **The Bank's Board of Directors** has the 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 processes and the internal risk control system, ensuring their adequacy and effectiveness.

Furthermore, the Bank's 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 risk management policies and overall risk profile per the policies and guidelines approved by the Bank's Board of Directors.
- **The Asset and Liabilities Management Sub-Committee** is responsible for managing interest rate, liquidity and foreign exchange risks.
- **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 risks 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 to properly reflect returns and risk levels.

2. Risk Management

□ Credit Risk Management

Credit risk refers to the risk that a counterparty or borrower may default on contractual obligations or 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 agreements, resulting in a loss to the Bank.

Credit Risk Management Guidelines

In managing credit risk, the Bank has adhered to international 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 SME Business Sales Agents, 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 control processes. Clear roles and responsibilities have been defined and disseminated to all staff levels, while clear guidelines and principles are used to increase value in credit operations, improve the credit culture, and foster a common credit language. In addition, staff have steadily received credit skills training to better serve customers, while automated operational and support systems of the highest standards and efficiency have been developed.

Credit Policies and Credit Risk Management Tools

To enhance credit risk management efficiency, the Bank has fully utilized various credit risk management tools. Business strategies based on an acceptable risk appetite have been established in order to define clearer operational targets for staff. These business strategies have been translated into a consistent set of credit policies and action plans that cover all customer segments and product lines. Proper qualifications for credit eligibility are established within these policies and guidelines, which comply with, and go beyond, the rules and regulations of the BOT.

In addition to the Bank's constant improvements in our credit risk management tools, credit policies are regularly reviewed and updated to ensure that they are in line with the guiding principles and rationale, and are always available as a reference for staff through the Bank's online information system. Customer risk rating tools have been developed and utilized, supporting credit underwriting and setting appropriate pricing for each customer. As for performing business customers, their credit ratings are classified into twelve different ratings, while three ratings are specifically set up for non-performing business customers. Regarding retail customers, credit scoring is in place to improve credit approval standards and efficiency. When calculating the Risk-adjusted Return on Capital (RAROC), the cost of funds and related operating expenses are included, while the expected loss component from the credit risk is factored in as well. In so doing, prices are set in accordance with each individual customer and customer segment, depending on the credit portfolio management of each business group.

After completing key tasks such as the reorganization of credit operations, as well as development and updates in credit risk management tools, procedures and policies, the Bank, in 2005, shifted the focus to organizing training programs for credit operations staff. For example, in August 2005, the Skills Improvement Program for credit operations employees of the Retail Business Group was completed. More skills improvement programs are also in the pipeline, to further sharpen our staff's operational skills and efficiency.

Significant attention has also been given to the control of loan limit concentrations in different dimensions, i.e., industry, product types, customer characteristics and geographical locations. Each credit limit dimension is monitored continuously with an official portfolio report generated on a monthly basis to make certain that loan portfolio quality is in line with the Bank's business plans. The Bank has, at this time, yet to note any over-concentration in any industry or area in granting loan approvals. Meanwhile, the Bank has closely followed the quality of loans extended to the areas affected by bird flu, the tsunami disaster and the Southern unrest, and thus has been little affected by these crises. Our loan extensions to these affected areas are also reported on a monthly basis to the Ministry of Finance.

Credit Underwriting and Approval Procedures

At present, the Bank has centralized credit underwriting and approvals for clear and standardized credit procedures, with an approval process and system that is designed to suit our customers, whose needs and characteristics are multi-dimensional. To support operational personnel in making risk analyses using the same standards, the Bank employs credit rating tools that measure both quantitative aspects -- referring to customers' financial performance -- and qualitative data focusing on trends and competitiveness of businesses, including management quality.

In the underwriting and approval processes of retail lending, which includes credit card services, personal loans, housing loans and retail business loans, the Bank has utilized an automatic credit evaluation system known as the "Loan Origination System" (LOS), covering "Credit Scoring", which is based on the Bank's historical customer data, while risks are managed as a portfolio. The Bank is in the process of extending the use of Corporate LOS to cover lending to middle- and large-scale business customers. 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.

The Bank has also made efforts to improve our credit approval and contract signing processes for upcountry customers by upgrading these procedures to a uniform standard nationwide, and thus improving overall credit quality. This includes the adoption of a standardized business loan application form for loan requests up to Baht 7 million, rather than using the former credit application form. To enhance the clarity of criteria for credit approvals, loan applications now request further evidence pertaining to the applicant's debt servicing ability, and the ratio between credit lines and collateral. For credit analyses on loan applications exceeding Baht 7 million, the Bank carries out a financial position analysis, based on the customers' financial statements, in addition to the new standardized credit application form.

In addition, for personal loans and credit cards, credit operations have been clearly separated from product development, for greater flexibility and efficiency. In doing so, credit processes and marketing operations have been more clearly divided. Besides this, the Bank, in the second half of 2005, upgraded the credit operational structure for small- to medium-sized business customers, for higher quality in risk management.

Post-Credit Approval Operations

The Bank has set up an operations center for post-credit approvals in order to create standardized and efficient operations. This centralized unit is responsible for consolidating all required contracts and setting up credit lines, as well as maintaining lending agreements and collateral documents. Continuing from the previous year, the Bank, throughout 2005, furthered the design and implementation of post-credit approval operations, extended and standardized nationwide.

Risk Asset and Credit Process Review

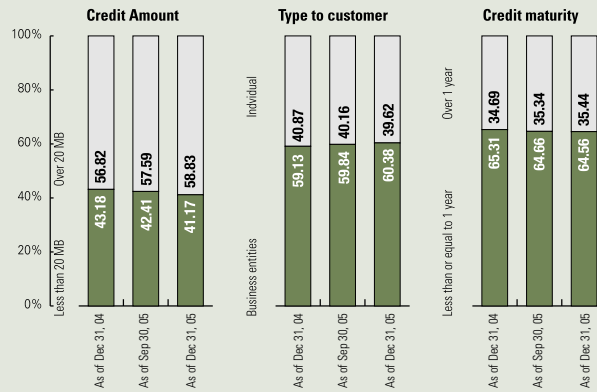
The Bank established the Risk Asset Review Department to review the quality of credit underwriting and efficiency of credit processes. For steady and efficient development of the credit processes, this department also prepares audit reports and suggestions on these matters for dissemination to senior executives and related departments.

• **Outstanding Loans**

As of December 31, 2005, the Bank's consolidated outstanding loans stood at Baht 626,946 million, increasing by 5.80 percent over Baht 592,588 million at the end of 2004. The amount rose by 2.04 percent over Baht 614,439 million at the end of September 2005.

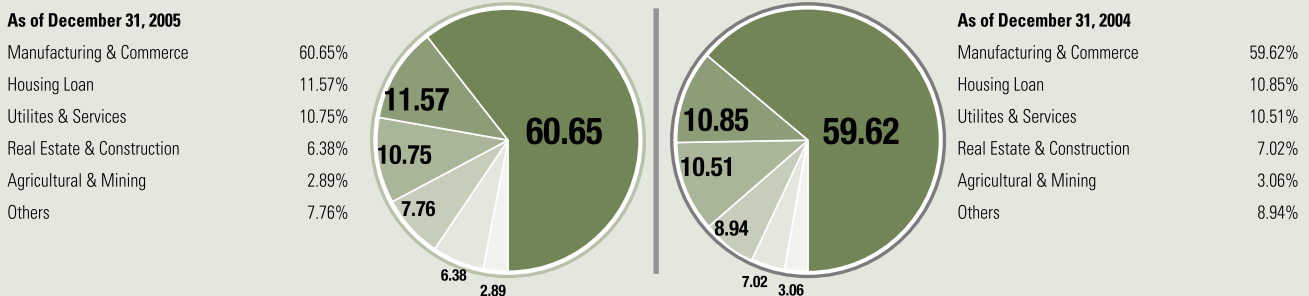
As of the end of 2005, 58.83 percent of the Bank's outstanding loans to customers were loans exceeding Baht 20 million. Credit extended to the 20 largest borrowers, excluding Phethai Asset Management Company and the companies in KASIKORNBANKGROUP, accounted for Baht 42,926 million, or 6.91 percent of the Bank's total loan portfolio. Classified by customer type, juristic persons accounted for 375,036 million, or 60.38 percent of outstanding loans, while sole proprietor and individual customer borrowing accounted for the remaining 39.62 percent. In terms of maturity, credit with maturity of less than or equal to 1 year accounted for 64.56 percent of the Bank's total loans.

The Bank's Consolidated Lending Portfolio - Profile



The Bank's consolidated lending portfolios, including accrued interest receivables, as of the end of 2005 and 2004, were as follows:

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



The Bank reviews loan portfolios on a monthly basis, in terms of growth and quality compared with those of competitors and the Bank's past performance. The focus is on matters such as industry concentrations, the current situation in each industry group, credit exposure by product type and customer group, collateral and geography.

- **Non-performing Loans**

As of December 31, 2005, NPLs of the Bank and its AMCs stood at Baht 56,217 million, equal to 8.88 percent of the total outstanding credit, including that of financial institutions. For Bank-only NPLs, the amount totaled Baht 44,388 million, accounting for 7.08 percent of the total outstanding credit, including that of financial institutions. NPL figures, as of the end of 2005 and 2004, are shown in the table below.

(Unit : Million Baht)

Year ending	Dec 31, 2005	Dec 31, 2004
The Bank and its AMCs' NPLs	56,217	72,809
Percent of total outstanding credit, including that of financial institutions	8.88	12.30
The Bank's NPLs	44,388	56,870
Percent of total outstanding credit, including that of financial institutions	7.08	9.81

In 2005, the Bank and its AMCs entered into debt restructuring agreements with borrowers with pre-written-off outstanding debts totaling Baht 40,628 million. At the same time, the Bank-only pre-written-off outstanding debt amounted to Baht 34,337 million. The details of debt restructuring and losses from debt restructuring in 2005 and 2004 are shown in the following table.

(Unit : Million Baht)

Year ending	Dec 31, 2005	Dec 31, 2004
Debt restructuring of the Bank and its AMCs	40,628	57,455
Losses from debt restructuring	3,792	9,127
Debt restructuring of the Bank	34,337	40,873
Losses from debt restructuring	3,160	6,537

- **Allowance for Doubtful Accounts**

As of December 31, 2005, the Bank's consolidated allowances for doubtful accounts totaled Baht 37,439 million. This amount was equivalent to 143.90 percent of the level required by the BOT. As for Bank-only allowances for doubtful accounts, the amount stood at Baht 29,076 million, which was equivalent to 143.29 percent of the level required by the BOT.

- **Foreclosed Properties**

As of December 31, 2005, the Bank's consolidated foreclosed properties had a cost value of Baht 20,520 million, accounting for 2.45 percent of total assets. At the same time, Bank-only foreclosed properties had a cost value totaling Baht 15,225 million, accounting for 1.82 percent of total assets, while consolidated allowances for impairment of foreclosed properties stood at Baht 3,057 million, accounting for 14.90 percent of the cost value of foreclosed properties. As for Bank-only figures, allowances for impairment of foreclosed properties were at Baht 2,622 million, accounting for 17.22 percent of the cost 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 their associated allowances, as of the end of 2005 and 2004, are shown below.

(Unit : Million Baht)

Year ending	Dec 31, 2005	Dec 31, 2004
Consolidated foreclosed properties	20,520	21,216
Percent of total assets	2.45	2.56
Allowances for impairment of consolidated foreclosed properties	3,057	3,819
Percent of consolidated foreclosed properties	14.90	18.00
Bank-only foreclosed properties	15,225	16,071
Percent of total assets	1.82	1.95
Allowances for impairment of Bank-only foreclosed properties	2,622	3,336
Percent of Bank-only foreclosed properties	17.22	20.76

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

As of December 31, 2005, Phethai AMC had resolved and/or restructured NPLs amounting to Baht 50,673 million, or 68.47 percent of the total initial unpaid principal balance, with an expected recovery rate of 52.00 percent. For Ploy AMC, its all assets were transferred to the Bank and Phethai AMC on March 15, 2005, making Ploy AMC's cumulative loans resolved/restructured equal to zero at the 2005 year-end. The details of the NPL resolving and/or restructuring in the past five quarters are shown in the table below.

(Unit : Million Baht)

Quarter ending	Dec 31, 2005	Sep 30, 2005	Jun 30, 2005	Mar 31, 2005	Dec 31, 2004
Phethai Asset Management Company Limited					
Cumulative loans resolved/restructured	49,269	47,971	45,207	43,943	44,555
Percent of the total initial unpaid principal balance	66.57	64.81	61.10	67.86	68.80
Ploy Asset Management Company Limited					
Cumulative loans resolved/restructured	n.a.*	n.a.*	n.a.*	n.a.*	30,659
Percent of the total initial unpaid principal balance	n.a.*	n.a.*	n.a.*	n.a.*	74.43

Note: *On March 15, 2005, all assets of Ploy AMC were transferred to the Bank and Phethai AMC, making Ploy AMC's cumulative loans resolved/restructured equal to zero from the end of the first quarter onward. In the meantime, Ploy AMC remains under liquidation process.

- **Thai Asset Management Corporation (TAMC)**

The Bank has transferred the sub-quality debts of 266 borrowers, who all had 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, the total transferred assets with a gross book value of Baht 14,596 million as of their dates of transfer, were priced at Baht 10,123 million, or 69.54 percent of gross book value.

(Unit : Million Baht)

Year	Number of Borrowers	Gross Book Value as of	Transferred Price Transferred Date
2001	216	12,171	9,203
2002	34	2,215	774
2003	10	124	70
2004	4	67	61
2005	2	19	15
Total	266	14,596	10,123

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

In exchange for the transferred assets, TAMC issued the Bank a 10-year, non-transferable, callable note, guaranteed by the Financial Institution Development Fund (FIDF). The note yields an annual coupon, reset quarterly, at the weighted average of deposit rates of five major Thai commercial banks, paid for by a 1-year, extendable, non-transferable, FIDF-guaranteed note. In 2005, the Bank recorded interest amounting to Baht 51.43 million, equivalent to a yield of 0.92 percent.

Despite the asset transfer to TAMC, the Bank remains exposed to a proportion of risk in our share of TAMC's 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 from the resolution of the Bank's transferred assets. From this, the Bank may be liable for up to 30 percent of the aggregate transferred price.

□ **Market Risk Management**

Market risk stems from changes in interest rates and exchange rates, as well as in securities and commodity prices, which can cause volatility in the Bank's income or the economic value of assets and liabilities, either at present or in the future.

Market Risk Management Guidelines

The Bank adheres to market risk management principles that are efficient and suitable for the changing environment, while asset and liability structures are properly managed, and market risk is controlled in accordance with the risk appetite. Also, the Bank's market risk management is set to comply with the BOT's requirements and related regulations, and with the policies controlled by the Risk Management Committee. In addition, transparency in our market risk management structure has continually been maintained, reflecting segregation of duties, while independence of risk control functions has been emphasized.

Market Risk Management Procedures and Tools

Core banking operation that is exposed to market risk can be divided into two major groups: asset and liability management activities and trading book transactions.

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 interest rate and the asset and liability structures of the Bank. ALCO's objective is to generate the highest returns to the Bank, while maintaining risk within levels approved by the Internal Risk Committee and the Board of Directors.

The Bank's approach to evaluating interest rate risk is based on an 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 rates, lending rates, money market rates and capital market rates on the Bank's interest income over the next twelve months, as well as on our financial position and off-balance-sheet items. With results obtained from these sensitivity analyses, the Bank's asset and liability structures, which are linked to various types of interest rates, are properly managed.

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 levels. Furthermore, the Bank conducts stress testing, in supplementing the VaR method, to enhance completeness of risk measurement. Meanwhile, the Bank's interest rate risk management process has been developed in accordance with the BOT's interest rate risk supervision policy applied to financial institutions' banking books, enacted in 2006.

Analyses of financial assets and liabilities based on contractual repricing periods, as of the end of 2005 and 2004, are shown below:

Consolidated Financial Statement as of December 31, 2005

(Unit : 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	-	-	-	-	-	14,913	-	14,913
Interbank and money market items	4,941	51,644	7,187	-	-	2,208	-	65,980
Securities purchased under resale agreements	-	9,500	-	-	-	-	-	9,500
Investment	16,417	25,939	9,332	23,690	9,427	15,253	2,573	102,631
Loans	429,267	84,624	8,635	24,664	8,124	1,455	70,177	626,946
Accrued interest receivables	-	-	-	-	-	1,745	-	1,745
Customers' liability under acceptances	-	-	-	-	-	857	-	857
Other assets	-	-	-	-	-	6,064	-	6,064
Total	450,625	171,707	25,154	48,354	17,551	42,495	72,750	828,636
Financial Liabilities								
Deposits	390,160	190,861	58,396	8,801	-	39,563	-	687,781
Interbank and money market items	1,720	11,985	1,013	515	600	3,675	-	19,508
Liabilities payable on demand	-	-	-	-	-	5,904	-	5,904
Borrowing	741	6,266	550	-	20,170	-	-	27,727
Bank's liability under acceptances	-	-	-	-	-	857	-	857
Other liabilities	-	-	-	-	-	6,267	-	6,267
Total	392,621	209,112	59,959	9,316	20,770	56,266	-	748,044
Repricing gap of on- balance sheet items	58,004	(37,405)	(34,805)	39,038	(3,219)	(13,771)	72,750	80,592

Consolidated Financial Statement as of December 31, 2004

(Unit : 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
Other assets	-	-	-	-	-	6,166	-	6,166
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
Other liabilities	-	-	-	-	-	7,146	-	7,146
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

1.2 Foreign Exchange Risk Management

The Treasury Group 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 on 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 the 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

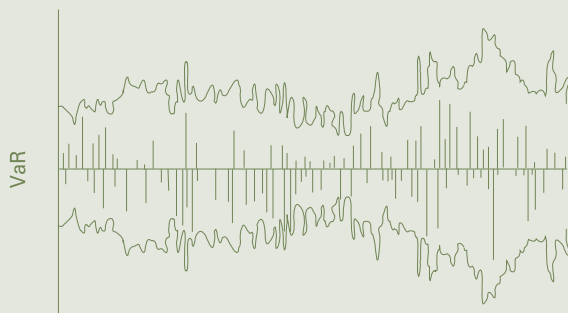
The Bank does not have a policy of extending our equity investments, and plans to reduce the size of these investments that are unrelated to our core financial business. In this endeavor, we will analyze relevant information and timing to ensure maximum benefit to the Bank.

2. Market Risk in Trading Book Transactions

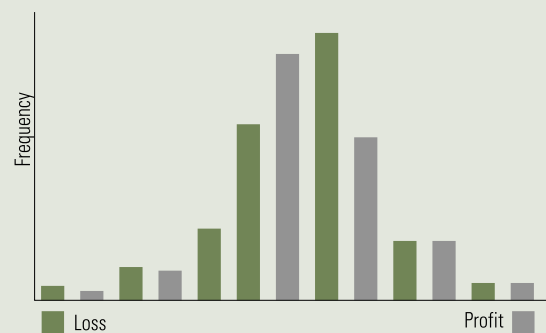
Trading book transactions are handled under the guidance of the Bank's policy set particularly for activities that involve the purchase and sale of fixed-income securities and derivative instruments, as well as the purchase and sale of currencies. Market risks, incurred from changes in interest rates, exchange rates and derivative obligations that are related to the above trading book activities, are managed by the Treasury Group under the close supervision of the Internal Risk Management Department and the Risk Management Committee. This is to make certain that risk inherent in the Balance Sheet is within limits, while these limits are constantly monitored through the use of the Value-at-Risk Limit and Sensitivity Limit methods.

Furthermore, a stress testing system has been developed, which allows an estimation of potential losses caused by various shocks on the Bank's financial positions. A testing procedure for the Bank's VaR model, so called 'Back Testing', has also been improved and implemented for sound market risk measurement. From two charts below, the chart on the left shows a comparison between estimated results from the VaR method and hypothetical profits and losses. It was found that differences between the two series are within a satisfactory level. In the meantime, the Bank also monitors distribution of daily market risk-related gains and losses, as shown in the chart on the right, to complement our routine risk analyses. All of these analytical assessments confirm the capability of the Bank's risk management tools, thereby promoting efficient market risk management in line with international standards.

Back Testing for Trading Portfolio



Daily Market Risk - Related Gains and Losses



Additionally, the Bank has completed development of a new work procedure complying with the BOT's new regulations regarding capital adequacy for market risk in trading book transactions, implemented in 2005. Key systems and processes have also been put in place for efficient and up-to-date risk management targeting transactions related to new derivative instruments and financial products. Besides this, the Bank plans to further strengthen our risk management efficiency by implementing a credit risk measurement system and the RAROC concept on more complex derivative instrument transactions.

□ Liquidity Risk Management

Liquidity Risk stems from failure to meet obligations when they come due, due to an inability to convert assets into cash, or to obtain sufficient funds to meet the cash needs with appropriate costs within limited time periods, which may then result in a loss to the Bank.

Liquidity Risk Management Guidelines

The Treasury Group 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, as well as balancing short-term and long-term funding alternatives. The Asset and Liability Management Sub-Committee (ALCO) is responsible for setting policies and guidelines for managing liquidity, which must comply with liquidity risk standards approved by the Internal Risk Committee and the Board of Directors.

Liquidity Risk Management Procedures and Tools

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 the BOT guidelines. As of December 31, 2005, liquid assets held by the Bank and its subsidiaries totaled Baht 189,906 million, consisting of cash, interbank and money market items, securities purchased under resale agreements, and net investments in securities. This amount had decreased by Baht 29,477 million from the level on December 31, 2004.

The future liquidity requirements are assessed by estimating expected cash inflows and outflows in different currencies based on both normal and crisis situations, while relevant factors related to assets and liabilities, as well as contingent obligations, are taken into account in this estimation. In addition, emergency funding plans that outline processes for dealing with liquidity shortages during crises have been set to ensure smooth business operations.

Additionally, monitoring changes in the balance sheet structure on a constant basis is another important procedure for liquidity risk management. Calculations and analyses of various liquidity ratios are conducted, as they are used as early warning indicators to facilitate liquidity management and related decision-making. An important liquidity ratio is the Loan-to-Deposit Ratio, which stood at 91.15 percent as of December 31, 2005, increasing from 83.99 percent at the end of 2004.

To promote a better-balanced structure of funding sources and an appropriate combination of long-term and short-term funding, as well as to provide more alternatives in investments for the public and the Bank's depositors, the Bank, in 2005, issued short-term debentures of Baht 11,310 million, which consist of our Short-Term Debenture Project 1/2005, offered in 9 sets with a maturity between 3-9 months, and Short-Term Debenture Project 2/2005, offered in 4 sets with a maturity of 3 months. In addition, the Baht 741 million structured notes, maturing in 1 year and 11 months, were also launched.

Financial assets and liabilities, as of the end of 2005 and 2004, based on their contractual maturity, are shown below:

Consolidated Financial Statement as of December 31, 2005

(Unit : 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	-	-	-	-	-	14,913	14,913
Interbank and money market items	6,784	52,009	7,187	-	-	-	65,980
Securities purchased under resale agreements	-	9,500	-	-	-	-	9,500
Investment	557	26,123	17,611	34,526	18,653	5,161	102,631
Loans	150,883	236,351	9,511	99,751	130,450	-	626,946
Accrued interest receivables	173	1,271	-	42	259	-	1,745
Customers' liability under acceptances	-	857	-	-	-	-	857
Other assets	-	1,625	-	-	-	4,439	6,064
Total	158,397	327,736	34,309	134,319	149,362	24,513	828,636
Financial Liabilities							
Deposits	429,723	190,861	58,396	8,801	-	-	687,781
Interbank and money market items	5,395	9,985	1,013	515	2,600	-	19,508
Liabilities payable on demand	5,904	-	-	-	-	-	5,904
Borrowing	-	6,266	550	741	20,170	-	27,727
Bank's liability under acceptances	-	857	-	-	-	-	857
Other liabilities	96	1,066	138	18	-	4,949	6,267
Total	441,118	209,035	60,097	10,075	22,770	4,949	748,044
Liquidity-net	(282,721)	118,701	(25,788)	124,244	126,592	19,564	80,592

Consolidated Financial Statement as of December 31, 2004

(Unit : 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
Other assets	-	1,818	-	-	-	4,348	6,166
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
Other liabilities	110	869	79	39	-	6,049	7,141
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

□ Operational Risk Management

Operational risk refers to risk of direct or indirect losses on income or capital, resulting from inadequate or failed internal processes, people and systems, or from external events.

Operational Risk Management Guidelines

Operational risk exists with all banking products, processes, operational units and IT systems which potentially can incur losses to the Bank, as well as to our customers and shareholders. The Bank thus places great emphasis on effective operational risk management, and has continually introduced risk management policies to guard against such losses. The objective of these policies is

to implement effective Operational Risk Management (ORM) mechanisms in operational processes appropriate to the ever-changing business environment, and comply with the regulations of the BOT, as well as other relevant laws and the initiatives of the international banking community.

The overriding principle of the Bank's operational risk management is to induce all employees to accept accountability for, as well as understand and see the importance of, operational risk management in limiting losses. Responsibility for overseeing effective risk management lies with the Risk Management Committee, which sets the operational risk management framework and guidelines for implementation within the Bank, as well as all subsidiaries and associated companies.

Operational Risk Management Procedures and Tools

The Bank's procedures for management of operational risk include risk identification, measurement, monitoring, control and reporting. All of these processes have been carried out at regular intervals for an accurate risk measurement and effective risk control in accordance with risk appetite. Internationally-accepted tools have been developed and continuously employed to assess and track operational risk management. These tools include:

- **Control Self-Assessment (CSA)**

The Bank employs self-assessment tools within its business and support units, and also applies these tools to products and financial services to identify important matters of operational risk, as well as to effectively control and prevent losses. Knowledge about risk control and prevention is disseminated to operational staff to instill awareness and prudence in their work. Results of self-assessments are regularly reported to the Risk Management Committee to present an overview of the current situation.

- **Operational Loss Event Database (LED)**

The Bank has implemented a database to log, record and report on operational risk incidents, along with analyses of the actual causes of the risk, and standard methodologies used in ameliorating or correcting each problem. This helps prevent repetition of such operational incidents, and aids in situational modeling for the computation of adequate capital reserves against operational risk, for future reference.

- **Key Risk Indicators (KRI)**

The Bank has put in place various KRI to reflect levels of risk, such as indices of risk-based systems, employee and process factors. In cooperation with business units that own the risk, operational risk management staff identify and collect information on these indices at regular intervals to track changes in the level of risk over time, which acts as an early warning system against risks that could arise.

- **Business Continuity Management (BCM)**

The Bank has developed and improved upon an emergency action plan for dealing with operational risk incidents that could cause losses sufficient to affect operational continuity. The plan is intended to protect essential systems, while it is also tested to ensure that there will be uninterrupted business continuity in the event of a major operational risk incident.

Aside from this, the Bank, in 2005, has also undertaken assessments of operational risk in regards to new products and systems development to ensure that they have acceptable risk levels and appropriate controls in place before they are introduced to Bank customers. In the matter of fraud committed by external parties, the Bank has placed great importance on security against risks inherent to major products such as credit cards, ATM cards and cheques, etc., for which the Bank has a special unit tasked with investigation of abnormal transactions and risk factors. The Bank has also installed state-of-the-art IT equipment and systems to thwart, correct and/or reduce losses incurred by such crime.

Overall operational risk reports on important products, and reports on operational risk losses, are regularly presented to the Risk Management Committee to keep the Committee abreast of current operational risk profiles, ensuring that our work on risk management is in line with the Bank's related policies, as well as international practices. Furthermore, in order to meet the Basel II standards in terms of capital reserves for operational risk, the Bank has proceeded with data preparedness and situational modeling to facilitate computation of necessary capital reserves.

The Bank continues to develop, improve and upgrade our operational risk management tools, procedures and systems, while the Internal Audit Department is responsible for reviewing the accuracy, transparency and control of operational risk to within acceptable levels, and ensuring that work conforms with the Bank's overall risk management standards.

□ Other Risk Management

• Risks 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 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 2005, the Bank's contingent obligations were Baht 61,910 million, compared to Baht 50,311 million at the end of December 2004.

• 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. To increase our income, the Bank also provides derivative instrument trading services to customers and business allies, as well as conducting our own derivative instrument trading in accordance with the Bank's policy. As of December 31, 2005, the Bank had foreign exchange contracts on the purchase side of Baht 160,114 million, with Baht 265,319 million on the sales side, compared to Baht 77,668 million and 196,807 million at the end of December 2004, respectively. In addition, the Bank had interest rate contracts on the purchase side of Baht 118,209 million and Baht 114,723 million on the sales side, compared to Baht 54,607 million and 50,675 million at the end of December 2004, respectively.

- **Risks Related to Capital Adequacy**

As of December 31, 2005, the Bank's capital adequacy ratio, including the risk assets of Phethai and Ploy AMCs, was at 14.47 percent, which is significantly above the BOT minimum requirement of 8.50 percent. Despite our strong belief that the current capital level is fairly sufficient to absorb possible impacts from a change in economic situation, the Bank continues to monitor capital closely.

- **Preparations for a New Capital Accord 'Basel II'**

In order to ensure that financial institutions' capital reserves adequately cover and better reflect risks, the BOT has designated that Basel II standards on capital adequacy shall be implemented at banking institutions in Thailand as of the year-end 2008; wherefore, Thai financial institutions will begin reporting their capital adequacy, according to the Basel II standards in parallel with the present standards, one year in advance of actual implementation. Currently, the BOT is in the process of discussions with local financial institutions prior to finalizing regulations at the year-end 2006.

The Bank places great importance on the development of processes and methodologies to be used for compliance with the Basel II standards. Therefore, the Bank implemented our own Basel II strategic project in 2005, with the Risk Management Committee responsible for oversight and follow-up on this important program. A Basel II implementation team has also been established, composed of representatives from all relevant business divisions, to develop and improve all policies, processes, information and systems to comply with the coming Basel II-related BOT standards.

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

In 2005, the Bank continued the use of the Value-based Management (VBM) framework, in which business value drivers are identified through performance measurement using Risk-adjusted Return on Capital (RAROC) and Economic Profit. In doing so, the Bank believes that highest value creation will be achieved for our shareholders. Under the RAROC and Economic Profit guidelines, net profit after adjusting both the risk charge and the cost of capital is measured and used as a tool to facilitate effective management and decision-making. In addition, the Bank has continued to develop models, tools and operational procedures to support the VBM framework, as well as instill in our staff the principle of value creation in all aspects of their operations, especially in determining long-term business strategies, setting business plans and goals, measuring performance and profits, and setting prices. This will help the Bank achieve returns at appropriate risk levels and reach the expectations of shareholders, as well as increase the efficiency of capital adequacy management and capital allocation to all business units.

The VBM framework has been implemented in our business operation for all levels of customers, customer segments, and products. More training programs on RAROC and Economic Profit have also been organized for our staff. The Bank expects to fully implement VBM in all groups in the near future.



1945

Hat Yai Branch

After the founding of the Bank and having been operated for five months, the Bank opened the Hat Yai Branch - the first upcountry branch of KASIKORNBANK, on December 10, 1945, after the Second World War. By that time, Hat Yai, as a trading center for southern Thailand, was at its economic peak.

BOARD OF DIRECTORS' RESPONSIBILITIES FOR FINANCIAL REPORTS

REPORT OF THE AUDIT COMMITTEE

AUDIT REPORT OF CERTIFIED PUBLIC ACCOUNTANT

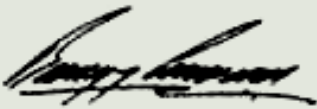
FINANCIAL STATEMENTS

BOARD OF DIRECTORS' RESPONSIBILITIES FOR FINANCIAL REPORTS

The Consolidated Financial Statement of the Bank and its subsidiaries has been prepared under generally accepted accounting standards in Thailand, in compliance with Accountancy Act B.E. 2543. The Bank has chosen a proper accounting policy, which has always been strictly adhered to. The financial statement has also been prepared with careful consideration to detail, and used best estimations where necessary. All material information has been sufficiently disclosed in the Notes to Financial Statement. The statement has been audited by certified external authorized auditors, whose unqualified opinions are stated therein, so that the financial statement reflects the actual financial standing and operating results for the Bank and its subsidiaries over the past year, and thus be transparent and useful to all shareholders and investors, in general.

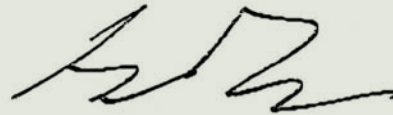
The Board of Directors of KASIKORNBANK is held accountable for the financial statement, including financial data as shown in the annual report. The Board has also adopted and maintained an effective system of risk management and internal controls that can be reasonably assure that accounting records 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 operations of the Bank. The Board is of the view that the Bank has maintained an effective internal control system at a satisfactory level of protection, which can assure the credibility of the Consolidated Financial Statement of the Bank and its subsidiaries, as of December 31, 2005.

In this regard, the Board of Directors has appointed an Audit Committee comprising independent directors responsible for the quality of Bank's financial reporting and the internal control systems, as well as other processes to support financial documents and data provided to the external auditors. The opinion of the Audit Committee with regard to these matters appears in the Report of the Audit Committee in this annual report.



(Banyong Lamsam)

Chairman



(Dr. Prasarn Trairatvorakul)

Prasident

REPORT OF THE AUDIT COMMITTEE

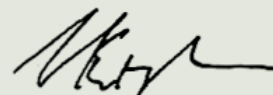
The Audit Committee appointed by the Board of Directors of KASIKORNBANK Public Company Limited comprises M.R. Sarisdiguna Kitiyakara as Chairman, Mr. Somchai Bulsook, Professor Khunying Suchada Kiranandana, and Ms. Elizabeth Sam as Members. All four are independent members and are not executives of the Bank. During 2005, the Audit Committee held eleven meetings to pursue the responsibilities to oversee the Bank's operations on behalf of the Board of Directors in accordance with the provisions of its Charter.

The Committee's activities over the year have been as follows:-

- A review of the pursuance of compliance responsibilities with regard to banking related laws, encompassing also regulations of the Stock Exchange of Thailand, the Anti-Money Laundering Act, Consumer Protection Act etc. in meetings with executives in charge and internal auditors.
- An ongoing oversight of risk management through the review of the assessment of the adequacy and effectiveness of mitigating processes regarding credit risks, market risks and also the foreign exchange and interest rate risks. The review has also included an ongoing follow-up of how actual performances measured up to the agreed risk appetites.
- A close watch on all aspects of connected transactions in order to ensure transparency and disclosures where situations of conflicts of interest occur.
- Review of the internal control system with internal auditors in order to assess the effectiveness and adequacy including the control of IT security. The Committee followed up closely by observing actual performances of internal control and by discussing the significance of the apparent control weakness of specific cases. The Audit Committee approved the introduction of the new Internal Audit Department Charter as well as discussing the appropriateness of the internal audit annual plan. The Committee discussed with Internal Audit the results of Management Audit and the implied risks in the introduction of new banking products.
- At quarterly intervals, the Audit Committee twice reviewed the Bank's financial statements with the Finance and Control Division executives and once with independent auditors of the Bank to discuss any observations they may have had. Moreover, the Committee held regular meetings with the independent auditors without the presence of the executives in charge to discuss all the points arising from their observations.
- Reviewing and making suggestions on the list of independent auditors for the Bank and annual audit fees, prior to consideration by the Board of Directors.

In sum, the Audit Committee has reviewed all aspects of the Bank's major operations and has discussed with appropriate executives, internal and independent auditors. The Audit Committee has come to the view that there is appropriate and sufficient control over the financial statement preparation process and that the Bank's Financial Statements are deemed to be reliable, having been prepared in accordance with generally accepted accounting standards, also taking account of appropriate risk management and rigorous internal control procedures.

The Audit Committee has also evaluated the performance of KPMG Phoomchai Co, Ltd. over the past year, and has decided to nominate them to the Board of Directors as the independent auditors for the year 2006 at an agreed fee for approval of the Shareholders at the Annual General Meeting.



(M.R. Sarisdiguna Kitiyakara)

Chairman, Audit Committee

January 26, 2006

FINANCIAL STATEMENTS

FINANCIAL STATEMENTS

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 its subsidiaries as at December 31, 2005 and 2004, 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, 2005 and 2004, 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 positions of KASIKORNBANK PUBLIC COMPANY LIMITED and its subsidiaries as at December 31, 2005 and 2004, and the consolidated results of their operations and their cash flows for each of the years then ended, and the separate financial positions of KASIKORNBANK PUBLIC COMPANY LIMITED and the results of its operations and its cash flows for the same years, in accordance with generally accepted accounting principles.

A. Singhasaneh

Supot Singhasaneh

Certified Public Accountant

Registration No. 2826



KPMG Phoomchai Audit Ltd.

