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ANNUAL REPORT 2003

KRUNG THAI BANK_{PCL.}



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Nana Nua Building Head Office



Sukhumvit Building Head Office

Strategic Intent



Krung Thai Bank intends to be a "Convenience Bank"

- A center of wide variety of quality financial products that meet people's needs by providing core banking business in accepting deposits, lending, accepting payments and collaborating with other businesses in offering the best products for sale through the Bank.
- Located in suitable areas, convenient to buy, easy to pay, no wasted time, open daily at any hour.

Mission

Presenting financial services that reach the target customer segments with speedy and accurate services at competitive prices through branch network covering all areas nationwide by adhering to good management principle.



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Message from the Chairman and the President

Dear Valued Shareholders,

During the first half of 2003, Thailand's overall economy was adversely affected by external factors in several aspects i.e. the US - Iraqi war, oil price problem as well as outbreak of the Severe Acute Respiratory Syndrome (SARS). These factors had negative impacts on the operations both of the money markets and capital markets. Several banks were unable to expand their lending as much as they could have expanded and the stock exchange indices had severe volatility. Nevertheless, when the problems were alleviated, the economic condition started to improve thus enabling respective business establishments to carry on their operation well. As a result, Thailand's overall economy grew as high as 6.3 percent.

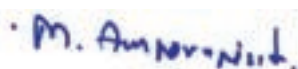
Krung Thai Bank PCL implemented its strategies in several aspects to cope with the aforementioned problems. The significant aspect was the adoption of price strategy or low interest rates on loans in order to ease the burden of its existing customers. Such strategy also served as incentive to the public to use the Bank's services, resulting in the Bank earning more income from the expanded lending. Meanwhile, the Bank kept its interest rates on deposits at the existing levels as it was the last bank that cut interest rates so that the customers depending on income from interest on deposits would not be much affected. Apart from this, the Bank increased its channels for generating fee-based income in various forms.

In the second quarter, the Bank had provision for possible loan losses or allowance for doubtful and bad accounts higher than the Bank of Thailand's requirement by 3,545 million Baht in order to reinforce the Bank's strengths and stability as well as building confidence of the investors in the Bank. In this connection, the Bank's ratio of provision for possible loan losses to total non-performing loans (NPLs) was 75.5 %, thus being included in the group of banks with such ratio at satisfactory level. Besides, the Bank was still able to earn net profit of 8,705 million Baht or approximately 0.78 Baht per share. Therefore, Krung Thai Bank had potential to pay dividends for two consecutive years after the economic crisis in 1997.

Overall, it can be said that the Bank was able to achieve the implementation of its main policy in several aspects, that is, being the first commercial bank able to pay dividends to the shareholders after the economic crisis, being leader both in the aspects of lending and interest rates and being capable of reducing ratio of the public sector's shareholding in accordance with the government policy. Meanwhile, the policy implemented continuously by the Bank to cope with the pressure of the Basel Accord II and the government's Financial Master Plan, which would cause intense competition in the banking industry incorporated the building of strong capital base, the investment in development of technology, personnel development as well as risk management to which the Bank has continuously attached importance.

The year 2004 is the year in which the Bank is determined to be a "Convenience Bank" by means of getting well prepared to meet the customers satisfaction in all aspects whether it is providing services or presenting a wide variety of products as required or building assets that will bring about value added to the Bank through expansion of quality credit, and above all, creating the best returns to the shareholders. This includes the Bank's support in building intellectual capital to the society to create sustainable economic growth to the country as a whole.

Last but not least, the Board of Directors, the executive officers as well as all the bank employees wish to extend sincere thanks and appreciation to you, the valued shareholders, for your trust and confidence in the Bank's teams of management and the bank employees. With the Bank's vow to stand side by side with the Thai people to jointly develop our country's economy for further advancement, the Bank sincerely hopes that it will continue to receive your kind support at all times.



(General Mongkon Ampornpisit)
Chairman



(Mr. Viroj Nualkhair)
President

Board of Directors' Biography in Brief



General (Ret.) Mongkon Ampornpisit Chairman

Education ■ Honorary Doctorate in Political Science, Ramkhamhaeng University ■ National Defence College, Class 344 ■ Military education, Chulachomkiao Royal Military Academy
Experience ● **Military Positions** ■ Supreme Commander of the Royal Thai Armed Forces ■ Chief of Joint Staff ■ Commanding General of the 1-st Division, The King's Guards ■ Commanding General of the 9 th Infantry Division ■ Aide-De-Camp to Prime Minister General Prem Tinsulanonda ■ Commander of the 9 th Infantry Regiment
 ● **Non-military Positions** ■ The Chairman of the Board of Directors of the Bangkok Mass Transportation Authority ■ The Chairman of the Board of Directors of the Mass Communications Organization of Thailand ■ Vice Chairman of the Board of Directors of the Petroleum Authority of Thailand ■ The Chairman of the Board of Directors of the New Bangkok International Airport

Mr. Suparut Kawatkul Vice Chairman

Education ■ M.Sc. (Economics) Queen Mary College, University of London, U.K. ■ B.Sc. (Economics), London School of Economics and Political Science, University of London, U.K.
Experience ■ Director-General, Fiscal Policy Office, Ministry of Finance ■ Advisor in Finance, Office of the Permanent Secretary ■ Principal Specialist on Revenue Tax Structure, Revenue Department ■ Deputy Director-General, Fiscal Policy Office
Other Positions ■ Director-General, Revenue Department ■ Chairman of the Board of Directors, The Syndicate of Thai Hotel & Tourists Enterprises Limited ■ Chairman of the Board of Directors, Erawan Hotel Company Limited ■ Member of the Board of Thailand Tobacco Monopoly ■ Director, Dhipaya Insurance Public Company Limited

Lt. Suchai Jaovisidha Director & Chairman of the Board of Executive Directors

Education ■ B.Sc. Economics (Industry and Trade), University of London ■ National Defence College Class 366
Experience ■ Director-General, Department of Internal Trade / Department of Intellectual Property, Ministry of Commerce ■ Deputy Permanent Secretary, Ministry of Commerce ■ Deputy Chairman, The Public Warehouse Organization
Other Positions ■ Chairman of the Board, Road Accident Victims Protection Company Limited ■ Chairman of the Board, Krung Thai AXA Life Insurance Company Limited ■ Chairman of the Board of Directors, Shun Thai Rubber Gloves Industry Public Co., Ltd. ■ Director and Chairman of the Audit Committee, CP Seven Eleven Public Company Limited ■ Director and Chairman of the Audit Committee, Bangkok Insurance Public Company Limited

Mr. Machima Kunjara Na Ayudhya Director & Executive Director

Education ■ LDPG : Senior Executive Program, IMD and MIT Sloan, Lausanne, Switzerland ■ M.Sc. (Economics), Pittsburg State University, U.S.A. ■ B.A. (Economics), Thammasat University
Experience ■ Deputy Managing Director of the Electricity Generating Public Company Limited ■ Board of Director, Dhipaya Insurance Public Company Limited ■ Director, Real Property Renting Management Division, Treasury Department, Ministry of Finance ■ Chief Loan Officer, Loan Management for state Enterprises, Loan Policy and Management Division, Fiscal Policy Office, Ministry of Finance ■ Auditing Committee, The Stock Exchange of Thailand
Other Positions ■ Chairman, Listed Companies Association ■ Chairman, Krung Thai Property Development Company Limited ■ Director, Krung Thai IBJ Leasing Company Limited ■ Independent Director, Thai Caprolactam Public Company Limited ■ Director, National Insurance Company Limited

Mr. Chainarong Indharamesup Director & Executive Director

Education ■ Master of Public Administration, National Institute of Development Administration (NIDA), Thailand ■ Executive Programs John F. Kennedy School of Government, Harvard University ■ Senior Executive Program, J.L. Kellogg Graduate School of Management, Northwestern University, U.S.A.
Experience ■ Researcher, Ford Foundation Mucia, National Institute of Development Administration ■ General Manager, Deemar Research Company Limited ■ Managing Director, Interlife Assurance Company Limited ■ Executive Vice President, Rama Tower Public Company Limited ■ Audit committee Chairman, National Scientific Research Institute of Thailand
Other Positions ■ Committee Member, National Salary Board/ National Manpower Planning Board/ National Statistical office/ ก.ท. ศววจสอ มาตรการประเมิน-จ้างทวงคืนสิทธิการ / State Enterprise Performance Evaluation Committee / ก.ท.ปฐปฐบ-ระสิทธิ์ทวงคืน-ประสิทธิ์ทวงคืนของกรมราชการ ■ Executive Committee, the office for National Education Standard and Quality Assessment (Public Organization) ■ Executive committee, the International Institute for Trade and Development (Public Organization) ■ Director, College of Graduate Study in Management, Khon Kaen University (MBA program) ■ Director, Assumption University ■ Director, The University of the Thai Chamber of Commerce ■ Director, The Thai Chamber of Commerce ■ Audit Committee, King Prajadhipok's Institute

Mr. Utama Savanayana Director & Executive Director

Education ■ Ph.D. (Finance), School of Management, University of Massachusetts-Amherst, U.S.A. ■ M.B.A. J.L. Kellogg Graduate School of Management, Northwestern University, U.S.A. ■ B.Sc. (Electrical Engineering), Brown University, U.S.A.
Experience ■ Advisor to Deputy Prime Minister for Economic Affairs, Ministry of Finance ■ Board Director & Chairman of Executive Board, SME & People Financial Advisory Center (SFAC), Siam City – Ing Asset Management Company Limited ■ Senior Vice President, Strategic Planning, Organization & Research Group, Siam City Bank Public Company Limited ■ Associate Dean for Academic Affairs, Graduate School of Business, National Institute of Development Administration
Other Positions ■ Vice Minister for office of the Prime Minister, Thailand ■ Committee Member, National State Enterprise Policy committee ■ Board Director & Executive Board Director, Small and Medium Enterprise Development Bank of Thailand ■ Board Director & Executive Board Director, Krung Thai AXA Insurance Company Limited ■ Advisor to Chairman of Executive Board, Thai Asset Management Corporation



Mr. Chetthavee Charoenpitaks Director

Education ■ M.B.A. (Finance), North Texas State University, U.S.A. ■ B.B.A., North Texas State University, U.S.A. ■ Bachelor of Law, Ramkhamhaeng University

Experience ■ Assistant Governor, Strategic Capabilities, Operations, Financial Markets Operations Group, Administration, Bank of Thailand ■ Director, Deposits and Bond Department, Bank of Thailand

Other Positions ■ Director and Treasurer, Bank of Thailand's 50 th Anniversary Foundation ■ Chairman, Bank of Thailand Registered Provident Fund's Committee ■ Chairman, Joint Consultation Committee, Bank of Thailand

Mr. Chai-Anan Samudavanija Director

Education ■ Ph.D. (Political Science), University of Wisconsin, U.S.A. ■ M.A. (Political Science), University of Wisconsin, U.S.A. ■ B.A. (Political Science and Asian Studies), Victoria University of Wellington, New Zealand ■ Honorary Doctoral Degree, University of Wisconsin ■ Honorary Degree, National Defence College ■ Honorary Doctoral Degree, Edgewood College ■ Honorary Doctoral Degree, National Institute for Development Administration (NIDA) ■ The Dushdi Mâlâ (royal decoration)

Experience ■ Member, Constitutional Drafting Committee ■ Adviser to Prime Minister Prem Tinsulanonda ■ Adviser to Prime Minister Chatichai Choonhavan ■ Senator ■ Chairman, Joint Senate House Committee on the Amendment to Constitution ■ Judge, Constitutional Court ■ Consultant to the U.N. Special Adviser on Cambodia ■ Consultant to the Thai Government on the 8th National Social and Economic Development Plan ■ Program Planner, Southeast Asian Strategic Studies Program

Other Positions ■ Member and Vice President of the Royal Institute ■ Member of the Board and Member of the Strategic Committee, Thai Airways International Public Company Limited ■ Member, Executive Board, National Research Council ■ Member, Public Service Reform Committee / Public Enterprise Policy Committee / National Competitiveness Committee / National Education Committee

Mr. Wichian Wiriyaprasit Independent Director & Audit Director

Education ■ Barrister at Law, Institute of Legal Education Thai Bar Association ■ LL.B., Thammasat University

Experience ■ Attorney General ■ Vice President of the Thai Bar Association ■ Director, Government Pension Fund

Other Positions ■ Senior Prosecutor ■ Councilor of state ■ Director, PTT Corporation's Board of Directors

Mr. Tej Bunnag Director & Member of the Audit Committee

Education ■ Ph.D., St. Antony's College, Oxford, U.K. ■ M.A. (Hons.), King's College, Cambridge University, U.K. ■ B.A. (Hons.), King's College, Cambridge University, U.K.

Experience ■ Ambassador Extraordinary and Plenipotentiary of Thailand to the United States America / France and China ■ Ambassador Extraordinary and Plenipotentiary, Permanent Representative to the United Nations Office, Geneva ■ Deputy Permanent Secretary, Office of the Permanent Secretary ■ Deputy Director-General, Office of the Director-General, ASEAN-THAILAND ■ Permanent Secretary, Office of the Permanent Secretary, Ministry of Foreign Affairs

Mr. Rutt Phanijphand Director & Member of the Audit Committee

Education ■ M.S. in Business Ad., Fort Hays Kansas State College, Hays, Kansas, U.S.A. ■ B.S., Kasetsart University

Experience ■ Advisor, Banpu Public Company Limited ■ President, Banpu Power Company Limited ■ President & CEO, Dhana Siam Finance & Securities Company Limited ■ Senior Vice President, Commercial Business Department, Siam Commercial Bank Public Company Limited

Other Positions ■ President & CEO, Quality Houses Public Company Limited ■ Advisor, Banpu Public Company Limited ■ Chairman of the Board, United Advisory Service Company Limited ■ Executive Director, G.S. Property Management Company Limited ■ Director, Home Product Centre Public Company Limited

Mr. Viroj Nualkhair Executive Director & President

Education ■ M.B.A., University of Wisconsin, U.S.A. ■ B.Com., Chulalongkorn University, Bangkok ■ Business Administration Program, Wharton School, University of Pennsylvania, U.S.A. ■ Advanced Management Program, INSEAD, France

Experience ■ Director, The Government Savings Bank ■ Honorary Chairman, Merrill Lynch Phatra Securities Company Limited ■ Chairman, Thai Telephone and Telecommunication Public Company Limited ■ Chief Executive Officer, Phatra Thanakit Public Company Limited ■ Chairman, Phatra Securities Company Limited / Merrill Lynch Securities Company Limited ■ Chairman, Association of Securities Companies ■ Vice Chairman, Securities Exchange of Thailand

Other Positions ■ Member of the Executive Board, Vajiravudh College ■ Director, Thai Airways International Public Company Limited ■ Director, Capital Market Development Fund Foundation ■ Commission Member, Office of the Securities and Exchange Commission ■ Director, Thai Sailing Association

Executive Officers' Biography in Brief



Mr. Viroj Nualkhair Executive Director & President

Education ■ M.B.A., University of Wisconsin, U.S.A. ■ B.Com., Chulalongkorn University, Bangkok ■ Business Administration Program, Wharton School, University of Pennsylvania, U.S.A. ■ Advanced Management Program, INSEAD, France

Experience ■ Director, The Government Savings Bank ■ Honorary Chairman, Merrill Lynch Phatra Securities Company Limited ■ Chairman, Thai Telephone and Telecommunication Public Company Limited ■ Chief Executive Officer, Phatra Thanakit Public Company Limited ■ Chairman, Phatra Securities Company Limited / Merrill Lynch Securities Company Limited ■ Chairman, Association of Securities Companies ■ Vice Chairman, Securities Exchange of Thailand

Other Positions ■ Member of the Executive Board, Vajiravudh College ■ Director, Thai Airways International Public Company Limited ■ Director, Capital Market Development Fund Foundation ■ Commission Member, Office of the Securities and Exchange Commission ■ Director, Thai Sailing Association

Mr. Pongsathorn Siriyodhin First Senior Executive Vice President : Banking Operations Group, Finance Group

Education ■ Ph.D. (Economics), University of Cincinnati, U.S.A. ■ M.A. (Economics), California State University, U.S.A. ■ B.A. (Economics), California State University, U.S.A.

Experience ■ Senior Executive Vice President, Risk Management Unit, Krung Thai Bank Public Company Limited ■ Director, Krungthai AXA Life Insurance Company Limited ■ President of Board of Directors Krungthai Legal Services Company Limited ■ Secretary, Ministry of Finance ■ Deputy Secretary-General to the Prime Minister, Government House ■ Vice President, the Executive Board Chairman, Bangkok Bank Public Company Limited

Other Position ■ Chairman, Krungthai Card Public Company Limited ■ Director, The Industrial Finance Corporate of Thailand ■ Director, Trinity Wattana Public Company Limited

Mr. Sahas Treetipbut Senior Executive Vice President : Products Management & Special Projects Group

Education ■ M.S. (Computer and Information Sciences), Syracuse University, U.S.A. ■ B.Com, Chulalongkorn University ■ Advanced Management Program for Overseas Bankers, The Wharton School, University of Pennsylvania, U.S.A. ■ Diploma, National Defence College Class 12

Experience ■ Senior Executive Vice President/ Executive Vice President Information Unit, Consumer Finance, Credit Card and ATM, Business Development Banking Unit, Krung Thai Bank Public Company Limited ■ President, Krung Thai Computer Services Company Limited / Krungthai Card Public Company Limited / Krung Thai General Business Services Company Limited / Thai Capital Management Company Limited ■ Chairman, Credit Card Club (Thailand) ■ Director, MasterCard Asia Pacific Region

Other Positions ■ Chairman of the Executive Board, Trade Siam Company limited ■ Chairman of the Policy and Planning Sub-Committee, Director, The Electronic Transaction Commission ■ Director, Krung Thai AXA Life Insurance Public Company Limited / Internet Thailand Public Company Limited / Settrade.com Company Limited

Mr. Suwit Udomsab Senior Executive Vice President : International Business & Financial Markets Group

Education ■ B.Acc., Chulalongkorn University, Thailand

Experience ■ President, Thai Forex Club ■ Vice Chairman of the Board of Directors & Chairman of the Board of Executive Directors, Krungthai Thanakit Public Company Limited ■ Senior Vice President, International Trade Department / Vice President, Los Angeles Branch : Siam Commercial Bank Public Company Limited

Other Positions ■ Director, AFC Merchant Bank, Singapore ■ Director, Thailand Securities Depository Company Limited ■ Director, Trinity Wattana Public Company Limited ■ Director, Thailand – China Business Council

Mr. Dusit Tengniyom Senior Executive Vice President : Upper Southern Region & Bangkok Metropolis Group

Education ■ M.S. (Public Administration), California State University at Los Angeles, U.S.A. ■ B.B.A., Woodbury College, California, U.S.A. ■ Advanced Management Program : The International Senior Management Program (AMP : ISMP); Graduate School of Business Administration, Harvard University, U.S.A.