Bangkok

February 21, 2006

KASIKORNBANK PUBLIC COMPANY LIMITED and Subsidiaries
BALANCE SHEETS

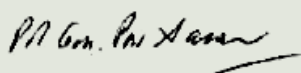
As of December 31, 2005 and 2004

	Notes	Baht			
		Consolidated		The Bank	
		2005	2004	2005	2004
Assets					
Cash		14,912,704,474	13,536,066,960	14,912,318,996	13,535,831,175
Interbank and money market items	5				
Domestic items					
Interest bearing		4,925,527,530	1,218,278,347	4,829,743,069	1,137,863,638
Non-interest bearing		1,709,243,762	2,135,366,755	1,744,584,872	2,150,079,907
Foreign items					
Interest bearing		58,794,848,185	71,969,251,131	58,794,848,185	71,969,251,131
Non-interest bearing		498,990,221	926,985,867	498,990,221	926,985,867
Total Interbank and Money Market Items - net		65,928,609,698	76,249,882,100	65,868,166,347	76,184,180,543
Securities purchased under resale agreements	6	9,500,000,000	19,040,000,000	9,500,000,000	19,040,000,000
Investments	3.2, 7, 27				
Current investments - net		50,105,261,153	33,325,170,944	49,410,701,921	31,657,896,392
Long-term investments - net		49,009,070,726	76,769,923,923	47,688,866,012	75,118,956,579
Investments in subsidiaries and associated companies - net		450,331,758	462,378,420	8,967,036,598	10,635,877,986
Total Investments - net		99,564,663,637	110,557,473,287	106,066,604,531	117,412,730,957
Loans and accrued interest receivables					
Loans	3.3, 8, 9	626,946,285,965	592,588,468,951	621,090,152,731	578,117,032,454
Accrued interest receivables		1,745,358,821	2,455,343,998	1,318,943,009	1,318,031,786
Total Loans and Accrued Interest Receivables		628,691,644,786	595,043,812,949	622,409,095,740	579,435,064,240
Less Allowance for doubtful accounts	3.4, 10	(34,767,312,880)	(41,468,136,470)	(26,721,376,432)	(29,368,186,450)
Less Revaluation allowance for debt restructuring	3.5, 11	(2,671,805,187)	(4,878,194,345)	(2,354,976,482)	(2,297,055,189)
Total Loans and Accrued Interest Receivables - net		591,252,526,719	548,697,482,134	593,332,742,826	547,769,822,601
Properties foreclosed - net	3.6, 12	17,462,672,827	17,397,232,399	12,603,188,405	12,734,511,528
Customers' liability under acceptances		857,411,186	743,368,580	857,411,186	743,368,580
Premises and equipment - net	3.7, 14	21,440,593,140	19,747,325,472	20,807,158,160	19,220,398,395
Intangible assets - net	3.8, 15	4,900,016,184	3,523,349,656	3,403,864,276	2,988,529,800
Derivative revaluation		3,278,461,492	6,348,766,754	3,278,461,492	6,348,766,754
Other assets - net		8,210,906,886	9,133,173,694	7,069,634,121	8,385,780,007
Total Assets		837,308,566,243	824,974,121,036	837,699,550,340	824,363,920,340

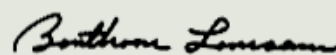
KASIKORNBANK PUBLIC COMPANY LIMITED and Subsidiaries
BALANCE SHEETS

As of December 31, 2005 and 2004

		Baht			
		Consolidated		The Bank	
	Notes	2005	2004	2005	2004
Liabilities and Shareholders' Equity					
Deposits	16				
Deposits in baht		684,055,736,156	701,712,987,751	685,185,853,882	702,127,816,843
Deposits in foreign currencies		3,725,483,969	3,856,728,173	3,725,483,969	3,856,728,173
Total Deposits		687,781,220,125	705,569,715,924	688,911,337,851	705,984,545,016
Interbank and money market items	17				
Domestic items					
Interest bearing		15,681,174,620	8,067,531,721	15,422,208,461	7,707,531,721
Non-interest bearing		3,384,633,831	3,182,510,145	3,384,633,831	3,182,510,145
Foreign items					
Interest bearing		151,826,184	18,777,373	151,826,184	18,777,373
Non-interest bearing		290,142,159	256,129,941	290,142,159	256,129,941
Total Interbank and Money Market Items		19,507,776,794	11,524,949,180	19,248,810,635	11,164,949,180
Liability payable on demand		5,904,216,881	7,426,010,070	5,904,216,881	7,426,010,070
Borrowings					
Short-term borrowings	18	7,556,600,000	3,843,000,000	7,556,600,000	3,843,000,000
Long-term borrowings	19	20,170,373,919	19,767,595,098	20,170,373,919	19,767,595,098
Total Borrowings		27,726,973,919	23,610,595,098	27,726,973,919	23,610,595,098
Bank's liability under acceptances		857,411,186	743,368,580	857,411,186	743,368,580
Derivative revaluation		3,034,382,054	1,440,906,348	3,034,382,054	1,440,906,348
Other liabilities		14,380,984,002	7,992,919,855	13,902,324,566	7,645,908,743
Total Liabilities		759,192,964,961	758,308,465,055	759,585,457,092	758,016,283,035
Shareholders' equity					
Share capital	21				
Authorized share capital					
3,048,614,697 ordinary shares, Baht 10 par value		30,486,146,970	30,486,146,970	30,486,146,970	30,486,146,970
Issued and paid-up share capital					
2,373,293,667 ordinary shares, Baht 10 par value		23,732,936,670	23,636,245,370	23,732,936,670	23,636,245,370
2,363,624,537 ordinary shares, Baht 10 par value			23,636,245,370		23,636,245,370
Premium on ordinary shares		17,737,192,156	17,555,259,156	17,737,192,156	17,555,259,156
Appraisal surplus on asset revaluation	3.7, 14	10,024,386,669	8,762,354,744	10,024,386,669	8,762,354,744
Revaluation (deficit) on investments	3.2, 7	(529,067,201)	951,995,819	(529,067,201)	951,995,819
Retained earnings					
Appropriated					
Legal reserve	23	1,470,000,000	770,000,000	1,470,000,000	770,000,000
Unappropriated		25,678,644,954	14,671,782,216	25,678,644,954	14,671,782,216
Total Shareholders' Equity		78,114,093,248	66,347,637,305	78,114,093,248	66,347,637,305
Minority interests		1,508,034	318,018,676	-	-
Total Liabilities and Shareholders' Equity		837,308,566,243	824,974,121,036	837,699,550,340	824,363,920,340
Off-balance sheet items - contingencies	28				
Aval to bills and guarantees of loans		747,376,287	614,862,334	747,376,287	617,266,534
Liability under unmatured import bills		5,546,380,752	4,290,601,894	5,546,380,752	4,290,601,894
Letters of credit		13,627,410,768	14,103,370,881	13,627,410,768	14,103,370,881
Other contingencies		829,778,731,214	532,959,403,640	829,643,286,486	532,843,314,218



(Pol. Gen. Pow Sarasin)
 Vice Chairman

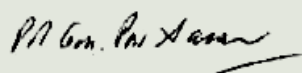


(Bantoon Lamsam)
 Director and Chief Executive Officer

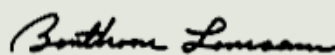
STATEMENTS OF INCOME

For each of the years ended December 31, 2005 and 2004

	Notes	Baht			
		Consolidated		The Bank	
		2005	2004	2005	2004
Interest and dividend income	3.2, 3.14				
Loans		31,627,544,804	27,712,132,537	30,919,200,181	25,977,970,262
Interbank and money market items		2,387,346,643	1,526,553,323	2,385,997,529	1,524,696,606
Investments		4,050,596,523	3,760,407,049	4,024,930,564	3,731,076,167
Total Interest and Dividend Income		38,065,487,970	32,999,092,909	37,330,128,274	31,233,743,035
Interest expense	3.15				
Deposits		5,702,845,936	5,547,532,642	5,704,409,791	5,547,532,642
Interbank and money market items		387,225,641	230,474,109	350,522,572	224,198,606
Short-term borrowings		59,367,971	4,985,975	59,367,971	4,985,975
Long-term borrowings		1,133,608,653	1,249,657,683	1,133,608,653	1,249,657,683
Total Interest Expense		7,283,048,201	7,032,650,409	7,247,908,987	7,026,374,906
Net income from interest and dividends		30,782,439,769	25,966,442,500	30,082,219,287	24,207,368,129
Bad debt and doubtful accounts (reversal)	3.4, 25	598,882,600	(6,158,539,182)	1,104,350,028	(4,864,473,590)
Loss on debt restructuring	3.5, 26	3,062,989,520	8,919,082,807	2,431,230,822	6,328,951,038
Net income from interest and dividends after bad debt and doubtful accounts (reversal) and loss on debt restructuring		27,120,567,649	23,205,898,875	26,546,638,437	22,742,890,681
Non-interest income					
Gain on investments	3.2, 7	427,062,539	2,142,692,278	342,727,073	1,946,087,327
Share of profit (loss) from investments on equity method	3.2	(35,362,032)	81,913,500	363,476,320	(160,175,561)
Fees and service income					
Acceptances, aval and guarantees		685,470,421	576,680,596	685,470,421	576,680,596
Others		8,656,039,639	7,530,593,628	7,835,229,551	6,791,218,089
Gain on exchanges	3.18	1,129,028,613	1,805,557,255	1,129,028,613	1,805,557,255
Loss on transfer of financial assets	3.2	-	(568,500,832)	-	-
Other income		1,439,765,130	580,358,676	1,106,401,917	462,552,783
Total Non-interest Income		12,302,004,310	12,149,295,101	11,462,333,895	11,421,920,489
Non-interest expenses					
Personnel expenses		7,840,623,913	6,563,891,188	7,381,768,414	6,266,698,981
Premises and equipment expenses	3.7, 14	3,524,525,701	3,814,492,999	3,408,744,087	3,714,870,417
Taxes and duties		1,677,186,209	1,385,627,200	1,618,034,904	1,332,372,820
Fees and service expenses		2,968,575,454	3,209,593,214	2,889,987,140	3,053,149,870
Directors' remuneration		72,473,028	55,160,494	65,425,528	47,592,994
Loss on impairment of properties foreclosed	3.6, 12	201,007,680	705,227,221	62,920,665	545,554,936
Contributions to Financial Institutions Development Fund		2,825,981,852	2,801,852,879	2,825,981,852	2,801,852,879
Other expenses		2,315,560,775	1,311,487,832	1,957,322,824	1,062,254,396
Total Non-interest Expenses		21,425,934,612	19,847,333,027	20,210,185,414	18,824,347,293
Income before income tax		17,996,637,347	15,507,860,949	17,798,786,918	15,340,463,877
Income tax expense	3.16	4,002,825,334	115,518,668	3,868,935,430	-
Net income before minority interests		13,993,812,013	15,392,342,281	13,929,851,488	15,340,463,877
Minority interests in net income		(63,960,525)	(51,878,404)	-	-
Net income		13,929,851,488	15,340,463,877	13,929,851,488	15,340,463,877
Basic earnings per share (Baht)	3.17, 21	5.87	6.49	5.87	6.49
Weighted average number of ordinary shares (shares)	21	2,371,366,311	2,362,466,731	2,371,366,311	2,362,466,731



(Pol. Gen. Pow Sarasin)
Vice Chairman



(Banthoon Lamsam)
Director and Chief Executive Officer

KASIKORNBANK PUBLIC COMPANY LIMITED and Subsidiaries
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

For each of the years ended December 31, 2005 and 2004

		Baht									
		Consolidated									
Notes	Issued and Paid-up Share Capital	Premium on Share Capital	Premium on Expired Warrants	Appraisal Surplus on Asset Revaluation	Revaluation Surplus on Investments /(Deficit)	Retained Earnings (Deficit)			Minority Interests	Total	
						Appropriated		Unappropriated (Deficit)			
						Legal Reserve	Other Reserves				
	Beginning 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	(65,187,196,692)	348,427,164	52,113,853,403
	Appraisal surplus on asset revaluation	-	-	-	(140,280,133)	-	-	-	140,280,133	-	-
	Revaluation deficit on investments	-	-	-	-	(1,036,685,426)	-	-	-	-	(1,036,685,426)
	Net gain (loss) not recognised in the statement of income	-	-	-	(140,280,133)	(1,036,685,426)	-	-	140,280,133	-	(1,036,685,426)
	Ordinary shares	95,591,200	-	-	-	-	-	-	-	-	95,591,200
	Premium on ordinary shares	-	182,841,415	-	-	-	-	-	-	-	182,841,415
	Legal reserve	-	-	-	-	-	770,000,000	-	(770,000,000)	-	-
	Reduction in the accumulated deficit	32	(32,152,502,699)	(5,520,432,199)	-	-	(800,000,000)	(26,675,300,000)	65,148,234,898	-	-
	Additional investment in subsidiary	-	-	-	-	-	-	-	-	3,385,025	3,385,025
	Net income	-	-	-	-	-	-	-	15,340,463,877	51,878,404	15,392,342,281
	Dividend paid	-	-	-	-	-	-	-	-	(85,671,917)	(85,671,917)
	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
	Appraisal surplus on asset revaluation	-	-	-	1,262,031,925	-	-	-	146,905,817	-	1,408,937,742
	Revaluation deficit on investments	-	-	-	-	(1,481,063,020)	-	-	-	-	(1,481,063,020)
	Net gain (loss) not recognised in the statement of income	-	-	-	1,262,031,925	(1,481,063,020)	-	-	146,905,817	-	(72,125,278)
	Ordinary shares	96,691,300	-	-	-	-	-	-	-	-	96,691,300
	Premium on ordinary shares	-	181,933,000	-	-	-	-	-	-	-	181,933,000
	Legal Reserve	-	-	-	-	-	700,000,000	-	(700,000,000)	-	-
	Increase in shareholding in subsidiary company	-	-	-	-	-	-	-	-	(320,873,461)	(320,873,461)
	Net income	-	-	-	-	-	-	-	13,929,851,488	63,960,525	13,993,812,013
	Dividend paid	24	-	-	-	-	-	-	(2,369,894,567)	(59,597,706)	(2,429,492,273)
	Ending balance as of December 31, 2005	23,732,936,670	17,737,192,156	-	10,024,386,669	(529,067,201)	1,470,000,000	-	25,678,644,954	1,508,034	78,115,601,282

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, 2005 and 2004

		Baht								
		The Bank								
Notes	Issued and Paid-up Share Capital	Premium on Share Capital	Premium on Expired Warrants	Appraisal Surplus on Asset Revaluation	Revaluation Surplus on Investments / (Deficit)	Retained Earnings (Deficit)			Total	
						Appropriated		Unappropriated (Deficit)		
						Legal Reserve	Other Reserves			
	Beginning 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	(65,187,196,692)	51,765,426,239
	Appraisal surplus on asset revaluation	-	-	-	(140,280,133)	-	-	-	140,280,133	-
	Revaluation deficit on investments	-	-	-	-	(1,036,685,426)	-	-	-	(1,036,685,426)
	Net gain (loss) not recognised in the statement of income	-	-	-	(140,280,133)	(1,036,685,426)	-	-	140,280,133	(1,036,685,426)
	Ordinary shares	95,591,200	-	-	-	-	-	-	-	95,591,200
	Premium on ordinary shares	-	182,841,415	-	-	-	-	-	-	182,841,415
	Legal reserve	-	-	-	-	-	770,000,000	-	(770,000,000)	-
	Reduction in the accumulated deficit	-	(32,152,502,699)	(5,520,432,199)	-	-	(800,000,000)	(26,675,300,000)	65,148,234,898	-
	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
	Appraisal surplus on asset revaluation	-	-	-	1,262,031,925	-	-	-	146,905,817	1,408,937,742
	Revaluation deficit on investments	-	-	-	-	(1,481,063,020)	-	-	-	(1,481,063,020)
	Net gain (loss) not recognised in the statement of income	-	-	-	1,262,031,925	(1,481,063,020)	-	-	146,905,817	(72,125,278)
	Ordinary shares	96,691,300	-	-	-	-	-	-	-	96,691,300
	Premium on ordinary shares	-	181,933,000	-	-	-	-	-	-	181,933,000
	Legal reserve	-	-	-	-	-	700,000,000	-	(700,000,000)	-
	Net income	-	-	-	-	-	-	-	13,929,851,488	13,929,851,488
	Dividend paid	-	-	-	-	-	-	-	(2,369,894,567)	(2,369,894,567)
	Ending balance as of December 31, 2005	23,732,936,670	17,737,192,156	-	10,024,386,669	(529,067,201)	1,470,000,000	-	25,678,644,954	78,114,093,248

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, 2005 and 2004

	Baht				
	Notes	Consolidated		The Bank	
		2005	2004	2005	2004
Cash Flows from Operating Activities					
Net income		13,929,851,488	15,340,463,877	13,929,851,488	15,340,463,877
Add (Less) Adjustments to reconcile net income to net cash from operating activities					
Depreciation and amortization		1,617,439,984	1,504,231,070	1,531,009,802	1,430,913,405
Bad debt and doubtful accounts (reversal)		598,882,600	(6,158,539,182)	1,104,350,028	(4,864,473,590)
Loss on debt restructuring		3,062,989,520	8,919,082,807	2,431,230,822	6,328,951,038
Interest income from amortization of revaluation allowance for debt restructuring		(371,595,837)	(1,511,663,615)	(63,717,053)	(237,967,825)
Loss on foreign exchange translation of long-term loans		398,728,968	110,618,839	398,728,968	110,618,839
(Gain) loss on revaluation of investments		(75,991,573)	22,303,603	(75,991,573)	22,303,603
(Reversal) loss on impairment of investments		(287,162,173)	19,660,386	(299,177,568)	2,487,133
Amortization of goodwill		56,372,882	(6,461,730)	-	-
Gain on disposal of securities for investment		(261,195,472)	(2,136,425,257)	(164,844,610)	(1,954,213,307)
Amortization of premium and discount on debt instruments		1,223,230,506	1,272,792,462	1,241,441,686	1,269,959,198
Loss on impairment of investments in receivables		178,119,005	-	178,119,005	-
Loss on impairment of foreclosed properties		201,007,680	705,227,221	62,920,665	545,554,936
Reversal of loss on impairment of other assets		(281,961,721)	(382,255,452)	(245,970,487)	(346,931,418)
(Reversal) loss on impairment of intangible assets		(121,174,133)	175,013,696	(121,174,133)	175,013,696
Gain on disposal of premises and equipment		(8,935,972)	(3,069,145)	(8,973,124)	(1,697,101)
(Reversal) loss on impairment of premises and equipment		(1,416,000)	1,416,000	(1,416,000)	1,416,000
Reversal of loss on revaluation of premises and equipment		(114,872,689)	-	(114,872,689)	-
Loss on transfer of financial assets		-	568,500,832	-	-
Share of loss (profit) from investments held on equity method		35,362,032	(81,913,500)	(363,476,320)	160,175,561
Dividend income from subsidiaries and associated companies		38,390,462	106,424,242	190,837,335	320,453,985
Amortization of discount on debentures		4,049,853	4,041,988	4,049,853	4,041,988
Decrease (increase) in accrued interest receivables		709,985,177	515,601,260	(911,222)	167,070,186
Decrease (increase) in other accrued income		193,464,762	(146,946,729)	224,165,577	(138,923,020)
Increase (decrease) in accrued interest payables		221,841,390	(1,467,535,972)	220,726,922	(1,468,241,201)
Increase in other accrued expenses		1,566,217,259	509,217,115	1,531,867,077	466,719,460
Increase (decrease) in other reserves		1,190,415,793	(49,564,914)	1,190,415,793	(49,564,914)
Minority interests in net income		63,960,525	51,878,404	-	-
Net income from operations before changes in operating assets and liabilities		23,766,004,316	17,882,098,306	22,779,190,242	17,284,130,529
(Increase) decrease in operating assets					
Interbank and money market items (assets)		10,276,570,116	30,014,898,766	10,271,311,910	29,043,337,326
Securities purchased under resale agreements		9,540,000,000	12,670,000,000	9,540,000,000	12,670,000,000
Investment for trading		529,386,431	(202,081,980)	529,386,431	(202,081,980)
Loans		(51,322,700,837)	(70,554,908,474)	(50,660,468,287)	(69,816,324,331)
Properties foreclosed		3,041,846,290	2,537,905,761	3,373,214,077	2,225,516,131
Other assets		4,074,457,590	(6,117,386,900)	4,431,549,802	(5,679,987,657)

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, 2005 and 2004

	Notes	Baht			
		Consolidated		The Bank	
		2005	2004	2005	2004
Increase (decrease) in operating liabilities					
Deposits		(17,788,495,799)	20,623,739,347	(17,073,207,165)	20,762,437,793
Interbank and money market items (liabilities)		7,982,827,614	4,424,077,823	8,083,861,455	4,269,077,823
Liabilities payable on demand		(1,521,793,189)	384,192,467	(1,521,793,189)	384,192,467
Short-term borrowing		3,713,600,000	3,843,000,000	3,713,600,000	3,843,000,000
Other liabilities		4,992,963,886	366,509,977	4,896,861,294	272,681,009
Net Cash (Used in) Provided by Operating Activities		(2,715,333,582)	15,872,045,093	(1,636,493,430)	15,055,979,110
Cash Flows From Investing Activities					
Proceeds from disposal of available for sale investments		44,584,568,081	118,413,841,264	44,375,573,441	118,335,757,613
Proceeds from redemption of held to maturity debt instruments		10,946,614,968	15,448,808,318	5,813,614,968	13,957,126,358
Proceeds from disposal of general investments		263,408,056	6,343,310,805	256,400,738	6,143,905,395
Proceeds from redemption of share capital of subsidiaries		-	-	3,384,439,959	-
Purchase of available for sale investments		(38,875,975,180)	(92,521,853,312)	(38,823,912,680)	(92,520,093,155)
Proceeds from collection of investments in receivables		207,941,401	-	171,567,341	-
Purchase of held to maturity debt instruments		(7,063,207,971)	(20,994,168,919)	(2,991,706,194)	(18,543,754,363)
Purchase of general investments		(450,769,883)	(4,720,205,477)	(523,728,448)	(4,735,448,427)
Purchase of investments in subsidiaries		(1,321,474,890)	(1,383,449,577)	(1,474,974,890)	(1,383,449,577)
Purchase of investments in receivables		-	-	(3,214,979,793)	-
Proceeds from disposal of premises and equipment		12,916,878	4,064,561	11,417,492	2,295,453
Proceeds from disposal of intangible assets		23,987	-	-	-
Purchase of premises and equipment		(1,212,568,708)	(902,657,361)	(1,059,274,478)	(880,171,003)
Purchase of intangible assets		(848,637,668)	(948,467,479)	(820,185,938)	(906,698,757)
Net Cash Provided by Investing Activities		6,242,839,071	18,739,222,823	5,104,251,518	19,469,469,537
Cash Flows from Financing Activities					
Decrease in long-term borrowing		-	(39,967,145,600)	-	(39,967,145,600)
Issuance in ordinary shares		96,691,300	95,591,200	96,691,300	95,591,200
Increase in premium on share capital		181,933,000	182,841,415	181,933,000	182,841,415
Payment of dividend		(2,369,894,567)	-	(2,369,894,567)	-
Dividend paid to minority interests		(59,597,706)	(85,671,917)	-	-
Net Cash Provided by (Used in) Financing Activities		(2,150,867,973)	(39,774,384,902)	(2,091,270,267)	(39,688,712,985)
Net increase (decrease) in cash and cash equivalents		1,376,637,516	(5,163,116,986)	1,376,487,821	(5,163,264,338)
Cash and cash equivalents at beginning of the year	3.1, 4	13,536,066,960	18,699,183,946	13,535,831,175	18,699,095,513
Cash and cash equivalents at end of the year	3.1, 4	14,912,704,476	13,536,066,960	14,912,318,996	13,535,831,175
Supplemental Disclosures of Cash Flows Information					
Cash paid (received) during the year					
Interest expense		7,061,206,811	8,500,186,381	7,027,182,065	8,494,616,107
Income tax		2,604,467,211	(117,985,084)	2,457,261,124	163,806,608

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 is 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, 2005 and 2004, the Bank had a total staffing of 10,303 and 10,110 persons, respectively.

2. Basis of Preparation of Financial Statements

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 accordance with Thai Accounting Standards ("TAS") including related interpretations and guidelines promulgated by the Federation of Accounting Professions ("FAP") and in conformity with generally accepted accounting principles in Thailand.

The financial statements are presented in Thai Baht and prepared under the historical cost basis except as disclosed in the accounting policies.

The financial statements issued for Thai reporting purposes are prepared in the Thai language. This English translation of the financial statements has been prepared for the convenience of readers not conversant with the Thai language.

The preparation of financial statements in conformity with TAS and generally accepted accounting standards in Thailand requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which from the basis of making the judgements about carrying amounts of assets and liabilities that are not readily apparent from other sources.

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.

2.2 The consolidated financial statements comprise the Bank, its subsidiaries and its interest in associates.

Subsidiaries

Subsidiaries are those entities controlled by the Bank. Control exists when the Bank has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Associates

Associates are those entities in which the Bank has significant influence, but not control, over the financial and operating policies. The consolidated financial statements include the Bank's share of the total recognized gains and losses of associates on an equity accounted basis, from the date that significant influence commences until the date that significant influence ceases. When the Bank's share of losses exceeds its interest in an associate, the Bank's carrying amount of investment is reduced to nil and recognition of further losses is discontinued except to the extent that the Bank has incurred legal or constructive obligations or made payments on behalf of an associate.

Business combinations

Business combinations are accounted for using the purchase method. The cost of an acquisition is measured at the fair value of the assets given at the date of exchange, plus cost directly attributable to acquisition.

2.3 The consolidated financial statements of the Bank for each of the years ended December 31, 2005 and 2004, consist of the Bank and its subsidiaries. Details of the Bank's subsidiaries are as follows:

	% Shareholding	
	2005	2004
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. ("KFactoring")	99.99	99.99
Kasikorn Research Center Co., Ltd. ("KResearch") **	99.99	99.99
Kasikorn Leasing Co., Ltd. ("KLeasing") **	99.99	99.99
Kasikorn Securities Public Co., Ltd. ("KSecurities") ***	99.98	99.91
Kasikorn Asset Management Co., Ltd. ("KAsset")	99.99	71.42

* *Ploy-AMC is in the process of liquidation.*

** *The financial statements of KResearch and KLeasing have been included in the consolidated financial statements since the second quarter of 2005.*

*** *The financial statements of KSecurities have been included in the consolidated financial statements since December 2004.*

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 had to be completed by December 31, 2004 and the resulting profit or loss is thereafter to be shared among the aforementioned companies and the FIDF. On April 29, 2005, the company paid to FIDF, in accordance with the conditions set forth in the MOU, FIDF share of the profit arising from the revaluation of assets on December 31, 2004 amounting to Baht 180 million and interest on such profit calculated from January 1, 2005 to April 28, 2005 amounting to Baht 1 million to FIDF, totalling Baht 181 million, in accordance with the conditions set forth in the MOU. On June 30, 2005 the company registered its discontinuance of operation with the Ministry of Commerce and has commenced the liquidation process.

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 306 Seupa Road, Pomprab, Pomprab Sadtrupai, 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 Research Center Company Limited is a company which was registered in the Kingdom of Thailand on December 16, 1994, and is located at 400/22 Kasikornbank Building, Floor 9, Phaholyothin Road, Samsennai, Phayathai, Bangkok. The company's main business is to support the Bank with research work and public relations.

Kasikorn Leasing Company Limited is a company which was registered in the Kingdom of Thailand on December 24, 2004, and is located at 400/22 Kasikornbank Building, Floor 17, Phaholyothin Road, Samsennai, Phayathai, Bangkok. The company's main businesses are the leasing and hire purchase businesses.

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. The consideration paid was Baht 1,310 million. At the acquisition date, the net assets amounted to Baht 765 million and goodwill on acquisition amounted to Baht 545 million. This resulted in the company becoming a subsidiary of the Bank and it is included in the consolidated financial statements since December 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 businesses are assets and funds management. In December 2005, the Bank purchased additional ordinary shares that resulted in the increase in percentage of shares held from 71.42% to 99.99%.

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 Investments

Investments in subsidiaries and associates

Investments in subsidiaries and associates in the separate financial statements of the Bank are accounted for using the equity method.

Investments in other debt and equity securities

Investments in debt instruments or marketable equity securities held for trading are classified as trading investments and are stated at fair value, with any resultant gain or loss recognized in the statement of income.

Investments in debt instruments the Bank and subsidiaries intend and are able to hold to maturity are classified as held-to-maturity investments and are stated at less amortized cost after deduction of allowance for impairment. The difference between the acquisition cost and redemption value of such debt securities is amortized using the effective interest rate method over the period to maturity.

Investments in debt instruments or marketable equity securities other than those securities held for trading or intended to be held to maturity, are classified as available-for-sale investments and are stated at fair value, with any resultant gain or loss being recognised directly in equity. The exceptions are impairment losses and foreign exchange gains and losses, which are recognised in the statement of income. When these investments are disposed, the cumulative gain or loss previously recognised directly in equity is recognised in the statement of income. Where these investments are interest-bearing, interest calculated using the effective interest method is recognised in the statement of income.

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 receivables are stated at acquisition cost after deducting the allowance for impairment. When debt restructuring is required, the balance is recorded as a loan at fair value, following the transfer of financial asset accounting procedure. The difference between the book value and the fair value is recognized as gain or loss on transfer of financial assets in the statements of income.

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. Interest income from investments in receivables is recognized by using the effective yield 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.

Disposal of investments

On disposal of an investment, the difference between net disposal proceeds and the carrying amount together with the associated cumulative gain or loss that was reported in equity is recognised in the statement of income.

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

3.3 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.

3.4 Allowance for Doubtful Accounts

Allowance for doubtful accounts is determined through methods based on the Bank of Thailand's regulations and based on the Bank's estimated loan loss. The allowance for non-performing loans has been specifically determined by the natures of loans and the related factors such as payment ability, collateral, historical loss and estimated loss, etc. The allowance for performing loans has been assessed based upon general related factors such as historical loss, credit risk, economic conditions and management experience, etc. For corporate loan, the allowance is determined on a case by case basis while the allowance for retail loans is determined on portfolio basis with similar risk characteristics.

With reference to BoT's regulations, 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. Collateral value used in setting up allowance for doubtful accounts depends on collateral type and appraisal period. 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.

Before the third quarter of 2005 the Bank made a doubtful accounts provision at the rate of 0.5% of total loans per quarter. Since the third quarter of 2005, the Bank no longer considered this provisioning policy necessary and transferred the amount previously provided to be included in the allowance for doubtful accounts.

3.5 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 this case the Bank will stop amortizing to the statement of income. The recognition in the statement of income occurs when such risk is eliminated.

3.6 Properties Foreclosed

Properties foreclosed 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 properties foreclosed are recorded as other income or expenses upon disposal.

3.7 Premises and Equipment and Depreciation

Premises and equipment are stated at cost less accumulated depreciation and impairment losses except for land and buildings which are stated at their revalued amounts. The revalued amount is the fair value determined on the basis of the property's existing use at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated 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.

- **Leased assets**

Leases under which the subsidiaries substantially assume all the risk and rewards of ownership are classified as finance leases. Equipment acquired by way of finance leases is capitalized at the lower of its fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the statements of income.

- **Subsequent expenditure**

Subsequent expenditure relating to an item of property, plant and equipment is added to the carrying amount of the asset when it is probable that the future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Bank and its subsidiaries. All other subsequent expenditure is recognized as an expense in the period in which it is incurred.

- **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	50	years
Equipment	5-15	years

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

3.8 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 are 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

3.9 Impairment

The carrying amount of the Bank and subsidiaries' assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognised in the statement of income unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

3.10 Interest-bearing liabilities

Interest-bearing liabilities are recognized initially at cost less attributable transaction charges. Subsequent to initial recognition, interest-bearing liabilities are stated at amortized cost with any difference between cost and redemption value being recognized in the statement of income over the period of the borrowings.

3.11 Provisions

A provision is recognised in the balance sheet when the Bank has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

A provision for commitments as off-balance sheet items are determined by credit risk transactions ie., Avals, Acceptances, loans with collateral, other collaterals and Letter of credit, etc. A provision is recognized when the transactions related to loans that are classified as sub-standard, doubtful, doubtful of loss and loss assets. The provision have been specifically determined by using the same rate as the allowance for doubtful accounts on each of those loans.

3.12 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.

3.13 Employee benefits

- **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.

- **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"

3.14 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 Bank of Thailand 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.

3.15 Recognition of Interest Expense

Interest expense is recognized on an accrual basis.

3.16 Income Tax

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

3.17 Basic Earnings per Share

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

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

3.18 Translation of Foreign Currencies

Assets and liabilities denominated in foreign currencies are translated into Thai Baht at the rates of exchange prevailing on the dates of the transactions. Assets and liabilities including the balance sheet of the Bank's foreign branches that are denominated in foreign currencies at the end of the year are translated into Thai Baht at the reference rates announced by the BoT on that date. The statement of income of the Bank's foreign branches are translated into Thai Baht at the reference rates announced by the BoT at the month end rate.

Exchange gains or losses on translation and on transactions in foreign currencies including foreign exchange differences arising on the translation of financial statements of the Bank's foreign branches are included in revenues and expenses for the year.

4. Supplementary Information of Cash Flows

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, 2005 and 2004 as follows:

(Million Baht)

	Consolidated and The Bank	
	2005	2004
Revaluation deficit on investments	(1,481)	(1,037)

For each of the years ended December 31, 2005 and 2004, the Bank recognized the realized portion of the appraised surplus on asset revaluation amounting to Baht 147 million and Baht 140 million, respectively, by transferring these amounts to retained earnings from appraisal surplus on asset revaluation.

For each of the years ended December 31, 2005 and 2004, the Bank and its subsidiaries received foreclosed properties arising from debt settlement amounting to Baht 1,291 million and Baht 1,827 million, respectively on a consolidated basis and Baht 733 million and Baht 1,113 million, respectively for the Bank only.

For each of the years ended December 31, 2005 and 2004, the Bank transferred sub-quality assets to Thai Assets Management Corporation (TAMC) amounting to Baht 15 million and Baht 61 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, 2005 and 2004 consisted of:

(Million Baht)

	Consolidated					
	2005			2004		
	At call	Term	Total	At call	Term	Total
1. Domestic						
The BoT and FIDF	1,550	-	1,550	1,961	-	1,961
Commercial banks	855	3,700	4,555	760	-	760
Other banks	3	-	3	4	-	4
Finance, securities and credit foncier companies	200	2	202	240	-	240
Other financial institutions	-	365	365	-	400	400
Total Domestic	2,608	4,067	6,675	2,965	400	3,365
Add Accrued interest receivables	-	9	9	-	-	-
Less Allowance for doubtful accounts	(7)	(42)	(49)	(7)	(4)	(11)
Total	2,601	4,034	6,635	2,958	396	3,354

(Million Baht)

	Consolidated					
	At call	2005 Term	Total	At call	2004 Term	Total
2. Foreign						
US Dollar	3,808	55,056	58,864	3,197	68,938	72,135
Japanese Yen	39	-	39	29	-	29
Other currencies	389	13	402	735	1	736
Total Foreign	4,236	55,069	59,305	3,961	68,939	72,900
Less Allowance for doubtful accounts	(11)	-	(11)	(4)	-	(4)
Total	4,225	55,069	59,294	3,957	68,939	72,896
Total Domestic and Foreign	6,826	59,103	65,929	6,915	69,335	76,250

(Million Baht)

	The Bank					
	At call	2005 Term	Total	At call	2004 Term	Total
1. Domestic						
The BoT and FIDF	1,550	-	1,550	1,961	-	1,961
Commercial banks	794	3,700	4,494	694	-	694
Other banks	3	-	3	4	-	4
Finance, securities and credit foncier companies	200	2	202	240	-	240
Other financial institutions	-	365	365	-	400	400
Total Domestic	2,547	4,067	6,614	2,899	400	3,299
Add Accrued interest receivables	-	9	9	-	-	-
Less Allowance for doubtful accounts	(7)	(42)	(49)	(7)	(4)	(11)
Total	2,540	4,034	6,574	2,892	396	3,288
2. Foreign						
US Dollar	3,808	55,056	58,864	3,197	68,938	72,135
Japanese Yen	39	-	39	29	-	29
Other currencies	389	13	402	735	1	736
Total Foreign	4,236	55,069	59,305	3,961	68,939	72,900
Less Allowance for doubtful accounts	(11)	-	(11)	(4)	-	(4)
Total	4,225	55,069	59,294	3,957	68,939	72,896
Total Domestic and Foreign	6,765	59,103	65,868	6,849	69,335	76,184

6. Securities Purchased under Resale Agreements

Securities purchased under resale agreements as of December 31, 2005 and 2004 consisted of:

(Million Baht)

	Consolidated and The Bank	
	2005	2004
Government Bonds and BoT Bonds	9,500	18,195
State enterprise Bonds	-	845
Total	9,500	19,040

7. Investments

Investments as of December 31, 2005 and 2004 consisted of:

(Million Baht)

	Consolidated			Fair Value
	Cost Value/ Amortized Cost Value	Unrealized Gain	Unrealized Loss	
1. Current Investments				
1.1 Trading investments				
1.1.1 Government and state enterprise securities	1,097	57	-	1,154
Add Allowance for revaluation	57			-
Total	1,154			1,154
1.2 Available-for-sale investments				
1.2.1 Government and state enterprise securities	11,022	13	(387)	10,648
1.2.2 Private enterprise debt instruments	449	1	(1)	449
1.2.3 Foreign debt instruments	16,364	13	(43)	16,334
1.2.4 Marketable equity securities - domestic	1,006	152	(531)	627
1.2.5 Others	50	1	(23)	28
Total	28,891	180	(985)	28,086
Less Allowance for revaluation	(297)			-
Less Allowance for impairment	(508)			-
Total	28,086			28,086

(Million Baht)

	Consolidated 2005			
	Cost Value/ Amortized Cost Value	Unrealized Gain	Unrealized Loss	Fair Value
1.3 Held-to-maturity debt instruments				
1.3.1 Government and state enterprises securities	10,751	20	(3)	10,768
1.3.2 Private enterprises debt instruments	14	-	-	14
1.3.3 Foreign debt instruments	10,100	-	(78)	10,022
Total	20,865	20	(81)	20,804
Less Allowance for impairment	-			-
Total	20,865			20,804
Total Current Investments - net	50,105			50,044

(Million Baht)

	Consolidated 2005			
	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	15,849	26	(397)	15,478
2.1.2 Private enterprises debt instruments	1,761	5	(37)	1,729
2.1.3 Foreign debt instruments	11,215	30	(56)	11,189
2.1.4 Marketable equity securities				
- domestic	153	198	-	351
2.1.5 Others	80	-	-	80
Total	29,058	259	(490)	28,827
Less Allowance for revaluation	(231)			-
Total	28,827			28,827

(Million Baht)

		Consolidated		
		2005		
	Cost Value/ Amortized Cost Value	Unrealized Gain	Unrealized Loss	Fair Value
2.2	Held-to-maturity debt instruments			
2.2.1	Government and state enterprises securities	44	(184)	10,818
2.2.2	Private enterprises debt instruments	-	(792)	203
2.2.3	Foreign debt instruments	3	(10)	3,383
	Total	47	(986)	14,404
	Less Allowance for impairment			-
	Total			14,404
2.3	General investments			
2.3.1	Non-marketable equity securities - domestic	-	(628)	2,284
2.3.2	Non-marketable equity securities - overseas	-	(312)	110
2.3.3	Investments in receivables	-	(273)	3,231
	Total	-	(1,213)	5,625
	Less Allowance for impairment			-
	Total			5,625
	Total Long-term Investments - net			48,856

	Consolidated			Fair Value
	Cost Value/ Amortized Cost Value	Unrealized Gain	Unrealized Loss	
2004				
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	(66)	22,091
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	(937)	33,728
Less Allowance for impairment	(783)			-
Total	33,504			33,728
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	76,770			76,994

		The Bank		
		2005		
	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	1,097	57	-
	Add Allowance for revaluation	57		-
	Total	1,154		1,154
1.2	Available-for-sale investments			
1.2.1	Government and state enterprises securities	11,022	13	(387)
1.2.2	Private enterprises debt instruments	449	1	(1)
1.2.3	Foreign debt instruments	16,364	13	(43)
1.2.4	Marketable equity securities - domestic	1,006	152	(531)
1.2.5	Others	50	1	(23)
	Total	28,891	180	(985)
	Less Allowance for revaluation	(297)		-
	Less Allowance for impairment	(508)		-
	Total	28,086		28,086
1.3	Held-to-maturity debt instruments			
1.3.1	Government and state enterprises securities	10,057	20	(1)
1.3.2	Private enterprises debt instruments	14	-	-
1.3.3	Foreign debt instruments	10,100	-	(78)
	Total	20,171	20	(79)
	Less Allowance for impairment	-		-
	Total	20,171		20,112
	Total Current Investments - net	49,411		49,352

(Million Baht)

		The Bank			
		2005			
		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	15,849	26	(397)	15,478
2.1.2	Private enterprises debt instruments	1,761	5	(37)	1,729
2.1.3	Foreign debt instruments	11,215	30	(56)	11,189
2.1.4	Marketable equity securities - domestic	153	198	-	351
2.1.5	Others	30	-	-	30
	Total	29,008	259	(490)	28,777
	Less Allowance for revaluation	(231)			-
	Total	28,777			28,777
2.2	Held-to-maturity debt instruments				
2.2.1	Government and state enterprises securities	10,958	44	(184)	10,818
2.2.2	Private enterprises debt instruments	995	-	(792)	203
2.2.3	Foreign debt instruments	3,390	3	(10)	3,383
	Total	15,343	47	(986)	14,404
	Less Allowance for impairment	(786)			-
	Total	14,557			14,404
2.3	General investments				
2.3.1	Non-marketable equity securities - domestic	2,872	-	(600)	2,272
2.3.2	Non-marketable equity securities - overseas	422	-	(312)	110
2.3.3	Investments in receivables	2,151	-	(178)	1,973
	Total	5,445	-	(1,090)	4,355
	Less Allowance for impairment	(1,090)			-
	Total	4,355			4,355
	Total Long-term Investments - net	47,689			47,536

		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	(66)	22,019
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	(937)	33,656
Less Allowance for impairment	(783)			-
Total	33,433			33,656
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	75,118			75,341

As of December 31, 2005 and 2004, investments in held-to-maturity debt instruments, which are government or state enterprise securities, included promissory notes from TAMC of Baht 5,575 million and Baht 3,668 million, respectively, and the right to receive promissory notes from TAMC of Baht 5 million and Baht 2,658 million, respectively.

Gain (loss) on investments presented in the statement of income for each of the years ended December 31, 2005 and 2004 consisted of:

(Million Baht)

	Consolidated		The Bank	
	2005	2004	2005	2004
Gain on disposal of investments				
Held for trading investments	248	95	248	95
Available-for-sale investments	456	1,565	360	1,530
Held-to-maturity debt	1	2	1	2
General investments	11	976	10	845
Investments in receivables	-	14	-	-
Total	716	2,652	619	2,472
Loss on disposal of investments				
Held for trading investments	(260)	(83)	(260)	(83)
Available-for-sale investments	(160)	(340)	(160)	(340)
General investments	(49)	(84)	(49)	(84)
Investments in receivables	(5)	-	(5)	-
Total	(474)	(507)	(474)	(507)
Gain (loss) from revaluation	76	(22)	76	(22)
Gain (loss) reversal on impairment				
Investments in securities	287	20	299	3
Investments in receivables	(178)	-	(178)	-
Total	109	20	121	3
Total Gain on Investments	427	2,143	342	1,946

Revaluation (deficit) surplus on investments as of December 31, 2005 and 2004 consisted of:

(Million Baht)

	Consolidated		The Bank	
	2005	2004	2005	2004
Revaluation (deficit) surplus on investments				
Debt instruments	(827)	49	(827)	49
Equity securities	298	903	298	829
Share of revaluation surplus in subsidiaries and associated companies using the equity method	-	-	-	74
Total	(529)	952	(529)	952

As of December 31, 2005 and 2004, a maturity analysis for debt instruments resulted in the following:

(Million Baht)

	Consolidated							
	2005				2004			
	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	5,912	16,260	4,699	26,871	5,524	25,164	5,512	36,200
1.2 Private enterprise debt instruments	449	1,761	-	2,210	287	2,559	-	2,846
1.3 Foreign debt instruments	16,364	5,845	5,370	27,579	9,458	10,809	3,834	24,101
Total	22,725	23,866	10,069	56,660	15,269	38,532	9,346	63,147
(Less) add Allowance for revaluation	(52)	(444)	(330)	(826)	19	126	(95)	50
(Less) Allowance for impairment	(7)	-	-	(7)	-	-	-	-
Total	22,666	23,422	9,739	55,827	15,288	38,658	9,251	63,197
2. Held-to-maturity debt Instruments								
2.1 Government and state enterprise securities	10,751	5,378	5,580	21,709	4,624	15,472	6,326	26,422
2.2 Private enterprise debt instruments	14	209	786	1,009	4	278	783	1,065
2.3 Foreign debt instruments	10,100	3,390	-	13,490	2,210	11,428	-	13,638
Total	20,865	8,977	6,366	36,208	6,838	27,178	7,109	41,125
Less Allowance for impairment	-	-	(786)	(786)	(30)	-	(783)	(813)
Total	20,865	8,977	5,580	35,422	6,808	27,178	6,326	40,312
Total Debt Instruments	43,531	32,399	15,319	91,249	22,096	65,836	15,577	103,509

		The Bank							
		2005 Maturity				2004 Maturity			
		Over		Total	Over		Total	Total	
		1 year to	Over		1 year to	Over			
		1 year	5 years	5 years	1 year	5 years	5 years		
1.	Available-for-sale investments								
1.1	Government and state enterprise securities	5,912	16,260	4,699	26,871	5,524	25,164	5,512	36,200
1.2	Private enterprise debt instruments	449	1,761	-	2,210	287	2,559	-	2,846
1.3	Foreign debt instruments	16,364	5,845	5,370	27,579	9,458	10,809	3,834	24,101
	Total	22,725	23,866	10,069	56,660	15,269	38,532	9,346	63,147
	(Less) add Allowance for revaluation	(52)	(444)	(330)	(826)	19	126	(95)	50
	(Less) Allowance for impairment	(7)	-	-	(7)	-	-	-	-
	Total	22,666	23,422	9,739	55,827	15,288	38,658	9,251	63,197
2.	Held-to-maturity debt instruments								
2.1	Government and state enterprise securities	10,057	5,378	5,580	21,015	2,957	15,401	6,326	24,684
2.2	Private enterprise debt instruments	14	209	786	1,009	4	278	783	1,065
2.3	Foreign debt instruments	10,100	3,390	-	13,490	2,210	11,428	-	13,638
	Total	20,171	8,977	6,366	35,514	5,171	27,107	7,109	39,387
	Less Allowance for impairment	-	-	(786)	(786)	(30)	-	(783)	(813)
	Total	20,171	8,977	5,580	34,728	5,141	27,107	6,326	38,574
	Total Debt Instruments	42,837	32,399	15,319	90,555	20,429	65,765	15,577	101,771

As of December 31, 2005 and 2004, 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 or investments in receivables with uncertainty in settlement or in default, were as follows:

(Million Baht)

	Consolidated						
	2005						
	Cost Value / Book Value			Fair Value			Allowance for Impairment
	Investments In Receivables	Equity Securities	Debt Instruments	Investments In Receivables	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	6	34	200	3	2	-	(236)
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	-	768	494	-	2	38	(1,219)
4. Investment in receivables with uncertainty in settlement or in default	2,250	-	-	1,980	-	-	(270)
Total	2,256	803	825	1,983	4	38	(1,857)

(Million Baht)

	Consolidated						
	2004						
	Cost Value / Book Value			Fair Value			Allowance
	Investments	Equity	Debt	Investments	Equity	Debt	
In	Securities	Instruments	In	Securities	Instruments	for	
Receivables			Receivables			Impairment	
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)
4. Investment in receivables with uncertainty in settlement or in default	3,356	-	-	1,372	-	-	(1,984)
Total	3,356	1,089	783	1,372	16	-	(3,842)

(Million Baht)

	The Bank						Allowance for Impairment
	Cost Value / Book Value			Fair Value			
	Investments	Equity	Debt	Investments	Equity	Debt	
	In Receivables	Securities	Instruments	In Receivables	Securities	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	6	34	200	3	2	-	(236)
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	-	768	494	-	2	38	(1,219)
4. Investment in receivables with uncertainty in settlement or in default	896	-	-	721	-	-	(175)
Total	902	803	825	724	4	38	(1,762)

(Million Baht)

	The Bank						Allowance for Impairment
	Cost Value / Book Value			Fair Value			
	Equity	Debt		Equity	Debt		
	Securities	Instruments		Securities	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)

As of December 31, 2005 and 2004, investments in ordinary shares of subsidiaries and associated companies were as follows:

(Million Baht)

	Type of Business	% Shareholding		Consolidated Investments				The Bank Investments			
		2005	2004	Cost method		Equity method		Cost method		Equity method	
				2005	2004	2005	2004	2005	2004	2005	2004
Phethai Asset Management Co., Ltd.	Asset Management	99.99%	99.99%	-	-	-	-	5,998	5,998	3,912	3,659
Ploy Asset Management Co., Ltd.	Asset Management	99.99%	99.99%	-	-	-	-	2,080	5,000	-	2,938
Progress Land and Buildings Co., Ltd.	Property Development	99.99%	99.99%	-	-	-	-	1,122	1,700	923	1,374
Progress Gunpai Co., Ltd.	Service	99.99%	99.99%	21	21	73	54	21	21	73	54
Progress Plus Co., Ltd.	Service	99.99%	99.99%	4	4	24	26	4	4	24	26
Kasikorn Factoring Co., Ltd.	Lending	99.99%	99.99%	-	-	-	-	237	237	386	304
Kasikorn Research Center Co., Ltd.	Service	99.99%	99.99%	-	3	-	21	6	3	16	21
Progress Facilities Management Co., Ltd.	Service	99.99%	99.99%	5	5	15	16	5	5	15	16
Progress Management Co., Ltd.	Service	99.99%	99.99%	6	6	17	11	6	6	17	11
Kasikorn Leasing Co., Ltd.	Lending	99.99%	99.99%	-	60	-	60	210	60	121	60
Progress Software Co., Ltd.	Service	99.99%	99.99%	18	18	62	45	18	18	62	45
Kasikorn Asset Management Co., Ltd.	Mutual Fund Management	99.99%	71.42%	-	-	-	-	2,003	683	1,983	594
Progress Storage Co., Ltd.	Service	99.98%	99.98%	3	3	16	18	3	3	16	18
Kasikorn Securities Public Co., Ltd.	Securities Business	99.98%	99.91%	-	-	-	-	1,312	1,310	1,176	1,305
Progress Services Co., Ltd.	Service	99.97%	99.97%	2	2	18	26	2	2	18	26

(Million Baht)

	Type of Business	% Shareholding		Consolidated Investments				The Bank Investments			
				Cost method		Equity method		Cost method		Equity method	
				2005	2004	2005	2004	2005	2004	2005	2004
Progress HR Co., Ltd.	Service	99.93%	99.93%	1	1	4	1	1	1	4	1
Progress Appraisal Co., Ltd.	Service	99.84%	99.84%	5	5	37	26	5	5	37	26
Thai Administration Services Co., Ltd. *	Service	-	51.00%	-	13	-	19	-	13	-	19
Processing Center Co., Ltd.	Service	30.00%	30.00%	3	3	181	160	3	3	181	160
N.C. Associate Co., Ltd.	Trading	28.23%	28.23%	1	1	-	1	1	1	-	1
Rural Capital Partners Co., Ltd.	Venture Capital	27.50%	27.50%	2	2	3	3	2	2	3	3
Progress Information Co., Ltd.	Service	20.00%	20.00%	14	14	1	3	14	14	1	3
M. Grand Hotel Co., Ltd.	Hotel	20.00%	20.00%	355	355	40	168	355	355	40	168
E.S. Industries Co., Ltd.	Industry	20.00%	20.00%	11	11	11	11	11	11	11	11
Total				451	527	502	669	13,419	15,455	9,019	10,843
Less Allowance for impairment				(381)	(383)	(52)	(207)	(3,333)	(3,335)	(52)	(207)
Investments in Subsidiaries and Associated Companies – Net				70	144	450	462	10,086	12,120	8,967	10,636

*On January 30, 2005, the Bank has sold its investment in Thai Administration Services Co., Ltd.

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 and from management information that has not been audited or reviewed by the auditors.

As of December 31, 2005 and 2004, 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	
	2005	2004	2005	2004
Agricultural and mining	49	48	-	-
Manufacturing and commerce	254	277	254	277
Property development and construction	1,062	1,153	1,062	1,153
Infrastructure and services	28	6	23	1
Others	615	394	615	394
Total	2,008	1,878	1,954	1,825

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:

Phethai Asset Management Company Limited

Condensed Balance Sheets

As of December 31, 2005 and 2004

	Million Baht	
	2005	2004
Assets		
Cash and deposits at financial institution	71	161
Long-term investments – net	40	50
Investments in receivables – net	4,266	4,981
Loans, receivables and accrued interest receivables – net	3,633	4,508
Properties foreclosed – net	4,393	1,124
Equipment – net	4	6
Other assets – net	539	402
Total Assets	12,946	11,232
Liabilities and Shareholders' Equity		
Liabilities		
Borrowings from financial institution	8,925	7,440
Other liabilities	109	133
Shareholders' Equity	3,912	3,659
Total Liabilities and Shareholders' Equity	12,946	11,232

Phethai Asset Management Company Limited

Condensed Statements of Income

For Each of the Years Ended December 31, 2005 and 2004

	Million Baht	
	2005	2004
Interest and dividend income	457	608
Interest expense	130	98
Net income from interest and dividend	327	510
Bad debt and doubtful accounts (reversal)	2	(104)
Loss on debt restructuring	432	1,018
Expense from interest and dividend after bad debt and doubtful accounts (reversal) and loss on debt restructuring	(107)	(404)
Non-interest income	688	735
Non-interest expense	327	395
Net profit (loss)	254	(64)
Basic earnings (loss) per share (Baht)	0.42	(0.11)

Phethai Asset Management Company Limited

Statements of Cash Flows

For Each of the Years Ended December 31, 2005 and 2004

	Million Baht	
	2005	2004
Cash Flows from Operating Activities		
Net profit (loss)	254	(64)
Add (less) Adjustments to reconcile net profit (loss) to net cash from operating activities		
Gain on transfer of financial assets	(297)	(829)
Loss on impairment of investments in receivables	147	265
Bad debt and doubtful accounts (reversal)	2	(104)
Loss on debt restructuring	432	1,018
Interest income from amortization of revaluation allowance for debt restructuring	(149)	(320)
Depreciation and amortization	7	6
Loss on impairment of properties foreclosed	137	65
Loss on impairment of assets to be transferred	-	59
Loss on impairment of investments	12	7
Reversal of loss on impairment of other assets	(36)	(34)
Gain on sale of securities for investments	(1)	-
Increase (decrease) in accrued interest payables	13	(27)
(Decrease) increase in accrued expenses	(3)	30
Net profit from operations before changes in operating assets and liabilities	518	72

Phethai Asset Management Company Limited

Statements of Cash Flows

For Each of the Years Ended December 31, 2005 and 2004

	Million Baht	
	2005	2004
(Increase) decrease in operating assets		
Investments in receivables	(1,709)	459
Loans and receivables	1,706	3,836
Properties foreclosed	(1,915)	64
Other assets	(148)	20
(Decrease) increase in operating liabilities		
Other liabilities	(34)	47
Net Cash (Used in) Provided by Operating Activities	(1,582)	4,498
Cash Flows from Investing Activities		
Purchases of general long-term investments	-	(31)
Proceeds from disposal of general long-term investments	7	-
Purchases of intangible assets	-	(7)
Purchases of equipment	-	(1)
Net Cash Provided by (Used in) Investing Activities	7	(39)
Cash Flows from Financing Activities		
Proceeds from borrowings from financial institutions	1,485	-
Cash paid for repayment of borrowings from financial institutions	-	(4,410)
Net Cash Provided by (Used in) Financing Activities	1,485	(4,410)
Net (decrease) increase in cash and cash equivalents	(90)	49
Cash and cash equivalents at the beginning of the years	161	112
Cash and cash equivalents at the end of the years	71	161
Supplemental Disclosures of Cash Flows Information		
Cash paid (received) during the years		
Interest expense	117	125
Income tax	13	(2)

Ploy Asset Management Company Limited

(In Liquidation)

Condensed Balance Sheets

As of December 31, 2005 and 2004

	Million Baht	
	2005	2004 (Restated)
Assets		
Cash and deposits at financial institutions	33	23
Long-term investments – net	-	185
Investments in receivables – net	-	1,372
Loans, receivables and accrued interest receivables – net	-	4,013
Properties foreclosed – net	-	2,973
Leasehold improvement and equipment – net	-	1
Other assets – net	-	87
Total Assets	33	8,654
Liabilities and Shareholders' Equity		
Liabilities		
Borrowings from financial institutions	-	5,665
Other liabilities	-	198
Shareholders' Equity	33	2,791
Total Liabilities and Shareholders' Equity	33	8,654

Ploy Asset Management Company Limited

(In Liquidation)

Condensed Statements of Income

For Each of The Years Ended December 31, 2005 and 2004

	Million Baht	
	2005	2004 (Restated)
Interest and dividend income	239	1,186
Interest expense	13	69
Net income from interest and dividend	226	1,117
Reversal of bad debt and doubtful accounts	(182)	(510)
Loss on debt restructuring	199	1,572
Net income from interest and dividend after reversal of bad debt and doubtful accounts and loss on debt restructuring	209	55
Non-interest income (expense)	173	(205)
Non-interest expense	146	428
Net profit (loss)	236	(578)
Basic earnings (loss) per share (Baht)	0.52	(1.16)

Ploy Asset Management Company Limited

(In Liquidation)

Statements of Cash Flows

For Each of the Years Ended December 31, 2005 and 2004

	Million Baht	
	2005	2004 (Restated)
Cash Flows from Operating Activities		
Net profit (loss)	236	(578)
Add (less) Adjustments to reconcile net profit (loss) to net cash from operating activities		
Gain on investments in securities	(96)	(224)
Loss on transfer of financial assets	-	569
Reversal of bad debt and doubtful accounts	(182)	(510)
Loss on debt restructuring	199	1,572
Interest income from amortization of revaluation allowance for debt restructuring	(159)	(953)
Depreciation and amortization	1	2
Loss on impairment of properties foreclosed	1	95

Ploy Asset Management Company Limited

(In Liquidation)

Statements of Cash Flows

For Each of the Years Ended December 31, 2005 and 2004

	Million Baht	
	2005	2004 (Restated)
Reversal of loss on impairment of other assets	-	(2)
Decrease in accrued interest payables	(4)	-
(Decrease) increase in accrued expenses	(8)	1
Net (loss) from operations before changes in operating assets and liabilities	(12)	(28)
Decrease in operating assets		
Investments in receivables	1,355	17
Loans and receivables	898	1,700
Properties foreclosed	3,048	32
Prepaid income tax	1	23
Other assets	72	2
(Decrease) increase in operating liabilities		
FIDF payable	(182)	182
Deferred income	-	(6)
Other liabilities	(7)	(5)
Net Cash Provided by Operating Activities	5,173	1,917
Cash Flows from Investing Activities		
Proceeds from disposal of long-term investments	209	362
Purchases of long-term investments	(2)	-
Net Cash Provided by Investing Activities	207	362
Cash Flows from Financing Activities		
Cash paid for capital returned to shareholder	(2,920)	-
Cash paid for repayment of borrowing from financial institutions	(2,450)	(2,340)
Net Cash Used in Financing Activities	(5,370)	(2,340)
Net increase (decrease) in cash and cash equivalents	10	(61)
Cash and cash equivalents at the beginning of the years	23	84
Cash and cash equivalents at the end of the years	33	23
Supplemental Disclosures of Cash Flow Information		
Cash paid (received) during the years		
Interest expense	17	68
Income tax	(3)	(23)

Progress Land and Buildings Company Limited

Condensed Balance Sheets

As of December 31, 2005 and 2004

	Million Baht	
	2005	2004
Assets		
Cash and deposits at financial institutions	89	109
Investments – net	-	358
Other current assets	8	7
Properties foreclosed – net	503	565
Premises and equipment – net	336	347
Total Assets	936	1,386
Liabilities and Shareholders' Equity		
Liabilities	13	11
Shareholders' equity	923	1,375
Total Liabilities and Shareholders' Equity	936	1,386

Progress Land and Buildings Company Limited

Condensed Statements of Income

For Each of the Years Ended December 31, 2005 and 2004

	Million Baht	
	2005	2004
Revenues	48	118
Expense	36	99
Net profit	12	19
Earnings per share (Baht)	0.78	0.94

Kasikorn Factoring Company Limited

Condensed Balance Sheets

As of December 31, 2005 and 2004

	Million Baht	
	2005	2004
Assets		
Current Assets		
Cash and deposits at financial institutions	110	103
Current portion of factoring receivables - net	2,386	2,092
Current portion of finance lease receivables - net	94	90
Current portion of hire purchase receivables - net	5	5
Current portion of installation receivables - net	19	12
Other current assets	25	16
Non-Current Assets		
Factoring receivables - net	114	86
Finance lease receivables - net	125	59
Hire purchase receivable - net	4	8
Installment receivables – net	17	26
Other non-current assets	21	15
Total Assets	2,920	2,512
Liabilities and Shareholders' Equity		
Liabilities		
Short-term loans from financial institutions	2,260	1,700
Accounts payables	-	4
Current portion of long-term loan	185	260
Long term loan - net	60	220
Other liabilities	37	34
Shareholders' Equity	378	294
Total Liabilities and Shareholders' Equity	2,920	2,512

Kasikorn Factoring Company Limited

Condensed Statements of Income

For Each of the Years Ended December 31, 2005 and 2004

	Million Baht	
	2005	2004
Revenues	281	244
Expense	198	168
Net profit	83	76
Earnings per share (Baht)	52.14	47.71

Kasikorn Research Center Company Limited

Condensed Balance Sheet

As of December 31, 2005 and 2004

	Million Baht	
	2005	2004
Assets		
Cash and cash equivalents	18	18
Other assets	5	5
Total Assets	23	23
Liabilities and Shareholders' Equity		
Liabilities	7	7
Shareholders' Equity	16	16
Total Liabilities and Shareholders' Equity	23	23

Kasikorn Research Center Company Limited

Condensed Statements of Income

For Each of the Years Ended December 31, 2005 and 2004

	Million Baht	
	2005	2004
Revenues	57	48
Expense	56	53
Net profit (loss)	1	(5)
Earnings (loss) per share (Baht)	11.51	(46.54)

Kasikorn Leasing Company Limited

Condensed Balance Sheet

As of December 31, 2005 and 2004

	Million Baht	
	2005	2004
Assets		
Current assets		
Cash and cash equivalents	231	60
Current portion of hire purchase receivables – net	1,327	-
Current portion of finance lease receivables – net	72	-
Loans to sales representatives receivables – net	572	-
Other current assets	213	-
Non-current assets		
Hire purchase receivables – net	827	-
Finance lease receivables – net	33	-
Premises and equipment – net	31	-
Total Assets	3,306	60
Liabilities and Shareholders' Equity		
Liabilities		
Short-term loans from financial institutions	1,038	-
Current portion of long-term loan	55	-
Other current liabilities	81	-
Long term loan - net	2,010	-
Shareholders' Equity	122	60
Total Liabilities and Shareholders' Equity	3,306	60

Kasikorn Leasing Company Limited

Condensed Statements of Income

For the Years Ended December 31, 2005

	Million Baht	
	2005	
Revenues	21	
Expense	109	
Net loss	(88)	
Loss per share (Baht)	(10.30)	

Kasikorn Securities Public Company Limited

Condensed Balance Sheets

As of December 31, 2005 and 2004

	Million Baht	
	2005	2004
Assets		
Cash and cash equivalents	529	2
Investments – net	50	760
Securities business receivables	80	-
Premises and equipment – net	101	-
Other assets – net	58	10
Total Assets	818	772
Liabilities and Shareholders' Equity		
Liabilities	132	3
Shareholders' Equity	686	769
Total Liabilities and Shareholders' Equity	818	772

Kasikorn Securities Public Company Limited

Condensed Statements of Income

For Each of the Years Ended December 31, 2005 and 2004

	Million Baht	
	2005	2004
Revenues	36	456
Expenses	120	357
Net (loss) profit	(84)	99
(Loss) earning per share (Baht)	(1.39)	1.65

Kasikorn Asset Management Company Limited

Condensed Balance Sheets
As of December 31, 2005 and 2004

	Million Baht	
	2005	2004
Assets		
Cash and cash equivalents	110	83
Investments - net	701	627
Fee receivables	105	81
Premises and equipment - net	150	162
Properties foreclosed - net	1	1
Other assets - net	287	338
Total Assets	1,354	1,292
Liabilities and Shareholders' Equity		
Liabilities	169	166
Shareholders' Equity	1,185	1,126
Total Liabilities and Shareholders' Equity	1,354	1,292

Kasikorn Asset Management Company Limited

Condensed Statements of Income
For Each of the Years Ended December 31, 2005 and 2004

	Million Baht	
	2005	2004
Revenues	924	767
Expense	656	559
Net profit	268	208
Earnings per share (Baht)	9.86	7.69

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					
	2005 (Unaudited) (Reviewed)			2004 (Audited)		
	Total Assets	Total Liabilities	Shareholders' Equity	Total Assets	Total Liabilities	Shareholders' Equity
Progress Gunpai Co., Ltd.	170	97	73	134	87	47
Progress Plus Co., Ltd.	54	30	24	69	46	23
Progress Facilities Management Co., Ltd.	25	10	15	25	9	16
Progress Services Co., Ltd.	26	8	18	33	6	27
Progress Management Co., Ltd.	23	7	16	17	6	11
Progress Storage Co., Ltd.	20	4	16	20	3	17
Progress Appraisal Co., Ltd.	56	20	36	47	19	28
Progress Software Co., Ltd.	101	38	63	62	21	41
Thai Administration Services Co., Ltd.*	-	-	-	89	52	37
Progress HR Co., Ltd.	12	8	4	1	-	1
	487	222	265	497	249	248

*On January 30, 2005, the Bank sold its investment in Thai Administration Services Co., Ltd.

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

Statements of Income
For Each of the Years Ended December 31,

	2005				2004			
	(Unaudited)				(Audited)			
	(Reviewed)				(Reviewed)			
			Earnings				Earnings	
	Revenue	Expenses	Net Profit (loss)	per Share (Baht)	Revenue	Expenses	Net Profit	per Share (Baht)
Progress Gunpai Co., Ltd.	228	201	27	134.27	167	154	13	66.28
Progress Plus Co., Ltd.	155	154	1	3.44	372	368	4	19.16
Progress Facilities Management Co., Ltd.	69	65	4	87.48	61	57	4	72.86
Progress Services Co., Ltd.	155	145	10	524.66	146	136	10	507.78
Progress Management Co., Ltd.	44	39	5	79.85	35	33	2	36.48
Progress Storage Co., Ltd.	32	24	8	265.88	26	19	7	225.23
Progress Appraisal Co., Ltd.	167	159	8	1,667.26	150	137	13	2,510.95
Progress Software Co., Ltd.	167	144	23	225.75	109	98	11	106.48
Progress HR Co., Ltd.	21	22	(1)	(55.62)	-	-	-	-
Thai Administration Services Co., Ltd.*	-	-	-	-	93	83	10	4.04
	1,038	953	85		1,159	1,085	74	

*On January 30, 2005, the Bank sold its investment in Thai Administration Services Co., Ltd.

8. Loans and Accrued Interest Receivables

Loans and accrued interest receivables as of December 31, 2005 and 2004 consisted of:

1. Classified by Type of Loans

(Million Baht)

	Consolidated		The Bank	
	2005	2004	2005	2004
Overdrafts	123,940	133,708	118,536	125,871
Loans	271,048	259,209	266,317	243,911
Bills	207,216	177,657	217,019	189,467
Others	24,743	22,015	19,218	18,868
Total	626,947	592,589	621,090	578,117
Add Accrued interest receivable	1,745	2,455	1,319	1,318
	628,692	595,044	622,409	579,435
Less Allowance for doubtful accounts	(34,767)	(41,468)	(26,721)	(29,368)
Less Revaluation allowance for debt restructuring	(2,672)	(4,878)	(2,355)	(2,297)
Total	591,253	548,698	593,333	547,770

2. Classified by Maturity of Contracts

(Million Baht)

	Consolidated		The Bank	
	2005	2004	2005	2004
Within 1 year	398,190	374,926	402,257	378,858
Over 1 year	230,502	220,118	220,152	200,577
Total	628,692	595,044	622,409	579,435

3. Classified by Currencies and Residency of Borrowers

(Million Baht)

	Consolidated					
	2005			2004		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	606,292	12	606,304	568,678	12	568,690
US Dollars	18,898	985	19,883	21,496	1,442	22,938
Other currencies	2,495	10	2,505	3,400	16	3,416
Total	627,685	1,007	628,692	593,574	1,470	595,044

(Million Baht)

	The Bank					
	2005			2004		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	600,009	12	600,021	553,069	12	553,081
US Dollars	18,898	985	19,883	21,496	1,442	22,938
Other currencies	2,495	10	2,505	3,400	16	3,416
Total	621,402	1,007	622,409	577,965	1,470	579,435

4. Classified by Type of Business and Account Status

(Million Baht)

	Consolidated					
	2005					
	Pass	Special Mention	Sub- Standard	Doubtful	Doubtful of Loss	Total
Agricultural and mining	16,011	180	102	294	1,578	18,165
Manufacturing and commerce	346,321	2,486	2,771	7,701	22,012	381,291
Property development and construction	30,339	444	579	1,808	6,912	40,082
Infrastructure and services	62,070	694	301	1,121	3,407	67,593
Housing loans	65,384	934	504	609	5,313	72,744
Others	46,463	345	259	578	1,172	48,817
Total	566,588	5,083	4,516	12,111	40,394	628,692

(Million Baht)

	Consolidated					
	2004					
	Pass	Special Mention	Sub- Standard	Doubtful	Doubtful of Loss	Total
Agricultural and mining	14,929	406	394	359	2,032	18,120
Manufacturing and commerce	312,043	2,902	3,020	8,091	27,195	353,251
Property development and construction	30,187	841	1,029	720	8,792	41,569
Infrastructure and services	51,607	752	2,904	1,361	5,670	62,294
Housing loans	53,488	950	802	868	8,211	64,319
Others	50,215	432	296	604	1,489	53,036
	512,469	6,283	8,445	12,003	53,389	592,589
Kasikorn Factoring Co., Ltd.						2,455
Total						595,044

(Million Baht)

	The Bank					
	2005					
	Pass	Special Mention	Sub- Standard	Doubtful	Doubtful of Loss	Total
Agricultural and mining	15,959	180	102	294	1,378	17,913
Manufacturing and commerce	341,995	2,377	2,761	7,674	15,416	370,223
Property development and construction	29,911	422	579	1,807	4,000	36,719
Infrastructure and services	59,342	628	299	1,120	2,544	63,933
Housing loans	65,230	919	504	609	3,918	71,180
Others	60,368	335	259	578	901	62,441
Total	572,805	4,861	4,504	12,082	28,157	622,409

(Million Baht)

	The Bank					
	2004					
	Pass	Special Mention	Sub- Standard	Doubtful	Doubtful of Loss	Total
Agricultural and mining	14,926	337	394	359	1,711	17,727
Manufacturing and commerces	307,049	2,438	3,020	8,091	18,482	339,080
Property development and construction	27,343	448	1,029	720	5,546	35,086
Infrastructure and services	49,766	562	2,904	1,361	4,114	58,707
Housing loans	53,288	840	802	868	5,832	61,630
Others	64,817	387	296	604	1,101	67,205
Total	517,189	5,012	8,445	12,003	36,786	579,435

5. Classified by Account Status

(Million Baht)

Consolidated				
2005				
	Loans and Accrued Interest Receivables	Outstanding Debt after Deduction of Collateral Value	% Used for Calculating The Allowance	Allowance for Doubtful Accounts
Pass	566,588	224,660	1	5,688*
Special Mention	5,083	882	2	102
Sub-Standard	4,516	1,024	20	205
Doubtful	12,111	5,239	50	2,619
Doubtful of Loss	40,394	14,678	100	14,730**
Allowance established in excess of BOT regulations	-	-		11,423
Total	628,692	246,483		34,767

(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	512,469	171,697	1	5,692*
Special Mention	6,283	1,377	2	191
Sub-Standard	8,445	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	-	-		14,182
	592,589	198,750		41,389
Kasikorn Factoring Co., Ltd.	2,455	2,455		79
Total	595,044	201,205		41,468

* Includes the allowance for doubtful accounts of asset management companies as per the BoT's audit results, which has been 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)

	The Bank			
	2005			
	Loans and Accrued Interest Receivables	Outstanding Debt after Deduction of Collateral Value	% Used for Calculating The Allowance	Allowance for Doubtful Accounts
Pass	572,805	233,166	1	5,728
Special Mention	4,861	741	2	97
Sub-Standard	4,504	1,013	20	202
Doubtful	12,082	5,212	50	2,606
Doubtful of Loss	28,157	9,251	100	9,304**
Allowance established in excess of BOT regulations	-	-		8,784
Total	622,409	249,383		26,721

(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	517,189	181,668	1	5,175
Special Mention	5,012	957	2	100
Sub-Standard	8,445	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	-	-		9,866
Total	579,435	201,263		29,368

** 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.

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, doubtful of loss 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, 2005 and 2004, non-performing loans (including financial institutions) based on the above directive can be summarized as follows:

(Million Baht)

	2005				
	The Bank	Phethai - AMC (Original principal)	Kasikorn Factoring	Kasikorn Leasing	The Bank and Subsidiaries
Non-performing loans	44,388	11,720	109	-	56,217
Total loans used for NPL ratio calculation ⁽¹⁾	627,066	14,424	2,847	2,860	632,922 ⁽²⁾
Percentage of total loans	7.08	81.25	3.84	-	8.88

(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⁾	579,885	19,002	7,939	591,901 ⁽²⁾
Percentage of total loans	9.81	75.82	19.31	12.30

⁽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, 2005 and 2004 amounting to Baht 14,275 million and Baht 14,925 million, respectively.

Non-accrual loans (including financial institutions) were as follows:

(Million Baht)

	2005				
	The Bank	Phethai - AMC (Original principals)	Kasikorn Factoring	Kasikorn Leasing	The Bank and Subsidiaries
Non-accrual loans	55,656	14,424	98	-	70,178
Total loans used for ratio calculation*	627,066	14,424	2,847	2,860	632,922**
Percentage of total loans	8.88	100.00	3.46	-	11.09

(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*	579,885	19,002	7,939	2,455	594,356**
Percentage of total loans	12.31	100.00	100.00	2.23	16.55

* 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, 2005 and 2004 amounting to Baht 14,275 million and Baht 14,925 million, respectively.

As of December 31, 2005 and 2004, loans to listed companies that meet SET's criteria for delisting were as follows:

(Million Baht)

	Consolidated					
	2005			2004		
	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	1,093	397	61	1,499	834	274

(Million Baht)

	The Bank					
	2005			2004		
	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	1,049	397	16	1,148	530	227

As of December 31, 2005 and 2004, the outstanding balances of loans to the Bank's wholly owned subsidiaries were as follows:

(Million Baht)

	2005			
	Type of loans	Maturity	Interest rate	Amount
Phethai Asset Management Co., Ltd.	Bills	3 Months	3-Month Fixed Deposit	8,925
Kasikorn Factoring Co., Ltd.	Bills	1-6 Months	Money Market Rate + Spread 1% at least	1,740
	Bills	At Call	Money Market Rate + Spread 1% at least	400
Kasikorn Leasing Co., Ltd.	Loans	1-2 Years	Fixed Rate	245
	Bills	7-120 Days	Money Market Rate	2,065
	Loans	1-4 Years	Fixed Rate	900

(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

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 credits 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 will then quote the transfer price within seven days after the end of the examination period. After confirming the price, TAMC will issue non-transferable 10-year callable promissory notes guaranteed by 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 means of a non-transferable, extendable one-year promissory note, guaranteed by 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 will share jointly the profits and responsibility for any losses on transferred assets, which are payable on the fifth and the tenth anniversaries of the transfers, starting from July 1, 2001. In the case of losses, the Bank will 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, will be equally shared by TAMC and the Bank. Any remaining loss would then be absorbed by TAMC. In addition, expenses of TAMC are 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.

For each of the years ended December 31, 2005 and 2004, the Bank transferred to TAMC sub-quality assets relating to 2 borrowers and 4 borrowers with a gross book value (as of their transfer dates) of Baht 19 million and Baht 61 million, respectively (up to December 31, 2005 totaling Baht 14,557 million). The estimated total transfer price was Baht 15 million and Baht 61 million (up to December 31, 2005 totaling Baht 10,123 million). As of December 31, 2005, the Bank received promissory notes from TAMC of Baht 10,118 million and TAMC is examining the remaining assets of Baht 5 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, 2005 and 2004, the Bank and its subsidiaries (Phethai - AMC and Ploy - AMC) engaged in debt restructuring contracts as follows:

(Million Baht)

	Consolidated				The Bank			
	2005		2004		2005		2004	
	Total		Total		Total		Total	
	Outstanding		Outstanding		Outstanding		Outstanding	
	Debt Before		Debt Before		Debt Before		Debt Before	
	Cases	Restructuring	Cases	Restructuring	Cases	Restructuring	Cases	Restructuring
Debt restructuring contracts that incurred losses	2,514	14,787	5,227	31,398	2,115	9,574	4,454	17,634
Debt restructuring contracts that incurred no losses	14,276	20,943	14,218	26,057	14,061	19,866	13,478	23,239
Total	16,790	35,730	19,445	57,455	16,176	29,440	17,932	40,873

Losses on debt restructuring for each of the years ended December 31, 2005 and 2004 were as follows:

(Million Baht)

	Consolidated					
	2005					
Types of Restructuring	Cases	The Outstanding Debt		Transferred Assets		Loss on Debt Restructuring
		Restructuring	Restructuring	Types	Fair Value	
Transfers of assets	1,792	5,985	-	Cash, land, premises and investments	3,834	2,151
Changes of repayment conditions	617	7,081	6,548	-	-	869
Debt restructuring in various forms	105	1,721	1,028	Cash, land, premises and investments	572	422
Total	2,514	14,787	7,576		4,406	3,442

(Million Baht)

Consolidated						
2004						
<u>Types of Restructuring</u>	Cases	The Outstanding Debt		Transferred Assets		Loss on
		Before	After	Types	Fair Value	Debt
		Restructuring	Restructuring			Restructuring
Transfers of assets	4,049	13,115	-	Cash, land, Premises and investments	8,113	5,002
Changes of 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)

The Bank						
2005						
<u>Types of Restructuring</u>	Cases	The Outstanding Debt		Transferred Assets		Loss on
		Before	After	Types	Fair Value	Debt
		Restructuring	Restructuring			Restructuring
Transfers of assets	1,675	5,336	-	Cash, land, premises and investments	3,456	1,880
Changes of repayment conditions	341	2,537	2,242	-	-	512
Debt restructuring in various forms	99	1,701	1,016	Cash, land, premises and investments	566	419
Total	2,115	9,574	3,258		4,022	2,811

(Million Baht)

The Bank						
2004						
Types of Restructuring	Cases	The 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 of 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

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

The terms of debt restructuring agreements with debts which were restructured by changing the repayment conditions and restructured in various other ways and which resulted in losses on debt restructuring during the years ended December 31, 2005 and 2004 are as follows:

(Million Baht)

Consolidated								
Terms of debt restructuring agreements	2005				2004			
	Cases	The Outstanding Debt		End of Years	Cases	The Outstanding Debt		End of Years
		Before Restructuring	After Restructuring			Before Restructuring	After Restructuring	
Less than 5 years	431	4,470	3,691	2,339	900	12,730	10,578	8,367
5 to 10 years	110	2,772	2,389	1,876	159	2,065	1,528	1,298
Over 10 years	181	1,560	1,496	1,163	119	3,488	2,738	2,388
Total	722	8,802	7,576	5,378	1,178	18,283	14,844	12,053

(Million Baht)

Terms of debt restructuring agreements	The Bank							
	2005				2004			
	Cases	The Outstanding Debt		End of Years	Cases	The Outstanding Debt		End of Years
		Before Restructuring	After Restructuring			Before Restructuring	After Restructuring	
Less than 5 years	272	2,243	1,652	1,214	476	4,152	2,755	2,238
5 to 10 years	76	1,592	1,258	1,210	21	353	104	103
Over 10 years	92	403	348	243	31	1,307	595	588
Total	440	4,238	3,258	2,667	528	5,812	3,454	2,929

The Bank and its subsidiaries recognized interest income from debt restructuring for each of the years ended December 31, 2005 and 2004 as follows:

(Million Baht)

	Consolidated		The Bank	
	2005	2004	2005	2004
Debt restructuring contracts that incurred losses	790	2,352	411	927

As of December 31, 2005 and 2004, the Bank had commitments to extend additional loans to these borrowers as follows:

(Million Baht)

	Consolidated and The Bank	
	2005	2004
Debt restructuring contracts that incurred losses	89	90

As of December 31, 2005 and 2004, the Bank and its subsidiaries had outstanding balances on debtors which were restructured during the year as follows:

(Million Baht)

	Consolidated		The Bank	
	2005	2004	2005	2004
Debt restructuring contracts that incurred losses	5,378	12,053	2,667	2,929
Debt restructuring contracts that incurred no losses	14,502	16,220	13,800	14,343
Total	19,880	28,273	16,467	17,272

As of December 31, 2005 and 2004, the Bank and its subsidiaries had outstanding balances relating to all restructured debtors which had been performing in accordance with debt restructuring agreements as follows:

(Million Baht)

	Consolidated		The Bank	
	2005	2004	2005	2004
Debt restructuring contracts that incurred losses	19,844	23,448	17,074	14,625
Debt restructuring contracts that incurred no losses	30,228	44,293	28,967	39,532
Total	50,072	67,741	46,041	54,157

10. Allowance for Doubtful Accounts

The movements in the allowance for doubtful accounts during the years were as follows:

(Million Baht)

	Consolidated						
	Pass	Special Mention	Sub- Standard	2005 Doubtful	Doubtful of Loss	Allowances Established in Excess of BoT Regulations	Total
Balance at beginning of the year	5,692	191	761	1,635	18,928	14,182	41,389
Transferred from investments in receivables	-	-	-	-	517	-	517
Doubtful accounts (reversal)	472	(75)	(559)	971	2,699	(2,958)	550
Bad debts recovered	-	-	-	-	955	-	955
Bad debts written off	-	-	-	-	(6,133)	-	(6,133)
Allowance for loans transferred to TAMC	-	-	-	-	4	-	4
Allowance for loans transferred to KBank	(502)	(16)	-	-	(1,716)	(607)	(2,841)
Kasikorn Factoring Co., Ltd*	26	2	3	13	33	6	83
Others	-	-	-	-	(557)	800	243
Balance at end of the year	5,688	102	205	2,619	14,730	11,423	34,767

*As of December 31, 2005, allowance for receivables of Kasikorn Factoring Co., Ltd. has been classified under BoT regulations.

(Million Baht)

	Consolidated						Total
	Pass	Special Mention	Sub- Standard	2004 Doubtful	Doubtful of Loss	Allowances Established in Excess of BoT Regulations	
Balance at beginning of the year	4,424	276	130	928	34,891	20,145**	60,794
Transferred from investments in receivables	-	-	-	-	778	-	778
Doubtful accounts (reversal)	1,268	(85)	631	707	(2,142)	(5,963)**	(5,584)
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	14,182	41,389
Kasikorn Factoring Co., Ltd							79
Balance at end of the year							41,468

** Include normalized provisioning of Baht 1,600 million for balance at the beginning of the year and of Baht 800 million for additional normalized provisions during the year.