Experience ■ Senior Executive Vice President, Corporate Banking Unit / Chief Operating Officer of Asset Management Business Unit / Executive Vice President / Senior Vice President and Manager, Office of the President, Krung Thai Bank Public Company Limited ■ Senior Assistant Chief of Division, Bank of Thailand

Other Position ■ Director and Executive Director, Bangkok Expressway Public Company Limited. ■ Director, Northern Bangkok Expressway Public Company Limited ■ Director and Executive Director, Bangkok Metro Company Limited ■ Director and Executive Director, Advance Agro Company Limited ■ Director, Krungthai AXA Insurance Company Limited



Mr. Somanat Chutima Senior Executive Vice President : Substandard Debts Management Group

Education ■ M.A. (Economics), Notre Dame University, U.S.A. ■ B.A. (Economics), Thammasat University ■ Advanced Management Program : PED, International Institute for Management Development, Lausanne, Switzerland ■ Diploma, National Defence College, Class 4515

Experience ■ Senior Executive Vice President, Organization and Subsidiaries Support Unit / Chief of Corporate Asset Management / Executive Vice President / Senior Vice President and manager, Industrial Credit Department, Krung Thai Bank Public Company Limited ■ Assistant Vice President, Financial Institute and Government Sector Department, Bank of America, Bangkok

Other Positions ■ Acting Managing Director Krungthai Legal Services Company Limited ■ Director, Krung Thai IBJ Leasing ■ Director, Sukhumvit Asset Management Company Limited ■ Advisor, Dhipaya Insurance Public Company Limited

Mr. Wanchai Thanittiraporn Senior Executive Vice President : Central Region & Bangkok Metropolis Group

Education ■ M.S.(Economics Development), NIDA ■ B.Com. / B.Acc., Chulalongkorn University ■ A.E.P., J.L. Kellogg Graduate School of Management, Northwestern University, U.S.A.

Experience ■ Executive Vice President, Retail and Medium Business Unit / Senior Vice President and Manager, Branch Administration Department 1 / Senior Branch Manager, Krung Thai Bank Public Company Limited

Other Positions ■ Director, Krungthai Panich Insurance Company Limited ■ Director, Krungthai AXA Life Insurance Company Limited

Ms. Kittiya Todhanakasem Senior Executive Vice President : Risk Management Group

Education ■ M.B.A., University of Illinois, Champaign-Urbana, U.S.A. ■ B.Acc. (Hons), Thammasat University

Experience ■ Executive Vice President Risk Management Group, Acting Chief Operating Officer of Corporate Banking Business Unit / Director : Krung Thai Bank Public Company Limited ■ Chief Financial Officer, Submicron Technology Public Company Limited ■ Vice President, Head of BIBF, Bank of America NT & SA, Bangkok Branch ■ Assistant Vice President, International Banking Department., Thai Farmers Bank Public Company Limited

Other Positions ■ Director, Krungthai Panich Insurance Company Limited

Mr. Chaichan Kangwanpong Senior Executive Vice President : Information Technology Group

Education ■ M.M. (Master of Management), Sasin Graduate Institute of Business Administration of Chulalongkorn University ■ B.Sc. (Math), Chiang Mai University

Experience ■ Executive Vice President, Information Technology Group, Krung Thai Bank Public Company Limited ■ Executive Vice President, Thai Military Bank Public Company Limited ■ Account Relationship Manager, IBM Thailand Company Limited

Other Positions ■ Director, Krung Thai Computer Services Company Limited

Mr. Sthit Chupatanakul Senior Executive Vice President : Lower Northern Region & Bangkok Metropolis Group

Education ■ M.B.A., Thammasat University ■ B.Com., Chulalongkorn University

Experience ■ Senior Executive President, Executive Vice President, Special Projects Group / Executive Vice President, Corporate Banking Group / Retail and Medium Business Unit / Senior Vice President and Manager, Department of SMEs Development / Corporate Asset Management Department / Credit Development Department 2, Krung Thai Bank Public Company Limited

Other Positions ■ Chairman, Krungthai General Business Services Company Limited

Mr. Sayan Satangmongkol Senior Executive Vice President : Office of Internal Audit

Education ■ M.B.A., Thammasat University ■ B.Sc. (Agricultural Economics), Kasetsart University

Experience ■ Executive Vice President and Manager, Internal Audit Department / Senior Vice President and Manager, Internal Audit Department / Head of Corporate Relationship Manager, Corporate Banking Center 1 / Head of Corporate Credit Manager, Corporate Banking Center 5, Corporate Banking Center 3 / Commercial Credit Department, Krung Thai Bank Public Company Limited

Other Positions ■ Director, The Bangchak Petroleum Public Company Limited ■ Director, Thanathep Printing company Limited

Mr. Suwan Damnerthong First Executive Vice President : Managing Director Shariah Banking Services

Education ■ M.A. (Management), Sasin Graduate Institute of Business Administration of Chulalongkorn University ■ B.Acc., Chulalongkorn University ■ Investment Banking Risk Management, Advance Rate Risk, Customer Focused Management, Corporate Finance / Capital Markets

Experience ■ Executive Vice President Products & Marketing Group, Internal Control Unit, Corporate Service Center and International Banking Business Unit / Senior Vice President, New York Branch / Secretary, Committee on Setting Direction for Internal Auditing, Krung Thai Bank Public Company Limited ■ Vice President, Securities Distribution and Underwriting Unit / Head, Investment Banking Operations : Citibank N.A., Bangkok

Other Positions ■ Director and Executive Director Bangkok Commercial Asset Management Company Limited



Mr. Somjiat Sangsurane First Executive Vice President : Office of General Counsel

Education ■ M.C. (Securities Markets and Investment), Hitotsubashi University, Japan. ■ B.Com., Chulalongkorn University

Experience ■ Senior Vice President and Manager, Planning and Budget Department, Krung Thai Bank Public Company Limited ■ Assistant Director, Payment Systems Development Office / Chief, Bank Supervision Section, Bank of Thailand

Other Positions ■ Audit Committee Member, TSFC Securities Limited ■ Krungthai Legal Services Company Limited

Mr. Boonlers Srichareon First Executive Vice President : Upper Northeastern Region & Bangkok Metropolis Group

Education ■ B. Com., Chulalongkorn University ■ Mini M.B.A., Thammasat University ■ International Bankers Seminar, The Bank of California International ■ The Senior Executive Program, Sasin Graduate Institute of Business Administration of Chulalongkorn University

Experience ■ Executive Vice President / Senior Vice President and Manager, Zoning Office 7, Zoning Office 2 / Branch Administration Department 8 / Industrial Credit Department, Krung Thai Bank Public Company Limited

Ms. Sumana Vonggapan First Executive Vice President : Human Resources & Corporate Support Group

Education ■ M.B.A., Southeastern Oklahoma State University, U.S.A. ■ B.A. (Communication Arts) (Hons), Chulalongkorn University ■ Banking Management, Japan ■ Strategic Human Resource Management, Harvard University, U.S.A.

Experience ■ Executive Vice President, Human Resources Sector Human Resources & Corporate Support Group / Senior Vice President and Manager, Marketing Development & Data Processing Department / Chief of Business Promotion and Management Group / Personnel Department / Training and Personnel Development Department, Krung Thai Bank Public Company Limited ■ Director, Krungthai General Business Services Company Limited ■ Executive Director, The Thai Institute of Banking and Finance Association ■ Chairman, Bank Human Resource Development Society, The Thai Bankers' Association

Ms. Nongnutch Thienpaitoon First Executive Vice President : Eastern Region & Bangkok Metropolis Group

Education ■ M.B.A. (Hons.), Roosevelt University, Illinois, U.S.A. ■ B.Acc. (Hons), Chulalongkorn University

Experience ■ Executive Vice President, Corporate Sector Bangkok Metropolis & Southern Region Group / Senior Vice President and Manager, Industrial Credit Department / Commercial Credit Department : Krung Thai Bank Public Company Limited

Mr. Pairoj Ratanasopa First Executive Vice President : Upper Northern Region & Bangkok Metropolis Group

Education ■ B.A. (Finance & Banking), Thammasat University

Experience ■ Executive Vice President / Senior Vice President and Manager, Corporate Relations Department 5 / Metropolitan Asset Management / Internal Audit Department / Credit Development Department 3 / Vice President, Regional Office : Krung Thai Bank Public Company Limited

Other Positions ■ Member of the Audit Committee ■ President of Krung Thai Bank football club ■ Advisor to Pitsanulok Province Integrated Administration Committee

Mr. Prasert Sophan First Executive Vice President : Lower Northeastern Region & Bangkok Metropolis Group

Education ■ M.S. (Economics), Chiang Mai University ■ B.Acc., Chiang Mai University

Experience ■ Executive Vice President Northern Region & Western Metropolitan, Northern & Northeastern Region Group, Retail and Medium Business Unit / Senior Vice President and Manager, Zoning Office 3, Internal Audit Department, Credit Development Department 3, Vice President, Northern Area Regional 3, Northern Area Regional 4 Krung Thai Bank Public Company Limited

Other Positions ■ Director, Krungthai Panich Insurance Company Limited

Mr. Preecha Phukham First Executive Vice President : Lower Southern Region & Bangkok Metropolis Group

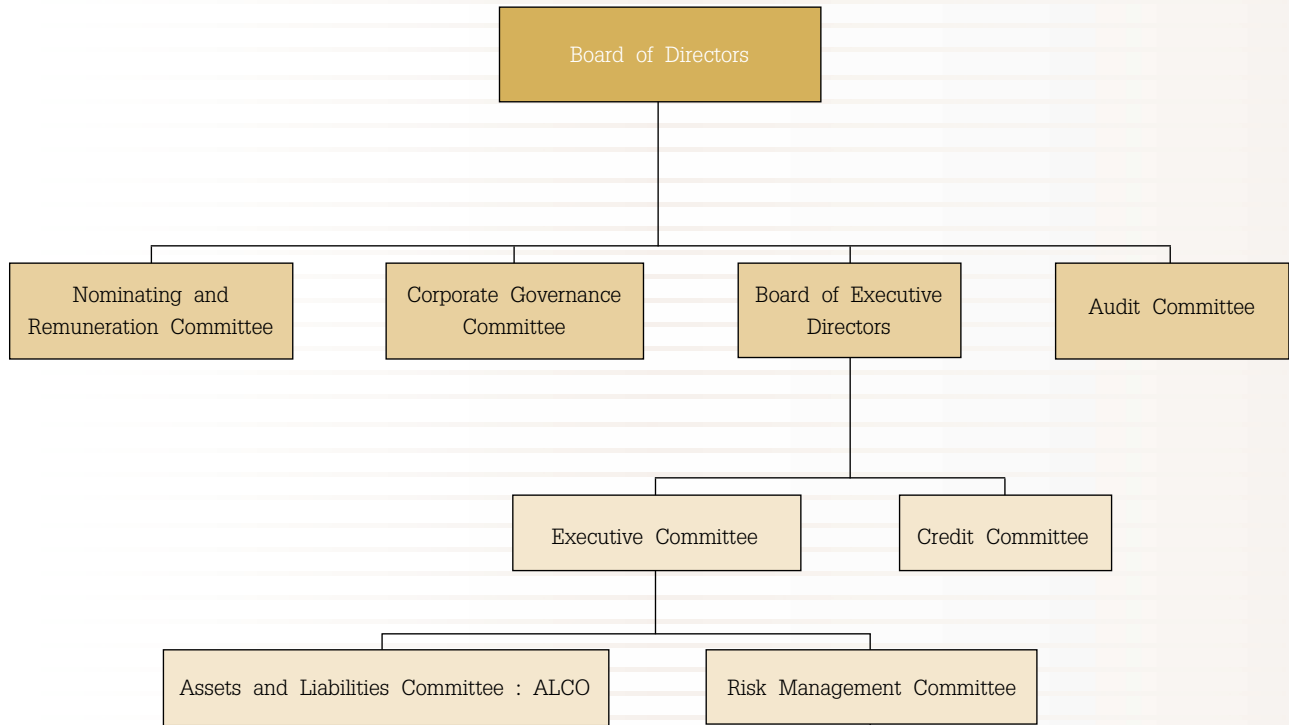
Education ■ M.B.A., National Institute of Development Administration ■ B.A. (Economics), Thammasat University

Experience ■ First Executive Vice President and Manager Finance Sector / Executive Vice President Northeastern & Northern Metropolitan Region Group, Northern & Northeastern Region Group, Retail and Medium Business Unit / Senior Vice President and Manager, Chief of Business Area, Business Banking Unit / Metropolitan Business Administration Department 2 / Branch Administration Department, Branch Administration Department 6, Branch Administration Department 4, Krung Thai Bank Public Company Limited

Other Positions ■ Chairman, Krung Thai Auto Lease Company Limited ■ Director, Shariah Banking Services



Board of Directors Chart



Report of the Board of Directors

The Board of Directors consists of qualified persons with broad knowledge and competency as well as skills and experiences in various fields that will create strengths and participation in the supervision of the Bank's businesses on the basis of independence and transparency. The Board is determined to bring about efficient management and sustainable growth that will result in increased competitiveness for the Bank. The Board of Directors has set forth that it will meet regularly every month for no less than once a month. In fixing the meeting agenda, the Board attaches importance to and is responsible for the financial reports prepared by the Bank. Such reports must be based on accounting information so that they will be accurate, logical and complete in accordance with the Generally Accepted Accounting Standards. Also included are the reports prepared by the Audit Committee and the business operation policies.

Regarding supervision and monitoring of business, the Board of Directors has prudently focused on the operation so that the implementation of task within the organization will be in line with the Bank's policy under the principle of good governance. This was done through the establishment of the Corporate Governance Committee in order to set the guidelines for creating work ethics across-the-board. The Risk Management Committee was set up to specify the guidelines for conducting business in various aspects such as credit risk, operational risk, financial risk and market risk. In addition, the Nominating and Remuneration Subcommittee was set up to formulate the policy on payment of remuneration and other benefits or perks given to the Bank's Directors and executives, and importance was also attached to the creation of management information system in order to increase the capability of risk control for higher efficiency.

The Board of Directors is confident that the above operational guidelines will enable the Bank to achieve its objectives, build stability and increase everlasting confidence in the Bank for all the shareholders, investors and stakeholders.

Policy and Practice Guidelines for Compliance with Good Corporate Governance

The Bank prepared its written policy and practice guidelines for compliance with the principles of good corporate governance with an approval given by the Board of Directors. According to this policy, it was stipulated that the principles of good corporate governance had to be adopted in formulating the Bank's strategic intent, mission, targets and business strategies. This was carried out by specifying the Bank's role and practice guidelines or methods which would be beneficial to its business operation in the form of good management standards such as formulation of practice guidelines in compliance with the corporate governance policy so as to bring about compliance at the levels of the Board of Directors, executive officers and bank employees. Apart from this, the Bank prepared such guidelines in the form of the Code of Ethics for the Directors, executive officers and employees by adhering to the actual practice in compliance with the principle of good corporate governance and business ethics so that they all would be able to lead the bank to offensive business operation combined with maintenance of good values to achieve the Bank's sustainable success.

The Board of Directors, being fully aware of the importance of business practice in compliance with the aforementioned principles of good corporate governance, stipulated the seven principles of good corporate governance as a foreword in the document entitled "Policy and Practice Guidelines for Compliance with Principles of Good Corporate Governance". Such policy and practice guidelines can be applied to all types or natures of the Bank's mission, and they are also in line with "the 15 Principles of Good Corporate Governance" specified by the Stock Exchange of Thailand (SET) as follows:

| Seven Principles of Good Corporate Governance | The 15 Principles of Good Corporate Governance Specified by the Stock Exchange of Thailand (SET) |
|---|---|
| <p>1. The Bank has awareness, understanding and competency in being able to behave according to the mission and responsibility of the bank, the business units and those of the staff to the best of their ability with the efforts to learn new things at all times, the love for their jobs, and determination to work for quality and success as well as having operating performance of higher quality over time.</p> | <p>(1) Policy on corporate Governance - The Bank prepared, in writing, its policy and practice guidelines for compliance with good corporate governance and made an announcement to enforce such policy across-the-board since 2002.</p> <p>(2) Balance of power in the Board of Directors between the management executives and non-management executives. - The Board of Directors consists of only one management executive i.e. the President who is also an Executive Director while there are four non-management executives on the Board of Executive Directors. Regarding seven more Directors who are non-management executives, they are one Chairman of the Board of Directors, four Independent Directors and two Directors from the Ministry of Finance and the Bank of Thailand, thus totaling 12 Directors.</p> <p>(3) Aggregation or Segregation of Positions - The Chairman of the Board of Directors, the Chairman of the Board of Executive Directors and the President are all three different persons so as to show their clear roles and have transparent balance of power.</p> |

Seven Principles of Good Corporate Governance

2. The Bank must possess accountability covering its liability and credit for its operating performance. This includes complete reporting on its performance in all material subjects in open and transparent manner appropriately at various levels. In addition, the Bank has a system of fixing fair rates of remuneration for its Directors and executive officers according to their performance within the scope and up to the standards of such particular industries. It has also conducted performance assessment to be used for improving the overall work in order to create better operating performance with value added in the future.

3. The Bank has had equitable treatment and fairness for all of its stakeholders. For example, among the shareholders, the investors and all the shareholders of every group, they all will not be taken advantage of one another. They must receive consideration that will bring about equity and equality. The interests and overall values of the shareholders of every group must be taken into consideration on equitable basis when it comes to the actions by the group of major shareholders. The shareholders' meeting must be conducted in the manner where there exists equitable treatment to each and every shareholder.

4. The Bank must show its transparency in the operation, which can be explained and audited. For example, the Bank has arranged for having its decision-making process and work procedures that are clear, transparent and can be disclosed by means of presenting reports and analyses of operating performance and directions of operation to all the share-

The 15 Principles of Good Corporate Governance Specified by the Stock Exchange of Thailand (SET)

(4) Board of Directors' Meetings

- The Board of Directors' meetings have been held regularly more than once a month with the Directors' attending more than 90%.

(5) Board of Directors' Reporting

- The Board of Directors' report is prepared and published in the Bank's annual report by showing the complete and adequate matters of substance.

(6) Remuneration for Directors and the Management

- The Board of Directors' appointed the Nominating and Remuneration Committee to perform the function of fixing the rates of remuneration for the Management while that for the Directors is fixed according to the resolution of the Shareholders' meeting.

(7) Shareholders : Rights and Equitable Treatment

- The Bank pays respects to the shareholders' rights and equitability of having an access to the information in an equitable, adequate and timely manner. The Bank also takes preventive measures against unethical use of its internal information.