(Million Baht)

	The Bank						Total
	Pass	Special Mention	Sub- Standard	2005 Doubtful	Doubtful of Loss	Allowances Established in Excess of BoT Regulations	
Balance at beginning of the year	5,175	100	761	1,635	11,831	9,866	29,368
Transferred from investments in receivables	-	-	-	-	517	-	517
Doubtful accounts (reversal)	553	(3)	(559)	971	1,179	(1,082)	1,059
Bad debt recovered	-	-	-	-	955	-	955
Bad debt written off	-	-	-	-	(5,108)	-	(5,108)
Allowance for loans transferred to TAMC	-	-	-	-	4	-	4
Others	-	-	-	-	(74)	-	(74)
Balance at end of the year	5,728	97	202	2,606	9,304	8,784	26,721

(Million Baht)

	The Bank						Total
	Pass	Special Mention	Sub- Standard	Doubtful 2004	Doubtful of Loss	Allowances Established in Excess of BoT Regulations	
Balance at beginning of the year	4,515	245	130	928	23,563	15,215**	44,596
Doubtful accounts (reversal)	660	(145)	631	707	(785)	(5,349)**	(4,281)
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	9,866	29,368

** Include normalized provisioning of Baht 1,600 million for balance at beginning of the year and of Baht 800 million for additional normalized provisions during the year.

11. Revaluation Allowance for Debt Restructuring

The movements in the revaluation allowance for debt restructuring during the years were as follows:

(Million Baht)

	Consolidated		The Bank	
	2005	2004	2005	2004
Balance at beginning of the year	4,878	6,666	2,297	4,721
Increase	552	1,586	432	513
Decrease due to writing off	(665)	(2,699)	(665)	(2,699)
Transfer on loan disposal	(1,257)	-	-	-
Change of classification	(464)	837	355	-
Amortization to interest income	(372)	(1,512)	(64)	(238)
Balance at end of the year	2,672	4,878	2,355	2,297

(Million Baht)

Type of Foreclosed Properties	The Bank 2005			Ending Balance
	Beginning Balance	Addition	Disposal	
1. Assets acquired from debt repayment				
1.1 Immovable assets	15,797	3,478	(4,239)	15,036
1.2 Movable assets	28	-	-	28
Total	15,825	3,478	(4,239)	15,064
2. Others	246	-	(85)	161
Total Foreclosed Properties	16,071	3,478	(4,324)	15,225
Less Allowances for impairment	(3,336)	(63)	777	(2,622)
Total Foreclosed Properties - net	12,735	3,415	(3,547)	12,603

(Million Baht)

Type of Foreclosed Properties	The Bank 2004			Ending Balance
	Beginning Balance	Addition	Disposal	
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

13. Classified Assets

As of December 31, 2005 and 2004, assets of the Bank and its subsidiaries classified as investments, loans and accrued interest receivable (including financial institutions), properties foreclosed and other assets were categorized by quality in compliance with the BoT regulations, taking into account analyses of each loan and appraisal of the financial standing of each borrower, were as follows:

(Million Baht)

	Consolidated				Total
	Investments	Loan and Accrued Interest Receivables	Properties Foreclosed	Other Assets	
Pass	-	571,646	-	-	571,646
Special Mention	-	5,039	-	-	5,039
Sub-Standard	-	4,515	-	-	4,515
Doubtful	-	12,110	-	-	12,110
Doubtful of Loss	3,526	40,395	1,712	773	46,406
Total	3,526	633,705	1,712	773	639,716

(Million Baht)

	Consolidated				Total
	Investments	Loan and Accrued Interest Receivables	Properties Foreclosed	Other Assets	
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	5,160	53,422	1,736	1,102	61,420
Total	5,160	596,559	1,736	1,102	604,557

(Million Baht)

	The Bank 2005				
	Investments	Loan and Accrued Interest Receivables	Properties Foreclosed	Other Assets	Total
Pass	-	577,862	-	-	577,862
Special Mention	-	4,817	-	-	4,817
Sub-Standard	-	4,504	-	-	4,504
Doubtful	-	12,083	-	-	12,083
Doubtful of Loss	3,405	28,156	1,402	745	33,708
Total	3,405	627,422	1,402	745	632,974

(Million Baht)

	The Bank 2004				
	Investments	Loan and Accrued Interest Receivables	Properties Foreclosed	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	3,162	36,786	1,369	991	42,308
Total	3,162	580,950	1,369	991	586,472

14. Premises and Equipment

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

Changes in premises and equipment for the years ended December 31, 2005 and 2004 are summarized as follows:

(Million Baht)

	Consolidated																	
	2005																	
	Change of Cost						Change of Accumulated Depreciation						Change of Allowance for Impairment			Book Value		
	Beginning Balance	Purchase	Transfer in	Appraisal surplus	Disposal	Transfer out	Ending Balance	Beginning Balance	Depreciation	Appraisal surplus	Disposal	Transfer out	Ending Balance	Beginning Balance	Decrease	Ending Balance	Beginning Balance	Ending Balance
Land																		
Cost	2,945	-	-	-	-	-	2,945	-	-	-	-	-	-	483	(34)	449	2,462	2,496
Revalued cost	5,957	-	-	170	-	-	6,127	-	-	-	-	-	-	-	-	-	5,957	6,127
Building																		
Cost	9,316	-	174	-	-	-	9,490	3,322	203	-	-	(1)	3,524	334	(84)	250	5,660	5,716
Revalued cost	4,887	-	-	2,080	-	-	6,967	2,082	147	841	-	-	3,070	-	-	-	2,805	3,897
Equipment	11,955	91	968	-	(105)	(161)	12,748	9,777	662	-	(102)	(143)	10,194	1	(1)	-	2,177	2,554
Others	734	1,126	3	-	(7)	(1,144)	712	48	15	-	(4)	2	61	-	-	-	686	651
Total	35,794	1,217	1,145	2,250	(112)	(1,305)	38,989	15,229	1,027	841	(106)	(142)	16,849	818	(119)	699	19,747	21,441

(Million Baht)

	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	5,957	-	-	-	-	5,957	-	-	-	-	-	-	-	-	5,957	5,957
Building																
Cost	9,303	-	19	-	(6)	9,316	3,074	249	-	(1)	3,322	334	-	334	5,895	5,660
Revalued cost	4,887	-	-	-	-	4,887	1,942	140	-	-	2,082	-	-	-	2,945	2,805
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

Depreciation presented in the statement of income of the Bank and its subsidiaries for each of the years ended December 31, 2005 and 2004 amounted to Baht 1,026 million and Baht 1,116 million, respectively (including depreciation on building revaluation of Baht 147 million and Baht 140 million, respectively). As of December 31, 2005 and 2004, premises and equipment with an original cost of Baht 7,997 million and Baht 7,404 million, respectively, were fully depreciated but still in use.

(Million Baht)

		The Bank																	
		2005																	
		Change of Cost						Change of Accumulated Depreciation						Change of Allowance for Impairment			Book Value		
		Beginning		Transfer	Appraisal		Transfer	Ending	Beginning		Appraisal		Transfer	Ending	Beginning		Ending	Beginning	Ending
		Balance	Purchase	in	surplus	Disposal	out	Balance	Balance	Depreciation	surplus	Disposal	out	Balance	Balance	Decrease	Balance	Balance	Balance
Land																			
	Cost	2,851	-	-	-	-	-	2,851	-	-	-	-	-	-	465	(34)	431	2,386	2,420
	Revalued cost	5,957	-	-	170	-	-	6,127	-	-	-	-	-	-	-	-	-	5,957	6,127
Building																			
	Cost	8,673	-	174	-	-	-	8,847	3,188	181	-	-	-	3,369	240	(81)	159	5,245	5,319
	Revalued cost	4,887	-	-	2,080	-	-	6,967	2,082	147	841	-	-	3,070	-	-	-	2,805	3,897
Equipment																			
	Equipment	11,914	3	957	-	(96)	(161)	12,617	9,745	650	-	(94)	(151)	10,150	1	(1)	-	2,168	2,467
Others																			
	Others	659	1,061	-	-	-	(1,143)	577	-	-	-	-	-	-	-	-	-	659	577
	Total	34,941	1,064	1,131	2,250	(96)	(1,304)	37,986	15,015	978	841	(94)	(151)	16,589	706	(116)	590	19,220	20,807

(Million Baht)

	The Bank															
	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	2,842	-	9	-	-	2,851	-	-	-	-	-	461	4	465	2,381	2,386
Revalued cost	5,957	-	-	-	-	5,957	-	-	-	-	-	-	-	-	5,957	5,957
Building																
Cost	8,660	-	19	-	(6)	8,673	2,961	228	-	(1)	3,188	240	-	240	5,459	5,245
Revalued cost	4,887	-	-	-	-	4,887	1,942	140	-	-	2,082	-	-	-	2,945	2,805
Equipment	11,628	1	485	(49)	(151)	11,914	9,233	707	(48)	(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	(48)	(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, 2005 and 2004 amounted to Baht 978 million and Baht 1,075 million, respectively (including depreciation on building revaluation of Baht 147 million and Baht 140 million, respectively). As of December 31, 2005 and 2004, premises and equipment with an original cost of Baht 7,912 million and Baht 7,399 million, respectively, were fully depreciated but still in use.

15. Intangible Assets

Changes in intangible assets for the years ended December 31, 2005 and 2004 are summarized as follows:

(Million Baht)

	Consolidated												
	2005												
	Change of Cost			Change of Accumulated Amortization				Change of Allowance for Impairment			Book Value		
	Beginning Balance	Increase	Transfer out	Ending Balance	Beginning Balance	Amortization	Transfer out	Ending Balance	Beginning Balance	Decrease	Ending Balance	Beginning Balance	Ending Balance
Leasehold	830	56	(4)	882	417	52	(6)	463	-	-	-	413	419
Application software	4,539	827	(214)	5,152	1,769	394	(87)	2,076	175	(121)	54	2,595	3,022
Goodwill	436	1,000	-	1,436	(74)	56	-	(18)	-	-	-	510	1,454
Others	5	7	-	12	-	2	5	7	-	-	-	5	5
Total	5,810	1,890	(218)	7,482	2,112	504	(88)	2,528	175	(121)	54	3,523	4,900

	Consolidated												
	2004												
	Change of Cost			Change of Accumulated Amortization				Change of Allowance 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
Leasehold	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	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	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, 2005 and 2004 amounted to Baht 504 million and Baht 353 million, respectively. As of December 31, 2005 and 2004, intangible assets with an original cost of Baht 1,079 million and Baht 1,018 million, respectively, were fully amortized but still in use.

(Million Baht)

	The Bank												
	2005												
	Change of Cost			Change of Accumulated Amortization				Change of Allowance for Impairment			Book Value		
	Beginning Balance	Increase	Transfer out	Ending Balance	Beginning Balance	Amortization	Transfer out	Ending Balance	Beginning Balance	Decrease	Ending Balance	Beginning Balance	Ending Balance
Leasehold	830	56	(4)	882	417	52	(6)	463	-	-	-	413	419
Application software	4,492	798	(213)	5,077	1,741	385	(88)	2,038	175	(121)	54	2,576	2,985
Total	5,322	854	(217)	5,959	2,158	437	(94)	2,501	175	(121)	54	2,989	3,404

	The Bank												
	2004												
	Change of Cost			Change of Accumulated Amortization				Change of Allowance 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
Leasehold	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	175	2,159	2,576
Total	4,629	906	(213)	5,322	2,019	353	(214)	2,158	-	175	175	2,610	2,989

Amortization presented in the statement of income of the Bank for each of the years ended December 31, 2005 and 2004 amounted to Baht 437 million and Baht 353 million, respectively. As of December 31, 2005 and 2004, intangible assets with an original cost of Baht 1,060 million and Baht 1,004 million, respectively, were fully amortized but still in use.

16. Deposits

Deposits as of December 31, 2005 and 2004 were classified as follows:

1. Classified by Type of Deposits

(Million Baht)

	Consolidated		The Bank	
	2005	2004	2005	2004
Current	39,702	38,063	39,962	38,367
Savings	390,021	384,437	390,891	384,548
Term				
- Less than 6 months	190,220	225,246	190,220	225,246
- 6 months and less than 1 year	17,408	4,928	17,408	4,928
- 1 year and over 1 year	50,430	52,896	50,430	52,896
Total	687,781	705,570	688,911	705,985

2. Classified by Maturity of Contracts

(Million Baht)

	Consolidated		The Bank	
	2005	2004	2005	2004
Within 1 year	678,980	699,457	680,110	699,872
Over 1 year	8,801	6,113	8,801	6,113
Total	687,781	705,570	688,911	705,985

3. Classified by Currencies and Residency of Depositors

(Million Baht)

	Consolidated					
	2005			2004		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	667,887	16,169	684,056	685,842	15,871	701,713
US Dollars	3,068	114	3,182	3,234	185	3,419
Other currencies	487	56	543	359	79	438
Total	671,442	16,339	687,781	689,435	16,135	705,570

(Million Baht)

	The Bank					
	2005			2004		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	669,017	16,169	685,186	686,257	15,871	702,128
US Dollars	3,068	114	3,182	3,234	185	3,419
Other currencies	487	56	543	359	79	438
Total	672,572	16,339	688,911	689,850	16,135	705,985

17. Interbank and Money Market Items (Liabilities)

Interbank and money market items (liabilities) as of December 31, 2005 and 2004 consisted of:

(Million Baht)

	Consolidated					
	2005			2004		
	At call	Term	Total	At call	Term	Total
1. Domestic						
The BoT and FIDF	-	8,087	8,087	-	2,691	2,691
Commercial banks	1,205	520	1,725	862	132	994
Other banks	101	-	101	140	-	140
Finance, securities and credit foncier companies	2,989	1,260	4,249	2,265	10	2,275
Other financial institutions	658	4,246	4,904	705	4,445	5,150
Total Domestic	4,953	14,113	19,066	3,972	7,278	11,250
2. Foreign						
US Dollars	42	-	42	17	-	17
Yen	55	-	55	6	-	6
Other currencies	345	-	345	252	-	252
Total Foreign	442	-	442	275	-	275
Total Domestic and Foreign	5,395	14,113	19,508	4,247	7,278	11,525

(Million Baht)

	The Bank					
	At call	2005 Term	Total	At call	2004 Term	Total
1. Domestic						
The BoT and FIDF	-	8,087	8,087	-	2,691	2,691
Commercial banks	1,066	400	1,466	627	7	634
Other banks	101	-	101	140	-	140
Finance, securities and credit foncier companies	2,989	1,260	4,249	2,265	10	2,275
Other financial institutions	658	4,246	4,904	705	4,445	5,150
Total Domestic	4,814	13,993	18,807	3,737	7,153	10,890
2. Foreign						
US Dollars	42	-	42	17	-	17
Yen	55	-	55	6	-	6
Other currencies	345	-	345	252	-	252
Total Foreign	442	-	442	275	-	275
Total Domestic and Foreign	5,256	13,993	19,249	4,012	7,153	11,165

18. Short-term Borrowings

2004

- The Bank has issued short-term unsubordinated debentures in name certificate without security and not convertible, without debenture holder representative in Thai Baht currency not exceeding Baht 50,000 million, with a maturity of no more than 270 days and an interest rate of 1.35% per annum payable quarterly in order to allow the Bank better flexibility and a wider variety of administration of its funding structure and to expand the investment alternatives to the public and/or depositors of the Bank.

2005

- The Bank has issued short-term unsubordinated debentures in name certificate without security and not convertible, non-transferable, without debenture holder representative in Thai Baht currency not exceeding Baht 10,000 million, with a maturity of no more than 270 days and an interest rate of 1.35% per annum payable on maturity. The Bank has issued similar its characteristics, types and maturity of preceding debentures with the range of interest rate of 4.11% - 4.46% per annum payable on maturity, proposed to the corporates. Those are subjected to allow the Bank better flexibility and a wider variety of administration of its funding structure and to expand the investment alternatives to the public and/or depositors of the Bank.

- The Bank has issued short-term unsubordinated debentures in name certificate without security and not convertible, non-transferable, without debenture holder representative in Thai Baht currency not exceeding Baht 10,000 million, with a maturity of no more than 270 days and an interest rate of 3.25% per annum payable on maturity to expand the investment alternatives to the public and/or depositors of the Bank.

- The Bank has issued of Promissory notes without security and not convertible and non-transferable in Thai Baht currency not exceeding Baht 10,000 million, with a maturity of no more than 1 year and 11 months and its benefits payment will be paid in accordance with terms and conditions in the contracts to expand the investment alternatives to the public and/or depositors of the Bank.

19. Long-term Borrowings

Long-term borrowings as of December 31, 2005 and 2004 consisted of:

(Million Baht)

	Consolidated and The Bank					
	2005			2004		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Subordinated Debentures	-	8,170	8,170	-	7,768	7,768
Subordinated Debentures KASIKORNBANK Plc. No.3	12,000	-	12,000	12,000	-	12,000
Total	12,000	8,170	20,170	12,000	7,768	19,768

Subordinated Debentures

The Board of Directors in its meeting on July 25, 1996 approved the issuance of US\$ 200 million of 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 an 8.25 percent coupon rate payable semi-annually.

Subordinated Debentures No.3

The Board of Directors in its meeting on September 25, 2003 approved the issuance of these Subordinated Debentures in name certificate without security and not convertible, having debenture holder representative in Thai Baht currency not exceeding Baht 12,000 million, with a maturity of no more than 10 years in order to raise long-term funding a reasonable cost, to efficiently manage the interest rate risk and liquidity risk, as well as to strengthen the status of the Banks tier two capital funds. 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.

20. 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, 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 with the exercise ratio of 1.51708 ordinary shares for 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 scheme 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

	<i>Number of Unit</i>			
The movements of warrants during the year	Phase 1	Phase 2	Phase 3	Total
Beginning balance as of January 1, 2004	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
Less Exercised	(4,307,660)	(824,680)	(6,161,060)	(11,293,400)
Less Exercise right terminated by employee's retirement	(71,640)	(31,300)	(448,326)	(551,266)
Less Exercise right expired	(259,300)	-	-	(259,300)
Ending balance as of December 31, 2005	-	811,520	12,082,868	12,894,388

21. Share Capital and Earnings Per Share

As of December 31, 2005, the calculation of basic earnings per share was based on profit attributable to ordinary shareholders of Baht 13,930 Million (2004: Baht 15,340 Million) and the weighted average number of ordinary shares outstanding during the year ended December 31, 2005 of 2,371,366,311 shares (2004 : 2,362,466,731 shares)

	Consolidated and The Bank			
	Number of the weighted average			
	number of ordinary shares			
	For each of the years ended			
	Share capital		December 31,	
	Shares	Amount	2005	2004
		(Million Baht)	(Shares)	(Shares)
Issued ordinary shares as of January 1, 2004	2,353,518,072	23,535	2,363,624,537	2,353,518,072
Add:				
- The Bank registered the changed of its paid-up capital as a result from the conversion of Class A Preferred Shares into ordinary shares January 13, 2004 :	547,345	5		529,400
- The Bank registered the change in its paid-up share capital as a result of the increases in paid-up capital from the exercise of warrants for ordinary shares which were issued and offered for sale to Bank employees (except for directors)				

	Share capital		Consolidated and The Bank	
			Number of the weighted average number of ordinary shares	
	Shares	Amount (Million Baht)	For each of the years ended December 31,	
			2005 (Shares)	2004 (Shares)
2004				
January 9 :	7,485,832	75		7,322,207
April 16 :	675,722	7		480,021
July 12 :	1,222,340	12		577,773
October 12 :	175,226	2		39,258
	10,106,465	101		
Issued ordinary shares as of December 31, 2004	2,363,624,537	23,636		
2005				
January 11 :	6,270,030	63	6,098,248	
April 11 :	879,298	9	638,395	
July 12 :	1,769,226	18	838,565	
October 12 :	750,576	7	166,566	
	9,669,130	97		
Issued ordinary shares as of December 31, 2005	2,373,293,667	23,733		
Weighted average number of ordinary shares as of December 31			2,371,366,311	2,362,466,731

22. Capital Requirements

The ratios of capital to assets (Capital Adequacy Ratio) as of December 31, 2005 and 2004 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:

	<i>(Million Baht)</i>	
	2005	2004
Tier 1 Capital		
Issued and fully paid up share capital, premiums on share capital, warrants and premiums on warrants	41,470	41,191
Legal reserves	770	-
Net income after appropriation	20,068	7,585
Total Tier 1 Capital	62,308	48,776
Tier 2 Capital		
Surplus on land revaluation	4,288	4,168
Surplus on premises revaluation	1,947	1,401
Surplus on marketable equity securities revaluation	134	406
Provision for normal assets	5,748	5,725
Subordinated debentures	20,132	19,735
Total Tier 2 Capital	32,249	31,435
Total Capital Requirements	94,557	80,211

The BoT's regulations requires that banks registered in Thailand maintain a ratio of capital funds 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. Capital adequacy ratios maintained by the Bank were as follows:

	Percentage	
	2005	2004
Total Capital Requirements	14.47	13.13
Tier-1 Capital	9.53	7.98

23. Legal Reserve

According to The 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 provisions 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.

24. Dividend Payments

On April 8, 2005, the General Meeting of Shareholders of the Bank approved to pay dividends from the operating results of 2004 at the rate of Baht 1 per share, totaling Baht 2,370 million, which was paid on April 18, 2005.

25. Bad Debt and Doubtful Accounts (Reversal)

Bad debt and doubtful accounts (reversal) for each of the years ended December 31, 2005 and 2004 consisted of:

(Million Baht)

	Consolidated		The Bank	
	2005	2004	2005	2004
General customers	554	(5,576)	1,059	(4,281)
Financial institutions	45	(583)	45	(583)
Total	599	(6,159)	1,104	(4,864)

26. Loss on Debt Restructuring

Loss on debt restructuring for each of the years ended December 31, 2005 and 2004 consisted of:

(Million Baht)

	Consolidated		The Bank	
	2005	2004	2005	2004
Net present value of cash flows lower than investments in receivables (reversal for non-performing restructured loans)	552	1,586	432	513
Transferred assets lower than investments in receivables	2,511	7,333	1,999	5,816
Total	3,063	8,919	2,431	6,329

27. Assets Pledged as Collateral

Assets pledged as collateral as of December 31, 2005 and 2004 consisted of:

(Million Baht)

	Consolidated and The Bank	
	2005	2004
Deposits	79	-
Government bonds	6,719	6,733
State enterprise bonds	3,252	3,866
Foreign bonds	2,835	4,645
Total	12,885	15,244

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

28. Contingencies

Contingencies as of December 31, 2005 and 2004 consisted of:

(Million Baht)

	Consolidated					
	2005			2004		
	Baht	Foreign Currency	Total	Baht	Foreign Currency	Total
Avals on bills	505	-	505	340	-	340
Letters of indemnity- borrowing	2	241	243	34	243	277
Other guarantees	41,799	5,872	47,671	31,494	4,210	35,704
Letters of credit	1,187	12,440	13,627	626	13,477	14,103
Exchange rate agreements						
Purchase agreements	15,495	144,618	160,113	13,093	64,575	77,668
Sale agreements	9,315	256,004	265,319	4,695	192,112	196,807
Interest rate agreements						
Purchase agreements	83,787	34,422	118,209	30,510	24,097	54,607
Sale agreements	83,787	30,936	114,723	30,510	20,165	50,675
Credit Default Swap	-	5,955	5,955	-	5,468	5,468
Unused credit line of overdraft	116,263	-	116,263	110,224	-	110,224
Others	774	6,298	7,072	272	5,823	6,095
Total	352,914	496,786	849,700	221,798	330,170	551,968

(Million Baht)

	The Bank					
	2005			2004		
	Baht	Foreign Currency	Total	Baht	Foreign Currency	Total
Avals on bills	505	-	505	340	-	340
Letters of indemnity-borrowing	2	241	243	34	243	277
Other guarantees	41,787	5,748	47,535	31,494	4,096	35,590
Letters of credit	1,187	12,440	13,627	626	13,477	14,103
Exchange rate agreements						
Purchase agreements	15,495	144,618	160,113	13,093	64,575	77,668
Sale agreements	9,315	256,004	265,319	4,695	192,112	196,807
Interest rate agreements						
Purchase agreements	83,787	34,422	118,209	30,510	24,097	54,607
Sale agreements	83,787	30,936	114,723	30,510	20,165	50,675
Credit Default Swap	-	5,955	5,955	-	5,468	5,468
Unused credit line of overdraft	116,263	-	116,263	110,224	-	110,224
Others	774	6,298	7,072	272	5,823	6,095
Total	352,902	496,662	849,564	221,798	330,056	551,854

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 9,198 million and Baht 1,628 million as of December 31, 2005 and 2004, 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.

29. 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, 2005 and 2004 are summarized as follows:

(Million Baht)

	Consolidated	
	2005 End of Year	2004 End of Year
Loans		
1. Executive officers	23	20
2. Business entities where the Bank and subsidiaries, their directors or executive officers, hold 10% or more of the paid - up capital ⁽¹⁾	4,091	1,192
Total	4,114	1,212
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	51	74
Total	51	74

(Million Baht)

	The Bank	
	2005 End of Year	2004 End of Year
Loans		
1. Executive officers	23	20
2. Business entities where the Bank, its directors or executive officers, hold 10% or more of the paid - up capital ⁽¹⁾	15,401	16,117
Total	15,424	16,137
Contingencies		
1. Executive officers	-	-
2. Business entities where the Bank, its directors or executive officers, hold 10% or more of the paid - up capital	61	76
Total	61	76

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

2. Related Party

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, 2005	December 31, 2004		
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
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
Kasikorn Research Center Co., Ltd.	Subsidiary	99.99%	99.99%	Ordinary share	Service
Progress Gunpai 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%	99.99%	Ordinary share	Service
Kasikorn Leasing Co., Ltd.	Subsidiary	99.99%	99.99%	Ordinary share	Lending
Kasikorn Asset Management Co., Ltd.	Subsidiary	99.99%	71.42%	Ordinary share	Mutual Fund Management
Progress Storage Co., Ltd.	Subsidiary	99.98%	99.98%	Ordinary share	Service
Kasikorn Securities Public Co., Ltd.	Subsidiary	99.98%	99.91%	Ordinary share	Securities Business
Progress Service Co., Ltd.	Subsidiary	99.97%	99.97%	Ordinary share	Service
Progress H R Co., Ltd.	Subsidiary	99.93%	99.93%	Ordinary share	Service
Progress Appraisal Co., Ltd.	Subsidiary	99.84%	99.84%	Ordinary share	Service
Thai Administration Services Co., Ltd.*	Subsidiary	-	51.00%	Ordinary share	Service

* On January 30, 2005, the Bank sold its investment in Thai Administration Services Co., Ltd.

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

(Million Baht)

	The Bank	
	December 31, 2005	December 31, 2004
Loans		
Subsidiary Companies		
- Phethai Asset Management Co., Ltd.		
Beginning balance	7,440	11,850
Addition (Deduction)	1,485	(4,410)
Ending balance	8,925	7,440
- Ploy Asset Management Co., Ltd.		
Beginning balance	5,665	8,005
Deductions	(5,665)	(2,340)
Ending balance	-	5,665
Accrued interest receivables		
Subsidiary Companies		
- Phethai Asset Management Co., Ltd.	13	-
- Ploy Asset Management Co., Ltd.	-	5
Deposits		
Subsidiary Companies		
- Phethai Asset Management Co., Ltd.	71	160
- Ploy Asset Management Co., Ltd.	33	24

(Million Baht)

	The Bank	
	For Each of the Years	
	Ended December 31,	
	2005	2004
Interest income		
Subsidiary Companies		
- Phethai Asset Management Co., Ltd.	106	98
- Ploy Asset Management Co., Ltd.	12	68

In March 2005, Ploy Asset Management Company Limited sold its entire assets to the Bank and Phethai Asset Management Company Limited on a mutually agreed basis as follows:

Assets sold to the Bank

(Million Baht)

Type of Assets of Ploy - AMC	Cost	Allowance for Doubtful Accounts	Book Value	Selling Price
Pass and Special mention loans	5,599	2,382	3,217	3,215

Assets sold to the Phethai - AMC

(Million Baht)

Type of Assets of Ploy - AMC	Cost	Allowance for Doubtful Accounts	Book Value	Selling Price
Investment in receivables	3,338	1,986	1,352	1,352
Doubtful loans (Non-performing loans)	2,429	1,715	714	678
Properties foreclosed	3,219	243	2,976	3,014
Other assets	33	-	33	33
Total	9,019	3,944	5,075	5,077

Ploy AMC registered its discontinuance of operation with the Ministry of Commerce on June 30, 2005 and is under the liquidation process.

Loans to Phethai Asset Management Company Limited are 3-month bills with interest rates equal to the interest rate of a 3-month fixed deposit, pledged as collateral. As of December 31, 2005 and 2004 the pledged deposits were Baht 71 million and Baht 160 million, respectively.

As at December 31, 2005 and 2004, the Bank has provided an allowance for doubtful accounts for Phethai Asset Management Company Limited, classified as normal loans, amounting to Baht 89 million and Baht 74 million, respectively.

As at December 31, 2005, the Bank has no loans to Ploy Asset Management Company Limited, so there is no allowance for doubtful accounts while as at December 31, 2004, the Bank provided an allowance for doubtful, classified as normal loans, amounting to Baht 57 million.

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 price.

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 price 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, 2005 and 2004 are summarized as follows:

(Million Baht)

	Consolidated		The Bank	
	2005	2004	2005	2004
Loans				
Subsidiary Companies				
- Kasikorn Factoring Co., Ltd.	-	-	2,385	1,820
- Thai Administration Services Co., Ltd.	-	36	-	36
- Kasikorn Leasing Co., Ltd.	-	-	2,965	-
Other Assets				
Subsidiary Companies				
- Kasikorn Asset Management Co., Ltd.	-	-	23	24
- Kasikorn Leasing Co., Ltd.	-	-	10	-
Deposits				
Subsidiary Companies				
- Kasikorn Research Center Co., Ltd.	-	18	18	18
- Progress Appraisal Co., Ltd.	31	31	31	31
- Progress Land and Buildings Co., Ltd.	-	-	89	109
- Progress Software Co., Ltd.	23	20	23	20
- Progress Plus Co., Ltd.	13	14	13	14
- Progress Facilities Management Co., Ltd.	19	18	19	18
- Progress Service Co., Ltd.	24	28	24	28
- Progress Management Co., Ltd.	13	13	13	13
- Kasikorn Factoring Co., Ltd.	-	-	110	103
- Progress Gunpai Co., Ltd.	78	14	78	14
- Thai Administration Services Co., Ltd.	-	15	-	15
- Progress Storage Co., Ltd.	15	10	15	10
- Kasikorn Leasing Co., Ltd.	-	60	231	60
- Kasikorn Asset Management Co., Ltd.	-	-	21	12
Associated Companies				
- Processing Center Co., Ltd.	38	26	38	26
Interbank and Money Market Items (Liabilities)				
Subsidiary Company				
- Kasikorn Securities Public Co., Ltd.	-	-	518	2

(Million Baht)

	Consolidated		The Bank	
	2005	2004	2005	2004
Other Liabilities				
Subsidiary Companies				
- Progress Software Co., Ltd.	33	43	33	43
- Progress Plus Co., Ltd.	19	14	19	14
Contingencies				
Subsidiary Company				
- Thai Administration Services Co., Ltd.	-	22	-	22
Associated Companies				
- 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, 2005 and 2004, the Bank and its related parties have rental agreements with remaining tenures amounting to Baht 1 million and Baht 12 million, respectively.

For the year 2005, the Bank had sold government bonds to Kasikorn Securities Public Co., Ltd in the amount of Baht 3,170 million.

4.2 Revenue and expenses occurring between the Bank, its subsidiary and associated companies for each of the years ended December 31, 2005 and 2004 are summarized as follows:

(Million Baht)

	Consolidated		The Bank	
	2005	2004	2005	2004
Subsidiary Companies				
Revenue:				
Interest income	-	-	81	43
Dividend income	34	102	187	316
Fee income	-	-	203	122
Other income	12	13	27	23
Expenses:				
Other expenses	1,003	972	1,060	973
Associated Companies				
Expenses:				
Other expenses	44	38	44	38

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, 2005 and 2004 were summarized as follows:

(Million Baht)

	Consolidated and The Bank	
	2005	2004
Loans		
- T T & T Public Co., Ltd.	2,900	2,271
- Charoen Pokhaphand Feedmill Public Co., Ltd.	1,032	290
- Bangkok Glass Industry Co., Ltd.	592	813
- Bank of Asia Public Co., Ltd.	400	-
- Thanakorn Vegetable Oil Products Co., Ltd.	272	271
- Quality House Public Co., Ltd.	270	-
- Siam Container Pipe Co., Ltd.	227	227
- Loxley Public Co., Ltd.	156	115
- Manager Media Group Public Co., Ltd.	35	35
- Siam Food Products Public Co., Ltd.	26	130
- Jutha Maritime Public Co., Ltd.	9	10
- Yip In Tsoi & Jacks Ltd.	-	45
- Thai British Security Printing Public Co., Ltd.	-	26
Deposits		
- T T & T Public Co., Ltd.	625	731
- Muang Thai Life Assurance Co., Ltd.	316	332
- Sermasuk Public Co., Ltd.	247	238
- Sermasuk Beverage Co., Ltd.	118	32
- Com - Link Co., Ltd.	100	128
- Bangkok Glass Industry Co., Ltd.	82	32
- Mitsubishi Elevator Asia Co., Ltd.	77	92
- Thai British Security Printing Public Co., Ltd.	66	75
- Loxley Public Co., Ltd.	49	135
- Siam Motors Parts Co., Ltd.	39	53
- Globex securities Co., Ltd.	38	79
- Siam Food Products Public Co., Ltd.	35	44
- Aspac Oil (Thailand) Co., Ltd.	35	20

(Million Baht)

	Consolidated and The Bank	
	2005	2004
Deposits		
- Smithithada Co., Ltd.	33	30
- Phatra Real Estate Public Co., Ltd.	33	-
- Phatra Insurance Public Co., Ltd.	31	-
- Suludee Co., Ltd.	30	23
- Ruam Samphant Co., Ltd.	27	24
- Ngow Hock Agency Co., Ltd.	24	_*
- Loxley Information Services Co., Ltd.	20	6
- CS Loxinfo Public Co., Ltd.	19	24
- Nithi Thamrong Co., Ltd.	19	14
- Charoen Pokhaphand Feedmill Public Co., Ltd.	12	25
- Suttawong Place Co., Ltd.	10	_*
- Thaveepramoth Co., Ltd.	3	19
- Point Asia Dot Com (Thailand) Ltd.	2	38
- Loxley Property Development Co., Ltd.	2	10
- Dole Thailand Co., Ltd.	1	35
- Samart Corporation Public Co., Ltd.	1	33
Contingencies		
- Charoen Pokhaphand Feedmill Public Co., Ltd.	1,333	39
- Loxley Public Co., Ltd.	143	390
- Dole Thailand Co., Ltd.	125	91
- Bangkok Glass Industry Co., Ltd.	90	173
- Com - Link Co., Ltd.	72	62
- Loxley Trading Co., Ltd.	43	80
- SermSuk Public Co., Ltd.	43	17
- Samart Telecom Public Co., Ltd.	41	44
- Yip In Tsoi & Jacks Ltd.	30	50
- Thai British Security Printing Public Co., Ltd.	20	81
- Thanakorn Vegetable Oil Products Co., Ltd.	17	37
- Siam Food Products Public Co., Ltd.	16	409
- T T & T Public Co., Ltd.	6	58

*As of December 31, 2004 these companies were not related parties to the Bank.

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, 2005 and 2004 are summarized as follows:

(Million Baht)

	Consolidated and The Bank	
	2005	2004
Loans	35	31
Deposits	1,144	1,039

30. 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' fee, directors' bonus (if any) and income tax, executives' salary and bonus (if any).

31. Commitments

Capital Commitments

(Million Baht)

	December 31, 2005	
	Consolidated	The Bank
	2005	2005
Contracted but not provided for	1,222	1,196
Authorized but not contracted for	320	320
Total	1,542	1,516

Long-Term Lease Agreements

1. Lease Agreements

The Bank and its subsidiary companies have entered into land/building lease agreements for branch offices and vehicle lease agreements. As of December 31, 2005 and 2004 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 2005	The Bank 2005
Land/building lease agreements	January 1, 2006 – October 17, 2027	467	437
Vehicle lease agreements	January 1, 2006 – November 30, 2010	442	418
Total		909	855

(Million Baht)

Type of Lease Agreement	Remaining of Period	Consolidated 2004	The Bank 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

2. Service Agreements

On November 12, 2002 the Bank entered into an Information Technology Service Agreement with IBM Thailand Co., Ltd., under which service will be provided until December 31, 2012 and for which as of December 31, 2005 and 2004, the Bank is committed to pay a total service fee of Baht 7,199 million and Baht 8,220 million respectively.

32. 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 as of January 1, 2004.

33. Subsequent Event

On January 11, 2006, the Bank registered a change in its paid-up capital as a result of the increase in paid-up capital of 7,894,300 shares at Baht 10 par value, totaling Baht 78,943,000 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, 2006, the Bank had total paid-up share capital of Baht 23,811,879,670.

34. Change of Accounting Policy

Change of Accounting Policy for Deferred Tax

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

Accounting for deferred tax is an accepted accounting policy internationally. The deferred tax method requires the estimated figure of future benefited deferred tax assets. The Bank note 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 tax 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.