(8) Shareholders' Meeting

- The Bank has organized and conducted the shareholders' meeting up to international standards and the best practice recommended by the official authorities especially all the shareholders have been given the opportunity to raise questions or queries by giving them time and attaching importance to their inquiries at each time the meeting is called.

(9) Rights of Various Groups of Stakeholders

- The Bank did not only include the shareholders, customers and business partners as its stakeholders but also referred to all the individuals in the society and people of all groups in order that all these stakeholders will receive their rights, and it will not take advantage of them from its formulation of business policy and strategy such as promoting creation of good credibility and helping or making contribution to the society and the environment.

(10) Committee or Subcommittee

- The Board of Directors appointed respective committees or subcommittees to perform the duty of balancing the power by focusing on the audit and examination according to the principles of good corporate governance i.e. the Audit Committee, the Nominating and Remuneration Committee, the Risk Committee and the Corporate Governance Committee in addition to the Executive Committee.

**Seven Principles of
Good Corporate Governance**

**The 15 Principles of Good Corporate Governance
Specified by the Stock Exchange of Thailand (SET)**

holders and parties concerned in equitable, adequate, clear and timely manner. In this regard, the Bank should arrange for having the responsible officers in investor relations in the presentation of information through good communication media. At the company's Board of Directors, the Bank has the Audit Committee and the Nominating and Remuneration Committee.

5. The Bank has to show its competency in the creation of long-term value added with out short-term exploitation. For example, it must specify its vision and strategic intent that are suitable to its own capability to successfully create value added as well as increasing efficiency and effectiveness in the operation.

6. The Bank must have the promotion of best practices, creation of culture, code of ethics and business conduct, and integrity in performing its functions.

7. The Bank must have its social and environmental awareness, which is a part of fair treatment to the stakeholders so as to decrease or eliminate any negative impacts on the society and the environment as a result of the Bank's business operation in order to achieve better social and environmental condition.

(11) Internal Control and Internal Audit Systems

- The Audit Committee performs the duty as supervisor of the Bank's internal audit business unit by taking the responsibility of monitoring and assessing the internal control system for further development and improvement, for prevention of risk and having prudent and cautious practice that will not cause damage or loss.

(12) Investor Relations

- The Bank prepared its Investor Relations Charter stipulating that there must be the establishment of business unit with the Investor Relations (IR) officers to act as liaison officers or contact persons for building relations with the investors so as to increase value added to the Bank.

(13) Leadership and Vision

- The important role and responsibility of the Management or the executives both those who are leader of the organization and the supervisors are to demonstrate their leadership in order to gain recognition from the personnel and related individuals. Such role also includes visions that are in line with possibility and strategy that will lead to prosperity and sustainable success.

(14) Conflict of Interests

- The Bank stipulated its regulation and practice to avoid the problem of conflict of interests such as calling the meetings and not considering any issues that might cause such problem of the Directors or reporting on stock trading that might prompt the said problem.

(15) Business Ethics

- The Bank prepared its documents on business ethics and circulated them to the employees and the management for information and strict compliance with such business ethics.

Board of Directors as at March 14, 2004

| | |
|-----------------------------------|---|
| 1. General Mongkon Ampornpisit | Chairman |
| 2. Mr. Suparut Kwatkul | Director |
| 3. Lt. Suchai Jaovisidha | Director |
| 4. Mr. Machima Kunjara Na Ayudhya | Director |
| 5. Mr. Chainarong Indharameesup | Director |
| 6. Mr. Uttama Savanayana | Director |
| 7. Mr. Chetthavee Charoenpitaks | Director |
| 8. Mr. Chai-Anan Samudavanija | Director |
| 9. Mr. Wichian Wiriyaprasit | Director (resigning effective March 1, 2004) |
| 10. Mr. Tej Bunnag | Director (resigning effective March 1, 2004) |
| 11. Mr. Rutt Phanijphand | Director |
| 12. Mr. Viroj Nualkhair | President |
| 13. Mr. Somgiat Sangurane | Secretary to the Board of Directors |
| 14. Mr. Suchart Dejittirut | Assistant Secretary to the Board of Directors |

Notes: Directors leaving their office during 2003

1. Mr. Suphachai Pisitvanich
Chairman
(leaving upon completion of term of office,
effective April 2, 2003)
2. Mr. Supat Tansathitikorn
Director and Chairman of the Audit Committee
(completing term of office on March 19, 2003)

Scope of Power and Duty of the Board of Directors

The power of the Board of Directors is set forth in Article 35 of the Bank's Articles of Association, which states that : "All business of the company shall be under the power of the Board of Directors."



Board of Executive Directors as at March 14, 2004

- | | |
|----------------------------------|---|
| 1. Lt. Suchai Jaovisidha | Chairman of the Board of Executive Directors |
| 2. Mr. Viroj Nualkhair | Executive Director |
| 3. Mr. Machima Kunjara Na Ayudha | Executive Director |
| 4. Mr. Chainarong Indharameesup | Executive Director |
| 5. Mr. Uttama Savanayana | Executive Director |
| 6. Mr. Somgiat Sangurane | Secretary to the Board of Executive Directors |
| 7. Mr. Suchart Dejittirut | Assistant Secretary to the Board of Executive Directors |

Notes : Executive Director leaving the office during 2003

- | | |
|----------------------------|---|
| Mr. Suphachai Phisitwanich | Chairman of the Board of Executive Directors (leaving upon completion of term of office, effective April 2, 2003) |
|----------------------------|---|

Scope of Power of the Board of Executive Directors

The Board of Directors has empowered the Board of Executive Directors to consider the following matters:

1. Consider the approval of various business transactions within the authority set forth by the Board of Directors.
2. Consider the approval of all types of credit as it sees fit.
3. Consider the approval of debts restructuring and charge-off as it sees fit.
4. Consider the approval of property matters (procurement and hire of services, renting, property selling, and leasehold selling).
5. Consider the approval of securities trading both those listed on the Stock Exchange of Thailand and unlisted securities.
6. Consider the approval of hiring advisors and employees.
7. Consider and screen the procedures an implementation as well as other policies in the Bank's operation to be submitted to the Board of Directors for further consideration.
8. Consider the implementation of task as assigned by the Board of Directors.

Report of the Audit Committee

In 2003, the major activities conducted by the Audit committee are as follows :

1. Reviewed the Bank's financial statements in conjunction with the external auditor (i.e. State Audit Office) to ensure their accuracy and credibility before submitting them to the Board of Directors for further submission to the Stock Exchange of Thailand. The Audit Committee also supervised the disclosure of the Bank's information and operation to all the stakeholders to ensure that they were consistent with the truthfulness or facts.
2. Instilled the awareness and adoption of the principle of good corporate governance in conducting the Bank's business.
3. Supervised the Office of Internal Audit to ensure that the Office monitored the operation of the Bank's business units and branches nationwide, and that they took corrective actions strictly and continuously.
4. Reviewed the Bank's compliance with the policies, regulations, rules, Cabinet's resolutions and laws relating to the Bank by specifying conditions and procedures based on justice and transparency.
5. Reviewed and approved the annual audit plan and budget of the Office of Internal audit.
6. Provided support to ensure the Committee's neutral operation as good partner and advisor to all the Bank's business units on the basis of fair mind and independence.

The Audit Committee is confident that its performed activities have contributed to fostering a good internal control system and risk management, and that the Bank's operations are transparent and can be audited principally via protection of the interests of all the shareholders.



(Mr. Wichian Wiriya-prasit)

Chairman of the Audit Committee



Audit Committee

- | | |
|-----------------------------|----------------------------------|
| 1. Mr. Wichian Wiriyaprasit | Chairman of the Audit Committee |
| 2. Mr. Tej Bunnag | Director |
| 3. Mr. Rutt Phaniijphand | Director |
| 4. Mr. Sayan Satangmongkol | Secretary to the Audit Committee |

Notes : Audit Committee leaving the office during 2003

| | |
|--------------------------|--|
| Mr. Supat Tansathitikorn | Chairman of the Audit Committee (completing term of office on March 19, 2003) |
|--------------------------|--|

Scope of Power and Duty of the Audit Committee

1. Examine the Bank's financial reports to ensure that such reports are accurate and adequate.
2. Examine the Bank's internal control and internal audit systems to ensure that they are appropriate and effective.
3. Examine the Bank's operation to ensure that it operates in compliance with the laws governing securities and Stock Exchange of Thailand (SET) and SET regulations or laws relating to the Bank's businesses.
4. Consider the selection, nomination of the Bank's auditor and the remuneration to be given to such auditor.
5. Consider the disclosure of the Bank's information in case of related-party transactions or those that might contain conflicts of interest to ensure that such information is accurate and complete.

Prepare reports on the overseeing of operation by the Audit Committee through disclosure in the Bank's annual report, which must be certified by the Chairman of the Audit Committee.

Internal Control

The Bank has attached importance to internal control system by specifying that all business units must establish their internal control system in accordance with the State Audit Office's Regulation Governing Internal Control Standards, B.E. 2544 (2001) and that the State Audit Office shall act as coordinator and assess the adequacy of the internal control system of each business unit. In 2003, the State Audit Office conducted an assessment of the adequacy of the internal control system of all the business units and branches. Meanwhile the Office developed its team members and competence of the officers on continuous basis, aiming at the efficiency, effectiveness and reliability of the Bank's financial reports and its economical use of assets that would be beneficial to the shareholders and the organization.

The Bank, with its efficient internal control system both at managerial and operational levels, clearly specified the authority and duty of the Bank officers and employees in writing. It also had segregation of duty and responsibility whereby the State Audit Office would report on the operating performance to the Audit Committee and the Audit Committee would directly report further to the Board of Directors. The internal control system provided for the control and safeguard of assets and properties for preventing and reducing errors, damages, losses or frauds as well as the reliability of financial reports and regulatory compliance through the supervision of the Audit Committee as follows :

1. Established an efficient internal control system, assessment of effectiveness of the internal control system by assessing the entire internal control system at least once a year.
2. Examined the Bank's overall operation jointly with the Office of Internal Audit to be able to assess the levels of efficiency and effectiveness of such operation.
3. Supervised the Bank's operation to bring about compliance with the laws, rules, and regulations as well as requirements stipulated and enforced by the regulators. Regarding the guidelines for such compliance, the Audit Committee would call a joint meeting with the Office of Internal Audit and would submit respective particulars as information together with proposed solutions or corrective guidelines in case of facing various problems to the Board of Directors on the agenda of the Board meeting held regularly on a monthly basis for its consideration. After that, the Management of the Bank would take corrective actions in a timely manner to suit various situations appropriately and adequately. All this would serve as guidelines that focused on continuous importance of compliance to further set the standards of operation.

Opinion of the Audit Committee

During 2003, the Audit Committee was assigned by the Board of Directors the task of supervising the Bank to establish an internal control system for its risk management system, administration and management relating to good corporate governance and internal audit process that would contribute to the increase of efficiency and effectiveness in the performances by the Board of Directors and respective business management units so that they could achieve the specified objectives and targets, which would in turn, contribute to the Bank's overall operating performance with the following significant points :

1. The Audit Committee was well aware of the importance of the internal control system whereby the Office of Internal Audit was assigned to compile the jobs for each business unit in establishing internal control system according to the State Audit Office's Regulation Governing Internal Control Standards, B.E. 2544 (2001),

and the Office of Internal Audit would conduct the assessment of the adequacy of the internal control system as earlier specified with the confidence that such an assessment would be beneficial to the organization, leading to good supervision and monitoring.

2. The Audit Committee considered the Bank's financial reports jointly with the external auditor (the State Audit Office) to ensure the accuracy and reliabilities of the financial reports before further submission to the Stock Exchange of Thailand (SET). The Committee also had supervision to ensure that the disclosure of the Bank's financial information and operation was consistent with the fact or truthfulness for the benefits of all the stakeholders.

3. The Committee supervised the Office of Internal Audit to make sure that it had attached importance to the audit of transactions with interests involvement or conflict of interests, and provided for monitoring of business units or branches nationwide so that corrective actions for irregularities or deficiencies were taken strictly and continuously.

4. The Committee gave its support to the Office of Internal Audit in developing the audit team members and their competency at all times for further improvement and strengthening of the internal audit task to be up to the international standards.

5. The Committee promoted and supported the efforts made for having the management in accordance with good corporate governance with transparency and accuracy at every step for each work system and each business unit.

6. The Committee focused on its being neutral in the capacity s good counterpart and advisor to all the business units by performing its function with good spirit and independence.

The Audit Committee was confident that all its abovementioned performances would contribute to enabling Krung Thai Bank Public Company Limited to be a commercial bank with good management system according to the good corporate governance with transparency in its operation, which could be audited, to safeguard the benefits of all the stakeholders, to have generally accepted standards in establishing the internal control system as well as good risk management.

Nominating Directors and Executive Officers

The nomination of Directors on the Board must be preliminary done through the Nominating Committee for submission to the Board of Directors for further submission to the shareholders. Directors whose term has expired may be re-elected to serve another term.

Appointment of Directors Appointments can be made in the following two cases :

1. The appointment of new Directors to replace those who have completed their term of office is made through election among shareholders at the shareholders' meeting. Those who have completed their term of office may be re-elected for another term.

2. The appointment of new Directors to replace those who left their post before completing their term of office. In this case, the Board of Directors, with no less than three-fourths of the remaining Directors, shall nominate a candidate with the required qualifications and without any impediments to taking up the post. Such appointees shall remain in the office only for the remaining tenure of the persons they are replacing.

Rights of Shareholders in Appointing Directors

Directors are elected at shareholders' meeting based on the following criteria :

1. Each shareholder has one vote per share except that the share held by such shareholder is preferred share with prescribed condition of preferred share to have less voting right than that of ordinary share.

2. Each shareholder may exercise all the votes as specified in clause 1 above to elect a single Director or several Directors, but cannot divide their votes in such a way to cast one person more votes than others.

3. Individuals receiving the highest votes in descending order are elected Directors as equal to the permissible number of Directors to be elected at the time of election. In case where elected persons, in descending order, receive equal votes that are greater than the permissible number of Directors to be elected at the time, the chairperson of the meeting shall cast the deciding vote.

Regarding the nomination of an executive to the post of President, the Bank shall abide by the requirements of the Standard Qualifications for Directors and Employees of State Enterprise Act (Volume 4), B.E. 2543 (2000). For other high-ranking executives, the Bank has appointed a Nominating Committee to select the candidates whose knowledge and competence meet the requirements of each post.

Nominating and Remuneration Committee

1. Mr. Chai-Anan Samudavanija Chairman of the Subcommittee
2. Mr. Machima Kunjara Na Ayudhya Member
3. Mr. Chainarong Indharameesup Member

Scope of Power and Duty of the Nominating and Remuneration Committee

1. Oversee the size and components of the Board of Directors so that they will be suitable to the organization and adjustments in line with the changing environment by assessing the Board's performance at least once a year. The Committee also formulates the policy on payments of remuneration and other benefits including the amounts of remuneration and benefits to be paid to the Directors on Board and the high-ranking executive officers from the level of Senior Executive Vice President up, based on the clear and transparent criteria for submission to the Board of Directors.

2. Determine the minimum qualifications of the Directors with the approval by the Board of Directors. For each appointment of the Directors, the individuals to be appointed Directors must have the required qualifications i.e. they must be able to devote their time to the Bank, with knowledge, competence, experience in various fields, leadership, strategic thoughts, professional expertise as well as appropriate personal characteristics.

3. Submit the list of qualified persons approved by the Committee to the Board of Directors for consideration and select the persons nominated by the Bank's major shareholders for appointments as Directors. The nomination of Directors in this manner may result from Directors' resignation or completion of their term of office. In other cases, the Board of Directors shall submit the nomination to the shareholders' meeting for consideration according to the criteria specified in the Bank's Articles of Association.

4. Nominate the Bank's executive officers from the level of Senior Executive Vice President and higher by being able to nominate persons both from inside and outside the organization. In case where the Bank needs specialists who cannot be nominated from persons inside the Bank, the Committee is able to nominate persons outside the organization for the posts instead so that the Bank's operation can well achieve the objectives and such posts are also regarded as important to the Bank.

5. Oversee the remuneration to be paid to the Directors and high ranking executive officers from the level of Senior Executive Vice President and higher to ensure that such remuneration is appropriate to their duty and responsibility. Moreover, the Committee specifies the guidelines for assessing the performances of the Directors and high ranking executive officers from the level of Senior Executive Vice President and higher for considering the adjustments of annual remuneration by taking into consideration their responsibility and risk involved as well as attaching importance to the added value of equity in the long term.

Board of Directors' Meeting

The Board of Directors usually calls its meeting on the third Thursday of the month and may hold special sessions in addition to the normal meetings as it sees fit. The Board's agenda is clearly divided into respective categories such as business to be informed by the Chairman to the meeting, adoption of minutes of previous meeting, policy matter, lending or credit, debt restructuring, investment, property buying/selling, human resources, business for acknowledgement and other business. In this connection, the Secretary to the Board of Directors will send letters of invitation together with agenda and attached documents to the Board of Directors no less than seven days in advance and prior to the meeting. The Secretary to the Board will prepare written minutes of the Board's meeting by keeping the file of the minutes adopted by the Board of Directors in place for checking.

Apart from this, the Bank stipulated that there be the Board of Executive Directors, the Audit Committee, the Nominating and Remuneration Committee by assigning them to perform their duty according to the policy formulated by the Bank and to screen and consider various items on the agenda before submission to the Board of Directors.

Details of Meeting Attendance of each Director or Member

| Name | Board of Directors | Board of Executive Directors | Audit Committee | Nominating and Remuneration Committee |
|-----------------------------------|--------------------|------------------------------|-----------------|---------------------------------------|
| 1. General Mongkon Ampornpisit | 12 | - | - | - |
| 2. Mr. Suparut Kawatkul | 13 | - | - | - |
| 3. Mr. Viroj Nualkhair | 12 | 49 | - | - |
| 4. Mr. Machima Kunjara Na Ayudhya | 16 | 43 | - | 10 |
| 5. Mr. Chainarong Indharameesup | 15 | 55 | - | 10 |
| 6. Lt. Suchai Jaovisidha | 16 | 54 | - | - |
| 7. Mr. Uttama Savanayana | 11 | 51 | - | - |
| 8. Mr. Wichian Wiriyaprasit | 15 | - | 11 | - |
| 9. Mr. Chetthavee Charoenpotaks | 14 | - | - | - |
| 10. Mr. Chai-Anan Samudavanija | 9 | - | - | 8 |
| 11. Mr. Tej Bunnag | - | - | 1 | - |
| 12. Mr. Rutt Phaniyphand | 12 | - | 9 | - |
| 13. Mr. Suphachai Pisitvanich | 4 | 12 | - | - |
| 14. Mr. Krit Gamjana-Goonchorn | - | - | 1 | - |
| 15. Mr. Supat Tansathitikorn | 3 | - | 2 | - |

- Notes :**
- The Board of Directors consists of 12 individuals.
 - In 2003, 16 Board of Directors' meetings were called, 57 Board of Executive Directors' meetings were called, 11 Audit Committee's meetings were called.
 - Details of taking-up and leaving the office :
 - Mr. Machima Kunjara Na Ayudhya took up the post of Executive Director on March 19, 2003.
 - Mr. Chai-Anan Samudavanija took up the post of Director on March 19, 2003.