The estimated effects of the change in accounting policy in both consolidated and Bank financial statements for the year ended December 31, 2004 which have been restated in accordance with the new policy are summarized as follows:

(Million Baht)

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

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

35. The Financial Positions and Results of Operations Differentiated by Domestic and Overseas Business

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

1. Financial Position Classified by Types of Business

(Million Baht)

	Consolidated				
	2005				
	Domestic Business	Foreign Business	Total	Eliminated Transactions	Total
Total assets	826,402	43,272	869,674	(32,365)	837,309
Interbank and money market items - net (assets)	53,862	12,067	65,929	-	65,929
Investments – net	68,881	30,684	99,565	-	99,565
Loans	626,868	78	626,946	-	626,946
Deposits	687,777	4	687,781	-	687,781
Interbank and money market items (liabilities)	19,508	-	19,508	-	19,508
Borrowings	19,557	8,170	27,727	-	27,727
Contingencies	843,017	24,218	867,235	(17,535)	849,700

(Million Baht)

	Consolidated				
	2004				
	Domestic Business	Foreign Business	Total	Eliminated Transactions	Total
Total assets	814,730	29,729	844,459	(19,485)	824,974
Interbank and money market items - net (assets)	68,663	7,587	76,250	-	76,250
Investments - net	89,185	21,372	110,557	-	110,557
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)

	The Bank				
	2005				
	Domestic Business	Foreign Business	Total	Eliminated Transactions	Total
Total assets	826,793	43,272	870,065	(32,365)	837,700
Interbank and money market items-net (assets)	53,801	12,067	65,868	-	65,868
Investments - net	75,383	30,684	106,067	-	106,067
Loans	621,012	78	621,090	-	621,090
Deposits	688,907	4	688,911	-	688,911
Interbank and money market items (liabilities)	19,249	-	19,249	-	19,249
Borrowings	19,557	8,170	27,727	-	27,727
Contingencies	842,881	24,218	867,099	(17,535)	849,564

(Million Baht)

	The Bank 2004				
	Domestic Business	Foreign Business	Total	Eliminated Transactions	Total
Total assets	814,120	29,729	843,849	(19,485)	824,364
Interbank and money market items-net (assets)	68,597	7,587	76,184	-	76,184
Investments - net	96,040	21,372	117,412	-	117,412
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

2. Results of Operations Classified by Types of Business

(Million Baht)

	Consolidated For the Year Ended December 31, 2005				
	Domestic Business	Foreign Business	Total	Eliminated Transactions	Total
Interest and dividend income	37,574	1,052	38,626	(560)	38,066
Interest expense	6,597	1,246	7,843	(560)	7,283
Net income (expense) from interest and dividend	30,977	(194)	30,783	-	30,783
Non-interest income	11,704	599	12,303	(1)	12,302
Non-interest expense	25,056	33	25,089	(1)	25,088
Income before income tax	17,625	372	17,997	-	17,997

(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	11,586	563	12,149	-	12,149
Non-interest expense	22,542	65	22,607	-	22,607
Income before income tax	15,426	82	15,508	-	15,508

(Million Baht)

The Bank					
For the Year Ended December 31, 2005					
	Domestic Business	Foreign Business	Total	Eliminated Transactions	Total
Interest and dividend income	36,838	1,052	37,890	(560)	37,330
Interest expense	6,562	1,246	7,808	(560)	7,248
Net income (expense) from interest and dividend	30,276	(194)	30,082	-	30,082
Non-interest income	10,865	599	11,464	(1)	11,463
Non-interest expense	23,714	33	23,747	(1)	23,746
Income before income tax	17,427	372	17,799	-	17,799

(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	10,859	563	11,422	-	11,422
Non-interest expense	20,224	65	20,289	-	20,289
Income before income tax	15,258	82	15,340	-	15,340

36. 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 customers, 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, 2005 and 2004 is as follows:

(Million Baht)

	Consolidated		The Bank	
	2005	2004	2005	2004
Fixed interest rate	85,325	168,787	86,108	169,880
Floating interest rate	547,597	425,522	540,958	409,958
Total Loans (including financial institutions)	632,922	594,309	627,066	579,838

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, 2005 and 2004 are as follows:

(Million Baht)

	Consolidated					
	2005			2004		
	Average	Interest and	Average	Average	Interest and	Average
	Balance	Dividend	Rate (%)	Balance	Dividend	Rate (%)
		Income/			Income/	
		Expense			Expense	
Interest-bearing Financial Assets						
Interbank and money market items	71,122	2,002	2.81	90,893	1,146	1.26
Securities purchased under resale						
agreements	14,270	385	2.70	25,555	381	1.49
Investments	108,473	4,051	3.73	126,820	3,760	2.97
Loans	609,767	31,628	5.19	570,253	27,712	4.86
Total	803,632	38,066	4.74	813,521	32,999	4.06
Interest-bearing Liabilities						
Deposits	696,676	5,703	0.82	695,258	5,548	0.80
Interbank and money market items	15,516	385	2.48	9,313	221	2.37
Securities sold under repurchase						
agreements	1,641	2	0.12	2,356	9	0.38
Borrowings	25,669	1,193	4.65	41,726	1,255	3.01
Total	739,502	7,283	0.98	748,653	7,033	0.94

(Million Baht)

	The Bank					
	2005			2004		
	Average	Interest and	Average	Average	Interest and	Average
	Balance	Dividend	Rate (%)	Balance	Dividend	Rate (%)
		Income/			Income/	
		Expense			Expense	
Interest-bearing Financial Assets						
Interbank and money market items	71,059	2,001	2.82	90,721	1,144	1.26
Securities purchased under resale agreements	14,270	385	2.70	25,375	381	1.50
Investments	114,127	4,025	3.53	130,592	3,731	2.86
Loans	599,604	30,919	5.16	554,104	25,978	4.69
Total	799,060	37,330	4.67	800,792	31,234	3.90
Interest-bearing Liabilities						
Deposits	697,448	5,705	0.82	695,603	5,548	0.80
Interbank and money market items	15,207	348	2.29	9,030	214	2.37
Securities sold under repurchase agreements	1,641	2	0.12	2,357	9	0.38
Borrowings	25,669	1,193	4.65	41,726	1,255	3.01
Total	739,965	7,248	0.98	748,716	7,026	0.94

Financial assets and liabilities, classified by maturity of interest repricing, as of December 31, 2005 and 2004 are shown below:

(Million Baht)

	Consolidated							Total
	2005							
	Immediate Repricing	Less than 6 months	6 months to 1 Year	1 Year to 5 Years	Over 5 Years	Non-interest Bearing	Stop Accrued	
Financial Assets								
Cash	-	-	-	-	-	14,913	-	14,913
Interbank and money market Items	4,941	51,644	7,187	-	-	2,208	-	65,980
Securities purchased under resale agreements	-	9,500	-	-	-	-	-	9,500
Investments	16,417	25,939	9,332	23,690	9,427	15,253	2,573	102,631
Loans	429,267	84,624	8,635	24,664	8,124	1,455	70,177	626,946
Accrued interest receivable	-	-	-	-	-	1,745	-	1,745
Customers' liability under acceptances	-	-	-	-	-	857	-	857
Other assets	-	-	-	-	-	6,064	-	6,064
Total Financial Assets	450,625	171,707	25,154	48,354	17,551	42,495	72,750	828,636
Financial Liabilities								
Deposits	390,160	190,861	58,396	8,801	-	39,563	-	687,781
Interbank and money market items	1,720	11,985	1,013	515	600	3,675	-	19,508
Liabilities payable on demand	-	-	-	-	-	5,904	-	5,904
Borrowings	741	6,266	550	-	20,170	-	-	27,727
Bank's liability under acceptances	-	-	-	-	-	857	-	857
Other liabilities	-	-	-	-	-	6,267	-	6,267
Total Financial Liabilities	392,621	209,112	59,959	9,316	20,770	56,266	-	748,044
On-balance sheet items	58,004	(37,405)	(34,805)	39,038	(3,219)	(13,771)	72,750	80,592

(Million Baht)

	Consolidated							Total
	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	
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 receivable	-	-	-	-	-	2,455	-	2,455
Customers' liability under acceptances	-	-	-	-	-	743	-	743
Other assets	-	-	-	-	-	6,166	-	6,166
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
Other liabilities	-	-	-	-	-	7,146	-	7,146
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)

	The Bank 2005							
	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	-	-	-	-	-	14,912	-	14,912
Interbank and money market items	4,906	51,582	7,187	-	-	2,244	-	65,919
Securities purchased under resale agreements	-	9,500	-	-	-	-	-	9,500
Investments	16,417	25,871	8,705	23,690	9,427	23,646	1,219	108,975
Loans	428,690	93,793	8,540	24,852	8,104	1,455	55,656	621,090
Accrued interest receivable	-	-	-	-	-	1,319	-	1,319
Customers' liability under acceptances	-	-	-	-	-	857	-	857
Other assets	-	-	-	-	-	5,423	-	5,423
Total Financial Assets	450,013	180,746	24,432	48,542	17,531	49,856	56,875	827,995
Financial Liabilities								
Deposits	391,030	190,861	58,396	8,801	-	39,823	-	688,911
Interbank and money market items	1,581	11,865	1,013	515	600	3,675	-	19,249
Liabilities payable on demand	-	-	-	-	-	5,904	-	5,904
Borrowings	741	6,266	550	-	20,170	-	-	27,727
Bank's liability under acceptances	-	-	-	-	-	857	-	857
Other liabilities	-	-	-	-	-	6,034	-	6,034
Total Financial Liabilities	393,352	208,992	59,959	9,316	20,770	56,293	-	748,682
On-balance sheet items	56,661	(28,246)	(35,527)	39,226	(3,239)	(6,437)	56,875	79,313

(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 receivable	-	-	-	-	-	1,318	-	1,318
Customers' liability under acceptances	-	-	-	-	-	743	-	743
Other assets	-	-	-	-	-	5,556	-	5,556
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
Other liabilities	-	-	-	-	-	6,920	-	6,920
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

2. Foreign exchange risk

Foreign exchange risk is the 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, which may create 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 positions, as of December 31, 2005 and 2004, were as follows:

(Million Baht)

	Consolidated					
	2005					
	Currency					
	US Dollars	Yen	Pounds	Euro	Others	Total
Assets						
Cash	246	12	14	124	65	461
Interbank and money market items - net	58,864	39	-	67	318	59,288
Investments - net	47,414	35	-	4	55	47,508
Loans and accrued interest						
receivables - net	18,963	842	48	1,482	282	21,617
Other assets	1,170	-	-	-	2	1,172
Total assets	126,657	928	62	1,677	722	130,046
Liabilities						
Deposits	3,182	148	46	238	111	3,725
Interbank and money market items	44	55	3	75	1	178
Liability on demand	2,245	55	125	138	136	2,699
Borrowing	8,170	-	-	-	-	8,170
Other liabilities	3,245	14	5	20	75	3,359
Total liabilities	16,886	272	179	471	323	18,131
Foreign currency position of						
on-balance items-net	109,771	656	(117)	1,206	399	111,915
Off-balance sheet items-net						
(Forward exchange contracts						
cross currency swaps and FX options)	(107,814)	(578)	83	(796)	(171)	(109,276)

(Million Baht)

	Consolidated					
	2004					
	Currency					
	US Dollars	Yen	Pounds	Euro	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
Other assets	1,538	5	1	29	11	1,584
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
Other liabilities	340	1	9	8	40	398
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)

	The Bank 2005 Currency					
	US Dollars	Yen	Pounds	Euro	Others	Total
Assets						
Cash	246	12	14	124	65	461
Interbank and money market items - net	58,864	39	-	67	318	59,288
Investments - net	47,414	35	-	4	55	47,508
Loans and accrued interest receivables - net	18,963	842	48	1,482	282	21,617
Other assets	1,170	-	-	-	2	1,172
Total assets	126,657	928	62	1,677	722	130,046
Liabilities						
Deposits	3,182	148	46	238	111	3,725
Interbank and money market items	44	55	3	75	1	178
Liability on demand	2,245	55	125	138	136	2,699
Borrowing	8,170	-	-	-	-	8,170
Other liabilities	3,242	14	3	20	75	3,354
Total liabilities	16,883	272	177	471	323	18,126
Foreign currency position of on-balance items-net	109,774	656	(115)	1,206	399	111,920
Off-balance sheet items-net (Forward exchange contracts cross currency swaps and FX options)	(107,814)	(578)	83	(796)	(171)	(109,276)

(Million Baht)

	The Bank 2004 Currency					
	US Dollars	Yen	Pounds	Euro	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
Other assets	1,538	5	1	29	11	1,584
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
Other liabilities	338	1	4	8	40	391
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)

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, because 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, 2005 and 2004 was as follows:

(Million Baht)

	Consolidated						Total
	At call	Less than 6 months	6 months to 1 Year	1 Year to 5 Years	Over 5 Years	No Maturity	
Financial Assets							
Cash	-	-	-	-	-	14,913	14,913
Interbank and money market items	6,784	52,009	7,187	-	-	-	65,980
Securities purchased under Resale agreements	-	9,500	-	-	-	-	9,500
Investments	557	26,123	17,611	34,526	18,653	5,161	102,631
Loans	150,883	236,351	9,511	99,751	130,450	-	626,946
Accrued interest receivables	173	1,271	-	42	259	-	1,745
Customers' liability under acceptance	-	857	-	-	-	-	857
Other assets	-	1,625	-	-	-	4,439	6,064
Total Financial Assets	158,397	327,736	34,309	134,319	149,362	24,513	828,636
Financial Liabilities							
Deposits	429,723	190,861	58,396	8,801	-	-	687,781
Interbank and money market items	5,395	9,985	1,013	515	2,600	-	19,508
Liability payable on demand	5,904	-	-	-	-	-	5,904
Borrowings	-	6,266	550	741	20,170	-	27,727
Bank's liability under acceptances	-	857	-	-	-	-	857
Other liabilities	96	1,066	138	18	-	4,949	6,267
Total Financial Liabilities	441,118	209,035	60,097	10,075	22,770	4,949	748,044
Liquidity-net	(282,721)	118,701	(25,788)	124,244	126,592	19,564	80,592

(Million Baht)

	Consolidated						Total
	At call	Less than 6 months	6 months to 1 Year	1 Year to 5 Years	Over 5 Years	No Maturity	
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' liability under							
acceptance	-	743	-	-	-	-	743
Other assets	-	1,818	-	-	-	4,348	6,166
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
Liability payable on demand	7,426	-	-	-	-	-	7,426
Borrowings	-	-	3,843	-	19,768	-	23,611
Bank's liability under							
acceptances	-	743	-	-	-	-	743
Other liabilities	110	869	79	39	-	6,049	7,146
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)

		The Bank 2005					
	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	-	-	-	-	-	14,912	14,912
Interbank and money							
market items	6,785	51,947	7,187	-	-	-	65,919
Securities purchased under							
resale agreements	-	9,500	-	-	-	-	9,500
Investments	96	25,496	17,543	34,424	17,862	13,554	108,975
Loans	147,747	244,454	8,763	98,549	121,577	-	621,090
Accrued interest receivables	-	1,293	-	26	-	-	1,319
Customers' liability under							
acceptances	-	857	-	-	-	-	857
Other assets	-	1,512	-	-	-	3,911	5,423
Total Financial Assets	154,628	335,059	33,493	132,999	139,439	32,377	827,995
Financial Liabilities							
Deposits	430,853	190,861	58,396	8,801	-	-	688,911
Interbank and money							
market items	5,256	9,865	1,013	515	2,600	-	19,249
Liability payable on demand	5,904	-	-	-	-	-	5,904
Borrowings	-	6,266	550	741	20,170	-	27,727
Bank's liability under							
acceptances	-	857	-	-	-	-	857
Other liabilities	96	1,064	138	18	-	4,718	6,034
Total Financial Liabilities	442,109	208,913	60,097	10,075	22,770	4,718	748,682
Liquidity-net	(287,481)	126,146	(26,604)	122,924	116,669	27,659	79,313

(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' liability under							
acceptances	-	743	-	-	-	-	743
Other assets	-	1,736	-	-	-	3,820	5,556
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
Liability payable on demand	7,426	-	-	-	-	-	7,426
Borrowings	-	-	3,843	-	19,768	-	23,611
Bank's liability under							
acceptances	-	743	-	-	-	-	743
Other liabilities	110	868	79	39	-	5,824	6,920
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

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, 2005 and 2004.

(Million Baht)

	Consolidated			
	2005		2004	
	Carrying Amount	Fair value	Carrying Amount	Fair value
Financial Assets				
Cash	14,913	14,913	13,536	13,536
Interbank and money market items - net	65,929	65,929	76,250	76,250
Securities purchased under resale agreements	9,500	9,500	19,040	19,040
Investments - net	99,565	99,351	110,557	110,781
Loans and accrued interest receivables - net	591,253	591,253	548,697	548,697
Customers' liability under acceptances	857	857	743	743
Other assets	6,064	6,064	6,166	6,166
Total Financial Assets	788,081	787,867	774,989	775,213
Financial Liabilities				
Deposits	687,781	687,781	705,570	705,570
Interbank and money market items	19,508	20,247	11,525	11,550
Liabilities payable on demand	5,904	5,904	7,426	7,426
Borrowings	27,727	29,212	23,611	25,024
Bank's liability under acceptances	857	857	743	743
Other liabilities	6,267	6,267	7,146	7,146
Total Financial Liabilities	748,044	750,268	756,021	757,459

	The Bank			
	2005		2004	
	Carrying Amount	Fair value	Carrying Amount	Fair value
Financial Assets				
Cash	14,912	14,912	13,536	13,536
Interbank and money market items - net	65,868	65,868	76,184	76,184
Securities purchased under resale agreements	9,500	9,500	19,040	19,040
Investments - net	106,067	105,855	117,412	117,632
Loans and accrued interest receivables - net	593,333	593,333	547,770	547,770
Customers' liability under acceptances	857	857	743	743
Other assets	5,423	5,423	5,556	5,556
Total Financial Assets	795,960	795,748	780,241	780,461
Financial Liabilities				
Deposits	688,911	688,911	705,985	705,985
Interbank and money market items	19,249	19,988	11,165	11,190
Liabilities payable on demand	5,904	5,904	7,426	7,426
Borrowings	27,727	29,212	23,611	25,024
Bank's liability under acceptances	857	857	743	743
Other liabilities	6,034	6,034	6,920	6,920
Total Financial Liabilities	748,682	750,906	755,850	757,288

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' liability 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 3.2

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 similar 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 at December 31, 2005 and 2004:

(Million Baht)

	Consolidated and The Bank			
	2005			
	Notional Amount			Fair Value
Up to 1 year	Over 1 year	Total		
Forward exchange contracts	368,802	268	369,070	(512)
Cross currency swaps	2,653	53,710	56,363	333
Interest rate swaps	8,671	109,571	118,242	115
Credit default swaps	5,134	821	5,955	(1)

(Million Baht)

	Consolidated and The Bank			Fair Value
	2004			
	Notional Amount		Total	
Up to 1 year	Over 1 year			
Forward exchange contracts	239,464	124	239,588	3,831
Cross currency swaps	568	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)

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.

37. Reclassification of Accounts

Certain accounts in the financial statements for the year ended December 31, 2004 have been reclassified to conform with the presentation in the financial statements for the year ended December 31, 2005.

38. Approval of Financial Statements

The financial statements were approved for issue by the Audit Committee of the Board of Directors on February 21, 2006.

FINANCIAL SUMMARY

Consolidated

(Million Baht)

	2005	2004	2003	2002	2001
Assets					
Cash	14,913	13,536	18,699	9,764	12,143
Interbank and money market items					
Domestic items					
Interest bearing	4,926	1,218	419	3,458	895
Non-interest bearing	1,709	2,136	2,845	4,489	3,295
Foreign items					
Interest bearing	58,795	71,969	101,492	86,532	160,120
Non-interest bearing	499	927	166	361	795
Total Interbank and Money Market Items - net	65,929	76,250	104,922	94,840	165,105
Securities purchased under resale agreements	9,500	19,040	31,710	18,400	3,700
Investments					
Current investments - net	50,105	33,325	65,491	72,699	28,349
Long-term investments - net	49,009	76,770	69,240	90,884	93,325
Investments in subsidiaries and associated companies - net	450	462	520	1,280	1,427
Total Investments - net	99,564	110,557	135,251	164,863	123,101
Loans and accrued interest receivables					
Loans	626,946	592,589	547,918	506,203	476,487
Accrued interest receivables	1,745	2,455	2,971	3,410	4,072
Total Loans and Accrued Interest Receivables	628,691	595,044	550,889	509,613	480,559
Less Allowance for doubtful accounts	(34,767)	(41,468)	(60,868)	(77,750)	(51,326)
Less Revaluation allowance for debt restructuring	(2,672)	(4,878)	(6,665)	(2,755)	(3,781)
Total Loans and Accrued Interest Receivables - net	591,252	548,698	483,356	429,108	425,452
Properties foreclosed - net	17,463	17,397	14,517	15,087	14,852
Customers' liability under acceptances	857	743	676	597	612
Premises and equipment - net	21,441	19,747	20,084	20,699	21,559
Intangible assets - net	4,900	3,524	2,586	2,142	1,715
Derivative revaluation	3,278	6,349	3,713	746	1,894
Other assets - net	8,211	9,133	5,771	4,522	4,452
Total Assets	837,308	824,974	821,285	760,768	774,585

Consolidated

(Million Baht)

	2005	2004	2003	2002	2001
Liabilities and Shareholders' Equity					
Deposits					
Deposits in baht	684,056	701,713	682,386	649,141	660,610
Deposits in foreign currencies	3,725	3,857	2,560	2,252	3,922
Total Deposits	687,781	705,570	684,946	651,393	664,532
Interbank and money market items					
Domestic items					
Interest bearing	15,681	8,068	1,890	3,461	4,235
Non-interest bearing	3,385	3,182	4,222	1,788	1,374
Foreign items					
Interest bearing	152	19	486	258	8,035
Non-interest bearing	290	256	503	186	179
Total Interbank and Money Market Items	19,508	11,525	7,101	5,693	13,823
Liability payable on demand	5,904	7,426	7,042	3,423	3,456
Borrowings					
Short-term borrowings	7,557	3,843	-	-	-
Long-term borrowings	20,170	19,767	59,841	48,556	48,748
Total Borrowings	27,727	23,610	59,841	48,556	48,748
Bank's liability under acceptances	857	743	676	597	612
Derivative revaluation	3,035	1,441	720	1,626	351
Other liabilities	14,381	7,993	8,845	9,986	11,900
Total Liabilities	759,193	758,308	769,171	721,274	743,422

Consolidated

(Million Baht)

	2005	2004	2003	2002	2001
Shareholders' equity					
Share capital					
Authorized share capital					
Preferred shares	-	-	5	5	5
Ordinary shares	30,486	30,486	26,895	26,895	26,895
Issued and paid-up share capital					
Preferred shares	-	-	5	5	5
Ordinary shares	23,733	23,636	23,535	23,525	23,525
Premium on share capital					
Premium on preferred shares	-	-	27	27	27
Premium on ordinary shares	17,737	17,555	49,498	49,478	49,478
Warrants and premium on warrants	-	-	-	-	2,520
Premium on expired warrants	-	-	5,521	5,521	2,999
Appraisal surplus on asset revaluation	10,024	8,763	8,903	9,096	9,310
Revaluation (deficit) surplus on investments	(529)	952	1,989	4,107	2,356
Retained earnings (deficit)					
Appropriated					
Legal reserve	1,470	770	800	800	800
Other reserves	-	-	26,675	26,675	26,675
Unappropriated (deficit)	25,679	14,672	(65,187)	(80,107)	(86,897)
	78,114	66,348	51,766	39,127	30,798
Minority interests	1	318	348	367	365
Total Shareholders' Equity	78,115	66,666	52,114	39,494	31,163
Total Liabilities and Shareholders' Equity	837,308	824,974	821,285	760,768	774,585
Off-balance sheet items - contingencies					
Aval to bills and guarantees of loans	747	615	5,537	6,591	9,088
Liability under unmatured import bills	5,546	4,291	3,188	2,632	2,781
Letters of credit	13,627	14,103	9,996	8,875	6,529
Other contingencies	829,779	532,959	431,328	380,116	367,471

Consolidated

(Million Baht)

	2005	2004	2003	2002	2001
Interest and dividend income					
Loans	31,628	27,712	26,121	25,900	28,238
Interbank and money market items	2,387	1,527	2,250	3,578	5,255
Investments	4,051	3,760	4,415	6,430	5,509
Total Interest and Dividend Income	38,066	32,999	32,786	35,908	39,002
Interest expense					
Deposits	5,703	5,548	7,747	11,812	14,619
Interbank and money market items	387	230	233	311	1,033
Short-term borrowings	59	5	-	-	576
Long-term borrowings	1,134	1,250	5,232	5,163	5,198
Total Interest Expense	7,283	7,033	13,212	17,286	21,426
Net income from interest and dividend	30,783	25,966	19,574	18,622	17,576
Bad debt and doubtful accounts (reversal)	599	(6,159)	(12,026)	(2,504)	(822)
Loss on debt restructuring	3,063	8,919	13,461	4,227	2,980
Net income from interest and dividend after bad debt and doubtful accounts (reversal) and loss on debt restructuring	27,121	23,206	18,139	16,899	15,418
Non-interest income					
Gain (loss) on investments	427	2,143	1,451	(35)	165
Share of profit (loss) from investments on equity method	(35)	82	212	57	(39)
Fees and service income					
Acceptances, aval and guarantees	685	577	598	568	813
Others	8,656	7,531	6,472	5,829	5,390
Gain on exchanges	1,129	1,805	1,822	985	1,224
(Loss) gain on transfer of financial assets	-	(569)	2,578	-	-
Other income	1,440	580	560	591	625
Total Non-interest Income	12,302	12,149	13,693	7,995	8,178
Non-interest expenses					
Personnel expenses	7,841	6,564	5,246	5,300	7,321
Premises and equipment expenses	3,525	3,814	3,270	3,425	3,409
Taxes and duties	1,677	1,386	1,233	1,600	1,530
Fees and service expenses	2,969	3,210	2,662	2,221	2,216
Directors' remuneration	72	55	55	49	34
Loss on impairment of properties foreclosed	201	705	429	759	3,030
Contributions to Financial Institutions					
Development Fund	2,826	2,802	2,694	2,733	2,667
Other expenses	2,315	1,311	1,364	2,175	1,710
Total Non-interest Expenses	21,426	19,847	16,953	18,262	21,917
Income before income tax	17,997	15,508	14,879	6,632	1,679
Income tax expense	4,003	116	94	39	32
Net income before minority interests	13,994	15,392	14,785	6,593	1,647
Minority interests in net income	(64)	(52)	(29)	(23)	(11)
Net income	13,930	15,340	14,756	6,570	1,636
Basic earnings per share (Baht)	5.87	6.49	6.27	2.79	0.70
Number of the weighted average number of ordinary shares (million shares)	2,371	2,362	2,353	2,353	2,353



CORPORATE GOVERNANCE COMMITTEE REPORT

CORPORATE GOVERNANCE

FACTORS AFFECTING INVESTMENT DECISIONS

1965

Silom

With far-reaching vision forecasting that Silom Road which was only a small underdeveloped road at that time would become one of the country's most successful business districts, the head office was relocated to Silom on February 22, 1965.

This was a golden step in the Bank's growth with ideas and forecasts that proved KASIKORNBANK was the leading bank in Thailand.

CORPORATE GOVERNANCE COMMITTEE REPORT

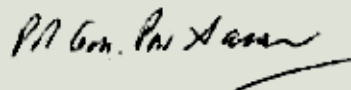
The Board of Directors established the Corporate Governance Committee in 2002 to take responsibility for overseeing the corporate governance of the Bank. The Corporate Governance Committee performs its duties with the utmost effort to ensure that the Bank's operations are in compliance with good corporate governance principles and guidelines of relevant regulatory bodies in Thailand and international best practices. This is to provide assurance to all shareholders, investors, customers and other stakeholders that the Bank does business in a transparent manner and that all related parties are treated fairly, as well as to contribute towards a long-term, firm foundation and stability for the Bank.

The Corporate Governance Committee continuously promotes corporate governance environment and activities within the Bank to develop and maintain the corporate governance culture within the organization. The Corporate Governance Committee held five Meetings in 2005, and met the roles, duties and responsibilities set forth in the Corporate Governance Committee Charter. The scope of work includes:

- Reviewing the Statement of Corporate Governance Principles of the Bank, the charters of the Board of Directors and other Board Committees, as well as the Code of Conduct and the Code of Business Conduct, keeping them up-to-date and consistent with the Corporate Governance Guidelines of the Stock Exchange of Thailand (SET), the Office of the Securities and Exchange Commission and the Bank of Thailand.
- Developing and maintaining the Bank's corporate governance in line with the best practices adopted by governmental and international institutions, e.g., the Organization for Economic Cooperation and Development (OECD) and the Bank for International Settlement (BIS). The Committee also oversees the assessment of the Bank's employees on their understanding of the Code of Conduct.
- Promoting good corporate governance within the organization by regularly communicating corporate governance policies and the Code of Conduct to all employees, and encouraging good corporate governance culture within the organization. The Committee also oversees the continual dissemination of information on corporate governance activities to the general public.
- Supporting the Bank to participate in corporate governance rating and assessment programs by independent rating agencies approved by the regulatory agencies.
- Considering and approving annual corporate governance plans and activities.
- Overseeing the Self-Assessments by Board Committees according to the Corporate Governance Principles.

The continuing promotion and development of good corporate governance at the Bank has earned the Bank wide recognition. These efforts have resulted in the Bank achieving a high corporate rating of 8.89 by the Thai Rating and Information Services (TRIS), equivalent to "Very Good" -- the highest score achieved among listed firms applying for corporate governance ratings by TRIS. It is also the highest rating ever achieved by the Bank, since participation in the rating program began, having been held two times previously, in 2002 and 2004. Other awards and recognitions for the marked success of KBank in corporate governance include the "Distinction in Maintaining Excellent Corporate Governance Report", awarded by SET at the "SET Award 2005" ceremony, for the maintenance of excellent reports in compliance with the fifteen Corporate Governance Principles of the SET for the third consecutive year, since the first "SET Award" ceremony in 2003.

In addition to that, the Bank has been placed among the "Top 10 Listed Companies in 2005", out of a total of 371 listed companies for its outstanding corporate governance practice by the Thai Institute of Directors (IOD). The Bank has won the award for the "Best CG" for three consecutive years, since the inception of the award by the IOD and SET in 2002. Also, the KASIKORNBANK Board of Directors won the "Board of the Year for Exemplary Practices 2004/05" award for the second consecutive year from the IOD, since the award was first instituted in 2002. Commendations by these independent institutions clearly affirm the level of the Bank's success in promoting good corporate governance, and the earnest efforts of the Corporate Governance Committee in promoting good corporate governance at the Bank.



(Pol. Gen. Pow Sarasin)

Chairman, Corporate Governance Committee

January 26, 2006

Corporate Governance Policy

The Statement of Corporate Governance Principles has been revised and approved by the Board of Directors on December 23, 2004. The principles, made in writing, have been aimed primarily at communicating to all employees of the Bank, shareholders and other stakeholders the ultimate goal of the Board of Directors to act in accordance with the key components of corporate governance, i.e.,

- Integrity
- Transparency
- Independence
- Accountability
- Responsibility
- Fairness
- Social Responsibility

These are the seven major components of corporate governance policy communicated by KASIKORNBANK to all levels of staff, and they have been harmoniously integrated into the vision, missions, core values, Statement of Business Conduct and Code of Conduct for all employees. Being reflected therein are the values, operational guidelines and direction adopted internally to assure that the Bank has adequately followed best practices in corporate governance. All members of the Board of Directors are aware of their mutual responsibilities for the highest benefit to the Bank, and their roles in supervising all businesses and decision-making processes to ensure transparency and fair treatment to all stakeholders. In addition, the Bank places great importance on social responsibilities in every business undertaking, where the Bank and its employees are to perform their duties as good citizens and maintain healthy relationship with the community. Social responsibility concerns have also been reflected in the Bank's consumption and use of resources, notably capital, personnel and energy. The Bank has been enthusiastically participating in environmental protection and social development projects in recognition of the importance of improvement in the quality of life and the community at large. The Bank believes that valuable and distinctive local wisdom shall be promoted, thus encouraging all staff to participate in social, educational, cultural and environmental activities, as deemed appropriate.

The content of the Bank's Statement of Corporate Governance Principles covers the structure, composition, roles, duties and responsibilities of the Board of Directors and all Board Committees, risk management, internal control system, Code of Conduct, inside information policies, conflicts of interest and shareholder relationships.

(Details of the Statement of Corporate Governance Principles are also available at www.kasikornbankgroup.com.)

Rights and Equitable Treatment of Shareholders

Recognizing the importance of shareholders, KASIKORNBANK treats its shareholders equally and fairly in line with the laws of regulatory agencies. Basic rights of KASIKORNBANK's shareholders include the right to participate in shareholders' meetings, the right to appoint a third party as a proxy for participating in and voting at meetings, the right to nominate candidates for the Board of Directors, and the right to participate in the election or disqualification of each individual director. Shareholders' rights also include voting on the annual audit fees and appointment of external auditors, and voting for various other businesses of KASIKORNBANK, eligibility for dividend payments, as well as the right to express an opinion and the opportunity to raise questions during shareholders' meetings and the right to receive sufficient and up-to-date information on a timely manner.

The General Meeting of Shareholders will be held within four months after the financial closing. In 2005, the 93rd General Meeting of Shareholders was held on April 8, 2005. For each shareholders' meeting, 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, except 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 a third party, 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 commences, the Bank will facilitate 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 to express comments and ask questions for an appropriate amount of time. The voting and vote-counting procedures will be conducted openly and efficiently, counting one share as one vote. Approval of a resolution is based on the majority of votes, except for special resolutions, which require approval by not less than two-thirds or three-fourths of all votes by eligible voters present at a meeting. Each participant shall cast his/her votes on ballots only in opposition, abstention or for a split vote, and the ballots will be kept for reference. In preparing the minutes of the meeting, total votes in approval, opposition or abstention on each agenda item will be recorded clearly in writing, together with questions raised on every agenda item, as well as clarification and comments by the meeting.

The Bank also places great emphasis on disclosure of information to shareholders. Accurate and complete information is provided to shareholders on a transparent and timely manner, on KASIKORNBANK's website in three languages, i.e., Thai, English and Chinese, as well as the dissemination of information through public media.

Rights of Stakeholders

The Bank places significant emphasis on the rights of all stakeholders, for 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, counterparties, creditors, related government agencies, including its obligation to the community, society and the environment.

In order to ensure the rights of all stakeholders, the Bank has established, in a written form, the Statement of Business Conduct and Code of Conduct for all employees and disseminated them through KASIKORNBANK's website, newsletters and KASIKORNTV for strict adherence by directors, executives and employees at all levels. In addition, the Bank has assigned the Compliance Department to monitor compliance, and to periodically report to the Corporate Governance Committee for acknowledgement. All departments responsible for various types of KASIKORNBANK products must strictly abide by the principles therein.

Shareholders: One of KASIKORNBANK's ultimate goals is to ensure favorable and sustainable growth, and maintain competitiveness with due consideration to both current and future risks in order to maximize the long-term value to its shareholders. 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 their rights are protected, and that stakeholders will be treated equally and fairly.

Employees: KASIKORNBANK's employees are regarded as a valuable asset. The Bank continues to seek capable and experienced personnel in line with its growth and demand. Necessary training programs have been continuously provided to enhance



employees' capabilities, with remuneration comparable to other leading companies. A favorable culture and atmosphere have been promoted in the workplace, together with fair and equal treatment for all employees. The Bank has recognized and provided welfare and security to its employees, among which includes the establishment of a provident fund, scholarships for employees and their children, fire drills, and fire prevention systems.

Recognizing the benefits of continual development of its key personnel, the Bank has placed the need to enhance capabilities and skills necessary for business achievements and customer satisfaction as one of its priorities. Its personnel development program has been modified in accordance with business strategies, and focused on higher professional standards in sales, services, credit underwriting, risk management, leadership, and the efficient management and administration, while ensuring strict compliance with the Statement of Corporate Governance Principles and Statement of Business Conduct. A post-training testing program has been implemented to assess skill improvement. The Bank has promoted its personnel to obtain licenses to act as investor-contact persons on unit trusts and debt-instruments 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 2005, the Bank organized various types of training courses as listed below:

Training Courses in 2005	Courses	Groups	Personnel
In-house training	126	390	18,163
External training	334	360	809
E-learning	4	8	1,079
Total	464	758	20,051

** Note: An employee may participate in more than one training course in a year.*

Besides this, the Bank has encouraged its personnel to learn and acquire new knowledge and technology through participation in specialized institutions both in Thailand and abroad. Several learning processes have been adopted in order to promote self-study and joint learning approaches for all employees to create a sustainable development process that will eventually lead to a knowledge-based organization.

Customers: The Bank aims to provide customer satisfaction through the offering of high-quality products and services that meet customers' needs. It recognizes the importance of customers, paying due attention to them, and more importantly, protecting their confidentiality.

Counterparties: The Bank conducts business with its counter-parties in accordance with trading terms and conditions as contracted in fair and acceptable competition, avoiding any actions which may result in dishonesty.

Creditors: The Bank has abided 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, society and the environment: KASIKORNBANK acts as a good citizen, being non-partisan, and unaligned with any political party. It bears in mind its role and responsibility to community, environment and society, hence contributing to charitable activities and promoting a healthy environment in communities and the society at large, for better living standards. The Bank recognizes the importance of sound environmental protection, as reflected in its continuing efforts and activities, as shown in the Annual Report (Page 253).

The Bank also has other ethical and operational guidelines, as follows:

Fairness: The Bank believes in being fair to all parties having a business relationship with us and assiduously avoids favoritism or a conflict of interest situation.

Integrity: The Bank believes in strong ethical standards and carries out our business with uncompromising integrity and honesty in all respects.

Professionalism: The Bank is dedicated to carry out its responsibilities in a professional manner and is determined to achieve excellence by continuously seeking to perform better by embracing new methods and technologies.

Proactiveness: The Bank is responsive to customers need, to social, technical and economic changes and is adaptive to the requirements of our customers now and in the future.

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

General Meetings of Shareholders

The Board of Directors Meeting No. 3/2005, on February 24, 2005, resolved to have the 2005 General Meeting of Shareholders scheduled for April 8, 2005. Since that resolution, the meeting date has been disclosed on the website of the Stock Exchange of Thailand (SET). The Bank arranged for the delivery of Notice of the General Meeting of Shareholders, containing complete agenda in compliance with law, the SET's requirements and the Bank's Articles of Association together with proxy forms and complete set of meeting agenda documentation and information details to shareholders not less than 14 days prior to the meeting date. In addition, the Bank also placed a 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 each meeting agenda item.



In the previous General Meeting of Shareholders, the Chairman of the Board acted as the Chairman of the Meeting, which was also attended by the Chief Executive Officer, the President, the Chairmen of all Board Committees, altogether. 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. | Dr. Prasarn | Trairatvorakul | Director |
| 5. | Mr. Sukri | Kaocharern | Director |
| 6. | M.R. Sarisdiguna | Kitiyakara | Director |
| 7. | Mr. Somchai | Bulsook | 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 agenda items of the meeting. 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, which were answered and supplemented with complete information to shareholders. There were representatives of shareholders present in the meeting to serve as a neutral and independent party witnessing the vote-counting procedure. 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 as well as being posted on the Bank's website.

Leadership and Vision

At KASIKORNBANK, the Board of Directors endorses the Bank's vision, missions and strategies, and also approves key issues pertaining to the business direction and Bank policies, including the annual business plan and budget. The Board is also responsible for supervising management actions to ensure that they are consistent with approved policies and business plans, as well as in compliance with laws and regulations of all relevant government agencies, and the resolutions of the General Meeting of Shareholders. The best interest to the Bank and all stakeholders is thus assured for the higher economic value of the entire Bank.

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

Conflict of Interest Prevention

The Bank places great importance on good corporate governance, and therefore have defined the guidelines to prevent conflict of interest with care and consideration to integrity, independence and compliance with standards of good governance, including disclosure of accountable and complete information to gain trustworthiness from customers, shareholders, investors and all concerned personnel. The Bank supervises the use of inside information and makes it a mandatory element in the Code of Conduct that directors and employees have to strictly comply with the inside information principles. Essences of which are as follows:

1. Policies and Regulations to Prevent Conflict of Interest

1.1 The Board of Directors has considered transactions that may involve conflict of interest, connected or related transactions, to be in compliance with standards of good governance and meet the scrutiny of the Audit Committee. The Board also oversees the Bank's operations to ensure compliance with the criteria of the Stock Exchange of Thailand (SET), the office of the Securities and Exchange Commission (SEC) and the Bank of Thailand (BOT), including disclosure of transaction that may involve conflict of interest to the public.

1.2 In any transactions in which directors, staff or related personnel could derive personal benefit from entering into the transaction with the Bank, such directors and staff are forbidden 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.

1.3 To comply with the SET's regulations concerning connected transactions, required connected transactions must be submitted to the Audit Committee for consideration before further submission to the Board of Directors for approval, according to the principles of good corporate governance.

1.4 For loan or investment approvals in businesses that the Bank, its directors or the Bank's high-level executives may derive some benefits, or approvals on loans to major shareholders, the Bank's high-level executives or the Board, such transactions may proceed only upon the unanimous approval of a Board meeting, but without the attendance or vote by directors or high-level executives who are related persons from the approval of such investment or loan. The amount of loan must not exceed a reasonable amount and not be permitted special terms or conditions as prescribed by the Bank of Thailand.

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

the SET regulations, as well as disclosure of connected transactions of the Bank according to the accounting standard criteria and the rules of the Bank of Thailand. A disclosure of connected transactions is shown in the Notes to Financial Statements, under Related Party Transactions (Page 155)

1.6 Review of connected transactions must be carried out in accordance with the audit plan and be reported to the Audit Committee.

In the future, should the Bank become involved with any related transactions, directors and employees must follow the above policies. In case where there are changes in the regulatory criteria, related transactions must be carried out in accordance with the changed regulations.

2. Rules on Proper Use of Inside Information

To encourage good governance and meet targets related to its implementation, the Bank has established regulations to supervise the use of inside information, regulations concerning securities trading of staff members that are in compliance with securities trading law. These regulations are reviewed constantly, and the essence can be summarized as follows:

2.1 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 accepting the transfer of securities in any manner that may take advantage of outsiders by using inside information that may significantly affect the price of securities that has not been disclosed to the public or the the 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 benefit thereof.

2.3 Directors, staff of equivalent to Executive Vice President level or higher, those retained or performing a function in a position equivalent to department head in any division related to finance or accounting have a duty to report their ownership of securities issued by the Bank, including those of their spouses and children who are considered minors under the law to the SET and the SEC, and report changes in their securities holdings issued by the Bank at each occasion upon the sale, purchase, or acceptance of securities as required for disclosure on related forms, and do so within the period set by the SET and the SEC, except for transactions exempted by defined criteria.

2.4 Concerning the supervision of securities trading and prevention from using inside information, the timeframe limiting securities trading of directors and staffs has been stipulated by the Bank. Regulations on prevention of the use of inside information has been regularly disseminated to directors, staff or related personnel through the internal database system, internal memoranda, e-mail, regulatory review meetings, etc.

2.5 Disclosure or use of inside information for the benefit of oneself or others is considered a violation of employees' ethics.

Business Ethics

The Bank has established a Statement of Business Conduct and a Code of Conduct for directors and employees. All directors, executives and employees have responsibilities in carrying out their designated duties, and are held accountable 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 conducts business in a transparent, honest and fair manner, and adheres to the principles under the Statement of Business Conduct. In detail:

1. Strive to achieve customer satisfaction
2. Continually strive for superior performance
3. Attract and recruit people with skills and experience
4. Perform one's duties as a good citizen, contributing to social enhancement and environmental preservation
5. Be fair to all
6. Believe in strong ethical standards and carry out business with integrity
7. Protect customers and maintain the trust placed in us by ensuring that all information relating to our customers business affairs remains confidential at all times
8. Be dedicated to carrying out responsibilities in a professional manner
9. Respect the equal rights of all stakeholders
10. Be Committed to discipline in the operation of our business

The Code of Conduct and Statement of Business Conduct are both disclosed on the KASIKORNBANK website and in its central database. 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 includes:

- Certification to abide by the Code of Conduct by all employees every year
- Inclusion of corporate governance and Code of Conduct presentation in every orientation program for its newly recruited personnel
- Distribution of pocket calendar printed with the Statement of Corporate Governance Principles and Statement of Business Conduct to all employees
- Communication on the Code and the Statement of Corporate Governance Principles through email under the title "CG Knowledge"
- Communication to all employees to promote compliance with the Code of Conduct through KASIKORNBANK closed-circuit TV programs - also known as KASIKORNTV - in order to promote general understanding towards actions stipulated in the Statement of Corporate Governance Principles
- Communication via KASIKORNBANKGROUP Newsletter, which is circulated within the Bank, in the forms of articles, descriptions and a question-and-answer column on issues pertaining to the Code of Conduct
- Activities organized via the electronic networks of KASIKORNBANK, notably communication on the Statement of Business Conduct and the Statement of Corporate Government Principles on the "Welcome" Page and the "Quotes of the Week" on the Code of Conduct
- Communication to directors and employees on the criteria for the use of inside information related to securities trading
- Communication to all employees on policy and procedure relating to the acceptance of gifts in compliance with the Code of Conduct
- Self-assessments and tests of knowledge pertaining to the Code of Conduct on employees through an electronic system. The purpose is to collect useful data to improve corporate governance compliance supervision more effectively and appropriately.

Balance of Authority by Non-Executive Directors

The election of members of the Board of Directors follows the resolutions of shareholders' meetings, as well as the rules and regulations, and Articles of Association of the Bank. As of December 31, 2005, the Board of Directors comprised 17 members, including 2 executive Directors, 6 non-executive Directors, and 9 Independent Directors that account for 53 percent of the Board members in total. This is aimed at maintaining a balance between control and management. Binding agreements of the Bank must be signed by two authorized directors and affix with the common seal of the Company. The first groups of authorized 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. Any one 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 Kridakon, or Dr. Abhijai Chandrasen.

The Bank has defined the meaning of "Independent Director" in conformity with the Statement of Corporate Governance Principles of the Stock Exchange of Thailand, the provisions of the Bank of Thailand on the Structure of Directors for Promoting Good Governance at Commercial Banks, and the guidelines of the office of the Securities and Exchange Commission and the Stock Exchange of Thailand to create confidence among investors and to maintain a balance in good management. The Bank therefore has defined "Independent Director" as any director who does not take part in the management of the Bank, affiliated company or associated company; is independent from the management or controlling shareholders; and has no business relationship with the Bank in any way that may impact 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 management and not being an employee, staff member, adviser who receives a regular salary, nor being an auditor, lawyer, or other professional which would affect the giving of independent opinion to the Bank, affiliated company, associated company, nor having other such control over the Bank, affiliated company, associated company, nor being a person with a conflict of interest, except they have resigned from any such position for at least one year.
3. Having no direct or indirect business relationship which restricts the director's independence with an amount or value in significant proportion to the Bank's income, nor benefiting or interest in finance and management of the Bank, affiliated company, associated company, nor being 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 company, or associated company, nor being a person with a conflict of interest. Nor shall they be a representative of a director to safeguard the interests of a Bank director or majority shareholder.

Separation and Integration of Key Positions

The 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. In case where the Chairman and the Chief Executive Officer are one and the same person, or are related in anyway, then the Board shall nominate a senior director who is an independent director to perform specific functions where necessary that would be expected of an independent chairman of the Board of Directors.

Board of Directors

The Board of Directors of KASIKORNBANK according to the certification of the Ministry of Commerce, dated October 11, 2005, comprises 17 members, consistent with the Bank of Thailand's directives concerning board structure to enhance corporate governance of commercial banks, including:

- 2 executive Directors
- 6 non-executive Directors
- 9 independent Directors, exceeding 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. Prof. Khunying Suchada	Kiranandana *	Director
11. Prof. 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
17. Dr. Tian	Suning *	Director

* Independent Directors

Roles and Responsibilities of the Board of Directors

The Board of Directors holds responsibilities 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 stated in the Board of Directors' Charter, which are:

1. Supervise and manage the Bank so that it is in accordance with laws and the Bank's objectives, the Articles of Association and the resolutions of Shareholders' Meetings.
2. Approve the Vision, Mission, Value and Statement of 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 goal 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 the 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 purposes 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 policies, management development plans and remuneration policy. The Board shall nominate and select successors of the Chief Executive Officer and President as well as evaluate their performance and ensure an effective process for the Bank executive performance assessments.
8. Ensure the existence of an effective internal control system and appropriate risk management framework.
9. Ensuring 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 has established the Human Resources and Remuneration Committee to select and review nominated persons for the positions of directors, Chief Executive Officer and President. The Committee will consider qualified persons not having prohibited characteristics to be nominated as a director of a commercial bank or security firm based on criteria of the Bank of Thailand, the office of the Securities and Exchange Commission, the Stock Exchange of Thailand and other related agencies. They must possess the qualifications, skills, knowledge and basic experience defined by the Bank, which will be considered on a case by case basis. If there is no suitable person, the selection process will be restarted and new qualified persons will be proposed. For nomination of independent Directors, the Human Resources and Remuneration Committee will consider qualified persons not having prohibited characteristics as prescribed by the regulations of the Bank of Thailand and other regulatory authorities. Nominated directors must also meet the "independent director" definition of the Bank. Qualified personnel will be proposed to the Board of Directors and the General Meetings of Shareholders for approval. Nominated directors must also meet the "Independence Director" definition of the Bank. Qualified personnel will be proposed to the Board of Directors and the General Meetings of Shareholders for approval. After the General Meeting of Shareholders has passed the resolution to appoint a director, responsible agencies will register the change of director, and/or report to relating regulatory agencies within a given deadline. The Bank also organizes orientations for newly elected directors to provide information on their roles and responsibilities, as well as information related to the Bank's regulations and its committees, the Bank's core policies and the manual for financial institution directors, as a process to aid directors to understand 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 not more than 18 directors, whereby no fewer than half of all directors shall reside in the Kingdom of Thailand. The director may or may not be a shareholder of the Bank. 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) Persons receiving the highest number of approving votes among all candidates shall be elected in a respective order, 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. 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.

3. 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, shall be removed from the office immediately.

4. In the case of a 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, without prohibited characteristics, 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 by the Board of Directors

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, but within the confines of an appropriate control system. 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 related, 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 functions, 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 international 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 Network Managers, Regional 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 on 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.

Moreover, the Board also conducted meetings without the participation of executive Directors to evaluate the performance of the Chief Executive Officer and the President.

In 2005, the Board held a total of 15 meetings: Details of each Director's attendance are appeared under the item of Meeting Attendance of each Committee in 2005 (Page 215).

Advisers to the Board of Directors

The Board of Directors appointed a number of 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 directors 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, Corporate Governance Committee, Human Resources and Remuneration Committee, and 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, certain directors have been appointed as Advisory Directors to the Management Committee, with the duty of providing consultation as the Board deems appropriate.

Moreover, the Bank has also appointed eight 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 three independent members. At present, there are four members and at least one of them must have specific knowledge, understanding or experience in accounting and finance. Included are the following persons:

- | | | | |
|----|------------------------|----------------|-----------|
| 1. | M.R. Sarisdiguna | Kitiyakara | Chairman |
| 2. | Mr. Somchai | Bulsook | Member |
| 3. | Prof. Khunying Suchada | Kiranandana | Member |
| 4. | Ms. Elizabeth | Sam | Member |
| 5. | Mr. Vasant | Chariyantiwate | Secretary |

The Committee holds meetings and reviews the operations regularly in accordance with its charter. In 2005, 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 stated in the Audit Committee Charter approved by the Board of Directors, as follows:

1. Review the Bank's quarterly, half-year and annual financial statements with the Bank's Financial and Control Division and jointly review these with the Bank's external auditor. This is to ensure as much as possible that the financial statements exhibit the accurate and reliable financial status of the Bank, as well as complying with accounting standards, laws and standards related to the Bank.

2. Review the effectiveness and adequacy of all risk management processes and the internal control system by discussing and evaluating operational results of the Bank's 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, laws and regulations related to commercial banking business.

4. Review the effectiveness and adequacy of the internal audit system.

5. Evaluate operational results of the Bank's external auditors, consider and propose to the Board of Directors the appointment of the Bank's external auditors each year, as well as the audit fees.

6. Review related transactions and consider disclosures of the Bank's information on related transactions, or those that might contain a conflict of interest, to ensure transparency and fairness.

7. Prepare the Audit Committee's reports and submit to the Board of Directors its resolutions, after each meeting, as well as producing an annual report summarizing actions of the Audit Committee signed by the Chairman of the Audit Committee to be included in the Bank's annual report.

8. Consult with executives or outside experts concerning items or activities that the Board of Directors might deem related to the Bank's supervision duties.

9. Review its charter and the previous year's performance at least once a year, taking into account the assessment or opinions of the Chairman of the Board of Directors.

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 three members. At present, there are two non-executive directors and one independent director, namely:

1. Pol. Gen. Pow	Sarasin	Chairman
2. Mr. Sukri	Kaocharern	Member
3. Prof. Dr. Yongyuth	Yuthavong	Member
4. Ms. Sumontip	Otrakul	Secretary

In 2005, the Corporate Governance Committee held five meetings and has reported all meeting resolutions to the Board of Directors.

Roles and Responsibilities of the Corporate Governance Committee

The Corporate Governance Committee has duties and responsibilities as stated in the Corporate Governance Committee Charter 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 and best practices in Corporate Governance.
3. Formulate the Statement of Business Conduct and the Code of Conduct for the Bank's employees, and disseminate or communicate to all concerned as practice guidelines, and for public information.
4. Develop and set up a plan for overseeing the Corporate Governance's compliance.
5. Review announcements concerning good corporate governance to prepare and present in the Bank's reports.
6. Recommend the best practices for the Board of Directors and propose guidelines for the Board of Directors Charter, as well as other Board Committee Charters.
7. Recommend the Statement of Business Conduct for the Bank's business practices and the Code of 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. Oversee Good Corporate Governance at the Bank to ensure good corporate governance practice

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 three non-executive Directors. At present, there are three members; 2 of them are independent directors, including the Chairman of the Human Resources and Remuneration Committee, and a non-executive director, namely:

- | | | | |
|----|-----------------|-----------------|-----------|
| 1. | Dr. Schwin | Dhammanungune * | Chairman |
| 2. | M.R. Yongswasdi | Kridakon | Member |
| 3. | Mr. Chaisak | Saeng-Xuto | Member |
| 4. | Mr. Somkiat | Sirichatchai | Secretary |

** Dr. Schwin Dhammanangune superseded Mr. Charles L. Coltman, III as Chairman of the Human Resources and Remuneration Committee on April 8, 2005.*

In 2005, the Human Resources and Remuneration Committee held seven 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 stated in the Human Resources and Remuneration Committee Charter 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 strategies.

2. 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.

3. Review the remuneration strategy and propose for the Board's endorsement, as well as review the salaries and benefits of senior management.

4. Establish the terms and conditions for the President and Chief Executive Officer's employment contracts, their remuneration, as well as seek and recommend qualified successors to the President and the Chief Executive Officer when considered necessary.

5. Review the composition, size, experience and remuneration of the Board of Directors, as well as select and recommend candidates with proper qualifications to the Board prior to further submittal for appointment at a General Meeting of Shareholders.

4. Risk Management Committee

The Board of Directors approved to change the status of the Internal Risk Management Sub-committee to that of the Risk Management Committee on April 29, 2004. Each member has a 2-year term and the Committee must comprise at least 7 directors and executives. At present, the committee comprises eleven members, two of which are Executive Directors, plus one Non-executive Director and eight 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. Krisada	Lamsam	Member
7.	Mr. Teeranun	Srihong	Member
8.	Mr. Sasawat	Virapriya	Member
9.	Mr. Surasak	Dudsdeemaytha	Member
10.	Mr. Chartchai	Sundharagiati *	Member
11.	Mr. Prasopsuk	Damrongchietanon	Member and Secretary

** Appointed on February 1, 2006. Memberships of Mr. David L. Hendrix, Ms. Patcharin Vongsiridej, and Ms. Kattiya Indaravijaya have ended.*

In 2005, the Risk Management Committee held 14 meetings and reported to the Board of Directors per their assigned duties. The committee ensures that the Bank has established an effective risk management system 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.

Roles and Responsibilities of the Risk Management Committee

The Risk Management Committee has duties and responsibilities as stated in the Risk Management Committee Charter 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 of such matters. These policies must cover various types of risks associated with strategies, liquidity, credit, market, operational or other significant risks to the Bank.

3. Formulate strategies on the organization and resources used in the Bank's risk management to conform to 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 appetites and propose these to the Board of Directors for consideration.

5. Monitor, review and propose to the Board of Directors risk management policy, standard practices, strategies and an overall risk management system that will ensure that risk management procedures are effectively implemented.

5. Advisory Directors to the Management Committee

The Board of Directors and the 88th General Meeting of Shareholders on April 4, 2000, approved the establishment of the Advisory Directors to the Management Committee, comprising five members, namely:

- | | |
|-------------------|------------|
| 1. Mr. Banyong | Lamsam |
| 2. Pol. Gen. Pow | Sarasin |
| 3. M.R.Yongswasdi | Kridakon |
| 4. Mr. Sukri | Kaocharern |
| 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 eight members, namely:

- | | | |
|------------------|----------------|----------|
| 1. Mr. Banthoon | Lamsam | Chairman |
| 2. Dr. Prasarn | Trairatvorakul | Member |
| 3. Dr. Piengchai | Pookakupt | Member |
| 4. Mr. Boontuck | Wungcharoen | Member |
| 5. Mr. Somkiat | Sirichatchai | Member |
| 6. Mr. Krisada | Lamsam* | Member |
| 7. Mr. Teeranun | Srihong* | Member |
| 8. Mr. Sasawat | Virapriya* | Member |

**Appointed on January 1, 2006. Memberships of Mr. Apichai Bunyakiat, Mr. David L. Hendrix, and Mr. Richard A. Clarke have ended.*

In 2005, the Management Committee held a total of 51 meetings and has reported all meeting resolutions to the Board of Directors.

Roles and Responsibilities of the Management Committee

The Management Committee has duties and responsibilities as stated in the Management Committee Charter 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 assigned by the Board of Directors, or by specific resolutions 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 the authority delegated by the Board of Directors, and per their established management jurisdiction over the Bank.

4. Management Committee Chairman shall submit the Minutes of Management Committee Meetings to the Board of Directors for acknowledgement. However, policy-related issues, or issues likely to have significant impact on the Bank's business, or issues requiring action by the Board of Directors in compliance with laws or the Bank's Memorandum of Association must be pre-approved by the Board of Directors. This also includes issues that the Management Committee considers appropriate for approval by the Board of Directors to be presented on a case-by-case basis, or under the criteria designated by the Board of Directors.

5. The Management Committee shall have the responsibility and authority to undertake activities in order to achieve the Bank's targets, including:

5.1 Preparation and review of strategic objectives, financial plans and key policies of the Bank, to be submitted to the Board of Directors for approval.

5.2 Consideration of the annual business plans, capital expenditures, performance targets, and other initiatives to achieve the Bank's targets, including projects with capital expenditures, in excess of budgets designated by the Board of Directors, to be submitted to the Board of Directors for approval.

5.3 Consideration and approval of other issues placed under their legitimate authority, or as delegated by the Board of Directors.

5.4 Review of management authority in various aspects stipulated in the approval authority hierarchy, to be submitted for approval by the Board of Directors.

5.5 Management and creation of a balance between short-and-long term objectives.

5.6 Developing and ensuring that the human resources implementation is in line with the human resources strategies approved by the Human Resources and Remuneration Committee.

5.7 Selecting and recommending suitable candidates to be appointed in senior management level of First Senior Vice President and above, to the Human Resources and Remuneration Committee, and submit to the Board for approval, as well as 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 work 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 to the Board of Directors for consideration and approval.

5.11 Communicating with stakeholders as deemed appropriate per their delegated authority alignment.

Selection of Management

The Management Committee has the duty is to select qualified candidates to be appointed as management at the position of First Senior Vice President and above, to be submitted to the Human Resources and Remuneration Committee for further submission to the Board of Directors for approval. As for the appointment of management positions of lower ranking, Division Heads shall select qualified candidates to be nominated and approved by the Management Committee, or the Chief Executive Officer.

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 of the Bank. There are eight Sub-committees, effective on March 1, 2006, namely:

1. Information Technology Sub-committee
2. Assets and Liabilities Management Sub-committee
3. Corporate Business Debt Recovering and Restructuring Sub-committee
4. Retail and SME Debt Recovery and Restructure Sub-committee
5. Foreclosed Property Management Sub-committee
6. Information Infrastructure Sub-committee
7. Product Pricing Sub-committee
8. Credit Policy Sub-committee

Meeting attendance of each committee in 2005

Unit : Time

Board Members	Board of Directors (Total 15 meetings)	Corporate Governance Committee (Total 5 meetings)	Risk Management Committee (Total 14 meetings)	Audit Committee (Total 11 meetings)	Human Resources and Remuneration Committee (Total 7 meetings)
Mr. Banyong Lamsam	14				
Pol. Gen. Pow Sarasin	11	5			
Mr. Banthoon Lamsam	14		4		
Dr. Prasarn Trairatvorakul	13		14		
Mr. Sukri Kaocharern	14	5			
M.R. Sarisdiguna Kitiyakara	15			11	
M.R. Yongswasdi Kridakon	11				7
Mr. Somchai Bulsook	15			9	
Ms. Sujitpan Lamsam	15		11		
Prof. Khunying Suchada Kiranandana	14			9	
Prof. Dr. Yongyuth Yuthavong	11	5			
Dr. Abhijai Chandrasen	15				
Mr. Charles L. Coltman, III	14				
Ms. Elizabeth Sam	13			8	
Mr. Chaisak Saeng-Xuto	14				7
Dr. Schwin Dhammanungune	14				7
Dr. Tian Suning (Appointed as Board of Director on April 8, 2005)	7				

Remarks:

- The number of members in each committee

The Board of Directors	17 members
Corporate Governance Committee	3 members
Risk Management Committee (Comprising 3 Board members)	11 members
Audit Committee	4 members
Human Resources and Remuneration Committee	3 members

- Details of meeting attendance through Teleconferencing system of each Committee --

The Board of Directors

Ms. Sujitpan Lamsam	9 Meetings
Mr. Charles L. Coltman, III	11 Meetings
Ms. Elizabeth Sam	1 Meeting
Dr. Tian Suning	7 Meetings

Risk Management Committee

Ms. Sujitpan Lamsam	10 Meetings
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Audit Committee

Ms. Elizabeth Sam	6 Meetings
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Four committee members; Mr. Charles L. Coltman, III, Mrs. Elizabeth Sam, Dr. Tian Suning 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 director's remuneration, to be submitted for consideration by the Board of Directors for further submission for approval by the General Meeting of Shareholders, 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 Directors remuneration policies have been approved by the Annual General Meeting of Shareholders No. 93 on April 8, 2005.

The remuneration for the Management is paid according to policies and criteria set by the Board of Directors. It ties directly to the performance of the Bank and each individual performance. The Human Resources and Remuneration Committee shall propose 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 2005, 17 directors received remuneration for directors, for the Advisory Directors to the Management Committee, Members of the Audit Committee, the Corporate Governance Committee, the Human Resources and Remuneration Committee, and as the Legal Adviser together with a bonus at the rate of 0.5 percent of the dividend, totaling Baht 47,193,000.

Remuneration for Directors in 2005

Mr. Banyong Lamsam	Received remuneration for Chairman and Advisory Director to the Management Committee, totaling Baht 6,960,000, and a bonus of Baht 1,354,000.
Pol. Gen. Pow Sarasin	Received remuneration as Vice Chairman and the Advisory Director to the Management Committee, totaling Baht 5,196,000; as Chairman of the Corporate Governance Committee amounting to Baht 360,000, and a bonus of Baht 1,015,000.
Mr. Banthoon Lamsam	Received remuneration totaling Baht 840,000, and a bonus of Baht 677,000
Dr. Prasarn Trairatvorakul	Received remuneration totaling Baht 840,000, and a bonus of Baht 677,000.
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, and a bonus of Baht 677,000.
M.R. Sarisdiguna Kitiyakara	Received remuneration as a Director totaling Baht 840,000; as Chairman of the Audit Committee, amounting to Baht 720,000, and a bonus of Baht 677,000.
M.R. Yongswasdi Kridakon	Received remuneration as a Director and the Advisory Director to the Management Committee, totaling Baht 2,640,000; as a Member of the Human Resources and Remuneration Committee, amounting to Baht 240,000, and a bonus of Baht 677,000.
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, and a bonus of Baht 677,000.
Ms. Sujitpan Lamsam	Received remuneration as a Director totaling Baht 840,000, and a bonus of Baht 677,000.

Prof. Khunying Suchada Kiranandana	Received remuneration as a Director totaling Baht 840,000 as a Member of the Audit Committee, amounting to Baht 600,000, and a bonus of Baht 677,000.
Prof. 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, and a bonus of Baht 677,000.
Dr. Abhijai Chandrasen	Received remuneration as a Director and Legal Adviser totaling Baht 4,440,000, and a bonus of Baht 677,000.
Mr. Charles L. Coltman, III	Received remuneration as a Director totaling Baht 840,000 as Chairman of the Human Resources and Remuneration Committee amounting to Baht 30,000, and a bonus of Baht 677,000.
Ms. Elizabeth Sam	Received remuneration as a Director totaling Baht 840,000; as a Member of the Audit Committee amounting to Baht 600,000, and a bonus of Baht 677,000.
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, and a bonus of Baht 677,000.
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 330,000, and a bonus of Baht 677,000.
Dr. Tian Suning	Received remuneration as a Director totaling Baht 630,000.

Remarks: Dr. Tian Suning was appointed the position of Director on April 8, 2005.

1.2 Remuneration for advisers to the Board of Directors totaled Baht 1,056,000.

1.3 Management remuneration: In 2005, executives from the position of Executive Vice Presidents and higher totaling 9 persons, received remuneration including salaries, living expenses, special bonuses from the Bank totaling Baht 139,411,184.57

Other remuneration

2.1 Remuneration for directors: none

2.2 Remuneration for advisers to the Board of Directors: none

2.3 Remuneration for Executives: 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 Baht10 (par) common share at a price of Baht 30 per share. The Bank received approval (by the Annual General Meeting of Shareholders) to offer 18.5 million units in Phase 1, of which 15,612,600 units were allocated to employees in August 2000. The first exercise date was December 28, 2001, and the final exercise date was December 30, 2005. The Bank also received approval to offer 5 million warrant units 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 will December 29, 2006.

In Phase 3, the Bank was approved to offer 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 Annual 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, 2005, the total number of exercised warrants was 28,093,250 units, with 12,848,720 units from Phase 1, 2,275,820 units from Phase 2, and 12,968,710 units from Phase 3.

Furthermore, the Bank's executives at positions of Executive Vice President and higher totaling 9 persons received remuneration derived from provident funds in 2005 totaling Baht 3,690,059.10.

Internal Control and Auditing Systems

The Board of Directors and senior management have placed significant emphasis on efficient internal control system and bound to maintain the culture which recognizes risk and internal control as important parts of the Bank's overall operational activities.

A system of effective internal controls is a critical component of Bank management and a foundation for the safe and sound operation of the bank. It helps to ensure that the goals and objectives of the Bank will be met, that the Bank will achieve long-term profitability targets, and maintain reliable financial and managerial reporting. Such a system can also help to ensure that the Bank will comply with laws and regulations as well as policies, plans, internal rules and procedures, and decrease the risk of unexpected losses or damage to the Bank's reputation.

Internal control and auditing can be summarized, as follows:

1. The Audit Committee is responsible for reviewing the adequacy and effectiveness of all risk management processes and the internal control system through discussions with and an evaluation of the work performed by internal auditors and the external auditors. The discussion normally includes the auditors' scopes of work, roles and responsibilities, audit plans, and audit results regarding the adequacy and effectiveness of the internal control system. Major recommendations or material deficiencies would be immediately reported to the Board of Directors for timely and effective action.

2. The Risk Management Committee has been established with the duty to assist the Board of Directors in its responsibility to oversee that the Bank's overall risk management process is at appropriate level. The Committee is also responsible for setting, assessing, reducing, monitoring and reporting risk levels for acknowledgement of the Board of Directors.

3. The Compliance and Audit Division reports directly to the Audit Committee. Using a risk based approach, the Division is responsible for providing an objective assurance services on the diverse operations within the Bank and its subsidiaries. The scope of work includes an evaluation of the operations in accordance with laws and regulations of regulatory agencies, operational procedures and the Statement of Business Conduct of the Bank as well as an assessment of the adequacy and effectiveness of the risk management and internal control processes. Audit results are reported to the Audit Committee on a quarterly basis. Major recommendations or material deficiencies would be immediately reported to the President as well as relevant Division's head for timely and effective action.

4. Controlled environment is enhanced by establishing the internal control framework and the written policies and operational procedures for the different functions of the Bank. Training and orientation programs have been provided for employees 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 to ensure efficiency, transparency and fairness in actions for the benefit of all stakeholders. Beside this, the Bank has also carried out a regular self-assessment on operations and internal control, conducted by business functions to promote awareness of good control environment.

5. Risk identification and assessment covers all material risks of the Bank and its subsidiaries that could adversely affect the achievement of the Bank's goals, i.e. strategic risk, credit risk, market risk, interest rate and exchange rate risk, liquidity risk, operational risk, legal risk - including compliance risk on rules and regulations of the Bank of Thailand, and other regulatory authorities, and reputation risk, etc.

6. Appropriate and effective internal control system is set under the segregation of duty concept by separating operation, control and assessment, to create a proper check-and-balance working environment. Area of potential conflicts of interest are identified and subjected to careful independent monitoring. Operations of the Bank and its subsidiaries has continuously been audited and monitored.

7. Continuous development of IT and database system is in place to provide accurate and current information, sufficient for timely decision-making by executives and the Board of Directors. This includes financial, operational, and compliance database to monitor effectiveness of internal control system for a prompt corrective action, when significant errors occur. The Bank also provides effective communication channel to ensure that all employees understand and adhere to the policies and procedures affecting their duties and responsibilities.

Report of the Board of Directors

It is the duty of the Board of Directors 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 are appropriate and effective. Pursuant to this, the Board has appointed the Audit Committee to oversee the quality of the Bank's Financial Statements and the internal control system, as well as other related processes in compliance with generally accepted accounting standards. The Audit Committee tasks are also to ensure that 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 (Page 67).

Investor Relations

Realizing the importance of information disclosures, the Bank has supervised and set clear policies, approved by the Board of Directors, concerning communications with external parties. The objective of this policy is to ensure that disclosures of the Bank's financial and general information to its shareholders, investors and the general public will be accurate, complete timely, equally accessible to all, and in accordance with related laws and regulations. The Bank's information is disseminated via various channels:

1. The Stock Exchange of Thailand, -
 - 1.1 The Annual Report Form
 - 1.2 The Bank's Financial Statements
 - 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 Stations
7. KASIKORNBANK PR News
8. KASIKORNBANK website (www.kasikornbankgroup.com)
9. Company Visits/One-on-One Meetings
10. Non-deal Roadshows
11. Analysts' Meetings
12. Press Conferences
13. Written communication to KASIKORNBANK shareholders by mail

The Bank has granted the Chairman, the Chief Executive Officer, the President and the Executive assigned to be the Chief Investor Relations Officer of the Corporate Secretariat Division, and/or the officers assigned to be the Head of Investor Relations Officers in the Corporate Communications and Administration Department with the authority to reveal the Bank's information, as well as reply to questions of investors who are the Bank's shareholders or those interested in purchasing the Bank's stock. The Investor Relations Unit was also established as part of the Corporate Communications and Administration Department, with the objective and responsibility of handling investor relations-related activities. It serves as the focal point to provide information and 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 Bank established the Investor Relations Unit on May 18, 1998, being initially called 'Investor Relations and Shareholders' Services', under the Executive Office of the Corporate Secretariat Division. Then, on December 20, 2001, the Investor Relations and Shareholders' Services Unit was transferred to the Corporate Communications Department (CN) of the Corporate Secretariat Division. It was restructured on September 29, 2003, and the Corporate Communications Department was renamed the Corporate Communications and Administration Department, which directly supervises the Investor Relations Unit.

In 2005, the Bank's executives and the Investor Relations Unit met with related persons to provide information. Their activities are, as follow:

Meeting	No of Meetings	No of Companies	No of Persons
One-on-one Meetings	207	347	442
Conference Calls	16	18	18
Group Analyst Meetings	17	185	207
Investor Conferences	1	21	23
Roadshows	1	39	48
Total	242	610	738



Of the above figures, seven meetings were with 59 persons from 47 companies who met with the Bank's Chief Executive Officer.

In 2005, KASIKORNBANK Investor Relations received recognition from many institutions and investor polls conducted by international magazines, i.e. -

1. IR Magazine presented the "Best IR in the Singapore Market by a Thai Company" Award to KASIKORNBANK, for the third consecutive year, at IR Magazine Awards 2005 fair, which was arranged by IR Magazine, in collaboration with the Stock Exchange of Singapore on November 8, 2005.

2. The Stock Exchange of Thailand selected KASIKORNBANK as "1 of 3 listed companies on the Stock Exchange nominated for the Best Investor Relations of Thailand 2005" at the SET Award 2005 Fair on July 18, 2005. The Bank has also received this award in 2004.

Contact Investor Relations: Investor Relations Unit, Corporate Communications and Administration Department.

E-mail	:	IR@kasikornbank.com
Thai Investors, registrar	:	Tel: 0 2470 2663 to 7 Fax: 0 2470 2747
Foreign Investors	:	Tel: 0 2470 2659 to 62 Fax: 0 2470 2680

Corporate Secretary

The Bank has assigned a Secretary to the Board who has the knowledge and experience to handle the Corporate Secretariat function, with the Corporate Communications and Administration Department (CN) as a support unit, consistent with the Statement of Corporate Governance Principles, for efficient management of the Bank.

The main duties and responsibilities of the corporate secretary include:

- Providing primary advice pertaining to laws and regulations governing commercial bank business and the Bank's Articles of Association, monitoring compliance of actions on a regular basis, and reporting on any significant changes to the Board.
- Arranging meetings for shareholders and meetings of the Board of Directors in accordance with laws and regulations, and the Bank's Articles of Association and procedures.
- Preparing meeting minutes for shareholder and Board of Directors meetings, and monitoring subsequent actions for compliance with the resolutions of shareholder and Board meetings.
- Ensuring that corporate information disclosures to regulatory agencies are in accordance with laws and regulations.
- Informing general shareholders of their legitimate rights and disseminating the Bank's information.
- Assisting in Board activities.

Self-Assessment by the KASIKORNBANK Board of Directors

The Bank has established a self-assessment process for the KASIKORNBANK Board of Directors. It serves as a tool for reviewing performance, 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 complies with the Statement of Corporate Governance Principles. Assessments of the Board of Directors are conducted in two ways, i.e.,

- Performance assessments of the Board of Directors
- Self-assessments

In conducting the two assessments, an assessment form is prepared in line with the Statement of Corporate Governance Principles, as well as the roles and responsibilities of the Board of Directors. The Board of Directors of KASIKORNBANK conducts self-assessments once a year that are concluded to achieve the objectives established by the Bank.

In 2004, the Corporate Governance Committee endorsed Self-Assessment Forms for four Board Committees, i.e., the Audit, Corporate Governance, Human Resources and Remuneration, and Risk Management Committees. These Forms are to be used for annual self-assessments to be presented to the Chairman of the Board for consideration.

The Bank has also created Self-Assessment Forms for the Chief Executive Officer and President, which are in line with the Bank's goals and annual Business Plan. The Human Resources and Remuneration Committee submits the assessment results to Board of Directors meetings for consideration. This is a part of the roles and responsibilities of the Board of Directors designated in the Board of Directors' Charter.

Appointment of External Auditors and Consideration of Audit Fees

The Audit Committee considers the qualifications and operations of external auditors for recommendation to the Board of Directors on the appointment of the Bank's auditors, each year, including the audit fees to propose for approval at the Shareholders Meeting. The list of external auditors to be proposed as the Bank's auditors must also be approved by the Bank of Thailand.

In 2005, the remuneration for external auditors comprised:

1. Audit Fees

The Bank and its subsidiary companies have paid audit fees to:

- Auditors of the Bank totaling Baht 8,710,000 in the past accounting year.
- The respective audit company or its independent, contracted auditors, including individuals of business entities

related to the auditors and the respective audit company, totaling Baht 7,595,000 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:

- Auditors of the Bank totaling Baht 6,490,000* over the past accounting year, together with future payments of Baht -0-, due to incomplete work in the past accounting year.

• The respective audit company of external, contracted auditors, including individuals or business entities related to the auditors and their respective audit company, totaling Baht -0- over the past accounting year, together with future payments of Baht -0-, due to the incomplete work in the past accounting year.

* Excluding VAT

Factors Affecting Investment Decisions

Legal Disputes

Other than the lawsuit incurred pursuant to an ordinary banking-business operation, KASIKORNBANK has no controversy against any other entities where KASIKORNBANK is a litigant or a concerning party and such controversy is still pending or may cause any negative impact to KASIKORNBANK's assets causing by the litigation with its litigated sum (excluding interest and expenses) greater than 5% of shareholders' equity according to the balance sheets as of the latest fiscal year-end.

However, there have been pending trials that arose from normal banking business operations with litigated sum totaling to Baht 9,198 million. The executive of KASIKORNBANK has an opinion that all the aforementioned lawsuits will not fundamentally impair banking business operation of KASIKORNBANK.



KASIKORNBANK ORGANIZATION STRUCTURE

BOARD OF DIRECTORS

BORAD OF DIRECTORS AND EXECUTIVES OF KASIKORNBANK

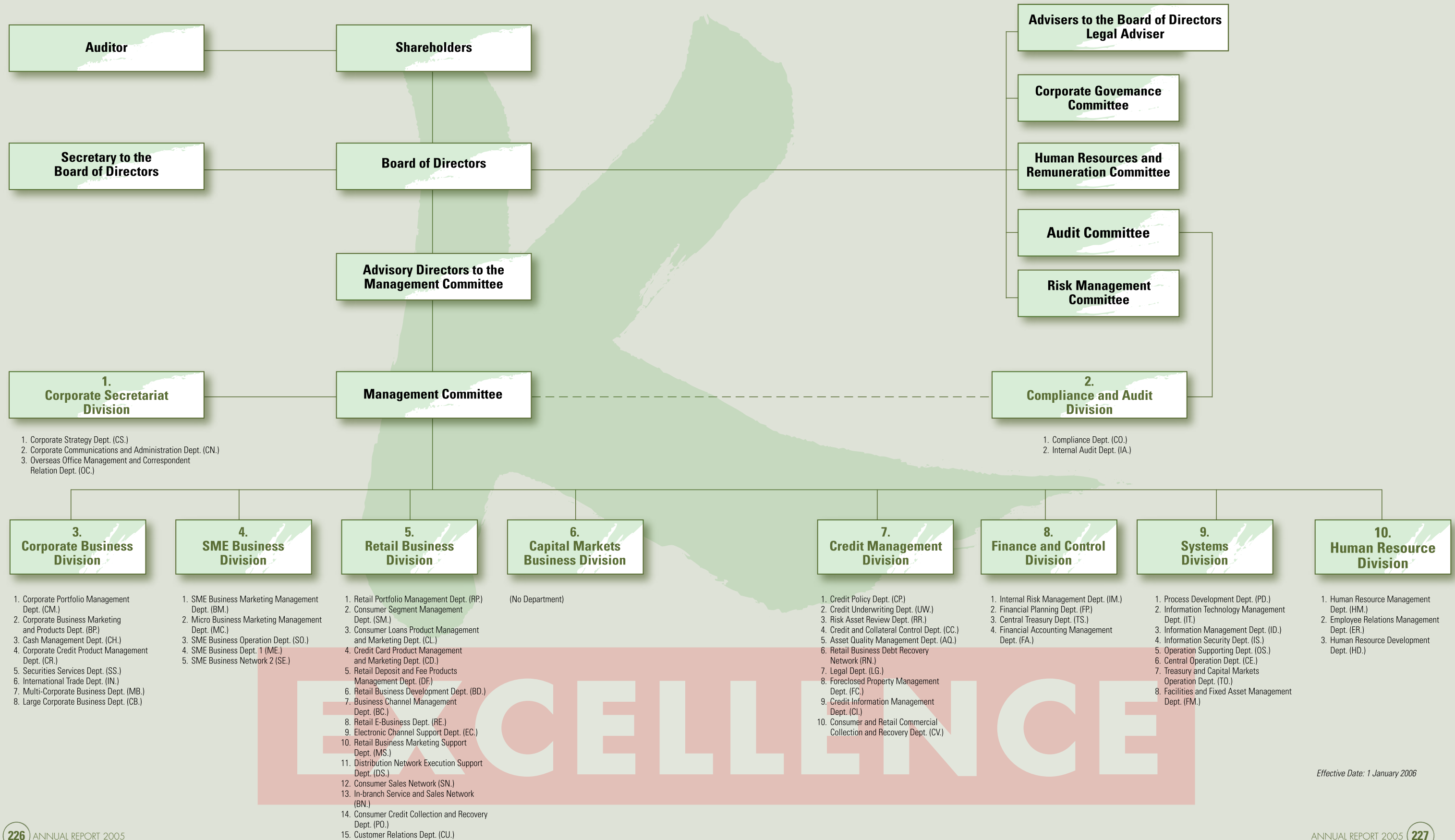
INVESTMENTS OF KASIKORNBANK IN OTHER COMPANIES

1983

Phahon Yothin

Amid flourishing national development, with banking and finance as the driving mechanism, the Bank's executives at that time were looking for a location to establish the third new headquarters, with the aim of expanding into a new business area, as well. Finally, the new office building was built on Phahon Yothin Avenue on February 7, 1983. The image of an electronic-era bank led to expansion of branches and vast developments in efficiency.