- 3.3 Mr. Tej Bunnag took up the post of Audit Committee on April 2, 2003.
- 3.4 Mr. Rutt Panijphand took up the posts of Director and Member of the Audit Committee on April 2, 2003.
- 3.5 Mr. Suphachai Positvanich Resigned from office on April 1, 2003.
- 3.6 Mr. Krit Garnjana-Goonchorn Resigned from office on January 1, 2003.
- 3.7 Mr. Supat Tansathitikorn completed term of office on March 19, 2003.
- 3.8 Mr. Wichian Wiriyaprasit left the office of Chairman of the Nominating and Remuneration Committee on April 1, 2003.

Remuneration for Directors and Executives in 2003

1. Pecuniary remuneration

1.1 Remuneration for the Board of Directors amounted to 13,112,661.29 Baht.

1.2 Remuneration for the Board of Executive Directors, the Audit Committee and the Nominating and Remuneration Committee amounted to 10,282,822.58 Baht, the details of which were as follows :

| Name | Board of Directors | Board of Executive Directors | Audit Committee | Nominating and Remuneration Committee |
|-----------------------------------|----------------------|------------------------------|---------------------|---------------------------------------|
| 1. General Mongkon Ampompisit | 1,796,250.00 | - | - | - |
| 2. Mr. Suparut Kawatkul | 1,050,000.00 | - | - | - |
| 3. Mr. Viroj Nualkhair | 1,050,000.00 | 1,440,000.00 | - | - |
| 4. Mr. Machima Kunjara Na Ayudhya | 1,050,000.00 | 1,130,322.58 | - | 270,000.00 |
| 5. Mr. Chainarong Indharameesup | 1,012,500.00 | 1,440,000.00 | - | 270,000.00 |
| 6. Lt. Suchai Jaovisidha | 1,050,000.00 | 1,978,000.00 | - | - |
| 7. Mr. Uttama Savanayana | 975,000.00 | 1,440,000.00 | - | - |
| 8. Mr. Wichian Wiriyaprasit | 1,050,000.00 | - | 569,666.66 | 1,250.00 |
| 9. Mr. Chetthavee Charoenpotaks | 1,050,000.00 | - | - | - |
| 10. Mr. Chai-Anan Samudavanija | 781,451.61 | - | - | 336,250.00 |
| 11. Mr. Tej Bunnag | 706,451.61 | - | 358,666.67 | - |
| 12. Mr. Rutt Phaniyphand | 783,750.00 | - | 358,666.67 | - |
| 13. Mr. Suphachai Pisitvanich | 525,000.00 | 540,000.00 | - | - |
| 14. Mr. Krit Garnjana-Goonchorn | 36,290.32 | - | 19,354.84 | - |
| 15. Mr. Supat Tansathitikorn | 195,967.75 | - | 130,645.16 | - |
| Total | 13,112,661.29 | 7,968,322.58 | 1,437,000.00 | 877,500.00 |

Notes : Since the Bank paid remuneration on a monthly lump-sum basis, the remuneration would vary according to the period of the tenure of office.

1.3 The remuneration for 12 executives amounted to a total of 102,950,877.50 Baht.

(Remuneration in the forms of salary, wage, bonus, perks, cost of living allowance, allowance for dependants. In this regard, Mr.Viroj Nualkhair held the office of both Director and President.)

2. Other Remuneration

The Bank granted counterpart fund of 10% of salary to be paid to the Executive Provident Fund (except for Mr.Viroj Nualkhair, President who had to comply with the employment contract.)

Note: The 12 executive officers are as follows :

1. Mr. Viroj Nualkhair President
2. Mr. Pongsathorn Siriyodhin First Senior Executive Vice President
3. Mr. Narin Darunaithorn First Senior Executive Vice President
(Retired from office on September 30, 2003)

| | |
|------------------------------|---------------------------------|
| 4. Mr. Sahas Treetipbut | Senior Executive Vice President |
| 5. Mr. Suwit Udomsab | Senior Executive Vice President |
| 6. Mr. Dusit Tengniyom | Senior Executive Vice President |
| 7. Mr. Somanat Chutima | Senior Executive Vice President |
| 8. Mr. Wanchai Thanitiraporn | Senior Executive Vice President |
| 9. Ms. Kitiya Todhanakasem | Senior Executive Vice President |
| 10. Mr. Chaichan Kangwanpong | Senior Executive Vice President |
| 11. Mr. Sthit Chupatanakul | Senior Executive Vice President |
| 12. Mr. Sayan Satangmongkol | Senior Executive Vice President |

**Executive officer according to definition by the Securities and Exchange Commission Office*

Shareholding in KTB for the Board of Directors and Executive Officers

As at December 31, 2003

| No. | Name | Position | No. of Shares |
|-----|---------------------------------|---------------------------------------|---------------|
| 1 | General Mongkon Ampornpisit | Chairman | - |
| 2 | Mr. Suparut Kawatkul | Vice Chairman | - |
| 3 | Mr. Viroj Nualkhair | President | - |
| 4 | Mr. Machima Kunjara Na Ayudhya | Director | 220 |
| 5 | Mr. Chainarong Indharameesup | Director | - |
| 6 | Lt. Suchai Joavisidha | Director | - |
| 7 | Mr. Uttama Sawanayana | Director | - |
| | Ms. Itchaya Sawanayana (Spouse) | | 200 |
| 8 | Mr. Wichian Wiriyaprasit | Director | - |
| 9 | Mr. Chetthavee Charoenpitaks | Director | 3,663 |
| 10 | Mr. Chai-Anan Samudavanija | Director | - |
| 11 | Mr. Tej Bunnag | Director | - |
| 12 | Mr. Rutt Phanijphand | Director | - |
| 13 | Mr. Pongsathorn Siriyodhin | First Senior Executive Vice President | - |
| 14 | Mr. Sahas Treetipbut | Senior Executive Vice President | - |
| 15 | Mr. Suwit Udomsab | Senior Executive Vice President | - |
| 16 | Mr. Dusit Tengniyom | Senior Executive Vice President | 150,000 |
| 17 | Mr. Somanat Chutima | Senior Executive Vice President | - |
| 18 | Mr. Wanchai Thanittiraporn | Senior Executive Vice President | - |
| 19 | Ms. Kittiya Todhanakasem | Senior Executive Vice President | - |
| 20 | Mr. Chaichan Kangwanpong | Senior Executive Vice President | - |
| 21 | Mr. Sthit Chupatanakul | Senior Executive Vice President | 60,000 |
| 22 | Mr. Sayan Satangmongkol | Senior Executive Vice President | - |
| 23 | Mr. Ithinant Punyanitya | Executive Vice President | - |
| | | (Finance and Planning Sector) | |
| 24 | Ms. Yaovaluk Lerksantivong | Accounting Department SVP, Manager | - |
| | | (Finance and Planning Sector) | |

Related-Party Transactions (For details see Notes to Financial Statements Section 3.19)

Related-party transactions refer to loans and credit extended to executives with the ranks of Senior Vice President and higher, including loans to their family members, which are considered normal benefits to eligible individuals. Loans and obligations to businesses considered as related-parties transactions include those between the Bank and its subsidiaries and affiliated/ associated companies, namely those in which the Bank is a joint investor, and debtors of the Bank whose loans have been restructured and on whose boards the Bank is represented. These transactions are considered normal business operation in accordance with general business practices as the Bank follows the policy of determining the costs of lending and obligations between related parties on the same basis as applied to other clients in general.

Explanation of Operating Performance and Analysis of Financial Status

Operating performance and analysis of financial status in this part refer specifically to the Bank's financial information.

Overview of Operation

In 2003, the Bank's operating performance in the form of total net profit stood at 8,705 million Baht. As compared with the net profit of the previous year amounting to 8,009 million Baht, its net profit rose by 8.7% as a result of the economic recovery combined with the Bank's increased liquidity. Regarding the expansion of credit, the Bank considered its lending with prudence on continuous basis. However, competition in interest rates on the markets was still high while the Bank kept on providing more services of other types to generate non-interest income. As for its costs of deposits, the Bank carefully managed such costs since the liquidity from deposits in the banking industry was very high. In 2003, the Bank's provision for bad debts and doubtful accounts and losses from debt restructuring stood at 3,542 million Baht. This figure referred to provision for the debtors' uncertainties in case of debt restructuring. When considering the operating performance before provision for bad and doubtful debts, the Bank had its total profit of 12,247 million Baht, an increase from 10,024 million Baht profit of the past year by 22.2%. The main cause of such profit was that the Bank, in 2003, expanded its lending rather much higher than the previous year and its costs of deposits decreased as compared with those of the past year.

| Significant items in Profit and Loss Statement | 2003 | 2004 | % Up (Down) | |
|--|--------------|--------------|-------------|--------------|
| | (Mil. Baht) | (Mil. Baht) | 2003 | 2002 |
| Total income | 47,650 | 46,908 | 1.6 | 6.5 |
| Interest and non-interest expense | 35,403 | 36,884 | (4.0) | (4.6) |
| Profit (Loss) before bad debts and doubtful accounts | 12,247 | 10,024 | 22.2 | 87.3 |
| Bad debts and doubtful accounts and losses | | | | |
| from debt restructuring | 3,542 | 2,015 | 75.8 | (79.4) |
| Profit (Loss) after bad debts and doubtful accounts | 8,705 | 8,009 | 8.7 | 281.4 |
| Income tax | - | - | - | - |
| Net profit (loss) | 8,705 | 8,009 | 8.7 | 281.4 |

Net Interest and Dividend Income

In 2003, interest and dividend income increased by 0.1% from the previous year whereby the Bank's net interest margin stood at 2.1%, a slight increase from the past year despite the Bank's announcement of interest rates cuts on loans according to market competition and such rates cuts were for the purpose of stimulating the economy. Also in 2003, the Bank prudently extended credit with continuous expansion shown by increase in credit (excluding promissory notes of Sukhumvit Asset Management Co., Ltd.) from year-end 2002 by 172,249 million Baht, this was because the Bank had high liquidity from the repayment by the Financial Institutions Development Fund for BBC P/Ns and some parts of SAM P/Ns amounting to 121,681 million Baht whereby the Bank made efforts to manage liquidity for maximum benefits to itself. Regarding interest paid, the Bank properly managed and controlled it by spending less interest expense by 14.2% due to decline of average interest rates on deposits in spite of the Bank's higher deposits from year-end 2002 by 47,195 million Baht out of the customers' confidence in its strength and stability. As a result, net interest income and dividend in 2003 was registered at 22,634 million Baht, up 2,899 million Baht or 14.7%. In this connection, interest and dividend income was still the Bank's main income accounting for 83.6% of the total income as compared with 84.8% in the previous year.

| Interest and dividend income | 2003 | 2002 | % Up (Down) | |
|--|-------------|-------------|-------------|------|
| | (Mil. Baht) | (Mil. Baht) | 2003 | 2002 |
| Interest and dividend income | 39,854 | 39,801 | 0.1 | 0.8 |
| interest expense | 17,220 | 20,066 | (14.2) | 0.3 |
| Net interest and dividend income | 22,634 | 19,735 | 14.7 | 1.3 |
| Non-interest income | 7,796 | 7,107 | 9.7 | 56.3 |
| Interest and dividend income to total income (%) | 83.6 | 84.8 | - | - |

Non-interest Income

Non-interest income excluding gain (loss) on investments and gain (loss) on equity stood at 7,375 million Baht, a decline of 3.1% from the previous year, most of which was reduction in fee-based income from the management of the 42 Financial Companies Promissory Notes Exchange Program that expired and decrease of management fee on substandard assets transferred by the Bank to the Thai Asset Management Corporation (TAMC). In 2003, the Bank made its effort to diversify services offered to the customers such as financial consultancy and finding sources of funds for the clients as well as increasing transactions relating to certification of financial standing and guarantee for customers so as to generate more non-interest income. Moreover the Bank had higher profit from sales of properties to substitute for income from various projects that expired and gain from foreign exchange business in 2003 amounted to 895 million Baht, which was close to the amount in the past year.

The Bank's gain on investments amounted to 218 million Baht compared to the previous year's loss of 413 million Baht. This was attributed to the fact that Thailand's economy in 2003 began to recover thus boosting the confidence of investors on the stock exchange or capital market. As a result, the values of securities in which the Bank invested went up as well.

The Bank's gain (loss) on equity amounted to 203 million Baht compared to loss amounting to 88 million Baht in the past year as a result of increase at Krungthai Card PCL and Krungthai General Services Co., Ltd.

| Non-interest Income | 2003 | 2002 | % Up (Down) | |
|----------------------------------|--------------|--------------|--------------|-------------|
| | (Mil. Baht) | (Mil. Baht) | 2003 | 2002 |
| Fees and services | 5,416 | 6,293 | (13.9) | 19.8 |
| Gain (Loss) on foreign exchange | 895 | 897 | (0.2) | 145.1 |
| Other income | 1,064 | 418 | 154.4 | 60.8 |
| Total | 7,375 | 7,608 | (3.1) | 29.4 |
| Gain (Loss) on investment | 218 | (413) | (152.8) | (66.3) |
| Gain (Loss) on equity | 203 | (88) | (331.0) | (14.6) |
| Total non-interest income | 7,796 | 7,107 | 9.7 | 56.3 |

Non-interest Expenses

Non-interest expenses amounted to 18,183 million Baht, an increase by 1,364 million Baht or 8.1% over the previous year. Excluding loss on valuation of land and foreclosed assets, the Bank had an increase of expense by 2,124 million Baht from the year 2002. This was attributed to an increase of personnel expense in the amount of 901 million Baht because the Bank, in 2003, gave a pay rise by 15% over its employees' salary combined with extending office hours by one more hour to serve the customers after having realized the importance of the bank employees' collaboration and cooperation that had enabled the Bank to achieve the specified targets. In 2003, the Bank revamped its information technology (IT) system to cater for the future operation with more intense competition, and it also incurred expense in relation to the public offering of its shares. However, the Bank had reversal of items from valuation of foreclosed properties or assets amounting to 760 million Baht. This

was due to the improving economy that enabled the appraised prices to go up. In this regard, only the assets items which earlier received inferior appraisal would be revalued. Overall, the Bank had prudent management of its expenses.

| Non-interest Expenses | 2003 | 2002 | % Up (Down) | |
|---|---------------|---------------|-------------|---------------|
| | (Mil. Baht) | (Mil. Baht) | 2003 | 2002 |
| Personnel expenses | 7,144 | 6,243 | 14.4 | 1.7 |
| Premises and equipment expenses | 2,912 | 3,060 | (4.9) | (0.1) |
| Taxes and duties | 1,513 | 1,451 | 4.3 | (2.7) |
| Fees and service expense | 202 | 236 | (14.6) | (4.1) |
| Directors' remuneration | 24 | 3 | 680.0 | (25.0) |
| Contribution to FIDF | 3,961 | 3,746 | 5.7 | 5.7 |
| Loss on land values and foreclosed assets | (760) | 0 | N.A. | (100.0) |
| Other expenses | 3,187 | 2,079 | 53.3 | (23.8) |
| Total non-interest expenses | 18,183 | 16,818 | 8.1 | (10.0) |

Bad Debt and Doubtful Accounts

In 2003, the Bank's provision for bad debt and doubtful accounts increased by 3,542 million Baht or 75.8% higher than the prior year. This was caused by the Bank's provisioning for the uncertainties of the restructured debtors. However, Thailand's economic condition that started to improve prompted the Bank to cautiously control the quality of its assets. As of month-end December 2003, the Bank had allowance for doubtful accounts and allowance for value adjustments from the Debts Restructuring Project in the total amount of 59,966 million Baht (including financial institutions). Such provisioning in accordance with the quality requirements of the Bank of Thailand and additional amount of provisioning according to the rate stipulated by the BOT by 12,049 million Baht.

Analysis of Financial Status

Assets

As at December 31, 2003, the Bank had its total assets of 1,134,451 million Baht, an increase by 7.2% from the prior year. The major cause was that the Bank, in 2003, principally increased its lending from the past year according to liquidity of more sources of funds.

Significant asset items consisted mostly of loans, which accounted for 86.3% of total assets followed by investments and interbank and money market items, which accounted for 7.5% and 3.2% of total assets respectively. In this regard, the interbank and money market items declined as a result of the FIDF's repayment for the BBC promissory notes amounting to 78,681 million Baht. This prompted the Bank to manage its liquidity to generate maximum benefits. The Bank's yields and investments in 2003 increased by 40.4% from the year before since it invested in the Vayupaksa Mutual Fund 1 in the amount of almost 30,000 million Baht.

| Significant Balance Sheet Items | 2003 | 2002 | % Up (Down) | |
|----------------------------------|------------------|------------------|-------------|------------|
| | (Mil. Baht) | (Mil. Baht) | 2003 | 2002 |
| Loans | 979,026 | 849,776 | 15.2 | 21.3 |
| Interbank and money market items | 36,376 | 141,184 | (74.2) | (14.5) |
| Investments | 84,917 | 60,491 | 40.4 | 40.5 |
| Total assets | 1,134,451 | 1,058,388 | 7.2 | 8.4 |
| Deposits | 1,005,930 | 958,732 | 4.9 | 10.6 |
| Shareholders' equity | 74,935 | 65,135 | 15.0 | 2.6 |

Quality of Asset

As at year-end 2003, the Bank's outstanding loans amounted to 997,663 million Baht including those made to financial institutions. All loans were classified according to the rules stipulated by the Bank of Thailand (BOT) as follows : 91.4% normal loans, 0.6% special-mention loans, 0.5% substandard loans, 0.7% doubtful loans and 6.8% doubtful-of-loss loans respectively.

As at December 31, 2003 the Bank registered a total of 79,443 million Baht as non-performing loans, or 8.0% of total net lending, a decrease by 26.3% from the prior year, resulting from same parts of loan being transferred to the TAMC and the Bank's effort to restructure its customers' debts.

Loans

The Bank spread its lending risk by focusing on making loans to manufacturing and commerce sector, accounting for as high as 38.6% of total loans (excluding financial institutions and SAM promissory notes) followed by those to public utilities and services sector and others accounting for 19.3% and 13.0% respectively.

| Loan quality | 2003 | | 2002 | | % Up (Down) | |
|--------------------------------|----------------|--------------|----------------|--------------|-------------|-------------|
| | (Mil. Baht) | (%) | (Mil. Baht) | (%) | 2003 | 2002 |
| 1. Loan classification | | | | | | |
| Pass | 912,271 | 91.4 | 825,149 | 87.7 | 10.6 | 17.3 |
| Special mention | 5,949 | 0.6 | 8,014 | 0.8 | (25.8) | (51.0) |
| Substandard | 4,667 | 0.5 | 8,475 | 0.9 | (44.9) | (35.9) |
| Doubtful | 6,498 | 0.7 | 11,188 | 1.2 | (41.9) | 138.9 |
| Doubtful of loss | 68,278 | 6.8 | 88,180 | 9.4 | (22.6) | 70.1 |
| Total | 997,663 | 100.0 | 941,006 | 100.0 | 6.0 | 19.2 |
| 2. Non-performing loans (NPLs) | 79,443 | 8.0 | 107,844 | 11.5 | (26.3) | 66.8 |

| Lending classified by business sector (excluding financial institutions and SAM) | 2003 | | 2002 | | % Up (Down) | |
|---|----------------|--------------|----------------|--------------|-------------|-------------|
| | (Mil. Baht) | (%) | (Mil. Baht) | (%) | 2003 | 2002 |
| 1. Agriculture and mining | 39,371 | 5.3 | 43,507 | 7.7 | (9.5) | 22.5 |
| 2. Manufacturing and commerce | 285,866 | 38.6 | 229,061 | 40.3 | 24.8 | 37.5 |
| 3. Real estate and construction | 90,148 | 12.2 | 55,397 | 9.7 | 62.7 | 17.9 |
| 4. Public utilities and services | 142,902 | 19.3 | 104,641 | 18.4 | 36.6 | 41.8 |
| 5. Mortgage/ housing loans | 84,742 | 11.5 | 67,339 | 11.9 | 25.8 | 31.8 |
| 6. Others | 97,295 | 13.1 | 68,110 | 12.0 | 42.8 | 52.3 |
| Total | 740,324 | 100.0 | 568,055 | 100.0 | 30.3 | 35.7 |

Investments

The Bank attached importance to the uses of funds. Apart from the use as loans, the Bank had its total investment funds of 84,917 million Baht, an increase by 24,426 million Baht from the previous year accounting for 40.4%, most of which was from its investments in the Vayupaksa Mutual Fund 1. The Bank's investments consisted of 13.6% of net current investments, 79.5% of long-term investments and 6.9% of net investments in subsidiaries and affiliated companies.

| Investments | 2003 | | 2002 | | % Up (Down) |
|--|---------------|--------------|---------------|--------------|----------------|
| | (Mil. Baht) | (%) | (Mil. Baht) | (%) | |
| Net current investments | 11,527 | 13.6 | 28,164 | 46.6 | (59.1) |
| Net long-term investments | 67,550 | 79.5 | 29,895 | 49.4 | 126.0 |
| Investments in subsidiaries and affiliated companies | 5,840 | 6.9 | 2,432 | 4.0 | 140.2 |
| Total investment | 84,917 | 100.0 | 60,491 | 100.0 | 40.4 |

Liquidity

The government's implementation of economic stimulating policies and respective measures prompted the increasing demand for loans in various types during 2003. The Bank thus utilized its excess liquidity to increase lending. In 2003 the Bank was repaid by the Financial Institution Development Fund (FIDF) for the BBC P/Ns amounting to 78,681 million Baht and was also partly repaid for SAM P/Ns in the amount of 43,000 million Baht. All this resulted in the Bank's having very high liquidity when combined with its increased deposits due to the depositors' confidence in the Bank. Therefore the Bank had to extend credit and invest in capital market with prudence so as to seek higher returns to replenish existing yields. In this regard, the Bank invested in the Vayupaksa Mutual Fund 1 in the amount of nearly 30,000 million Baht since it foresaw the stability and returns that it would obtain. The Bank's ratio of loans to deposits rose to 97.3% from 88.6% in the previous year.

| Liquidity | 2003 | | 2002 | | % Up (Down) |
|-----------------------------|-------------|-------------|-------------|-------------|----------------|
| | (Mil. Baht) | (Mil. Baht) | (Mil. Baht) | (Mil. Baht) | |
| Deposits | 1,005,930 | 958,732 | | | 4.9 |
| Loans | 979,026 | 849,776 | | | 15.2 |
| Loans : Deposits (%) | 97.3 | 88.6 | | | |

Sources of Funds

The Bank's capital funds amounted to 1,115,837 million Baht, an increase from the prior year's level due to continuous high level of liquidity in the past year. Its principal sources of funds comprised deposits of 90.2% of total funds. Such deposits included 58.1% fixed deposits, 37.6% saving deposits and 2.9% checking deposits. The interbank and money market items increased largely from the Bank's higher issuance of bills of exchange (B/E).

| Source of funds | 2003 | | 2002 | | %Up (Down) |
|----------------------------------|------------------|--------------|------------------|--------------|---------------|
| | (Mil. Baht) | % | (Mil. Baht) | % | |
| Deposits | 1,005,930 | 90.2 | 958,732 | 91.8 | 4.9 |
| Interbank and money market items | 34,971 | 3.1 | 20,664 | 2.0 | 69.2 |
| Loans | 1 | - | 1 | - | - |
| Shareholders' equity | 74,935 | 6.7 | 65,135 | 6.2 | 15.0 |
| Total | 1,115,837 | 100.0 | 1,044,532 | 100.0 | 6.8 |

Capital Adequacy

The Bank's total capital funds stood at 65,230 million Baht, accounting for 9.5% of risk-weighted assets. Of this, 58,243 million Baht was tier 1 capital equivalent to 8.5% which was higher than the requirement of the Bank of Thailand.

The year 2003 witnessed several changes for the Bank. Those changes were made to lay the foundation for enabling the Bank to steadily conduct its business amidst more intense competition in the future as a result of the policy formulated by high-ranking executives of the Bank. All these involved changes in the matters of personnel, technology and business. The Bank boosted its employees' morale and willingness to work, enhanced information technology (IT) which was extremely vital and requiring the Bank's investment to cater for future competition when customers' needs are more diversified. Meanwhile it cut down on operational cost, deleted unnecessary business transactions and added more transactions of financial services especially payments for process of all types. It was anticipated that, in the future, the Bank would be capable of competing well in the market and would have its management in a more professional manner.




Financial Highlights

| | Consolidated | | | Krung Thai Bank | | |
|--|--------------|-------------|-----------|-----------------|-------------|-----------|
| | 2003 | 2002 | 2001 | 2003 | 2002 | 2001 |
| Financial Figures (Million Baht) | | | | | | |
| Total Assets | 1,134,501.4 | 1,058,442.8 | 976,740.9 | 1,134,450.7 | 1,058,387.9 | 976,468.3 |
| Loans | 918,918.9 | 785,849.7 | 671,272.8 | 919,572.1 | 785,851.8 | 671,279.8 |
| Total liabilities | 1,059,565.6 | 993,307.1 | 913,253.9 | 1,059,515.7 | 993,252.8 | 912,981.7 |
| Deposits | 1,005,355.2 | 958,551.5 | 866,645.6 | 1,005,929.8 | 958,731.8 | 866,955.2 |
| Borrowings | 1.2 | 71.2 | 21.2 | 1.2 | 1.2 | 1.2 |
| Shareholders' equity | 74,935.8 | 65,135.6 | 63,487.0 | 74,935.0 | 65,135.2 | 63,486.6 |
| Total income | 47,906.7 | 48,096.4 | 45,536.8 | 47,649.5 | 46,908.8 | 44,032.8 |
| Total expenses | 35,580.1 | 38,055.4 | 40,150.9 | 35,402.9 | 36,884.8 | 38,681.9 |
| Bad debt and doubtful accounts and loss of debt restructuring | 3,541.8 | 2,014.8 | 9,766.5 | 3,541.8 | 2,014.8 | 9,766.5 |
| Net profit (loss) | 8,704.9 | 8,009.2 | (4,415.6) | 8,704.9 | 8,009.2 | (4,415.6) |
| Earnings (loss) per share (Baht) | 0.78 | 0.66 | (0.36) | 0.78 | 0.66 | (0.36) |
| Book value per share (Baht) | - | - | - | 6.70 | 5.82 | 5.68 |
| Financial Ratios (%) | | | | | | |
| Net profit (loss) to total income | 18.17 | 16.65 | (9.70) | 18.27 | 17.07 | (10.03) |
| Debt to equity (times) | 14.14 | 15.25 | 14.38 | 14.14 | 15.25 | 14.38 |
| Return on average assets | 0.79 | 0.79 | (0.45) | 0.79 | 0.79 | (0.45) |
| Return on average equity | 12.43 | 12.45 | (6.84) | 12.43 | 12.45 | (6.84) |
| Capital fund to risk assets | - | - | - | 9.47 | 12.63 | 15.67 |

The Bank's Performances from 1999 to 2003

| | 2003 | | 2002 | |
|--|--------------|------------|--------------|------------|
| | Million Baht | Change (%) | Million Baht | Change (%) |
| Income | 47,649.5 | 1.6 | 46,908.8 | 6.5 |
| Expenses | 35,402.9 | (4.0) | 36,884.8 | (4.6) |
| Bad debt and doubtful accounts and loss of debt restructuring | 3,541.8 | 75.8 | 2,014.8 | (79.4) |
| Pre-tax profit | 8,704.9 | 8.7 | 8,009.2 | (281.4) |
| Conversion of provision to income | - | - | - | - |
| Income tax | - | - | - | - |
| Net profit (loss) | 8,704.9 | 8.7 | 8,009.2 | (281.4) |
| Net profit (loss) : total income (%) | 18.3 | 7.0 | 17.1 | (270.3) |
| Earnings per share (Baht) | 0.78 | 18.2 | 0.66 | (283.3) |
| Dividend per share (Baht) | - | - | - | - |
| Book value per share (Baht) | 6.7 | 15.1 | 5.82 | 2.5 |
| Total assets | 1,134,450.7 | 7.2 | 1,058,387.9 | 8.4 |
| - interbank and money market items | 36,376.1 | (74.2) | 141,184.1 | (14.5) |
| - investments in securities | 84,916.9 | 40.4 | 60,490.8 | 40.5 |
| - net loans and accrued interest receivable | 930,802.5 | 16.5 | 799,071.4 | 17.3 |
| - other assets | 82,355.2 | 42.9 | 57,641.6 | (34.0) |
| Total liabilities | 1,059,515.7 | 6.7 | 993,252.7 | 8.8 |
| - deposits | 1,005,929.8 | 4.9 | 958,731.7 | 10.6 |
| - borrowings | 1.2 | - | 1.2 | - |
| - other liabilities | 53,584.7 | 55.2 | 34,519.8 | (25.0) |
| Shareholders' equity | 74,935.0 | 15.0 | 65,135.2 | 2.6 |
| Equity : risk assets (%) | 9.47 | - | 12.63 | - |
| Number of employees | 14,501 | - | 14,653 | - |
| Number of domestic branches | 618 | - | 618 | - |
| Number of overseas branches | 6 | - | 7 | - |
| Number of representative offices | - | - | - | - |

| 2001 | | 2000 | | 1999 | |
|--------------|------------|--------------|------------|--------------|------------|
| Million Baht | Change (%) | Million Baht | Change (%) | Million Baht | Change (%) |
| 44,032.8 | (2.8) | 45,322.9 | (17.8) | 55,112.9 | (40.7) |
| 38,681.9 | (16.8) | 46,471.8 | (25.8) | 62,666.1 | (29.8) |
| 9,766.5 | (64.9) | 27,790.3 | (67.1) | 84,383.6 | 29.8 |
| (4,415.6) | (84.7) | (28,939.2) | 68.5 | (91,936.7) | (49.7) |
| - | - | 108,000.0 | - | - | - |
| - | - | 2,800.0 | - | - | - |
| (4,415.6) | (105.8) | 76,260.8 | 182.9 | (91,936.7) | (49.3) |
| (10.0) | (106.0) | 168.3 | - | (166.8) | - |
| (0.36) | (109.2) | 3.93 | 164.7 | (6.07) | 65.1 |
| - | - | - | - | - | - |
| 5.68 | (3.1) | 5.86 | 27.4 | 4.60 | (38.3) |
| 976,468.3 | (1.3) | 989,606.6 | (0.3) | 992,668.3 | (6.8) |
| 165,122.7 | 1.4 | 162,870.7 | 12.8 | 144,425.6 | 123.8 |
| 43,054.1 | 31.2 | 32,817.5 | (28.0) | 45,600.8 | 12.0 |
| 680,938.3 | (3.3) | 703,965.2 | (6.3) | 750,896.4 | (12.5) |
| 87,353.2 | (2.9) | 89,953.2 | 73.8 | 51,745.5 | (49.2) |
| 912,981.7 | (1.2) | 924,045.7 | 3.6 | 891,550.9 | (9.2) |
| 866,955.2 | 2.7 | 844,057.1 | 5.2 | 802,101.8 | (0.2) |
| 1.2 | (100.0) | 12,733.8 | (39.2) | 20,929.1 | (1.7) |
| 46,025.3 | (31.6) | 67,254.8 | (1.8) | 68,520.0 | (56.3) |
| 63,486.6 | (3.2) | 65,561.0 | (35.2) | 101,117.5 | 21.1 |
| 15.67 | - | 19.21 | - | 15.04 | - |
| 15,233 | - | 15,751 | - | 18,169 | - |
| 610 | - | 617 | - | 643 | - |
| 8 | - | 8 | - | 8 | - |
| 2 | - | 2 | - | 2 | - |



AUDITOR'S REPORT

TO : THE SHAREHOLDERS OF KRUNG THAI BANK PUBLIC COMPANY LIMITED

The Office of the Auditor General has audited the accompanying consolidated and the Bank's balance sheets as at December 31, 2003 and 2002, and the related consolidated statements of income, changes in shareholders' equity, retained earnings, and cash flows for the years then ended of Krung Thai Bank Public Company Limited and its subsidiaries. These financial statements are the responsibility of the Bank's management as to their correctness and completeness of the presentation. The responsibility of the Office of the Auditor General is to express an opinion on these financial statements based on the audits.

The Office of the Auditor General conducted the audits in accordance with generally accepted auditing standards. Those standards require that the Office of the Auditor General 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. The Office of the Auditor General believes that the audits provide a reasonable basis for the opinion.

In the opinion of the Office of the Auditor General, the consolidated and the Bank's financial statements referred to above present fairly, in all material respects, the financial position of Krung Thai Bank Public Company Limited and its subsidiaries as at December 31, 2003 and 2002, and the results of operations, the changes in shareholders' equity, and the cash flows for the years then ended in accordance with generally accepted accounting principles.

JERARAT NOPPAWONG NA AYUTTHAYA

(MR. JERARAT NOPPAWONG NA AYUTTHAYA)

Auditor General

WATCHAREE SIRIPRASERT

(MS. WATCHAREE SIRIPRASERT)

Director of Audit Office

Office of the Auditor General

February 25, 2004

BALANCE SHEETS AS AT DECEMBER 31, 2003 AND 2002

(in Baht)

| | NOTE | CONSOLIDATED FINANCIAL STATEMENTS | | THE BANK'S FINANCIAL STATEMENTS | |
|---|----------|--------------------------------------|--------------------------|------------------------------------|--------------------------|
| | | 2003 | 2002 | 2003 | 2002 |
| ASSETS | | | | | |
| CASH | | 13,530,740,890 | 9,118,225,767 | 13,530,399,735 | 9,117,918,940 |
| INTERBANK AND MONEY MARKET ITEMS | 3.1 | | | | |
| DOMESTIC ITEMS | | | | | |
| INTEREST BEARING | | 17,949,729,755 | 108,833,183,376 | 17,894,968,018 | 108,806,815,895 |
| NON - INTEREST BEARING | | 9,985,775,233 | 10,790,769,302 | 9,986,609,816 | 10,790,516,752 |
| FOREIGN ITEMS | | | | | |
| INTEREST BEARING | | 6,849,791,881 | 18,790,890,702 | 6,849,791,881 | 18,790,890,702 |
| NON - INTEREST BEARING | | 1,644,725,309 | 2,795,940,849 | 1,644,725,309 | 2,795,940,849 |
| TOTAL INTERBANK AND MONEY MARKET ITEMS, NET | | 36,430,022,178 | 141,210,784,229 | 36,376,095,024 | 141,184,164,198 |
| SECURITIES PURCHASED UNDER RESALE AGREEMENTS | 3.2 | 13,000,000,000 | 1,812,000,000 | 13,000,000,000 | 1,812,000,000 |
| INVESTMENTS | 2.4 3.3 | | | | |
| CURRENT INVESTMENTS, NET | | 11,527,357,377 | 28,164,086,075 | 11,527,357,377 | 28,164,086,075 |
| LONG - TERM INVESTMENTS, NET | | 67,550,001,415 | 29,895,211,080 | 67,550,001,395 | 29,895,211,060 |
| INVESTMENTS IN SUBSIDIARIES AND ASSOCIATED COMPANIES, NET | | 3,668,185,018 | 1,842,646,134 | 5,839,540,403 | 2,431,519,590 |
| TOTAL INVESTMENTS, NET | | 82,745,543,810 | 59,901,943,289 | 84,916,899,175 | 60,490,816,725 |
| LOANS AND ACCRUED INTEREST RECEIVABLE | 3.4 | | | | |
| LOANS | 2.5 | 978,372,490,282 | 849,774,215,111 | 979,025,642,121 | 849,776,256,823 |
| ACCRUED INTEREST RECEIVABLE | | 11,230,414,757 | 13,219,572,961 | 11,230,414,757 | 13,219,568,455 |
| TOTAL LOANS AND ACCRUED INTEREST RECEIVABLE | | 989,602,905,039 | 862,993,788,072 | 990,256,056,878 | 862,995,825,278 |
| LESS ALLOWANCE FOR DOUBTFUL ACCOUNTS | 2.6 3.5 | (54,144,781,464) | (55,545,132,245) | (54,144,781,464) | (55,545,132,245) |
| LESS REVALUATION ALLOWANCE | | | | | |
| FOR DEBT RESTRUCTURING | 2.7 3.6 | (5,308,801,033) | (8,379,315,398) | (5,308,801,033) | (8,379,315,398) |
| TOTAL LOANS AND ACCRUED INTEREST RECEIVABLE, NET | | 930,149,322,542 | 799,069,340,429 | 930,802,474,381 | 799,071,377,635 |
| PROPERTIES FORECLOSED, NET | 2.11 3.7 | 21,472,255,375 | 15,367,565,404 | 21,472,255,375 | 15,367,565,404 |
| CUSTOMERS' LIABILITIES UNDER ACCEPTANCES | | 4,342,418,650 | 2,500,802,904 | 4,342,418,650 | 2,500,802,904 |
| PREMISES AND EQUIPMENT, NET | 2.9 3.8 | 16,741,641,854 | 15,377,654,323 | 14,732,201,538 | 15,122,194,325 |
| OTHER DEBTORS | | | | | |
| - SUKHUMVIT ASSET MANAGEMENT CO., LTD. | 3.30.1 | 5,099,355,547 | 5,433,415,189 | 5,099,355,547 | 5,433,415,189 |
| OTHER ASSETS | 3.9 | 10,990,073,658 | 8,651,018,932 | 10,178,585,020 | 8,287,692,966 |
| TOTAL ASSETS | | 1,134,501,374,504 | 1,058,442,750,466 | 1,134,450,684,445 | 1,058,387,948,286 |