KASIKORNBANK ORGANIZATION STRUCTURE



EXCELLENCE

Effective Date: 1 January 2006

BOARD OF DIRECTORS



Chairman

1. Mr. Banyong Lamsam

Vice Chairman

2. Pol. Gen. Pow Sarasin

Directors

3. Mr. Banthoon Lamsam
4. Dr. Prasarn Trairatvorakul
5. Mr. Sukri Kaocharern
6. M.R. Sarisdiguna Kitiyakara
7. M.R. Yongswasdi Kridakon
8. Mr. Somchai Bulsook
9. Ms. Sujitpan Lamsam
10. Professor Khunying Suchada Kiranandana
11. Professor Dr. Yongyuth Yuthavong
12. Dr. Abhijai Chandrasen
13. Mr. Charles L. Coltman, III
14. Ms. Elizabeth Sam
15. Mr. Chaisak Saeng-Xuto
16. Dr. Schwin Dhammanungune
17. Dr. Tian Suning

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

BORAD OF DIRECTORS AND EXECUTIVES OF KASIKORNBANK

Name/Position	Age	Education	Family Relationship	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)	73	<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. Banthoon Lamsam	1992 – Present	Chairman	KASIKORNBANK PUBLIC COMPANY LIMITED
				2000 – Present	Advisory Director to the Management Committee	KASIKORNBANK PUBLIC COMPANY LIMITED
				1992 – Present	Director	Com-Link Company Limited
				1991 – Present	Chairman	Dole Thailand Limited
2. Pol. Gen. Pow Sarasin Vice Chairman, Advisory Director to the Management Committee, and Chairman of the Corporate Governance Committee (Authorized Signature)	76	<ul style="list-style-type: none"> • Bachelor of Science (Chemistry), Johns Hopkins University, U.S.A. • Bachelor of Science (Criminology), University of California, U.S.A. • Directors Accreditation Program (DAP), Thai Institute of Directors 	-	1992 – Present	Vice Chairman	KASIKORNBANK PUBLIC COMPANY LIMITED
				2000 – Present	Advisory Director to the Management Committee	KASIKORNBANK PUBLIC COMPANY LIMITED
				2002 – Present	Chairman of the Corporate Governance Committee	KASIKORNBANK PUBLIC COMPANY LIMITED
				1993 – Present	Chairman	Mitsubishi Elevator Asia Company Limited
				1994 – Present	Honorary Chairman and Independent Director	Charoen Pokphand Foods Public Company Limited
				2002 – Present	Director	Siam Food Public Company Limited
				2002 – Present	Director	Quality House Public Company Limited
				3. Mr. Banthoon Lamsam Director, and Chief Executive Officer, and Chairman of the Risk Management Committee (Authorized Signature)	53	<ul style="list-style-type: none"> • MBA, Harvard University, U.S.A. • Directors Certification Program (DCP), Thai Institute of Directors
2003 – Present	Chairman of the Risk Management Committee	KASIKORNBANK PUBLIC COMPANY LIMITED				
1992 – 2004	Director and President	KASIKORNBANK PUBLIC COMPANY LIMITED				
1997 – Present	Director	Santikaset Company Limited				
1999 – Present	Chairman	KASIKORN RESEARCH CENTER COMPANY LIMITED				

Name/Position	Age	Education	Family Relationship	Experiences Over Past 5 Years		
				Period	Position	Company/Organization
4. Dr. Prasarn Trairatvorakul Director and President, and Member of the Risk Management Committee (Authorized Signature)	54	<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
				2005 – Present	Chairman	KASIKORN FACTORING COMPANY LIMITED
				December 2004 – Present	Chairman	KASIKORN LEASING COMPANY LIMITED
				1999 - 2003	Secretary- General	Office of the Securities and Exchange Commission
5. Mr. Sukri Kaochareon Director, Advisory Director to the Management Committee, and Member of the Corporate Governance Committee (Authorized Signature)	68	<ul style="list-style-type: none"> • Master of Science (Accounting), Southern Illinois University, U.S.A. • Directors Accreditation Program (DAP), Thai Institute of Directors 	-	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 Limited
				1990 – Present	Director and Chairman of the Audit Committee	Jutha Maritime Public Company Limited
				1994 – Present	Chairman	Indorama Polymers Public Company Limited
				2002 – Present	Chairman of the Audit Committee	Ministry of Commerce
				2003 – Present	Commissioner	Agricultural Futures Trading Commission
6. M.R. Sarisdiguna Kitiyakara Director, and Chairman of the Audit Committee	69	<ul style="list-style-type: none"> • M.A. (Engineering), Cambridge University, England • Chairman 2000, Thai Institute of Directors 	-	1985 – Present	Director	KASIKORNBANK PUBLIC COMPANY LIMITED
				2000 – Present	Chairman of the Audit Committee	KASIKORNBANK PUBLIC COMPANY LIMITED

Name/Position	Age	Education	Family Relationship	Experiences Over Past 5 Years		
				Period	Position	Company/Organization
7. M.R. Yongswasdi Kridakon Directors, Advisory Director to the Management Committee, and Member of the Human Resources and Remuneration Committee (Authorized Signature)	78	<ul style="list-style-type: none"> Bachelor of Liberal Art, Randolph - Macon College, U.S.A. Director, Accreditation Program (DAP), Thai Institute of Directors 	-	1991 – Present	Director	KASIKORNBANK PUBLIC COMPANY LIMITED
				2000 – Present	Advisory Director to the Management Committee	KASIKORNBANK PUBLIC COMPANY LIMITED
				2002 – Present	Member of the Human Resources and Remuneration Committee	KASIKORNBANK PUBLIC COMPANY LIMITED
				1988 – Present	Deputy Director General	Bureau of the Crown Property
				1990 – Present	Director	Deves Insurance Company Limited
8. Mr. Somchai Bulsook Director, and Member of the Audit Committee	63	<ul style="list-style-type: none"> BBA, Menlo School of Business, U.S.A. Directors Certification Program (DCP), Thai Institute of Directors 	-	1993 – Present	Director	KASIKORNBANK PUBLIC COMPANY LIMITED
				1998 – Present	Member of the Audit Committee	KASIKORNBANK PUBLIC COMPANY LIMITED
				1992 – Present	Director and Executive Director	Bangkok Glass Industry Company Limited
				1996 – Present	President & CEO	Serm Suk Public Company Limited
				1997 – Present	Chairman	Serm Suk Beverage Company Limited
				2002 – Present	Director	Petform (Thailand) Company Limited
				2003 – Present	Director	Royal Orchid Hotel (Thailand) Public Company Limited
				2003 – Present	Director	Sheraton Royal Orchid Company Limited
				2003 – Present	Director	Thai Royal Orchid Real Estate Company Limited
				9. Ms. Sujitpan Lamsam Director, and Member of the Risk Management Committee (Authorized Signature)	47	<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
2003 – Present	Member of the Risk Management Committee	KASIKORNBANK PUBLIC COMPANY LIMITED				
2000 – Present	Director	Muang Thai Life Assurance Company Limited				
2000 – Present	Chairman	Phethai Asset Management Company Limited				
2005 – Present	Director	Phatra Insurance Public Company Limited				

Name/Position	Age	Education	Family Relationship	Experiences Over Past 5 Years		
				Period	Position	Company/Organization
10. Professor Khunying Suchada Kiranandana Director, and Member of the Audit Committee	60	<ul style="list-style-type: none"> • Ph.D. (Statistics), Harvard University, U.S.A. • Directors Certification Program (DCP), Thai Institute of Directors 	-	2000 – Present	Director	KASIKORNBANK PUBLIC COMPANY LIMITED
				2000 – Present	Member of the Audit Committee	KASIKORNBANK PUBLIC COMPANY LIMITED
				1997 – Present	President	Thai Statistical Association
				1998 – Present	Professor	Department of Statistics, Faculty of Commerce and Accountancy, Chulalongkorn University
				2004 – Present	Rector	Chulalongkorn University
				1999 – 2004	Dean	The Graduate School, Chulalongkorn University
11. Professor Dr. Yongyuth Yuthavong Director, and Member of the Corporate Governance Committee	62	<ul style="list-style-type: none"> • Ph.D. (Organic Chemistry), Oxford University, England • Directors Accreditation Program (DAP), Thai Institute of Directors 	-	2000 – Present	Director	KASIKORNBANK PUBLIC COMPANY LIMITED
				2002 – Present	Member of the Corporate Governance Committee	KASIKORNBANK PUBLIC COMPANY LIMITED
				1984 – Present	Member and Executive Board	Council of Trustee, Thailand Development Research Institute
				1998 – Present	Senior Researcher	National Center for Genetic Engineering and Biotechnology
				1998 – Present	Chairman	Advisory Board on ASEAN Plan of Action on Science and Technology
				1999 – Present 2004 – Present	President Senior Advisor	Thai Academy of Science and Technology National Science and Technology Development Agency
12. Dr. Abhijai Chandrasen Director, Legal Adviser, and Advisory Director to the Management Committee (Authorized Signature)	57	<ul style="list-style-type: none"> • Docteur en Droit (Honors), Paris University (Sorbonne), France • Directors Accreditation Program (DAP), Thai Institute of Directors 	-	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
				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
				1994 – Present	Director	Sammakorn Public Company Limited

Name/Position	Age	Education	Family Relationship	Experiences Over Past 5 Years		
				Period	Position	Company/Organization
13. Mr. Charles L. Coltman, III Director	63	<ul style="list-style-type: none"> Graduate Study in Asian Affairs, American University, U.S.A. 	-	2000 – Present	Director	KASIKORNBANK PUBLIC COMPANY LIMITED
				2002 – Present	Chairman of the Human Resources and Remuneration Committee	KASIKORNBANK PUBLIC COMPANY LIMITED
				1999 – Present	Chairman	Trump Lender Services 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	65	<ul style="list-style-type: none"> BA Honours (Economics), University of Singapore, Singapore 	-	2004 – Present	Chairman	We-Crush, LLC
				2001 – Present	Director and Audit Committee Member	KASIKORNBANK PUBLIC COMPANY LIMITED
				1999 – Present	Director	Asia Investment Corporation
				2000 – Present	Independent Director	Boardroom Limited
15. Mr. Chaisak Saeng-Xuto Director, and Member of the Human Resources and Remuneration Committee	61	<ul style="list-style-type: none"> MS (Engineering), University of California, Berkeley, U.S.A. Directors Accreditation Program (DAP), Thai Institute of Directors 	-	2001 – Present	Director	KASIKORNBANK PUBLIC COMPANY LIMITED
				2002 – Present	Member of the Human Resources and Remuneration Committee	KASIKORNBANK PUBLIC COMPANY LIMITED
				1999 – Present	Director	Thai British Security Printing Public Company Limited
				2000 – Present	Audit Committee Member	Samakki Insurance Public Company Limited
				2001 – Present	Adviser	Siam Cement Public Company Limited
				2001 – Present	Adviser to the Board	Siam Pulp and Paper Public Company Limited
16. Dr. Schwin Dhammanungne Director, and Chairman of the Human Resources and Remuneration Committee	52	<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	Director	KASIKORNBANK PUBLIC COMPANY LIMITED
				April 2005 – Present	Chairman of the Human Resources and Remuneration Committee	KASIKORNBANK PUBLIC COMPANY LIMITED
				2002 – March 2005	Member of the Human Resources and Remuneration Committee	KASIKORNBANK PUBLIC COMPANY LIMITED
				1993 – Present	President	LEARNET International (Thailand) Company Limited
				1999 – Present	Member of the Regulatory Committee of International Business Program	Eastern Asia University

Name/Position	Age	Education	Family Relationship	Experiences Over Past 5 Years		
				Period	Position	Company/Organization
				2003 – Present	Chairman of the Industrial Organization Program	Faculty of Psychology, Chulalongkorn University
				2005 – Present	Chairman	Irwin Company Limited
17. Dr. Tian Suning	43	• Ph.D. (Natural Director Management), Texas Tech University, U.S.A.	-	April 2005 – Present	Director Resource	KASIKORNBANK PUBLIC COMPANY LIMITED
				1999 – Present	Chief Executive Officer	China Netcom Group Corporation (Hong Kong) Limited
				2002 – Present	Vice President	China Network Communications Group Corporation
				2005 – Present	Vice Chairman	PCCW Limited
18. Mr. Apichai Bunyakiat Executive Vice President * Retired from the position of Executive Vice President on January 1, 2006	60	• Master of Science in Commerce, St. Louis University, U.S.A.	-	1997 – December 2005	Executive Vice President	KASIKORNBANK PUBLIC COMPANY LIMITED
				1994 – 1996	First Senior Vice President	KASIKORNBANK PUBLIC COMPANY LIMITED
19. Dr. Piengchai Pookakupt Executive Vice President	52	• Ph.D. International Business, University of Wisconsin - Madison, U.S.A. • Directors Certification, Thai Institute of Directors Association	-	1999 – Present	Executive Vice President	KASIKORNBANK PUBLIC COMPANY LIMITED
				1995 – 1998	First Senior Vice President	KASIKORNBANK PUBLIC COMPANY LIMITED
20. Mr. Boontuck Wungcharoen Executive Vice President	49	• Master of Business Administration, New York University, U.S.A.	-	1999 – Present	Executive Vice President	KASIKORNBANK PUBLIC COMPANY LIMITED
				1995 – 1998	First Senior Vice President	KASIKORNBANK PUBLIC COMPANY LIMITED
21. Mr. Richard A. Clarke Executive Vice President * Resigned from the position of Executive Vice President on November 1, 2005 and currently acts as Adviser to Chief Executive Officer	59	• Bachelor of Arts, University of Notre Dame, Indiana, U.S.A.	-	2002 – October 2005	Executive Vice President	KASIKORNBANK PUBLIC COMPANY LIMITED
				1998 – 2001	Managing Director and Group Head - Leveraged Finance	First Union Corporation, Philadelphia
				1995 – 1998	SVP and Senior Managing Director, Corporate Finance	CoreStates Financial Corporation, Philadelphia
				1991 – 1995	SVP and Managing Director-Syndication	CoreStates Financial Corporation, Philadelphia
				1989 – 1991	SVP, Specialized Banking group Head	CoreStates Financial Corporation, Philadelphia

Name/Position	Age	Education	Family Relationship	Experiences Over Past 5 Years		
				Period	Position	Company/Organization
22. Mr. David L. Hendrix Executive Vice President * Resigned from the position of Executive Vice President on January 1, 2006	62	<ul style="list-style-type: none"> Master of Arts Tufts University, U.S.A. 	-	2001 – December 2005 1997 – 2000 1995 – 1996 1986 – 1995	Executive Vice President Executive Vice President VP and GCB Country Head General Manager and CCO	KASIKORNBANK PUBLIC COMPANY LIMITED Bank of Asia, Bangkok, Thailand Citibank Taiwan Citibank Thailand
23. Mr. Somkiat Sirichatchai Executive Vice President	41	<ul style="list-style-type: none"> Master of Business Administration, University of Pennsylvania (Wharton), U.S.A 	-	2004 – Present 2001 – 2003	Executive Vice President First Senior Vice President	KASIKORNBANK PUBLIC COMPANY LIMITED KASIKORNBANK PUBLIC COMPANY LIMITED
24. Mr. Predee Daochai Executive Vice President	48	<ul style="list-style-type: none"> Master of Comparative Laws University of Illinois, U.S.A 	-	2004 – Present 2001 – 2004	Executive Vice President First Senior Vice President	KASIKORNBANK PUBLIC COMPANY LIMITED KASIKORNBANK PUBLIC COMPANY LIMITED
25. Ms. Chawiwarn Varophas First Senior Vice President (Finance and Control Division)	53	<ul style="list-style-type: none"> Master of Science, Syracuse University, U.S.A. M.B.A. (Management Data Systems), Syracuse University, U.S.A. 	-	2001 – Present 1996 – 2001 1995 – 1996	First Senior Vice President Senior Vice President Financial Planning Department First Vice President Financial Planning Department	KASIKORNBANK PUBLIC COMPANY LIMITED KASIKORNBANK PUBLIC COMPANY LIMITED KASIKORNBANK PUBLIC COMPANY LIMITED KASIKORNBANK PUBLIC COMPANY LIMITED
26. Mr. Prasopsuk Damrongchietanon First Senior Vice President (Finance and Control Division)	44	<ul style="list-style-type: none"> Master of Business Administration, University of Rochester, U.S.A. 	-	2003 – Present 2001 – 2003 1999 – 2001	First Senior Vice President Senior Vice President Internal Risk Management Department First Vice President Internal Risk Management Department	KASIKORNBANK PUBLIC COMPANY LIMITED KASIKORNBANK PUBLIC COMPANY LIMITED KASIKORNBANK PUBLIC COMPANY LIMITED

Name/Position	Age	Education	Family Relationship	Experiences Over Past 5 Years		
				Period	Position	Company/Organization
27. Ms. Siriluck Ratanachai Senior Vice President (Financial Planning Department)	39	<ul style="list-style-type: none"> Master of Business Administration, University of Chicago, U.S.A. 	-	2006 – Present	Senior Vice President Financial Planning Department	KASIKORNBANK PUBLIC COMPANY LIMITED
				2004 – 2005	Senior Vice President Financial Planning Department	KASIKORNBANK PUBLIC COMPANY LIMITED
				2000 – 2003	First Vice President Financial Accounting Management Department	KASIKORNBANK PUBLIC COMPANY LIMITED

CHANGES IN KASIKORNBANK SHARES HOLDINGS BY THE MANAGEMENT IN 2005

No.	Name	Position	KASIKORNBANK shares held as of 31 Dec 2004	KASIKORNBANK shares held as of 31 Dec 2005	Increase/Decrease in KASIKORNBANK shares held in 2005	Percentage of Shares Held (%)
1	Mr. Banyong Lamsam	Chairman	3,364,420	3,364,420	0	0.142
2	Pol. Gen. Pow Sarasin	Vice Chairman	344,388	344,388	0	0.015
3	Mr. Banthoon Lamsam	Chief Executive Officer	4,520,000	4,520,000	0	0.190
4	Dr. Prasarn Trairatvorakul	President	11,280	11,280	0	0.000
5	Mr. Sukri Kaocharern	Director	9,200	9,200	0	0.000
6	M.R. Sarisdiguna Kitiyakara	Director	48,430	48,430	0	0.002
7	M.R. Yongswasdi Kridakon	Director	260	260	0	0.000
8	Mr. Somchai Bulsook	Director	272,990	272,990	0	0.012
9	Ms. Sujitpan Lamsam	Director	50,000	50,000	0	0.002
10	Professor Khunying Suchada Kiranandana	Director	1,000	1,000	0	0.000
11	Professor Dr. Yongyuth Yuthavong	Director	0	0	-	-
12	Dr. Abhijai Chandrasen	Director and Legal Adviser	10,000	10,000	0	0.000
13	Mr. Charles L. Coltman, III	Director	15,000	15,000	0	0.001
14	Ms. Elizabeth Sam	Director	75,000	75,000	0	0.003
15	Mr. Chaisak Saeng-Xuto	Director	1,430	1,430	0	0.000
16	Dr. Schwinn Dhammanungune	Director	0	0	-	-
17	Dr. Tian Suning	Director	0	0	-	-
18	Mr. Apichai Bunyakiat ⁽²⁾	Executive Vice President	72,560	18,300	(54,260)	0.001
19	Dr. Piengchai Pookakupt	Executive Vice President	0	0	-	-
20	Mr. Boontuck Wungcharoen	Executive Vice President	0	0	-	-
21	Mr. Richard A. Clarke ⁽³⁾	Executive Vice President	0	0	-	-
22	Mr. David L. Hendrix ⁽⁴⁾	Executive Vice President	5,000	5,000	0	0.000
23	Mr. Somkiat Sirichatchai	Executive Vice President	0	0	-	-
24	Mr. Predee Daochai	Executive Vice President	209,160	60	(209,100)	0.000
25	Ms. Chawiwann Varophas	First Senior Vice President	0	0	-	-
26	Mr. Prasopsuk Damrongchietanon	First Senior Vice President	0	0	-	-
27	Ms. Siriluck Ratanachai	Department Head - Financial Planning Department	0	0	-	-

Note: ⁽¹⁾ The common shares held include those of spouse and minor children

⁽²⁾ Mr. Apichai Bunyakiat has retired from the position of the Executive Vice President on January 1, 2006.

⁽³⁾ Mr. Richard A. Clarke has resigned from the position of Executive Vice President on November 1, 2005 and currently acts as Adviser to Chief Executive Officer.

⁽⁴⁾ Mr. David L. Hendrix has resigned from the position of the Executive Vice President on January 1, 2006.

MANAGEMENT

Effective on February 1, 2006

Chief Executive Officer

Mr. Banthoon Lamsam

President

Dr. Prasarn Trairatvorakul

Executive Vice President

Mr. Boontuck Wungcharoen

Dr. Piengchai Pookakupt

Mr. Somkiat Sirichatchai

Mr. Predee Daochai

Mr. Krisada Lamsam

Mr. Teeranun Srihong

Mr. Sasawat Virapriya

First Senior Vice President

Ms. Buranee Arunpairojana

Mr. Siripongs Kalayanaroj

Mr. Tongchai Charoensit

Mr. Pramoth Chaiamphorn

Mr. Methae Pattarakornkul

Ms. Chawiwian Varophas

Mr. Chartchai Sundharagiati

Mr. Tawit Thanachanan

Ms. Patcharin Vongsiridej

Mr. Ampol Polohakul

Mr. Prasopsuk Damrongchietanon

Mr. Surasak Dudsdeemaytha

Ms. Kattiya Indaravijaya

Mr. Suwat Charoenvijitchai

Dr. Pipatpong Poshyanonda

Ms. Daranee Tanchaiswasd

Mr. Pakorn Partanapat

Dr. Adit Laixuthai

Corporate Strategy Department

Corporate Communications and Administration Department

Senior Vice President

Ms. Arasa Ampornpong

First Vice President

Ms. Prayoonsri Katanyutanon

Ms. Pranee Visitkitchakarn

Mr. Pennung Chaiyachit

Mr. Surapong Bumroongsook

Overseas Office Management and Correspondent Relations Department

First Vice President

Mr. Kitichai Larliltervong

Mr. Chaivudh Chaiphan

K-Transformation

Senior Vice President

Ms. Pranee Tirasest

First Vice President

Ms. Tikumporn Paprisawang

Mr. Wichai Jermhansa

Compliance Department

Senior Vice President

Mr. Vasant Chariyatantiwate*

First Vice President

Ms. Vorarat Hansakulbanthoeng

Ms. Warathorn Engsombon

Ms. Amara Wamasuree

Internal Audit Department

Senior Vice President

Ms. Sumontip Otrakul*

First Vice President

Mr. Krisana Tesprasit

Corporate Portfolio

Management Department

Senior Vice President

Mr. Pongpichet Nananukool*

Corporate Business Marketing and Products Department

First Vice President

Ms. Chaowapat Lertwongsatien*

Multi-Corporate Business Department

Senior Vice President

Mr. Vasin Vanichvoranun

Mr. Suradech Kietthanakorn

First Vice President

Mr. Thawee Teerasoontornwong

Mr. Pattanasak Kamolngam

Mr. Sammit Sakulwira

Mr. Suwat Techawatanawana

Large Corporate Business Department

First Vice President

Ms. Nartsinee Sarnvanichpitak

Mr. Prasong Hanpiyavatanasakul

Mr. Surin Seubvongpataya

Securities Services Department

First Vice President

Ms. Pranee Buranawatanachoke*

*Department Head

International Trade Department**Senior Vice President**

Mr. Boonyong Puapongsathorn*

First Vice President

Mr. Gunt Aungsathanatharn

Mr. Vichai Dittasri

Cash Management Department**Senior Vice President**

Mr. Weerachai Amornrat-Tana*

First Vice President

Ms. Phoranee Rhuwadhana

Corporate Credit Product**Management Department****First Vice President**

Mr. Photjanart Sangpruaksa*

SME Business Marketing**Management Department****First Vice President**

Mr. Paphon Mangkhalathanakun*

Micro Business Marketing**Management Department****First Vice President**

Mr. Kittipong Koomman*

SME Business Operation Department**First Vice President**

Mr. Somsit Ussavanuphap*

SME Business Department 1**Senior Vice President**

Mr. Pattanapong Tansomboon*

First Vice President

Mr. Thanit Shumnij

Ms. Oratai Nateeratanakamjai

SME Business Network 2**Senior Vice President**

Mr. Vichien Juprasurtporn

First Vice President

Mr. Trirong Butragaht

Mr. Suwat Pisuthiporn

Mr. Akadej Chotivanich

Retail Portfolio Management Department**First Vice President**

Ms. Kanokwan Tantivongskorn*

Consumer Segment Management**Department****Senior Vice President**

Mr. Pipit Aneaknithi*

Consumer Loans Product Management and Marketing Department**Senior Vice President**

Mr. Chatchai Payuhanaveechai*

Credit Card Product Management and Marketing Department**First Vice President**

Ms. Anchalee Charasyosvuthichai*

Retail Deposit and Fee Products**Management Department****Retail Business Development Department****First Vice President**

Mr. Piyapong Wechasethanon*

Business Channel Management**Department****Senior Vice President**

Mr. Wirawat Panthawangkun*

First Vice President

Mr. Dolapar Petpiroon

Retail E-Business Department**Senior Vice President**

Mr. Prayootd Tansrisuwan*

Electronic Channel Support Department**First Vice President**

Mr. Phole Dhanashoti*

Retail Business Marketing**Support Department****First Vice President**

Ms. Charee Kanungvanichkul*

Distribution Network Support Department**First Vice President**

Mr. Weeranant Chuensuwan*

Consumer Credit Product Operation**Department****First Vice President**

Mr. Nimit Polchai*

*Department Head

Customer Relations Department**Senior Vice President**

Ms. Kwannet Rattanaprug*

Consumer Sales Network**First Vice President**

Mr. Chalot Nongkai

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. Samphant Takasiyanant

In-Branch Service and Sales Network 4**First Vice President**

Mr. Chutchaval Viruttanachai

Credit Policy Department**First Vice President**

Ms. Pachana Rujirek

Mr. Pattarapong Kanhasuwan*

Credit Underwriting Department**Senior Vice President**

Ms. Pannee Lertchanyakul*

First Vice President

Ms. Porawan Sudsok

Mr. Pipavat Bhadranavik

Ms. Sansana Sukhanunth

Risk Asset Review Department**First Vice President**

Ms. Sarunya Leelarasamee*

Credit and Collateral Control Department**First Vice President**

Ms. Chalida Sirampuj

Mr. Vachara Tuntariyanond*

Ms. Warunee Chumnansipet

Asset Quality Management Department**Senior Vice President**

Mr. Atipat Asawachinda*

First Vice President

Mr. Chitcharoen Phichitkurugarn

Mr. Thitipat Na-Pombejra

Ms. Nidapa Sutiratana

Mr. Worawut Piyasachaboon

Mr. Wichai Yongchaitrakul

Retail Business Debt Recovery Network**Senior Vice President**

Mr. Somchai Visitkitchakarn

First Vice President

Mr. Tanong Sombutpanit

Mr. Manus Pinthong

Legal Department**Senior Vice President**

Mr. Pornsak Sakpunpanom*

First Vice President

Mr. Sittiporn Mahaswat

Foreclosed Property Management Department**Credit Information Management Department****First Vice President**

Mr. Niasinn Lamsam*

Consumer and Retail Commercial Collection and Recovery Department**First Vice President**

Ms. Sirinthorn Kongpattanayothin*

Internal Risk Management Department**Senior Vice President**

Mr. Krit Jitjang*

First Vice President

Mr. Porvarate Chetphongphan

Financial Planning Department**Senior Vice President**

Ms. Siriluck Ratanachai*

First Vice President

Ms. Choompit Wattanachai

Central Treasury Department**Senior Vice President**

Mr. Chongrak Boonchayanurak*

First Vice President

Ms. Nipaporn Roongrattanapitak

Financial Accounting Management Department**First Vice President**

Ms. Wasana Surakit

Ms. Supranee Kittikorn

*Department Head

Information Management Department

First Vice President

Ms. Apiwan Suttitossatum*

**Information Technology Management
Department**

Senior Vice President

Ms. Orn-Anong Thonguthai*

First Vice President

Mr. Winij Panamaeta

**Treasury and Capital Markets Operation
Department**

Senior Vice President

Ms. Chantana Soi-Ampornkun*

First Vice President

Ms. Pensri Rongpong

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. Noppadol Chotigagamthorn

Mr. Yudhana Sinswasd

Mr. Sakchai Sombatsrisomboon

**Human Resource Management
Department**

Senior Vice President

Ms. Duenpen Pawakranond*

First Vice President

Ms. Priabpran Punyabukkana

Ms. Siranee Phoophat

**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. Passamon Vichitkamthorn

*Department Head

INVESTMENTS OF KASIKORNBANK IN OTHER COMPANIES

The following is a list of companies in which KASIKORNBANK, as of December 31, 2005 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 5005	Bangkok	Services	800,000,000	799,999,993	99.99	Common Stock
3	PROGRESS KANPAI CO., LTD. Tel. 0 2273 3900 Fax. 0 2270 1262	Bangkok	Services	200,000	199,993	99.99	Common Stock
4	PROGRESS PLUS CO., LTD. Tel. 0 2225 2020 Fax. 0 2225 2021	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 2225 9435 Fax. 0 2225 2006	Bangkok	Real Estate Development	13,200,000	13,199,992	99.99	Common Stock
7	KASIKORN RESEARCH CENTER CO., LTD. Tel. 0 2273 1144 Fax. 0 2270 1235	Bangkok	Services	100,000	99,993	99.99	Common Stock
8	PROGRESS FACILITIES MANAGEMENT CO., LTD. Tel. 0 2273 3288-91 Fax. 0 2273 3292	Bangkok	Services	50,000	49,993	99.99	Common Stock
9	PROGRESS MANAGEMENT CO., LTD. Tel. 0 2225 2005 Fax. 0 2225 2006	Bangkok	Services	60,000	59,993	99.99	Common Stock
10	PROGRESS SOFTWARE CO., LTD. Tel. 0 2225 7900 Fax. 0 2225 5654-5	Bangkok	Services	100,000	99,994	99.99	Common Stock
11	KASIKORN LEASING CO., LTD. Tel. 0 2696 9900 Fax. 0 2696 9977	Bangkok	Leasing	21,000,000	20,999,994	99.99	Common Stock
12	KASIKORN ASSET MANAGEMENT CO., LTD. Tel. 0 2693 2300 Fax. 0 2693 2320	Bangkok	Mutual Fund Management	27,154,274	27,154,273	99.99	Common Stock
13	KASIKORN SECURITIES PUBLIC CO., LTD. Tel. 0 2696 0000 Fax. 0 2696 0099	Bangkok	Securities	60,000,000	59,989,762	99.98	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 STORAGE CO., LTD. Tel. 0 2273 3833 Fax. 0 2271 4784	Bangkok	Services	30,000	29,993	99.98	Common Stock
15 PROGRESS SERVICE CO., LTD. Tel. 0 2273 3293-4 Fax. 0 2273 3292	Bangkok	Services	20,000	19,993	99.97	Common Stock
16 PROGRESS H R CO., LTD. Tel. 0 2273 1785-6 Fax. 0 2273 3469	Bangkok	Services	10,000	9,993	99.93	Common Stock
17 PROGRESS APPRAISAL CO., LTD. Tel. 0 2273 3654-6 Fax. 0 2270 1051	Bangkok	Services	5,000	4,992	99.84	Common Stock
18 SIAM CONTAINER PIPE CO., LTD. Tel.- Fax. -	Bangkok	Metal Industries	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 CONTINENTAL PETROCHEMICAL (THAILAND) CO., LTD. Tel. 0 2315 1478 Fax. -	Samutprakarn	Manufacture	62,160	27,327	43.96	Preferred Stock
21 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
22 PROCESSING CENTER CO., LTD. Tel. 0 2237 6330-4 Fax. 0 2237 6340	Bangkok	Services	100,000	30,000	30.00	Common Stock
23 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
24 N.C. ASSOCIATE CO., LTD. Tel. 0 2882 2667-8 Fax. 0 2882 2669	Bangkok	Trading	10,000	2,823	28.23	Common Stock
25 RURAL CAPITAL PARTNERS CO., LTD. Tel. 0 2318 3958 Fax. 0 2718 1850	Bangkok	Joint Venture	1,000,000	275,000	27.50	Common Stock
26 WTA (THAILAND) CO., LTD. Tel. 0 2699 1609 Fax. 0 2643 1881	Bangkok	Trading	1,000	249	24.90	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
27 MANAGER MEDIA GROUP PUBLIC CO., LTD. Tel. 0 2629 4488 Fax. -	Bangkok	Services	129,354,620	26,574,339	20.54	Common Stock
28 PROGRESS INFORMATION CO., LTD. Tel. 0 2642 7242 Fax. 0 2642 7243	Bangkok	Services	1,000,000	200,000	20.00	Common Stock
29 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
30 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
31 UNITAS CO., LTD. Tel. 0 2249 0491 Fax. 0 2249 0503	Bangkok	Holding Company	110,532	21,152	19.14	Common Stock
32 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
33 KHUNKA PALANG THAI CO., LTD. Tel. 0 2716 1600 Fax. 0 2716 1488	Bangkok	Energy	10,000	1,538	15.38	Common Stock
34 PALANG THAI KAOWNA CO., LTD. Tel. 0 2716 1600 Fax. 0 2716 1488	Bangkok	Energy	10,000	1,538	15.38	Common Stock
35 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
36 MISUHO CORPORATION LEASING (THAILAND) CO., LTD. Tel. 0 2638 0900 Fax. 0 2638 0913	Bangkok	Leasing	60,000	6,000	10.00	Common Stock
37 E.C. LEASING CO., LTD. Tel. 0 2664 1366 Fax. 0 2664 1367	Bangkok	Leasing	100,000	10,000	10.00	Common Stock
38 TEL.ESAT CORPORATION CO., LTD. Tel. 0 2682 9700 Fax. 0 2682 9709	Bangkok	Tel.ecommunications	30,000,000	3,000,000	10.00	Common Stock
39 ZIN SUAPAH CO., LTD. Tel. 0 2221 5895 Fax. 0 2224 4499	Bangkok	Services	6,000	600	10.00	Common Stock
40 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
41 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

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
42 SUN VALLEY CO., LTD. Tel. 0 2226 3390-3 Fax. 0 2222 9021	Bangkok	Real Estate Development	1,000,000	100,000	10.00	Common Stock
43 MUANGTHAI FORTIS HOLDING CO., LTD. Tel. 0 2290 4010 Fax. 0 2276 1997-8	Bangkok	Joint Venture	42,000,000	4,200,000	10.00	Common Stock
44 INTERNATIONAL SOFTWARE FACTORY CO., LTD. Tel.- Fax. -	Bangkok	Computer	5,000,000	500,000	10.00	Common Stock
45 ADVANCE MICRO TECH CO., LTD. Tel. 0 2739 4095-8 Fax. 0 2739 4099	Bangkok	Electronics	600,000	60,000	10.00	Common Stock
46 WEI POA CO., LTD. Tel. - Fax. -	Hongkong	Agro-Industry	5,500,000	550,000	10.00	Common Stock
47 PALIT PALANGGAN CO., LTD. Tel. 0 2716 1600 Fax. 0 2716 1488	Bangkok	Energy	10,000	1,000	10.00	Common Stock



GENERAL INFORMATION

MAJOR SHAREHOLDERS OF KASIKORNBANK

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AWARDS AND COMMENDATIONS

1996

Ratburana

To support business expansion and various other developments of the Bank, as well as encourage more trade and business development in the Thonburi area, the Bank built the new KASIKORNBANK headquarters cluster by the Chao Phraya River on Ratburana Road. The strikingly handsome office serves the Bank's aim to be Thailand's leading bank, successfully offering a fully integrated range of financial services.

GENERAL INFORMATION

KASIKORNBANK conducts commercial banking business under the regulations of Thailand's Commercial Banking Act and other directives of the Bank of Thailand.

Head Office	: 1 Soi Kasikornthai, Ratburana Road, Bangkok 10140, Thailand.
Company Registration Number	: 0107536000315 (formerly PCL.105)
Home Page	: http://www.kasikornbankgroup.com
Telephone	: 0 2222 0000
Fax	: 0 2470 1144-5
K-Contact Center	: +66 2888 8888 (Thai), +66 2888 8800 (English), +66 2800 8888 (Mandarin)

Names, Offices, Telephone and Fax Numbers of Referenced Entities

Registrar	<ul style="list-style-type: none"> • Ordinary Shares • KASIKORNBANK Subordinated Debentures No.3 due for redemption in 2013 • KASIKORNBANK Short-term Debentures Project1/2004 No.1-7 issued under KASIKORNBANK Short-term Debentures Project 1/2004 (the Short-term Debenture Project). • Warrants for Ordinary Shares No.3, 4 and 5 (offered to employees) • KASIKORNBANK 8 1/4% Subordinated Bonds due 2016. 	<ul style="list-style-type: none"> : Thailand Securities Depository Company Ltd. The Stock Exchange of Thailand Building 62 Ratchada Phisek, Khlong Toei, 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, NY 10286, USA Tel. (212) 495 1784; Fax. (212) 635 1799
Auditors		<ul style="list-style-type: none"> : Mr. Supoj Singhasaneh CPA No. 2826 Mr. Winid Silamongkol No. 3378 Mr. Thirathong Thepmangkorn CPA No. 3787 Ms. Wilai Buranakittisophon CPA No. 3920 KPMG Phoomchai Audit Limited Empire Tower 21 Fl., 195 South Sathorn Rd. Yan Nawa, Sathon 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

MAJOR SHAREHOLDERS OF KASIKORNBANK

At the close of registration for attendance to the General Meeting of Shareholders No. 93 and the right to receive dividends March 18, 2005

Units: Number of Shares

Rank	Name	No. of Common Shares	Percentage
1	STATE STREET BANK AND TRUST COMPANY	84,457,855	3.56
2	HSBC (SINGAPORE) NOMINEES PTE LTD	73,295,034	3.09
3	BOSTON SAFE DEPOSIT AND TRUST COMPANY	57,733,143	2.44
4	CHASE NOMINEES LIMITED 1	51,130,874	2.16
5	THE BANK OF NEW YORK (NOMINEES) LIMITED	49,438,566	2.09
6	CHASE NOMINEES LIMITED 42	45,039,100	1.90
7	CLEARSTREAM NOMINEES LTD	40,358,966	1.70
8	GOVERNMENT OF SINGAPORE INVESTMENT CORPORATION C	37,504,000	1.58
9	PICTET & CIE	37,007,250	1.56
10	HSBC BANK PLC-CLIENTS GENERAL A/C	36,414,205	1.54
11	Others	1,857,515,574	78.38
	Total paid-up capital	2,369,894,567	100.00
	Thai shareholders	1,209,144,608	51.02
	Foreign shareholders	1,160,749,959	48.98

Number of the Bank's Common Shares

As of December 31, 2005, the Bank's registered and paid-up capital were as follows:

Registered capital:	3,048,614,697	shares,	at Baht 10	per share,	totaling Baht 30,486,146,970
Paid-up capital:	2,373,293,667	shares,	at Baht 10	per share,	totaling Baht 23,732,936,670

Note: The above data do not include 7,894,300 shares derived from the conversion of warrants allocated to employees (excluding directors) under the ESOP program in December 2005.

On January 11, 2006, the Bank registered paid-up capital with the Ministry of Commerce, totaling Baht 23,811,879,670.

Up-to-date shareholders' data can be viewed on the Bank's website prior to the Annual General Meeting of Shareholders.

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 dividends 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 sustained a profit. 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 Assets 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 not yet been set aside, banks cannot pay dividends or other benefits to shareholders. Payments of dividends 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 payments 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 operating at a loss, dividend payments are barred until the losses are covered. In addition, at least one-twentieth (1/20) of all profits must be set aside as provisioning reserves until provisioning reserves account for one-tenth (1/10) of a companies' total capital.

ACTIVITIES FOR CHARITY, SOCIETY AND THE ENVIRONMENT



Policy on Responsibility for Society and the Environment

The Bank as a financial institution operates in accordance with good corporate governance principles based on trustworthiness and accountability by adherence to values such as transparency, independence and fairness to all stakeholders. The Board of Directors intends to do business ethically for the betterment of society, quality of life and the environment, based on the abilities of the organization. The Bank acknowledges our responsibility to society and the environment as a part of sustainable development and has made this commitment a part of our Statement of Business Conduct and Code of Conduct for all employees to adhere to in their work. The Bank also promotes employees to actively participate in activities relevant to society, education, arts, culture and the environment. In 2005, the Bank took part in activities in the public interest, for society and the environment, as follows:

- **Seminar “On the Tack towards Sino-Thai Relations”**

On the occasion of 50th Birthday Anniversary of Her Royal Highness Princess Maha Chakri Sirindhorn and 30th Anniversary of the establishment of diplomatic relations between Thailand and China, KASIKORNBANK, in cooperation with Mae Fah Luang University and Chulalongkorn University, arranged a seminar named, “On the Tack towards Sino-Thai Relations”, on March 28, 2005, at Samanachan Meeting Room, KASIKORNBANK, Ratburana Headquarters.

- **“From the Yellow River to the Chao Phraya River” Documentary on Distribution of Books and DVDs**

In celebration of Her Royal Highness Princess Maha Chakri Sirindhorn on the occasion of her 50th Birthday Anniversary, the Bank presented her with the sales proceeds of books and DVDs entitled “From the Yellow River to the Chao Phraya River”, totaling Baht 10 million and Baht 8 million, respectively, without deduction of any expenses. The Bank also gave the copyrights of the book and documentary series to the Thai Red Cross Society.