NOTES TO THE FINANCIAL STATEMENTS FORM AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

BALANCE SHEETS

AS AT DECEMBER 31, 2003 AND 2002

(in Baht)

| | NOTE | CONSOLIDATED FINANCIAL STATEMENTS | | THE BANK'S FINANCIAL STATEMENTS | |
|---|-----------|--------------------------------------|-----------------|------------------------------------|-----------------|
| | | 2003 | 2002 | 2003 | 2002 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | | | | |
| DEPOSITS | 2.14 3.10 | | | | |
| DEPOSITS IN BAHT | | 990,644,829,952 | 941,977,306,912 | 991,219,453,833 | 942,157,534,133 |
| DEPOSITS IN FOREIGN CURRENCIES | | 14,710,335,800 | 16,574,222,949 | 14,710,335,800 | 16,574,222,949 |
| TOTAL DEPOSITS | | 1,005,355,165,752 | 958,551,529,861 | 1,005,929,789,633 | 958,731,757,082 |
| INTERBANK AND MONEY MARKET ITEMS | 3.11 | | | | |
| DOMESTIC ITEMS | | | | | |
| INTEREST BEARING | | 29,544,568,403 | 18,266,575,841 | 29,570,624,389 | 18,269,206,500 |
| NON - INTEREST BEARING | | 2,147,602,785 | 1,271,876,662 | 2,146,115,573 | 1,269,443,378 |
| FOREIGN ITEMS | | | | | |
| INTEREST BEARING | | 3,164,209,343 | 874,088,441 | 3,164,209,343 | 874,088,441 |
| NON - INTEREST BEARING | | 90,544,404 | 250,839,176 | 90,544,404 | 250,839,176 |
| TOTAL INTERBANK AND MONEY MARKET ITEMS | | 34,946,924,935 | 20,663,380,120 | 34,971,493,709 | 20,663,577,495 |
| LIABILITIES PAYABLE ON DEMAND | | 5,321,133,950 | 2,297,889,396 | 5,321,133,950 | 2,297,889,396 |
| BORROWINGS | 3.12 | | | | |
| LONG - TERM BORROWINGS | | 1,173,779 | 71,173,779 | 1,173,779 | 1,173,779 |
| TOTAL BORROWINGS | | 1,173,779 | 71,173,779 | 1,173,779 | 1,173,779 |
| BANK'S LIABILITIES UNDER ACCEPTANCES | | 4,342,418,650 | 2,500,802,904 | 4,342,418,650 | 2,500,802,904 |
| ACCRUED INTEREST PAYABLE | | 3,606,557,203 | 4,615,370,675 | 3,606,557,203 | 4,615,370,675 |
| OTHER CREDITORS - THAI ASSET MANAGEMENT CO., LTD. | 3.28 | 67,947,554 | 18,228,704 | 67,947,554 | 18,228,704 |
| OTHER LIABILITIES | 3.13 | 5,924,302,245 | 4,588,741,840 | 5,275,200,097 | 4,423,986,522 |
| TOTAL LIABILITIES | | 1,059,565,624,068 | 993,307,117,279 | 1,059,515,714,575 | 993,252,786,557 |
| SHAREHOLDERS' EQUITY | | | | | |
| SHARE CAPITAL | 3.14 | | | | |
| AUTHORIZED SHARE CAPITAL | | | | | |
| PREFERRED SHARE CAPITAL | | | | | |
| 5,500,000 @ 5.15 Bht. | | 28,325,000 | 28,325,000 | 28,325,000 | 28,325,000 |
| ORDINARY SHARE CAPITAL | | | | | |
| 11,191,412,250 @ 5.15 Bht. | | 57,635,773,087 | 57,635,773,087 | 57,635,773,087 | 57,635,773,087 |
| ISSUED AND PAID - UP SHARE CAPITAL | | | | | |
| PREFERRED SHARE CAPITAL 5,500,000 | | | | | |
| @ 5.15 Bht. | | 28,325,000 | 28,325,000 | 28,325,000 | 28,325,000 |
| ORDINARY SHARE CAPITAL 11,179,500,000 | | | | | |
| @ 5.15 Bht. | | 57,574,425,000 | 57,574,425,000 | 57,574,425,000 | 57,574,425,000 |

NOTES TO THE FINANCIAL STATEMENTS FORM AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

BALANCE SHEETS AS AT DECEMBER 31, 2003 AND 2002

(in Baht)

| | NOTE | CONSOLIDATED FINANCIAL STATEMENTS | | THE BANK'S FINANCIAL STATEMENTS | |
|---|-------|--------------------------------------|--------------------------|------------------------------------|--------------------------|
| | | 2003 | 2002 | 2003 | 2002 |
| LIABILITIES AND SHAREHOLDERS' EQUITY (CONTINUED) | | | | | |
| APPRAISAL SURPLUS ON ASSETS REVALUATION | | 3,973,446,243 | 3,980,646,675 | 3,973,446,243 | 3,980,646,675 |
| REVALUATION SURPLUS (DEFICIT) ON INVESTMENTS | 3.3.5 | 4,448,953,829 | 423,365,823 | 4,448,953,829 | 423,365,823 |
| RETAINED EARNINGS (DEFICIT) | | | | | |
| APPROPRIATED | | | | | |
| LEGAL RESERVE | 3.15 | 591,665,715 | 156,419,961 | 591,665,715 | 156,419,961 |
| UNAPPROPRIATED | | 8,318,154,083 | 2,971,979,270 | 8,318,154,083 | 2,971,979,270 |
| MINORITY INTERESTS | | 780,566 | 471,458 | - | - |
| TOTAL SHAREHOLDERS' EQUITY | | 74,935,750,436 | 65,135,633,187 | 74,934,969,870 | 65,135,161,729 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | | 1,134,501,374,504 | 1,058,442,750,466 | 1,134,450,684,445 | 1,058,387,948,286 |
| OFF - BALANCE SHEET ITEMS - CONTINGENCIES | | | | | |
| OFF - BALANCE SHEET ITEMS - CONTINGENCIES | 3.17 | | | | |
| AVAL TO BILLS AND GUARANTEES OF LOANS | | 13,749,667,209 | 14,562,337,702 | 13,749,667,209 | 14,562,337,702 |
| LIABILITIES UNDER UNMATURED IMPORT BILLS | | 189,199,332 | 290,082,778 | 189,199,332 | 290,082,778 |
| LETTERS OF CREDIT | | 13,756,339,662 | 15,685,626,196 | 13,756,339,662 | 15,685,626,196 |
| OTHER CONTINGENCIES | | 353,011,534,360 | 364,522,255,864 | 353,011,534,360 | 364,522,255,864 |

NOTES TO THE FINANCIAL STATEMENTS FORM AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

MONGKON AMPORNPIST
(GENERAL MONGKON AMPORNPIST)
CHAIRMAN

SUWIT UDOMSAB
(MR. SUWIT UDOMSAB)
SENIOR EXECUTIVE VICE PRESIDENT
FOR AND ON BEHALF OF THE PRESIDENT

INCOME STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2003 AND 2002

(in Baht)

| | NOTE | CONSOLIDATED FINANCIAL STATEMENTS | | THE BANK'S FINANCIAL STATEMENTS | |
|---|------|--------------------------------------|----------------|------------------------------------|----------------|
| | | 2003 | 2002 | 2003 | 2002 |
| INTEREST AND DIVIDEND INCOME | 2.2 | | | | |
| LOANS | | 37,106,614,049 | 32,523,137,274 | 37,107,035,322 | 32,523,263,602 |
| INTERBANK AND MONEY MARKET ITEMS | | 1,525,090,015 | 5,874,742,339 | 1,524,847,362 | 5,874,396,543 |
| INVESTMENTS | | 1,221,862,819 | 1,404,283,534 | 1,221,862,819 | 1,403,725,425 |
| TOTAL INTEREST AND DIVIDEND INCOME | | 39,853,566,883 | 39,802,163,147 | 39,853,745,503 | 39,801,385,570 |
| INTEREST EXPENSE | 2.3 | | | | |
| DEPOSITS | | 16,679,655,274 | 19,778,844,831 | 16,679,657,431 | 19,779,554,117 |
| INTERBANK AND MONEY MARKET ITEMS | | 538,326,597 | 286,660,260 | 540,418,247 | 286,725,696 |
| SHORT - TERM BORROWINGS | | (390,099) | 195,890 | - | - |
| LONG - TERM BORROWINGS | | - | 42,668 | - | - |
| TOTAL INTEREST EXPENSE | | 17,217,591,772 | 20,065,743,649 | 17,220,075,678 | 20,066,279,813 |
| NET INTEREST AND DIVIDEND INCOME | | 22,635,975,111 | 19,736,419,498 | 22,633,669,825 | 19,735,105,757 |
| BAD DEBTS AND DOUBTFUL ACCOUNTS | | 2,982,540,022 | 1,811,324,894 | 2,982,540,022 | 1,811,324,894 |
| LOSS ON DEBT RESTRUCTURING | | 559,232,832 | 203,476,432 | 559,232,832 | 203,476,432 |
| NET INTEREST AND DIVIDEND INCOME AFTER BAD DEBTS AND DOUBTFUL ACCOUNTS AND LOSS ON DEBT RESTRUCTURING | | 19,094,202,257 | 17,721,618,172 | 19,091,896,971 | 17,720,304,431 |
| NON - INTEREST INCOME | | | | | |
| GAIN (LOSS) ON INVESTMENTS | | 217,923,860 | (412,512,164) | 217,923,860 | (412,512,164) |
| SHARE OF GAIN (LOSS) FROM INVESTMENTS ON EQUITY METHOD | | 274,518,854 | (48,078,291) | 203,354,778 | (88,442,118) |
| FEES AND SERVICE INCOME | | | | | |
| ACCEPTANCES, AVAL AND GUARANTEES | | 765,953,531 | 681,514,673 | 766,525,864 | 682,153,117 |
| OTHERS | | 4,648,650,425 | 5,723,763,414 | 4,649,103,985 | 5,610,777,357 |
| GAIN (LOSS) ON EXCHANGE | | 896,960,875 | 895,927,167 | 895,350,770 | 897,456,570 |
| OTHER INCOME | | 1,249,148,719 | 1,453,660,984 | 1,063,557,469 | 417,965,893 |
| TOTAL NON - INTEREST INCOME | | 8,053,156,264 | 8,294,275,783 | 7,795,816,726 | 7,107,398,655 |

NOTES TO THE FINANCIAL STATEMENTS FORM AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

INCOME STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2003 AND 2002

(in Baht)

| | NOTE | CONSOLIDATED FINANCIAL STATEMENTS | | THE BANK'S FINANCIAL STATEMENTS | |
|--|------|--------------------------------------|----------------|------------------------------------|----------------|
| | | 2003 | 2002 | 2003 | 2002 |
| NON - INTEREST EXPENSE | | | | | |
| PERSONNEL EXPENSES | | 7,649,570,881 | 6,629,122,245 | 7,144,016,577 | 6,242,504,226 |
| PREMISES AND EQUIPMENT EXPENSES | | 2,982,963,429 | 3,117,916,539 | 2,912,438,198 | 3,060,494,879 |
| TAXES AND DUTIES | | 1,512,806,246 | 1,451,929,484 | 1,512,533,381 | 1,451,452,109 |
| FEES AND SERVICE EXPENSES | | 228,032,881 | 256,361,920 | 201,587,148 | 235,946,744 |
| DIRECTORS' REMUNERATION | | 34,564,966 | 10,039,402 | 23,395,484 | 3,428,989 |
| CONTRIBUTION TO THE FINANCIAL INSTITUTIONS | | | | | |
| DEVELOPMENT FUND | | 3,961,294,252 | 3,746,082,314 | 3,961,294,252 | 3,746,082,314 |
| LOSS ON IMPAIRMENT OF | | | | | |
| PROPERTIES FORCLOSED | | (759,666,257) | - | (759,666,257) | - |
| OTHER EXPENSES | | 2,752,927,235 | 2,778,257,418 | 3,187,199,849 | 2,078,635,380 |
| TOTAL NON - INTEREST EXPENSES | | 18,362,493,633 | 17,989,709,322 | 18,182,798,632 | 16,818,544,641 |
| INCOME BEFORE INCOME TAX | | 8,784,864,888 | 8,026,184,633 | 8,704,915,065 | 8,009,158,445 |
| INCOME TAX EXPENSE | | 79,712,844 | 17,018,817 | - | - |
| INCOME BEFORE MINORITY INTERESTS | | 8,705,152,044 | 8,009,165,816 | 8,704,915,065 | 8,009,158,445 |
| MINORITY INTERESTS | | (236,979) | (7,371) | - | - |
| NET INCOME | | 8,704,915,065 | 8,009,158,445 | 8,704,915,065 | 8,009,158,445 |
| BASIC EARNINGS PER SHARE | 2.16 | 0.78 | 0.72 | 0.78 | 0.72 |
| DILUTED EARNINGS PER SHARE | 2.16 | 0.78 | 0.66 | 0.78 | 0.66 |

NOTES TO THE FINANCIAL STATEMENTS FORM AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

MONGKON AMPORNPIST
(GENERAL MONGKON AMPORNPIST)
CHAIRMAN

SUWIT UDOMSAB
(MR. SUWIT UDOMSAB)
SENIOR EXECUTIVE VICE PRESIDENT
FOR AND ON BEHALF OF THE PRESIDENT

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2003 AND 2002

| | NOTE | CONSOLIDATED FINANCIAL STATEMENTS | | |
|---|--------|--|---|----------------------|
| | | ISSUED AND PAID-UP SHARE CAPITAL | PREMIUM (DISCOUNT) ON SHARE CAPITAL | APPRAISAL SURPLUS |
| BEGINNING BALANCE AS AT 1 JANUARY 2002 | | 111,850,000,000 | 5,079,291,814 | 5,535,973,595 |
| ADJUSTMENT B/F RETAINED EARNINGS OF SUBSIDIARIES AND ASSOCIATED | | - | - | - |
| BALANCE AFTER ADJUSTMENT | | 111,850,000,000 | 5,079,291,814 | 5,535,973,595 |
| APPRAISAL SURPLUS | | - | - | (1,555,326,920) |
| REVALUATION SURPLUS ON INVESTMENTS | | - | - | - |
| UN-RECOGNIZED ITEMS IN INCOME STATEMENTS | | - | - | (1,555,326,920) |
| REPURCHASE OF WARRANTS | 3.14.3 | - | - | - |
| DECREASE ISSUED AND PAID - UP SHARE CAPITAL | | | | |
| FOR REDUCTION OF RETAINED DEFICITS | 3.14.3 | (54,247,250,000) | - | - |
| DECREASE PREMIUM (DISCOUNT) ON ORDINARY SHARE CAPITAL | | | | |
| FOR REDUCTION OF RETAINED DEFICITS | 3.14.3 | - | (5,079,291,814) | - |
| NET INCOME | | - | - | - |
| ENDING BALANCE AS AT 31 DECEMBER 2002 | | 57,602,750,000 | - | 3,980,646,675 |
| BEGINNING BALANCE AS AT 1 JANUARY 2003 | | 57,602,750,000 | - | 3,980,646,675 |
| ADJUSTMENT B/F RETAINED EARNINGS OF SUBSIDIARIES AND ASSOCIATED | | - | - | - |
| BALANCE AFTER ADJUSTMENT | | 57,602,750,000 | - | 3,980,646,675 |
| APPRAISAL SURPLUS | | - | - | (7,200,432) |
| REVALUATION SURPLUS ON INVESTMENTS | | - | - | - |
| UN-RECOGNIZED ITEMS IN INCOME STATEMENTS | | - | - | (7,200,432) |
| DIVIDENDS PAYABLE TO REDUCE RETAINED EARNINGS | 3.16 | - | - | - |
| DIRECTORS' BONUSES PAYABLE TO REDUCE RETAINED EARNINGS | 3.16 | - | - | - |
| NET INCOME | | - | - | - |
| ENDING BALANCE AS AT 31 DECEMBER 2003 | | 57,602,750,000 | - | 3,973,446,243 |

NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

(in Baht)

| REVALUATION SURPLUS (DEFICIT) ON INVESTMENTS | RETAINED EARNINGS (DEFICIT) | MINORITY SHAREHOLDERS | TOTAL |
|--|-----------------------------------|--------------------------|-----------------|
| (1,359,393,198) | (57,619,301,028) | 465,015 | 63,487,036,198 |
| - | - | (928) | (928) |
| (1,359,393,198) | (57,619,301,028) | 464,087 | 63,487,035,270 |
| - | - | - | (1,555,326,920) |
| 1,782,759,021 | - | - | 1,782,759,021 |
| 1,782,759,021 | - | - | 227,432,101 |
| - | (6,588,000,000) | - | (6,588,000,000) |
| - | 54,247,250,000 | - | - |
| - | 5,079,291,814 | - | - |
| - | 8,009,158,445 | 7,371 | 8,009,165,816 |
| 423,365,823 | 3,128,399,231 | 471,458 | 65,135,633,187 |
| 423,365,823 | 3,128,399,231 | 471,458 | 65,135,633,187 |
| - | - | 72,129 | 72,129 |
| 423,365,823 | 3,128,399,231 | 543,587 | 65,135,705,316 |
| - | - | - | (7,200,432) |
| 4,025,588,006 | - | - | 4,025,588,006 |
| 4,025,588,006 | - | - | 4,018,387,574 |
| - | (2,908,949,750) | - | (2,908,949,750) |
| - | (14,544,748) | - | (14,544,748) |
| - | 8,704,915,065 | 236,979 | 8,705,152,044 |
| 4,448,953,829 | 8,909,819,798 | 780,566 | 74,935,750,436 |

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2003 AND 2002

| | NOTE | THE BANK'S FINANCIAL STATEMENTS | |
|--|--------|--|---|
| | | ISSUED AND PAID-UP SHARE CAPITAL | PREMIUM (DISCOUNT) ON SHARE CAPITAL |
| BEGINNING BALANCE AS AT 1 JANUARY 2002 | | 111,850,000,000 | 5,079,291,814 |
| APPRAISAL SURPLUS | | - | - |
| REVALUATION SURPLUS (DEFICIT) ON INVESTMENTS | | - | - |
| UN-RECOGNIZED ITEMS IN INCOME STATEMENTS | | - | - |
| REPURCHASE OF WARRANTS | 3.14.3 | - | - |
| DECREASE ISSUED AND PAID - UP SHARE CAPITAL | | | |
| FOR REDUCTION OF RETAINED DEFICITS | 3.14.3 | (54,247,250,000) | - |
| DECREASE PREMIUM (DISCOUNT) ON ORDINARY SHARE CAPITAL | | | |
| FOR REDUCTION OF RETAINED DEFICITS | 3.14.3 | - | (5,079,291,814) |
| NET INCOME | | - | - |
| ENDING BALANCE AS AT 31 DECEMBER 2002 | | 57,602,750,000 | - |
| BEGINNING BALANCE AS AT 1 JANUARY 2003 | | 57,602,750,000 | - |
| APPRAISAL SURPLUS | | - | - |
| REVALUATION SURPLUS (DEFICIT) ON INVESTMENTS | | - | - |
| UN-RECOGNIZED ITEMS IN INCOME STATEMENTS | | - | - |
| DIVIDENDS PAYABLE TO REDUCE RETAINED EARNINGS | 3.16 | - | - |
| DIRECTORS' BONUSES PAYABLE TO REDUCE RETAINED EARNINGS | 3.16 | - | - |
| NET INCOME | | - | - |
| ENDING BALANCE AS AT 31 DECEMBER 2003 | | 57,602,750,000 | - |

NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

(in Baht)

| APPRAISAL SURPLUS | REVALUATION SURPLUS (DEFICIT) ON INVESTMENTS | RETAINED EARNINGS (DEFICIT) | TOTAL |
|----------------------|--|-----------------------------------|-----------------|
| 5,535,973,595 | (1,359,393,198) | (57,619,301,028) | 63,486,571,183 |
| (1,555,326,920) | - | - | (1,555,326,920) |
| - | 1,782,759,021 | - | 1,782,759,021 |
| (1,555,326,920) | 1,782,759,021 | - | 227,432,101 |
| - | - | (6,588,000,000) | (6,588,000,000) |
| - | - | 54,247,250,000 | - |
| - | - | 5,079,291,814 | - |
| - | - | 8,009,158,445 | 8,009,158,445 |
| 3,980,646,675 | 423,365,823 | 3,128,399,231 | 65,135,161,729 |
| 3,980,646,675 | 423,365,823 | 3,128,399,231 | 65,135,161,729 |
| (7,200,432) | - | - | (7,200,432) |
| - | 4,025,588,006 | - | 4,025,588,006 |
| (7,200,432) | 4,025,588,006 | - | 4,018,387,574 |
| - | - | (2,908,949,750) | (2,908,949,750) |
| - | - | (14,544,748) | (14,544,748) |
| - | - | 8,704,915,065 | 8,704,915,065 |
| 3,973,446,243 | 4,448,953,829 | 8,909,819,798 | 74,934,969,870 |

RETAINED EARNINGS STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2003 AND 2002

(in Baht)

| NOTE | CONSOLIDATED FINANCIAL STATEMENTS | | THE BANK'S FINANCIAL STATEMENTS | |
|--|--------------------------------------|------------------------|------------------------------------|------------------------|
| | 2003 | 2002 | 2003 | 2002 |
| UNAPPROPRIATED RETAINED EARNINGS (DEFICITS) : | | | | |
| BALANCE B/F | 2,971,979,270 | (81,784,245,713) | 2,971,979,270 | (81,784,245,713) |
| ADJUSTMENT B/F RETAINED EARNINGS OF SUBSIDIARIES AND ASSOCIATED | - | - | - | - |
| ADJUSTMENT TO REDUCE RETAINED DEFICITS | | | | |
| ISSUED AND PAID - UP SHARE CAPITAL | - | 54,247,250,000 | - | 54,247,250,000 |
| PREMIUM (DISCOUNT) ON ORDINARY SHARE CAPITAL | - | 5,079,291,814 | - | 5,079,291,814 |
| LEGAL RESERVE | - | 1,485,000,000 | - | 1,485,000,000 |
| OTHER RESERVES | - | 16,091,944,685 | - | 16,091,944,685 |
| RETAINED EARNINGS (DEFICITS) AFTER ADJUSTMENT : | 2,971,979,270 | (4,880,759,214) | 2,971,979,270 | (4,880,759,214) |
| NET INCOME | 8,704,915,065 | 8,009,158,445 | 8,704,915,065 | 8,009,158,445 |
| ADJUSTMENT TO REDUCE RETAINED EARNINGS | | | | |
| DIVIDENDS PAYABLE | 3.16 (2,908,949,750) | - | (2,908,949,750) | - |
| DIRECTORS' BONUSES PAYABLE | 3.16 (14,544,748) | - | (14,544,748) | - |
| UNAPPROPRIATED RETAINED EARNINGS (DEFICITS) : | 8,753,399,837 | 3,128,399,231 | 8,753,399,837 | 3,128,399,231 |
| LESS LEGAL RESERVE | (435,245,754) | (156,419,961) | (435,245,754) | (156,419,961) |
| TOTAL UNAPPROPRIATED RETAINED EARNINGS (DEFICITS) : | 8,318,154,083 | 2,971,979,270 | 8,318,154,083 | 2,971,979,270 |
| APPROPRIATED RETAINED EARNINGS (DEFICITS) : | | | | |
| LEGAL RESERVE | 3.15 591,665,715 | 156,419,961 | 591,665,715 | 156,419,961 |
| OTHER RESERVES | | | | |
| BALANCE B/F | - | 22,679,944,685 | - | 22,679,944,685 |
| LESS REPURCHASE OF WARRANT | - | (6,588,000,000) | - | (6,588,000,000) |
| TRANSFERRED TO REDUCE RETAINED DEFICITS | - | (16,091,944,685) | - | (16,091,944,685) |
| BALANCE C/F | - | - | - | - |
| TOTAL APPROPRIATED RETAINED EARNINGS (DEFICITS) | 591,665,715 | 156,419,961 | 591,665,715 | 156,419,961 |
| TOTAL RETAINED EARNINGS (DEFICITS) | 8,909,819,798 | 3,128,399,231 | 8,909,819,798 | 3,128,399,231 |

NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

CASH FLOW STATEMENT FOR THE YEARS ENDED 31 DECEMBER 2003 AND 2002

(in Baht)

| | CONSOLIDATED FINANCIAL STATEMENTS | | THE BANK'S FINANCIAL STATEMENTS | |
|--|--------------------------------------|-------------------|------------------------------------|-------------------|
| | 2003 | 2002 | 2003 | 2002 |
| CASH FLOW FROM OPERATING ACTIVITIES | | | | |
| NET INCOME | 8,704,915,065 | 8,009,158,445 | 8,704,915,065 | 8,009,158,445 |
| ADJUSTMENT TO RECONCILE NET PROFIT TO NET CASH FLOWS | | | | |
| FROM OPERATION | | | | |
| DEPRECIATION AND AMORTIZATION | 916,685,158 | 1,078,032,218 | 826,560,761 | 1,006,576,944 |
| BAD DEBT AND DOUBTFUL ACCOUNTS | 2,982,540,022 | 1,811,324,894 | 2,982,540,022 | 1,811,324,894 |
| LOSS ON DEBT RESTRUCTURING | 559,232,832 | 203,476,432 | 559,232,832 | 203,476,432 |
| (GAIN) LOSS ON EQUITY | (274,518,854) | 48,078,291 | (203,354,778) | 88,442,118 |
| (GAIN) LOSS ON SALES OF ASSETS | (220,402,718) | (150,725,523) | (219,836,233) | (150,725,523) |
| (GAIN) LOSS ON SALES OF INVESTMENTS | (394,457,967) | 814,326,370 | (394,457,967) | 814,326,370 |
| (REVERSED) LOSS ON IMPAIRMENT OF PROPERTIES | | | | |
| FORCLOSED | (759,666,257) | (240,337,680) | (759,666,257) | (240,337,680) |
| LOSS ON IMPAIRMENT OF INVESTMENTS | 977,629,126 | 1,332,724,068 | 977,629,126 | 1,332,724,068 |
| (REVERSED) LOSS ON IMPAIRMENT OF LAND | (8,845,407) | (485,739,346) | (8,845,407) | (485,739,346) |
| DEFERRED (DISCOUNT) PREMIUM ON INVESTMENTS-PAID | 55,945,253 | 58,810,989 | 55,945,253 | 58,810,989 |
| (GAIN) LOSS ON REVALUATION OF FOREIGN CURRENCIES | 79,952,294 | 265,193,594 | 79,952,294 | 265,193,594 |
| (INCREASE) DECREASE IN ACCRUED INTEREST INCOME | | | | |
| AND DIVIDEND RECEIVABLE | 4,350,996,486 | (3,386,445,881) | 4,350,991,981 | (3,386,442,589) |
| (INCREASE) DECREASE IN OTHER ACCRUED INCOME | 1,058,256,870 | (914,110,931) | 1,058,256,870 | (914,110,931) |
| INCREASE (DECREASE) IN ACCRUED INTEREST | | | | |
| EXPENSES PAYABLE | (1,008,813,472) | 962,518,252 | (1,008,813,472) | 962,576,129 |
| INCREASE (DECREASE) IN OTHER ACCRUED EXPENSES | | | | |
| PAYABLE | 153,941,889 | (261,762,306) | 153,941,889 | (261,762,306) |
| NET INCOME FOR MINORITY INTERESTS | 236,979 | 7,371 | - | - |
| OPERATING INCOME BEFORE CHANGES IN | | | | |
| OPERATING ASSETS AND LIABILITIES | 17,173,627,299 | 9,144,529,257 | 17,154,991,979 | 9,113,491,608 |
| (INCREASE) DECREASE IN OPERATING ASSETS | | | | |
| INTERBANK AND MONEY MARKET ITEMS | 102,492,103,506 | 23,585,399,491 | 102,519,410,628 | 23,560,647,243 |
| SECURITIES PURCHASED UNDER RESALE AGREEMENTS | (11,188,000,000) | 31,188,000,000 | (11,188,000,000) | 31,188,000,000 |
| NET INVESTMENT IN SECURITIES FOR TRADING | 2,052,922,550 | (2,495,221,357) | 2,052,922,550 | (2,495,221,357) |
| NET LOANS | (143,411,715,461) | (118,146,640,574) | (144,062,825,588) | (118,141,732,334) |
| PROPERTIES FORECLOSED | (5,244,711,352) | 616,057,803 | (5,244,711,352) | 616,057,803 |
| NET OTHER ASSETS | (3,550,443,627) | (196,907,576) | (3,102,280,955) | (439,696,103) |
| INCREASE (DECREASE) IN OPERATING LIABILITIES | 46,803,635,891 | 91,905,926,587 | 47,198,032,552 | 91,776,539,310 |
| DEPOSITS | | | | |
| INTERBANK AND MONEY MARKET | 14,283,544,815 | (13,552,613,834) | 14,307,916,215 | (13,556,443,582) |
| LIABILITY PAYABLE ON DEMAND | 3,023,244,554 | 860,531,432 | 3,023,244,554 | 860,531,432 |
| SHORT - TERM BORROWINGS | - | (20,000,000) | - | - |
| OTHER LIABILITIES | 1,178,231,900 | (166,189,127) | 693,885,069 | 234,796,238 |
| NET CASH FLOW FROM OPERATING ACTIVITIES | 23,612,440,075 | 22,722,872,102 | 23,352,585,652 | 22,716,970,258 |

NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

CASH FLOW STATEMENT

FOR THE YEARS ENDED 31 DECEMBER 2003 AND 2002

(in Baht)

| | CONSOLIDATED FINANCIAL STATEMENTS | | THE BANK'S FINANCIAL STATEMENTS | |
|--|--------------------------------------|------------------|------------------------------------|------------------|
| | 2003 | 2002 | 2003 | 2002 |
| CASH FLOW FROM INVESTMENT ACTIVITIES | | | | |
| PURCHASE OF INVESTMENT | (44,054,836,671) | (31,901,150,302) | (44,054,836,671) | (31,901,150,302) |
| CASH RECEIVED FROM SALE OF INVESTMENT | 30,003,956,958 | 18,957,878,881 | 28,350,238,823 | 18,911,432,536 |
| PURCHASE OF PREMISES AND EQUIPMENT | (3,204,266,621) | (1,546,714,474) | (1,360,161,905) | (1,424,351,053) |
| CASH RECEIVED FROM SALE OF PREMISES AND EQUIPMENT | 1,045,329,264 | 175,694,624 | 1,044,762,778 | 175,694,624 |
| NET CASH FLOW FROM INVESTMENT ACTIVITIES | (16,209,817,070) | (14,314,291,271) | (16,019,996,975) | (14,238,374,195) |
| CASH FLOW FROM FINANCING ACTIVITIES | | | | |
| CASH RECEIVED FROM LONG TERM BORROWINGS | - | 70,000,000 | - | - |
| LONG TERM BORROWINGS PAID IN CASH | (70,000,000) | - | - | - |
| DIVIDEND PAID | (2,905,563,133) | - | (2,905,563,133) | - |
| DIRECTOR BONUS PAID | (14,544,749) | - | (14,544,749) | - |
| REPURCHASED OF WARRANT | - | (6,588,000,000) | - | (6,588,000,000) |
| NET CASH FLOW FROM FINANCING ACTIVITIES | (2,990,107,882) | (6,518,000,000) | (2,920,107,882) | (6,588,000,000) |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | 4,412,515,123 | 1,890,580,831 | 4,412,480,795 | 1,890,596,063 |
| BEGINNING BALANCE OF CASH AND CASH EQUIVALENTS | 9,118,225,767 | 7,227,644,936 | 9,117,918,940 | 7,227,322,877 |
| ENDING BALANCE OF CASH AND CASH EQUIVALENTS | 13,530,740,890 | 9,118,225,767 | 13,530,399,735 | 9,117,918,940 |
| ADDITIONAL DISCLOSURE OF CASH FLOW | | | | |
| CASH PAID FOR THE PERIOD | | | | |
| INTEREST PAID | 18,223,080,765 | 19,164,372,158 | 18,225,564,671 | 19,163,998,596 |
| INCOME TAX | 206,025,935 | 186,340,339 | 175,745,856 | 178,611,810 |
| SIGNIFICANT NON - CASH ITEMS | | | | |
| 1. REDUCED ACCUMULATED LOSSES BY | | | | |
| 1.1 TRANSFERRED OF OTHER RESERVE | - | 16,091,944,685 | - | 16,091,944,685 |
| 1.2 TRANSFERRED OF LEGAL RESERVE | - | 1,485,000,000 | - | 1,485,000,000 |
| 1.3 REDUCED PREMIUM ON SHARE | - | 5,079,291,814 | - | 5,079,291,814 |
| 1.4 REDUCED THE BANK'S SHARE PAR VALUE | - | 54,247,250,000 | - | 54,247,250,000 |
| 2. LEGAL RESERVE APPROPRIATED | - | 156,419,961 | - | 156,419,961 |

NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2003 and 2002**1. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS**

The Bank is a public limited company registered in the Kingdom of Thailand with its head office located at 35 Sukhumvit Road, Klongtoey Nua, Wattana, Bangkok, Thailand. It engages in Commercial Banking Business and conducts its business through a nationwide branch network and in certain major centres around the world. Total employees as at December 31, 2003 and 2002 were 14,501 and 14,653, respectively.

1.1 Basis of Presentation of Consolidated Financial Statements and The Bank's Financial Statements

The consolidated financial statements and the Bank's financial statements are presented in accordance with the Notification issued by the Bank of Thailand dated May 10, B.E. 2544 prescribing the form of Balance Sheet and Statement of Profit and Loss for Commercial Banks and the Ministerial Regulation No.7 B.E. 2539 issued under the Public Companies Limited Act B.E. 2535 and prepared in accordance with generally accepted accounting principles.

The consolidated financial statements comprise the accounts of the Bank and its subsidiaries where the Bank possesses ownership control and more than 50 percent of paid-up shares capital (after eliminating material inter-company transactions and balances). The 6 consolidated subsidiaries are Krung Thai Legal Service Co., Ltd., Krung Thai General Business Services Co., Ltd., Krung Thai Asset Management Co., Ltd., Krung Thai Property Development Co., Ltd. (formerly: Krung Thai Land and House Co., Ltd.), Krung Thai Computer Service Co., Ltd. and NC Associated Co., Ltd. The accounts of Krung Thai Holding Co., Ltd. were not consolidated due to its dissolution in accordance with a special resolution passed by an Extraordinary Meeting of its shareholders on December 28, 2000. The liquidation was registered with the Ministry of Commerce on November 25, 2002. Excluding Krung Thai Card Public Co., Ltd. in which the Bank's shareholdings declined to 49 percent of paid-up shares capital as at June 30, 2002. The Bank's ownership control over Krung Thai Card Public Co., Ltd. was relinquished and accordingly it was deemed as associated company.

The financial statements for the year ended December 31, 2003 and 2002 has included the accounts of domestic and overseas branches, after eliminating material inter-branch transactions and balances.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**2.1 Cash and Cash Equivalents**

Cash and cash equivalents represent cash in hand and cash on collection.

2.2 Recognition of Interest Income

Interest income is recognized on an accruals basis using the effective interest rate method, except for interest on loans classified as delinquent over 3 months. With effect from January 1, 2000 and in accordance with the Bank of Thailand's regulations, interest income on delinquent loans over 3 months from the due date is reversed from the statement of income and is recognized on a cash received basis.

2.3 Recognition of Interest Expense

Interest expense on deposits and borrowings is recognized on an accruals basis using the effective interest rate method.

2.4 Investments in Securities**2.4.1 Basis for Classification of Investments**

The Bank classifies its debt securities and/or marketable equity securities as trading securities and/or as available-for-sale securities. Non-marketable equity securities are classified as general investments.

Securities held for less than 1 year are presented as current investments, while those exceeding 1 year and those held to maturity, are presented as long-term investments. Trading securities are classified as current investments.

2.4.2 Basis for Valuation of Investments

Investments in debt and marketable equity securities classified as trading securities are stated at fair value. Unrealized gains or losses arising from the revaluation of trading securities are credited or charged directly to the statement of income.

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

Investments in debt securities held to maturity are stated at amortized cost. Premiums or discounts arising on acquisition are amortized over the term of the securities by using the straight-line method and disclosed under interest income.