- **Scholarships**

Acknowledging the significance of handicapped youths, and aiming to see equality in education to that available to unhandicapped children, the Bank has given scholarships to educational institutions under the Ministry of Education to handicapped children so that they have the chance to sit in regular classroom studies. There were 21 scholarships at Baht 130,000 each, totaling Baht 2,730,000, for the purpose of advancing their progress in education. Besides this, there was also one scholarship for the preparation of a thesis at master’s degree level in the Faculty of Economics, Thammasat University, totaling Baht 138,000, and six scholarships for bachelor’s degree level at Chulalongkorn University, at Baht 15,000 for each student, totaling Baht 90,000.



In addition, the Bank, since 1966, has provided post-graduate scholarships in the Business Administration field to promote education, which is vital to the foundation of the country's development, and a means to improve the potential of the Bank's human resources. In 2005, three scholarships were provided to the general public for 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.

- **His Majesty the King's Scholarship Project for Thai Monks**

The Bank recognizes the significance of education on Buddhism and the Buddhist Dhamma, and wants to support studies on Buddhist doctrine for monks and novices. The Bank also aims to instill peacefulness in society by preserving Buddhist Dhamma and Buddhism as an "Anchor of life". The Bank, hence, has given two scholarships to the His Majesty the King's project on 'Scholarship for Thai Monks for Bachelor's Degrees', worth Baht 7,000 for each student, totaling Baht 14,000.

- **Project on Reforestation in Celebration of The 50th Anniversary of His Majesty King Bhumibol Adulyadej's Accession to the Throne.**

The Bank, in cooperation with Rajapruek Institute Foundation celebrated the 50th Anniversary celebrations of His Majesty King Bhumibol Adulyadej's Accession to the Throne by assisting in the Project on Reforestation, Third Phase, participating for three years, 2005-2007, and on 10,728 rai of land in Uttaradit.

- **Royal Kathin Robe Presentation Ceremony**

On October 29, 2005, the Bank organized a Royal Kathin Robe Presentation Ceremony at Wat Pho Mankhunaram, Yan Nawa District, Bangkok. The Bank raised financial contributions from the Board of Directors, employees, customers and the general public. The entire sum was given to temples, government agencies and public charitable organizations for spending in the public interest.



- **Project on the Camp for Underprivileged Youths**

The Bank organized a New Year's Youth Camp for underprivileged and handicapped children, so that they would have the opportunity to celebrate the New Year and enjoy arts, music and sports. New Year gifts were presented to every child at the Camp. Also, at mid-year, the Bank took underprivileged and handicapped children to the beach, staying at the Bank's seaside resort at Hua Hin for two days and one night.

- **Donation for Tsunami Victims**

The Bank donated the funds from a special deposit account set up to accept public donations to the Rachaprachanukroh Foundation under Royal Patronage of His Majesty the King, totaling Baht 42,582,971.31, and another amount to the Thai Red Cross Society, totaling Baht 62,324,866.16. In addition, the Bank also donated a sum of Baht 5 million on behalf of the Rachaprachanukroh Foundation under Royal Patronage of His Majesty the King, and donated basic necessities to tsunami victims through the Thai Red Cross Society, totaling Baht 1.89 million. The Bank also gave a sum of Baht 1 million to tsunami victims and Andaman communities being cared for by the Network of Cooperation on Restoration of Andaman Communities.

- **Safety, Occupational Health and Environment**

The Bank takes due care to ensure that its buildings are safe, hygienically clean and have pleasant environments that are favorable for staff to work efficiently in, as well as being 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 meeting US NFPA (National Fire Protection Association) standards, which are accepted worldwide. Important systems within the building include an automatic fire alarm system, fire extinguishing systems, smoke ventilation systems, compressed air systems for each floor, fire escape stairs, and an automated building control system. Moreover, the Bank has also built a helicopter-landing pad on the roof of the car parking building as another fire exit.

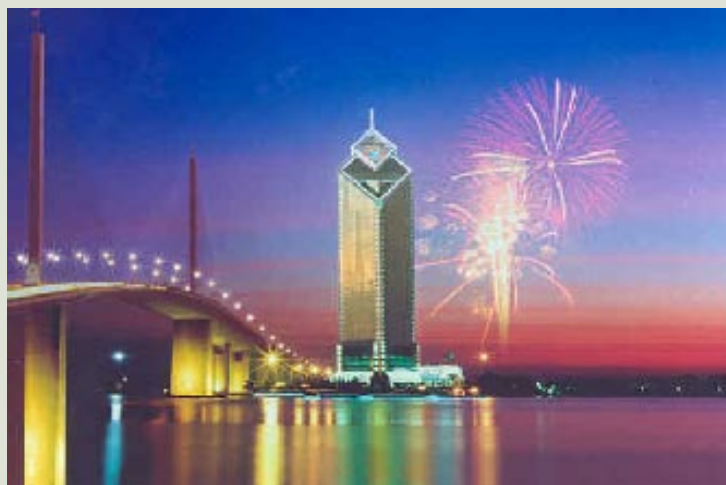
The Emergency Master Fire Plan of the Bank was created by experts and is updated continually. The Bank regularly arranges fire drills at least twice a year so that staff and personnel who are responsible for fire fighting administration have the required knowledge and expertise to assist in building evacuation, according to these plans.



The sanitation systems installed in the buildings are there to ensure the health and safety of personnel working in these buildings, and include such systems as a two-stage air filtration, air-conditioning system for clean air, free from outside air pollution, lighting systems with standardized lighting values for comfort to eyesight, and water purification systems for drinking water using ozone to clean and clarify the drinking water, etc. In addition, high-quality electrical appliances are used within the buildings to ensure that they are energy-efficient.

The environment in society and in communities is another point that the Bank has always realized the importance of. The location of the Head Office has been designed to be pleasant and shaded with landscaped gardens, trees, fountains, sculptures and activities, etc. Emergency electrical generators are installed with exhaust systems that filter out smoke, smells, and have noise abatement devices to prevent disturbing nearby communities. A highly-efficient waste water system provides treated water to the gardens and for use with the air-conditioning system. Therefore, apart from helping to preserve the environment, the system also helps the Bank to significantly reduce utility water costs.

The Bank is also an organization that supports efforts to preserve the environment by steadily encouraging the use of recycled paper. In addition, the Bank also has a policy to not approve loans to projects that violate the environmental laws of the country.



AWARDS AND COMMENDATIONS



Many awards and commendations were given to the Bank in 2005, reflecting the Bank's achievements in business, such as:

- "Outstanding Growth Award" by Visa International Asia Pacific.
- Corporate Governance Asia Recognition Awards 2004, "The Best of Asia", by Corporate Governance Magazine.
- "Triple A Best Cash Management Bank Country" Award by the Asset Magazine, including other commendations, i.e.,
- 'Top Underwriter', 'Deal of the Year', 'Best Market', 'Best Bond House' by Thai BDC.
- "Service Excellence Recognition" Award and "Quality Recognition" Award (citing excellent service in international fund transfers via JP Morgan) by JP Morgan.
- "Best Domestic Commercial Bank" Award by Asia Money Magazine.
- "The Best Emerging Market Bank 2005" Award by Global Finance Magazine.
- "Distinction in Maintaining Excellent Corporate Governance Report" Award (citing outstanding operations in compliance with the SET's 15 corporate governance principles), by the Stock Exchange of Thailand and Money & Banking Magazine.
- "Thailand Corporate Excellent" Award by the Thai Management Association and SASIN Business Administration School of Chulalongkorn University.
- Thai Rating and Information Service Co., Ltd., (TRIS) gave the Bank a very high score of 8.89 out of 10 on corporate governance.
- "TOP 10 Companies" Award as part of the Corporate Governance Report of Thai Listed Companies 2005 by the Securities and Exchange Commission of Thailand, the Stock Exchange of Thailand, and the Thai Institute of Directors' Association.
- "Best IR in the Singapore Market by a Thai Company" Award by IR Magazine, in conjunction with the Stock Exchange of Singapore. This was the Bank third straight winning of this award.
- "Board of the Year for Exemplary Practices 2005" Award by the Thai Institute of Directors' Association, in conjunction with the Thai Chamber of Commerce and Federation of Thai Industries, the Thai Bankers' Association, the Listed Companies' Association, and the Stock Exchange of Thailand.
- Euromoney Magazine rated the Bank as the best managed company in the banking and financial sector in Asia for 2005, and for its outstanding business strategies and the most transparency in business operations.
- "Bank of the Year 2005" Award by Interest Magazine.



2005

Service Enhancements

To provide more complete financial solutions and the ultimate in customer satisfaction, the Bank redesigned branch banking halls, giving them an atmosphere of warmth and a contemporary look, emphasizing convenient service. Customers find the new layouts easy to remember, simplifying access to KASIKORNBANK's services, and offers a better experience in using our financial services to all groups of customers.

495 DOMESTIC BRANCHES

153 Metropolitan Branches

Open Monday - Friday 8.30 - 15.30 hrs.

No.	Branch	Tel	Fax	No.	Branch	Tel	Fax
1	Asok Sub-Branch	0 2664 1350-3	0 2664 2570	52	Ratburana Main Branch	0 2871 3650-5	0 2871 3645
2	Ban Thad Thong	0 2215 4674-5	0 2215 5971	53	Ratchadamri	0 2253 4997-9	0 2253 1423
3	Bang Bon	0 2899 8330-7	0 2416 4396	54	Ratchawat Sub-Branch	0 2243 7815-7	0 2668 5637
4	Bang Chak	0 2741 7661-5	0 2741 8352	55	Samre	0 2438 0050-1	0 2437 8236
5	Bang Khae	0 2801 0610-9	0 2454 2891	56	Sanam Pao	0 2617 2315-6	0 2617 2842
6	Bang Khun Non	0 2882 5818	0 2882 5495	57	Sao Chingcha	0 2622 0034-6	0 2622 1344
7	Bang Khun Thian	0 2878 0023-4	0 2878 0526	58	Saphan Krung Thon	0 2883 0172-9	0 2433 4554
8	Bang Krabu	0 2669 0870-6	0 2669 0877	59	Saphan Luang	0 2611 6183-6	0 2215 9240
9	Bang Lamphu	0 2281 5187-90	0 2629 0947	60	Saphan Mai Don Muang	0 2972 5512-20	0 2552 6544
10	Bang Mot	0 2428 2022	0 2428 2025	61	Saphan Phut	0 2623 7504-8	0 2623 7613
11	Bang Pakok	0 2874 4764-5	0 2428 3523	62	Si Yaek Bang Na	0 2745 2900-5	0 2393 5546
12	Bang Phlat	0 2433 0072	0 2434 6197	63	Si Yaek Saphan Krung Thep	0 2689 0092-8	0 2689 0694
13	Bang Pho	0 2587 0097	0 2585 7700	64	Si Yaek Thanon Chan - Liab Khlong Chong Nonsi	0 2678 4101-4	0 2678 4105
14	Bang Rak	0 2630 6370-7	0 2266 7540	65	Si Yaek Wang Hin	0 2940 4824-33	0 2940 4840
15	Bang Son	0 2587 0091	0 2587 0094	66	Siangkong	0 2639 4041-5	0 2237 4990
16	Bang Su	0 2587 0219-21	0 2587 0652	67	Silom Main Branch	0 2234 7050-99	0 2234 7445
17	Bang Yikhan	0 2883 0163-9	0 2433 1337	68	Soi Chalaem Nimit (Pha Du 1)	0 2688 4250-4	0 2291 1079
18	BIG-C Ratburana Sub-Branch	0 2873 1268	0 2873 1269	69	Soi Charurat	0 2651 7093-8	0 2253 3537
19	Bukkhalo	0 2877 6689-96	0 2477 2812	70	Soi Thong Lo Sub-Branch	0 2712 8770-2	0 2390 0457
20	Chakkrawat	0 2225 5807-8	0 2225 9675	71	Soi Udomsuk Sub-Branch	0 2361 7666-7	0 2361 7668
21	Charansanitwong 11	0 2412 0068-71	0 2412 8296	72	Song Prapha-Don Muang Sub-Branch	0 2566 4345-6	0 2566 4347
22	Chok Chai 4 Sub-Branch	0 2539 8735-7	0 2530 4584	73	Suan Chatuchak	0 2617 6040-7	0 2272 0857
23	Chong Nonsi Sub-Branch	0 2285 2071-3	0 2678 0844	74	Suan Phlu	0 2679 4246-53	0 2213 1362
24	Dao Khanong	0 2877 5671-2	0 2476 4463	75	Sukhaphiban 1 (Bang Bon) Sub-Branch	0 2454 4331-2	0 2454 4333
25	Din Daeng Sub-Branch	0 2248 1841	0 2248 1843	76	Sukhumvit 57	0 2392 2039	0 2390 0784
26	Huay Kwang	0 2692 1375-9	0 2276 1820	77	Surawong	0 2639 4056-60	0 2639 0927
27	Khlong Chan	0 2733 7136-40	0 2733 7141	78	Sutthisan	0 2616 9990-5	0 2616 9997
28	Khlong San	0 2437 0260-2	0 2439 3344	79	Suwinthawong Nong Chok	0 2988 0680-7	0 2988 0692
29	Khlong Tan	0 2717 8870-3	0 2319 8352	80	Talat Phattanakan Sub-Branch	0 2321 7426-7	0 2321 7425
30	Khlong Toei	0 2671 2042-7	0 2249 5011	81	Talat Phlu	0 2891 4022-9	0 2891 4278
31	King Phet	0 2612 0463-74	0 2612 1550	82	Taopoon Sub-Branch	0 2911 3126-8	0 2911 3129
32	Kluai Num Thai	0 2367 3111-7	0 2367 3109	83	Tha Phra	0 2868 0125-35	0 2457 8812
33	Lat Krabang	0 2739 0187-94	0 2326 7198	84	Tha Rua Sathu Pradit	0 2295 0123-9	0 2294 6661
34	Lat Phrao 10	0 2938 7425-9	0 2512 5565	85	Thanon Asok Din Daeng	0 2641 8660-2	0 2247 7552
35	Lat Phrao 25	0 2513 2326	0 2513 1603	86	Thanon Bang Na-Trat Km.4	0 2397 3570-2	0 2397 3568
36	Lat Phrao 67	0 2933 0960-8	0 2539 3273	87	Thanon Chan	0 2212 9788-9	0 2673 0438
37	Maha Phruttharam	0 2639 0740-9	0 2236 5566	88	Thanon Charoen Nakorn 36 Sub-Branch	0 2862 7920-2	0 2862 7924
38	Min Buri	0 2918 7708-12	0 2518 1475	89	Thanon Charoen Rat Sub-Branch	0 2437 0256-8	0 2437 0259
39	Na-Na Nua	0 2655 0743	0 2253 0298	90	Thanon Lan Luang	0 2628 1391-6	0 2628 1406
40	Nang Loeng	0 2629 8810-7	0 2629 9379	91	Thanon Lang Suan	0 2652 0240-2	0 2652 1987
41	On Nut	0 2742 5080-4	0 2332 5285	92	Thanon Lat Ya	0 2861 4415-25	0 2438 0538
42	On Nut 39 Sub-Branch	0 2322 6514-5	0 2721 3031	93	Thanon Maha Chai	0 2621 0764-6	0 2226 4805
43	Phasi Charoen	0 2869 7462-7	0 2869 7128	94	Thanon Phanit Chayakan Thonburi Sub-Branch	0 2865 7364-5	0 2865 7367
44	Phetkasem 51	0 2801 3626-9	0 2454 2975	95	Thanon Phattanakan	0 2321 3373-4	0 2322 2589
45	Pho Sam Ton	0 2891 0037-8	0 2465 4660				
46	Phra Khanong	0 2711 0203-8	0 2711 1682				
47	Phran Nok	0 2866 1323-7	0 2866 1328				
48	Pin Klao	0 2884 6380-90	0 2433 9920				
49	Pracha Niwet 1 Sub-Branch	0 2954 3334-7	0 2589 2914				
50	Pratu Nam Pathum Wan	0 2208 0112-7	0 2208 0096				
51	Prawet	0 2726 0484-92	0 2726 0494				

No.	Branch	Tel	Fax
96	Thanon Phetchaburi Tat Mai	0 2318 4700-1	0 2716 5209
97	Thanon Pracha Chun	0 2586 9352-3	0 2586 0757
98	Thanon Pracha Uthit	0 2428 7390-2	0 2428 3987
99	Thanon Pradiphat	0 2618 4168-70	0 2618 6042
100	Thanon Rama II	0 2894 0274-7	0 2416 5554
101	Thanon Rama III	0 2683 4250-62	0 2683 4264
102	Thanon Rama IX	0 2719 6809-19	0 2318 4820
103	Thanon Ramkham Haeng Sub-Branch	0 2314 1871-2	0 2314 1873
104	Thanon Rang Nam	0 2642 4611-6	0 2640 0128
105	Thanon Rarm Intra	0 2552 3060-2	0 2971 6515
106	Thanon Ratchada Phisek (Sukhumvit-Rama IV)	0 2264 0213-6	0 2264 0221
107	Thanon Ratchada Phisek (Taksin-Tha Phra)	0 2476 8856-8	0 2476 8862
108	Thanon Sathu Pradit	0 2674 0164-71	0 2212 2900
109	Thanon Sirinthon Sub-Branch	0 2881 9818	0 2423 0918
110	Thanon Sri Nakharin Km.9 Sub-Branch	0 2393 5850-4	0 2361 7236
111	Thanon Suk Sawat	0 2877 0350-5	0 2877 1090
112	Thanon Sukhaphiban 1 Bang Kapi	0 2374 0269-72	0 2375 0986
113	Thanon Sukhaphiban 2 Suan Siam	0 2518 2040-1	0 2518 2043
114	Thanon Sukhaphiban 3 Bung Kum	0 2373 0981-4	0 2373 0985
115	Thanon Witthayu	0 2252 2177-9	0 2252 2055
116	Thanon Wutthakat Sub-Branch	0 2875 4536	0 2875 4535
117	Thewet	0 2281 4182-3	0 2628 5050
118	Thiam Ruam Mit Sub-Branch	0 2274 4200	0 2274 4203
119	Thon Buri	0 2861 4357-64	0 2438 9921
120	Thungkru Sub-Branch	0 2873 5140-1	0 2873 5144
121	Wat Sai	0 2893 6285-93	0 2416 5371
122	Wong Wan Rob Nok (Ekachai-Bang Bon)	0 2416 5839	0 2416 0356
123	Wong Wian 22 Karakada	0 2224 9861	0 2224 9860
124	Worachak	0 2621 5630-4	0 2621 5635
125	Yan Nawa	0 2675 5120-7	0 2212 3281
126	Yaowarat	0 2623 0016-9	0 2226 4806
127	Yotse	0 2224 6075-6	0 2224 4819

In-Store Branches

Open daily 11.00 - 19.00 hrs

No.	Branch	Tel	Fax
128	Big-C Saphankhwai Sub-Branch	0 2616 7468-70	0 2616 7471
129	Central Ladprao Sub-Branch	0 2541 1543-5	0 2541 1548
130	Central Pinklao Sub-Branch	0 2424 3595-6	0 2424 2834
131	Central Rama II Sub-Branch	0 2872 4250-2	0 2872 4555
132	Central Rama III Sub-Branch	0 2673 6338-9	0 2673 6240
133	Fashion Island Ramindra	0 2519 4813-6	0 2519 5167
134	Lotus Rama IV Sub-Branch	0 2672 7953	0 2671 4661
135	Mahboonkrong Center Sub-Branch	0 2216 4820	0 2216 4821
136	Seacon Square	0 2721 8554-61	0 2721 8562
137	Siam Paragon Sub-Branch	0 2610 9404-8	0 2610 9409
138	The Mall Bang Khae Sub-Branch	0 2454 9023-6	0 2454 9027
139	The Mall Bangkok Sub-Branch	0 2374 4261-3	0 2374 7298
140	Victory Monument Sub-Branch	0 2644 6879-80	0 2644 6881

New Look & Feel Branches

Open Monday - Friday 8.30-15.30 hrs

141	Bang Khen	0 2930 1234-7	0 2513 9040
142	Ekkamai	0 2714 1081-8	0 2714 0410
143	Hua Mak	0 2732 2560-3	0 2375 6487
144	Lat Phrao 99	0 2530 0544-7	0 2530 0548
145	Phahon Yothin Main Branch	0 2222 0000	0 2273 1399
146	Phat Phong	0 2637 0041-8	0 2637 0477
147	Si Yaek Ratchawong Sub-Branch	0 2225 6527-9	0 2225 5753
148	Thanon Ratchada Phisek Huay Kwang	0 2693 2460-9	0 2693 2472
149	Thanon Sathon	0 2633 8013-6	0 2633 8018
150	Thanon Sua Pa Main Branch	0 2226 4560-79	0 2225 6573

Open Monday - Friday 8.30-18.00 hrs

151	Bang Kapi	0 2261 0151-7	0 2261 0164
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Open Monday - Friday 8.30-18.00 hrs,

Saturday - Sunday 11.00-18.00 hrs

152	Wang Burapha	0 2623 7035	0 2225 0344
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Open Daily 10.00-18.00 hrs

153	Siam Square	0 2658 1755-9	0 2658 1754
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342 Upcountry Branches

Open Monday - Friday 8.30 - 15.30 hrs.

Central 105 Branches

No.	Branch	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 3563 1242	0 3563 1262
Ayutthaya			
4	Ayutthaya	0 3525 2260-2	0 3525 2256
5	Phak Hai	0 3539 1299	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 3451 1203	0 3451 2382
15	Tha Rua	0 3463 6859-60	0 3456 1994
Lopburi			
16	Ban Mi	0 3662 8729-32	0 3647 1675
17	Khok Samrong	0 3644 1117	0 3644 1581
18	Lam-Narai	0 3646 1151-2	0 3646 1153
19	Nong Muang	0 3643 1100	0 3643 1103
20	Thanon Surasongkhram Lopburi	0 3661 7280	0 3641 3761
21	Wong Wian Sa Kaew Lopburi	0 3641 2207	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 3438 9120	0 3438 9121
25	Nakhon Pathom	0 3425 3822-9	0 3425 2510
26	Om Yai	0 2420 5561-5	0 2420 8607
27	Sam Phran	0 3432 2991	0 3432 2990
28	Thanon Phetkasem Nakhon Chaisi Sub-Branch	0 3423 0513-6	0 3423 0517
29	Thanon Phetkasem Nakhon Pathom	0 3421 3387-9	0 3421 3390
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

No.	Branch	Tel	Fax
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 2591 7895-7	0 2589 5091
39	Thanon Ratanathibet	0 2526 8000-3	0 2526 8009
40	Thanon Samakee Sub-Branch	0 2573 6191	0 2573 8542
41	Thanon Tiwanon (Khae Rai)	0 2589 0030-3	0 2580 2838
Pathum Thani			
42	Khlong 2 Thanyaburi	0 2996 0772-3	0 2996 0774
43	Khlong 6 Thanyaburi	0 2577 2360-3	0 2577 2366
44	Khlong Luang	0 2516 2130-1	0 2516 2998
45	Lat Lum Kaeo	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 2536 7176-9	0 2536 7171
Phetchaburi			
50	Ban Laem	0 3245 0692-4	0 3248 1118
51	Cha-am	0 3243 3894-6	0 3247 1409
52	Phetchaburi	0 3242 6111-3	0 3242 6245
53	Tha Yang	0 3246 1444	0 3246 1222
Prachuap Khiri Khan			
54	Bang Saphan	0 3254 8435-7	0 3269 1249
55	Hua Hin	0 3251 1775-6	0 3251 2585
56	Prachuap Khiri Khan	0 3260 1282	0 3261 1101
57	Pran Buri	0 3262 1992-3	0 3262 1942
58	Sam Roi Yot	0 3268 8551-2	0 3268 8553
59	Thap Sakae	0 3254 6686-8	0 3267 1212
Ratchaburi			
60	Ban Pong	0 3221 1397	0 3220 1193
61	Ratchaburi	0 3231 4054-5	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 2463 6314-6	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 3087	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

No.	Branch	Tel	Fax
72	Samut Prakan	0 2395 3000-2	0 2701 7805
73	Talat Bang Bo	0 2708 4056-7	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 2403-5	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 3441 1145	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
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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
91	In Buri	0 3658 1490	0 3658 1722
92	Sing Buri	0 3652 0035-7	0 3651 1308
93	Talat Channasut Bang Rachan	0 3659 1478	0 3659 1479
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 3557 8011	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

No.	Branch	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 2 992 6117
Samut Prakan			
105	Big-C Suksawat	0 2464 4281-5	0 2464 4284

North 71 Branches

Chiang Mai

1	Bo Sang	0 5338 6850-1	0 5333 9036
2	Chang Phuak Chiang Mai	0 5321 1672	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 5327 3487	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 5324 2855	0 5324 2901
14	Thanon Chiang Mai-Maejo Sub-Branch	0 5324 3851-2	0 5324 3853
15	Thanon Moon Muang Sub-Branch	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 5328 2085-6	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 5379 1111	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

No.	Branch	Tel	Fax
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 Super Highway Chiang Rai	0 5375 4144-5	0 5371 7489
Kamphaeng Phet			
28	Kamphaeng Phet	0 5571 1244	0 5571 3702
29	Khlung Khlung	0 5572 4383-7	0 5572 4390
30	Khlung Lan Kamphaeng Phet	0 5573 5250	0 5578 6233
Lampang			
31	Thanon Chatchai Lampang	0 5422 4830-1	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 5352 0228	0 5352 0227
Mae Hong Son			
36	Mae Hong Son	0 5361 1556	0 5361 1557
Nakhon Sawan			
37	Lat Yao	0 5631 7640-2	0 5627 1438
38	Nong Bua	0 5625 1351	0 5625 1053
39	Takhli	0 5626 1520-1	0 5626 1972
40	Tha Tako	0 5636 0636-8	0 5624 9330
41	Thanon Kosi Nakhon Sawan	0 5631 2885-8	0 5622 5202
42	Thanon Sai Asia Nakhonsawan Sub-Branch	0 5622 9120-1	0 5622 9122
43	Thanon Sawanwithee Nakhonsawan	0 5622 1521-2	0 5622 1581
Nan			
44	Nan	0 5471 0162	0 5471 0566
45	Pua	0 5479 1106-7	0 5479 1108
Phayao			
46	Chiang Kham	0 5441 6340-3	0 5445 1432
47	Chun	0 5442 0186-7	0 5445 9033
48	Phayao	0 5441 2209	0 5443 1774
49	Si Yaek-Maetam 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 5674 6048-9	0 5670 1119
52	Phetchabun	0 5672 2264	0 5671 1163
53	Sap Samo Thot	0 5673 1168	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

No.	Branch	Tel	Fax
Phitsanulok			
59	Ha Yaek Khok Matum	0 5524 5215-9	0 5524 1984
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	Sawankalok	0 5564 1550	0 5564 1392
64	Sukhothai	0 5561 1932	0 5561 2887
Tak			
65	Mae Sot	0 5553 1020	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			
Chiangmai			
71	Central Airport Plaza Chiangmai Sub-Branch	0 5390 3607-8	0 5390 3612
Northeast 69 Branches			
Amnat Charoen			
1	Amnat Charoen	0 4551 1561	0 4551 1560
Buri Ram			
2	Buri Ram	0 4461 1056	0 4461 2590
3	Nang Rong	0 4462 4466-8	0 4463 1863
4	Prakhon Chai	0 4467 1627-29	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 4488 2754	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 4331 1027	0 4331 1007
13	Kranuan	0 4325 1276	0 4325 1683
14	Muang Phon	0 4341 4132	0 4341 4138
15	Thanon Mittraphap Khon Kaen	0 4332 5519-24	0 4332 5442
16	Thanon Na Muang Khon Kaen	0 4322 5131-3	0 4322 5069

No.	Branch	Tel	Fax
17	Thanon Pracha Samoson Khon Kaen	0 4323 7719	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 4258 1117-8	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	0 4421 3542-3	0 4421 3541
35	Soeng Sang	0 4444 7150-4	0 4444 7079
36	Thanon Chomphon Nakhon Ratchasima	0 4424 2526	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 Lamphu			
39	Nong Bua Lamphu	0 4236 0843-7	0 4236 0852
40	Si Bun Ruang	0 4235 3910-1	0 4235 3912
Nong Khai			
41	Bung Kan	0 4249 1667-90	0 4249 1666
42	Nong Khai	0 4241 1669-70	0 4241 1058
43	Pak Khat	0 4248 1043	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 4351 3021-2	0 4351 3023
Sakon Nakhon			
48	Phang Khon	0 4273 4928-30	0 4277 1282
49	Sakon Nakhon	0 4271 1211	0 4271 1712
50	Sawang Daen Din	0 4272 1588-90	0 4272 1592

No.	Branch	Tel	Fax
Si Sa Ket			
51	Kantharalak	0 4566 1159	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 4536 1488-9	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 4524 3470-3	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 4233 1992	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			
Nakhon Ratchasima			
69	The Mall Nakhon- Ratchasima Sub-Branch	0 4428 8490-2	0 4428 8493
East 50 Branches			
Chachoengsao			
1	Bang Khla	0 3854 1847	0 3854 1391
2	Bang Pakong	0 3883 2449-51	0 3853 2815
3	Bang Wu Sub-Branch	0 3884 1040-2	0 3884 1043
4	Bus Station Chachoengsao Sub-Branch	0 3851 6102-3	0 3881 2087
5	Chachoengsao	0 3881 6296	0 3851 2195
6	Phanom Sarakham	0 3855 1464-5	0 3855 1025
7	Suwinthawong Chachoengsao	0 3859 3470-73	0 3859 3475
8	Talat Khlong Suan	0 3859 5061-2	0 3859 5063
Chantaburi			
9	Khlung	0 3944 1659	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

No.	Branch	Tel	Fax
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 3836 7867-9	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
20	Naklue	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 11194-5	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 4-593
34	Thanon Wachira Prakan Chon Buri	0 3827 3850-5	0 3827 3856
Prachin Buri			
35	Kabin Buri	0 3728 1879	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 3888 2875-7	0 3860 2577
39	Klaeng	0 3867 1173	0 3867 1360
40	Mabtapud	0 3860 7518-21	0 3860 7525
41	Rayong	0 3861 1007	0 3861 3969
42	Thanon Chantaudom Rayong	0 3861 6002-5	0 3861 6006
Sa Kaeo			
43	Aranyaprathet	0 3723 1272	0 3723 1072
44	Khlong Hat	0 3751 2251-4	0 3751 2249
45	Sa Kaeo	0 3722 0522-3	0 3724 1022
46	Wang Nam Yen	0 3725 1002-3	0 3725 1001

No.	Branch	Tel	Fax
Trat			
47	Khlong Yai	0 3958 1123-4	0 3958 1255
48	Laem Ngop	0 3959 7045-6	0 3953 8297
49	Trat	0 3952 0569-73	0 3953 2857
In-Store Branch			
Open daily 11.00 - 19.00 hrs.			
Chon Buri			
50	Central Festival Pattaya Sub-Branch	0 3841 5273-4	0 3841 5277
South 47 Branches			
Chumphon			
1	Chumphon	0 7750 1418	0 7750 1029
2	Lang Suan Chumphon	0 7758 1489	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 7561 1333	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
10	Tha Sala	0 7552 1337-8	0 7552 1336
11	Thung Song	0 7541 2842	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 1578-9	0 7361 2455
Pattani			
15	Pa Lat	0 7348 5181	0 7348 5186
16	Pattani	0 7331 1518-20	0 7333 1039
Phangnga			
17	Phangnga	0 7643 0529-30	0 7641 1888
18	Talat Yan Yao	0 7642 1555	0 7642 1389
19	Thai Muang	0 7657 1501	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 7625 6400-1	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

No.	Branch	Tel	Fax
Songkhla			
27	Hat Yai Nai	0 7425 7840-2	0 7425 4843
28	Padang Besa	0 7452 1977-8	0 7452 1980
29	Songkhla	0 7432 1070	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 4404	0 7423 5770
34	Thanon Supphasan Rangsan Hat Yai	0 7422 0884	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 7731 1033	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 7321 2729	0 7321 4190
In-Store Branch			
Open daily 11.00 - 19.00 hrs			
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.

1	Phahon Yothin	0 2273 1213-6	0 2273 1234
2	Thanon Sathon	0 2238 2880-6	0 2238 2887

Platinum Lounge

Open daily 11.00 - 20.00 hrs.

1	Siam Paragon Sub-Branch	0 2610 9404-8	0 2610 9409
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Foreign Exchange Booths

No.	Booth	Tel	Fax
Bangkok			
1	City Complex Pratu Nam	0 2253 1196	0 2253 1197
2	Mahboonkrong Center	0 2216 4821	0 2216 4821
3	Nana Nua	0 2655 0735-40 ext. 143	0 2655 0741
4	National Stadium BTS	0 2612 5328	0 2612 5266
5	Phat Phong	0 2637 0042 ext. 144	0 2637 0476
6	Silom	0 2237 2092	0 2233 7643
7	Thanon Khao San 1	0 2282 8959	0 2282 4122
8	Thanon Khao San 2	0 2282 7367	0 2282 7368
9	Wat Trai Mit	0 2221 9184	0 2221 9185
Chiang Mai			
10	Night Bazaar	0 5327 3487	0 5327 3552
11	Thanon Tha Phae Chiang Mai	0 5327 0151-8 ext.143	0 5327 5470
Chiang Rai			
12	Chiang Rai Airport	0 5379 8266	0 5379 8267
Chon Buri			
13	Pattaya Klang	0 3842 5583	0 3842 5582
14	Pattaya Tai 1	0 3842 9145	0 3842 9294
15	Pattaya Tai 2	0 3842 8511 ext. 150	0 3842 7696
16	Thanon Chai Hat Pattaya 1	0 3842 1403	0 3842 1361
17	Thanon Chai Hat Pattaya 2	0 3842 9429	0 3842 9429
Krabi			
18	Hat Ao Nang 1	0 7569 5654	0 7569 5655
19	Hat Ao Nang 2	0 7569 5657	0 7569 5658
20	Ko Lanta	0 7568 4546	0 7568 4593
Phuket			
21	Leab Chai Hat Patong 1	0 7634 4601	0 7634 4610
22	Leab Chai Hat Patong 2	0 7634 4208	0 7634 4209
23	Hat Patong 1	0 7629 4119-20	0 7634 0198
24	Hat Patong 2	0 7634 0060	0 7634 0069
25	Hat Patong 3	0 7634 1104	0 7634 1128
26	Karon	0 7633 3551	0 7633 3552
27	Kata	0 7633 3010	0 7633 3011
Prachuap Khiri Khan			
28	Hua Hin	0 3251 1646	0 3251 1656
Songkhla			
29	Hat Yai Airport	0 7422 7256	0 7422 7257
Surat Thani			
30	Hat Chaweng 1	0 7741 3871	0 7741 3872
31	Hat Chaweng 2	0 7742 2690	0 7742 2692
32	Hat Lamai 1	0 7745 8274	0 7745 8275
33	Ko Phangan	0 7737 5206	0 7737 5221
Trat			
34	Ko Chang	0 3955 1509	0 3955 1510

BUSINESS SERVICE CENTER

Tel: 0 2470 3111

Open Monday - Friday 8.30 - 15.30 hrs.

No.	Province	Business Service Center	Tel	Fax
Bangkok Area				
1	Bangkok	Silom Main Branch	0 2234 7051-9 ext. 5208	0 2234 5145
2	Bangkok	Phahon Yothin Main Branch	0 2273 1398	0 2273 1399
3	Bangkok	Thanon Sua Pa Main Branch	0 2226 4560-79 ext. 5521	0 2222 5741
4	Bangkok	Bang Kapi	0 2261 0161-2	0 2261 0164
5	Bangkok	Dao Khanong	0 2877 5670 ext. 121	0 2476 4463
6	Bangkok	Lat Krabang	0 2739 0187-9 ext. 131, 132	0 2326 7198
7	Bangkok	Ratchadamri	0 2655 0275-83 ext. 112, 113	0 2253 1423
8	Bangkok	Lat Phrao 25	0 2938 3040-2 ext. 103	0 2513 1603
9	Bangkok	Tha Rua Sathu Pradit	0 2682 0172 ext. 132, 133	0 2294 6661
10	Bangkok	Bang Yikhan	0 2883 0613-9 ext. 500, 501	0 2433 1337
11	Bangkok	Bang Bon	0 2899 8336-9 ext. 101	0 2416 4396
12	Bangkok	Ekkamai	0 2714 1081-8 ext. 109, 110	0 2714 0410
13	Bangkok	Thanon Sri Nakharin Km.9 Sub-Branch	0 2393 5850-4 ext. 129	0 2361 7236
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	Phra Pradaeng	0 2818 0990-5 ext. 119	0 2463 1976
18	Samut Prakan	Samut Prakan	0 2701 7800-4 ext. 137, 138	0 2701 7805
19	Samut Prakan	Bang Phli	0 2315 3447-8 ext. 110	0 2316 7827
20	Samut Sakhon	Thanon Setthakit 1	0 3481 6662-8 ext. 115	0 3481 36671
Other Provinces				
21	Chon Buri	Laem Chabang	0 3849 3624 ext. 161, 162	0 3849 3628
22	Chachoengsao	Bang Pakong	0 3821 3555-7 ext. 166	0 3821 3560
23	Rayong	Mabtapud	0 3860 7518-9 ext. 102, 103	0 3860 7525
24	Chiang Mai	Thanon Tha Phae	0 5327 0151-8 ext. 130	0 5328 2679
25	Nakhon Ratchasima	Hua Tha Le	0 4425 1372-4 ext. 138, 139	0 4425 6394
26	Songkhla	Thanon Phetkasem Hat Yai	0 7422 0504 ext. 107	0 7424 6923

INTERNATIONAL TRADE SERVICES OFFICE

Business Hours: Weekdays (except bank's holidays) from 8.30 – 16.30 hrs.

Bangkok Metropolitan and Vicinity International Trade Services Office

1. International Trade Services Office Phahon Yothin

Tel : 0 2273 1401-10
Fax : 0 2273 3631, 0 2273 1635, 0 2273 1472

2. International Trade Services Office Silom

Tel : 0 2634 0580
Fax : 0 2234 6178, 0 2234 9650, 0 2234 5140

3. International Trade Services Office Thanon Suapa

Tel : 0 2221 3131-8, 0 2226 4560-79, 0 2223 1337-9
Fax : 0 2225 6575, 0 2226 1795

4. International Trade Services Office Sukhumvit

Tel : 0 2261 0133-44
Fax : 0 2261 0145-6

5. International Trade Services Office Thanon Srinakarin

Tel : 0 2399 4225-7, 0 2361 7235
Fax : 0 2390 0477

6. International Trade Services Office Lat Krabang

Tel : 0 2739 0191-5, 0 2326 8304
Fax : 0 2326 8303

7. International Trade Services Office Samut Prakarn

Tel : 0 2395 3085, 0 2395 3799, 0 2395 3441
Fax : 0 2387 1192

8. International Trade Services Office Dao Khanong

Tel : 0 2476 0616-9, 0 2877 5641-7
Fax : 0 2476 0620, 0 2877 5697

**9. International Trade Services Office Thanon Setthakit 1
Samut Sakorn**

Tel : 0 3481 6666, 0 3481 6707, 0 3442 2395-6
Fax : 0 3481 6708

10. International Trade Services Office Om Yai

Tel : 0 2811 6845-6
Fax : 0 2431 2042

11. International Trade Services Office Navanakorn

Tel : 0 2529 1572-3, 0 2529 1231
Fax : 0 2529 1963, 0 2529 1522

Up-country International Trade Services Office

12. International Trade Services Office Hat Yai

Tel : 0 7422 0501-2, 0 7424 6716
Fax : 0 7423 5772

13. International Trade Services Office Leamchabang

Tel : 0 3833 0053-4, 0 3849 3620-1, 0 3849 3623
Fax : 0 3833 0055, 0 3849 3622

14. International Trade Services Office Bang Pakong

Tel : 0 3874 3853-5
Fax : 0 3874 3856

15. International Trade Services Office Chiang Mai

Tel : 0 5328 2681, 0 5327 1677
Fax : 0 5328 2680

16. International Trade Services Office Maptapud

Tel : 0 3860 9490
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E-mail : Somboon.Wa@kasikornbank.com

SUMMARY OF SPECIFIED ITEMS PER FORM 56-2 IN 2005 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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EXCELLENCE



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