Investments in non-marketable equity securities, including investments in subsidiaries and associates, are classified as general investments and are stated at cost, net of allowance for impairment. Losses on impairment are charged to the statement of income. Investments in subsidiaries and associates are accounted for under the equity method.

The cost of investments on disposal is determined by using the weighted average method. Dividend income from investments is recognized as income when declared.

2.5 Loans

Loans represent the outstanding principal amounts, except for bank overdrafts which include accrued interest receivable in the drawn amounts. Unearned discounts are presented as a deduction from the loans.

2.6 Allowance for Doubtful Accounts

The Bank makes allowance for bad debts and doubtful accounts in each accounting period in accordance with the Bank of Thailand's regulation on interest income recognition, loan classification and provisioning.

Loans (excluding accrued interest receivable), classified as pass and special mention (net of collateral) are used to determine the allowance for doubtful accounts.

In addition, the Bank also considers the quality of debtors when making allowances for doubtful debts based on prudent banking concepts by taking into account the inherent uncertainty of restructured debtors in associated with debt repayment.

Bad debts written off and bad debts recovered are deducted from, or added to, the allowance for doubtful accounts.

2.7 Troubled Debt Restructuring (TDR)

The Bank calculates the book value of outstanding loans when determining the loss on troubled debt restructuring as follows:

1. Where the Bank accepts modification of loan terms, the book value of outstanding loans is calculated based on:

- 1.1 In computing the present value of cash inflows in line with the new repayment conditions applied to receivables, the cash inflows are discounted at market interest rates (MLR). In 2003 only new cases of those receivables under restructuring are discounted by the higher of the financial cost rate prevailing in capital markets and the interest rate under the new repayment conditions. This method shall be applied to receivables without collateral, or those with collaterals where the value does not cover the book value of principal plus interest receivable in accordance with the contract before debt restructuring.

The component of financial costs includes the cost of deposits and the weighted average loans, in addition to the contributions to the Financial Institutions Development Fund and expenses incurred to maintain liquidity.

1.2 The market value of the debt if there is an active market for the debt.

1.3 The fair value of assets pledged as collateral estimated in accordance with the Bank of Thailand's guidelines where the collateral is insufficient to cover the outstanding loan balance and accrued interest before restructuring.

The Bank employs the method in Item 1.1 caused by relaxation of repayment conditions calculating loss on debt restructuring.

2. Where the Bank accepts assets transferred, financial instruments, mutual fund or debt-equity conversion for repayment, any losses arising from TDR are determined based on the fair value of the assets received.

Losses resulting from troubled debt restructuring are charged to expense.

2.8 Translation of Foreign Currencies

The Bank's assets and liabilities in term of foreign currencies including forward exchange and swap contracts were recorded in such currencies on the transaction date. Translation into Thai Baht is based on reference rate announced by Bank of Thailand at month-end. The Mark-to-Market approach is used as the basis for fair value translations of forward exchange and swap contract at the period end. Foreign exchange gains or losses from translation are recognized as either an income or expense in the relevant period.

Risk management in relation to assets and liabilities in foreign currencies is performed under the Bank of Thailand's supervision.

Net average foreign exchange position is maintained on a weekly basis as long or short position not exceeding 15 percent of capital fund or USD 5.0 million whichever is higher.

An allowance against exchange rate volatility is provided to moderate the impact of losses in subsequent periods.

2.9 Premises and Equipment

Premises and equipment are stated at cost, net of accumulated depreciation and allowance for asset impairment. Land is revalued on a 3-5 year basis. Deductions in the appraised value of land are recognized as a loss on impairment and charged to the statement of income.

A surplus on the revaluation of land is booked as an appraisal surplus on asset revaluation.

Depreciation is calculated on the straight-line method based on the estimated useful lives of the assets at the rate of 5 percent per annum for premises and 20 percent per annum for equipment. Equipment with an acquisition cost not exceeding Baht 3,000 is charged directly to expense in the period of acquisition.

2.10 Leasehold Properties

Leasehold properties are amortized over the lease term or over 10 years where there is no lease agreement.

2.11 Properties Foreclosed

Properties foreclosed are immovable and movable properties which are stated at lower of cost or market value. Losses on impairment are recognized as non-interest expense in the statement of income. Gains or losses on sale are recognized as other income or non-interest expense in the statement of income.

2.12 Derivatives

2.12.1 Forward Foreign Exchange Contract Bought or Sold

At the end of the period, the Bank's forward exchange and swap contracts have been translated at fair value using Mark-to-Market approach. Foreign exchange gains or losses arising from translation are recognized as income or expense.

2.12.2 Interest Rate Swap Contracts

Interest rate spreads on swap contracts are booked and recognized as income or expense on an accruals basis.

2.12.3 Credit Linked Note Contracts

Credit Linked Notes are booked as investments according to the type of instrument. The credit risk related to reference assets are booked as contingencies and disclosed in off-balance sheet items. The Bank maintains a capital fund to underwrite the risks related to reference assets in accordance with the Bank of Thailand's regulations.

2.13 Provident Fund and Retirement

On June 25, 1992, the Bank established and registered a Provident Fund for its staff in accordance with the Provident Fund Act B.E. 2530.

Permanent employees of the Bank are eligible to apply for membership in accordance with the Fund's regulations. Employees contribute to the Fund at the rate of 3%, 6%, or 10% of basic salary and the Bank's contribution is at 10% of the employees' basic salary.

Employees whose working tenure totals ten years or more are entitled to additional special remuneration as prescribed by the Bank and this is charged to expenses when paid.

2.14 Unclaimed Balances

Unclaimed balances which remain dormant for more than 10 years are taken to income at the accounting period-end.

2.15 Income Tax

Corporate income tax is recognized either as an expense or income. Income tax consists of current tax (calculated based on the provisions of the Revenue Code) and deferred income tax (calculated based on temporary differences arising between the book value of assets and their carrying value for tax purposes).

2.16 Basic Earnings/(Loss) per Share

Basic Earnings/(Loss) per Share is computed by dividing the net income/(loss) for the period by the weighted average number of ordinary shares outstanding.

Diluted Earnings/(Loss) per Share

Diluted Earnings/(Loss) per share is computed by dividing the adjusted net income/(loss) for the period available to ordinary shares by the adjusted weighted-average number of ordinary shares, held by the outsiders, against a dilutive effect arising from total diluted ordinary share equivalent.

In 2002, Diluted Earnings/(Loss) per Share is computed by dividing the net income/(loss) for the period by the weighted-average number of ordinary shares, plus the weighted-average number of potentially dilutable ordinary shares.

In 2003, Diluted Earnings/(Loss) per share is computed by dividing the adjusted net income, net of noncumulative preferred dividend declared during the period by the weighted-average number of shares used in computing diluted earnings per share which is the weighted-average number of ordinary shares, plus additional shares issued without consideration when the warrants are exercised which cause no adverse effect upon such computation.

2.17 Accounting Estimates

In preparing the financial statements in compliance with generally accepted accounting principles, the Bank is required to make estimates and assumptions that affect the reported amounts of income, expense, assets and liabilities and the disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

3. SUPPLEMENTARY INFORMATION

3.1 Interbank and Money Market Items

(Million Baht)

| | Consolidated Financial Statements | | | | | |
|--|-----------------------------------|-----------|-----------|-------------------|-----------|------------|
| | December 31, 2003 | | | December 31, 2002 | | |
| | Demand | Time | Total | Demand | Time | Total |
| 3.1.1 Domestic items | | | | | | |
| Bank of Thailand and Financial Institutions Development Fund | 9,894.19 | - | 9,894.19 | 10,700.75 | 16,020.44 | 26,721.19 |
| Commercial Banks | 128.83 | 118.87 | 247.70 | 99.41 | 475.44 | 574.85 |
| Other Banks | 18.73 | - | 18.73 | 18.23 | - | 18.23 |
| Finance Co., Finance & Securities Co., Securities Co., and Credit Fonciers Co. | 43.57 | 215.27 | 258.84 | 55.49 | 56.15 | 111.64 |
| Other Financial Institutions | 693.64 | 17,008.79 | 17,702.43 | 79,312.20 | 10,747.87 | 90,060.07 |
| Total Domestic Items | 10,778.96 | 17,342.93 | 28,121.89 | 90,186.08 | 27,299.90 | 117,485.98 |
| Add: Accrued Interest Receivable | - | 13.70 | 13.70 | 2,047.27 | 247.12 | 2,294.39 |
| Less: Allowance for doubtful accounts | - | (200.09) | (200.09) | - | (156.42) | (156.42) |
| Total | 10,778.96 | 17,156.54 | 27,935.50 | 92,233.35 | 27,390.60 | 119,623.95 |
| 3.1.2 Foreign items | | | | | | |
| US Dollar | 1,060.63 | 5,792.81 | 6,853.44 | 2,355.02 | 16,567.06 | 18,922.08 |
| Japanese Yen | 631.32 | 2.11 | 633.43 | 1,547.12 | 2.08 | 1,549.20 |
| Other currencies | 820.62 | 496.74 | 1,317.36 | 899.78 | 551.08 | 1,450.86 |
| Total Foreign Items | 2,512.57 | 6,291.66 | 8,804.23 | 4,801.92 | 17,120.22 | 21,922.14 |
| Add: Accrued Interest Receivable | - | 2.49 | 2.49 | 0.04 | 10.41 | 10.45 |
| Less: Allowance for doubtful accounts | - | (312.20) | (312.20) | - | (345.76) | (345.76) |
| Total | 2,512.57 | 5,981.95 | 8,494.52 | 4,801.96 | 16,784.87 | 21,586.83 |
| Total Domestic and Foreign Items | 13,291.53 | 23,138.49 | 36,430.02 | 97,035.31 | 44,175.47 | 141,210.78 |

(Million Baht)

| The Bank's Financial Statements | | | | | | |
|--|-------------------|-----------|-----------|-------------------|-----------|------------|
| | December 31, 2003 | | | December 31, 2002 | | |
| | Demand | Time | Total | Demand | Time | Total |
| 3.1.1 Domestic items | | | | | | |
| Bank of Thailand and Financial Institutions Development Fund | 9,894.19 | - | 9,894.19 | 10,700.75 | 16,020.44 | 26,721.19 |
| Commercial Banks | 74.91 | 118.87 | 193.78 | 72.79 | 475.44 | 548.23 |
| Other Banks | 18.73 | - | 18.73 | 18.23 | - | 18.23 |
| Finance Co., Finance & Securities Co., Securities Co., and Credit Fonciers Co. | 43.57 | 215.27 | 258.84 | 55.49 | 56.15 | 111.64 |
| Other Financial Institutions | 693.64 | 17,008.79 | 17,702.43 | 79,312.20 | 10,747.87 | 90,060.07 |
| Total Domestic Items | 10,725.04 | 17,342.93 | 28,067.97 | 90,159.46 | 27,299.90 | 117,459.36 |
| Add: Accrued Interest Receivable | - | 13.70 | 13.70 | 2,047.27 | 247.12 | 2,294.39 |
| Less: Allowance for doubtful accounts | - | (200.09) | (200.09) | - | (156.42) | (156.42) |
| Total | 10,725.04 | 17,156.54 | 27,881.58 | 92,206.73 | 27,390.60 | 119,597.33 |
| 3.1.2 Foreign items | | | | | | |
| US Dollar | 1,060.63 | 5,792.81 | 6,853.44 | 2,355.02 | 16,567.06 | 18,922.08 |
| Japanese Yen | 631.32 | 2.11 | 633.43 | 1,547.12 | 2.08 | 1,549.20 |
| Other currencies | 820.62 | 496.74 | 1,317.36 | 899.78 | 551.08 | 1,450.86 |
| Total Foreign Items | 2,512.57 | 6,291.66 | 8,804.23 | 4,801.92 | 17,120.22 | 21,922.14 |
| Add: Accrued Interest Receivable | - | 2.49 | 2.49 | 0.04 | 10.41 | 10.45 |
| Less: Allowance for doubtful accounts | - | (312.20) | (312.20) | - | (345.76) | (345.76) |
| Total | 2,512.57 | 5,981.95 | 8,494.52 | 4,801.96 | 16,784.87 | 21,586.83 |
| Total Domestic and Foreign Items | 13,237.61 | 23,138.49 | 36,376.10 | 97,008.69 | 44,175.47 | 141,184.16 |

As at December 31, 2002 the promissory notes of Bangkok Bank of Commerce Public Co., Ltd., amounting to Baht 78,680.57 million, were included in other financial institutions (domestic) items at call with the accrued interest receivable amounting to Baht 2,047.27 million. The repayment for all promissory notes were settled in October 2003. (see Note 3.25.2)

As at December 31, 2002, loans to the Bank of Thailand and the FIDF included NCD's under FNX.42 purchased at a discount, totaling Baht 16,020.44 million, and all of the NCDs have been matured and settled on December 31, 2003.

As at December 31, 2003 and 2002, loans to finance companies included loans for the Stock Market Stabilization Fund totaling Baht 1.46 million.

As at December 31, 2003, the Bank had loans outstanding to 10 debtors whose businesses were closed, amounting to Baht 496.13 million, of which 4 debtors with outstanding balances totaling Baht 415.78 million have been exchanged for NCDs. The amounts outstanding in relation to the remaining 6 debtors, totaling Baht 80.35 million, were fully provided for under the Bank of Thailand's requirements.

3.2 Securities Purchased under Resale Agreements

(Million Baht)

| | Consolidated and the Bank's Financial Statements | |
|------------------------|--|-------------------|
| | December 31, 2003 | December 31, 2002 |
| Government & BOT Bonds | 13,000.00 | 1,812.00 |
| Total | 13,000.00 | 1,812.00 |

3.3 Investments

(Million Baht)

| | Consolidated Financial Statements | | | |
|--|-----------------------------------|------------|-------------------------|------------|
| | December 31, 2003 | | December 31, 2002 | |
| | Cost/ Amortized Cost | Fair Value | Cost/ Amortized Cost | Fair Value |
| 3.3.1 Current Investments | | | | |
| Trading Securities | | | | |
| Government & State Enterprise Securities | 7.24 | 7.24 | - | - |
| Private Enterprise Debt Securities | 618.75 | 622.78 | 2,611.20 | 2,608.88 |
| Domestic Marketable Equity Securities | 21.50 | 22.60 | 89.21 | 196.78 |
| Total | 647.49 | 652.62 | 2,700.41 | 2,805.66 |
| Add Allowance for Revaluation | 5.13 | - | 105.25 | - |
| Total | 652.62 | 652.62 | 2,805.66 | 2,805.66 |
| Available-for-sale Securities | | | | |
| Government & State Enterprise Securities | 2,790.88 | 2,794.31 | 471.29 | 471.22 |
| Private Enterprise Debt Securities | 15.00 | - | 15.00 | - |
| Foreign Debt Securities | 1,215.52 | 990.05 | 630.31 | 393.76 |
| Domestic Marketable Equity Securities | 706.94 | 1,002.50 | - | - |
| Others | 1,192.68 | 1,269.93 | - | - |
| Total | 5,921.02 | 6,056.79 | 1,116.60 | 864.98 |
| Add (Less) Allowance for Revaluation | 376.24 | - | (0.07) | - |
| Less Allowance for Impairment | (240.47) | - | (251.55) | - |
| Total | 6,056.79 | 6,056.79 | 864.98 | 864.98 |
| Held-to-Maturity Debt Securities | | | | |
| Government & State Enterprise Securities | 469.11 | 469.11 | 7,121.89 | 7,121.89 |
| Foreign Debt Securities | 4,354.78 | 4,348.84 | 17,382.37 | 17,371.56 |
| Total | 4,823.89 | 4,817.95 | 24,504.26 | 24,493.45 |
| Less Allowance for Impairment | (5.94) | - | (10.81) | - |
| Total | 4,817.95 | 4,817.95 | 24,493.45 | 24,493.45 |
| Total Current Investments - Net | 11,527.36 | 11,527.36 | 28,164.09 | 28,164.09 |

(Million Baht)

| | Consolidated Financial Statements | | | |
|--|-----------------------------------|------------|-------------------------|------------|
| | December 31, 2003 | | December 31, 2002 | |
| | Cost/ Amortized Cost | Fair Value | Cost/ Amortized Cost | Fair Value |
| 3.3.2 Long-Term Investments | | | | |
| Available-for-sale Securities | | | | |
| Government & State Enterprise Securities | 6,538.43 | 6,785.07 | 6,593.12 | 6,942.52 |
| Private Enterprise Debt Securities | 3.45 | 4.47 | 3.73 | 5.15 |
| Foreign Debt Securities | 1,218.03 | 1,206.14 | 812.87 | 805.52 |
| Domestic Marketable Equity Securities | 1,886.40 | 3,458.08 | 1,965.25 | 1,744.07 |
| Others - VAYUPAK MUTUAL FUND 1 | 28,001.07 | 29,814.63 | - | - |
| Total | 37,647.38 | 41,268.39 | 9,374.97 | 9,497.26 |
| Add Allowance for Revaluation | 3,632.44 | - | 129.13 | - |
| Less Allowance for Impairment | (11.43) | - | (6.84) | - |
| Total | 41,268.39 | 41,268.39 | 9,497.26 | 9,497.26 |
| Held-to-Maturity Debt Securities | | | | |
| Government & State Enterprise Securities | 20,964.69 | 17,967.45 | 14,313.17 | 12,353.49 |
| Private Enterprise Debt Securities | 2,274.00 | 1,529.48 | 258.32 | 112.80 |
| Foreign Debt Securities | - | - | 648.60 | 642.11 |
| Others | - | - | 918.85 | 319.85 |
| Total | 23,238.69 | 19,496.93 | 16,138.94 | 13,428.25 |
| Less Allowance for Impairment | (3,741.76) | - | (2,710.69) | - |
| Total | 19,496.93 | 19,496.93 | 13,428.25 | 13,428.25 |
| General Investments | | | | |
| Domestic Non-marketable | | | | |
| Equity Securities | 4,844.04 | 3,200.42 | 5,756.48 | 3,971.56 |
| Foreign Non-marketable | | | | |
| Equity Securities | 110.35 | 68.03 | 98.24 | 54.47 |
| Others | 3,526.83 | 3,516.23 | 2,951.63 | 2,943.67 |
| Total | 8,481.22 | 6,784.68 | 8,806.35 | 6,969.70 |
| Less Allowance for Impairment | (1,696.54) | - | (1,836.65) | - |
| Total | 6,784.68 | 6,784.68 | 6,969.70 | 6,969.70 |
| Total Long-Term Investments - Net | 67,550.00 | 67,550.00 | 29,895.21 | 29,895.21 |

(Million Baht)

| | Consolidated Financial Statements | | | |
|--|-----------------------------------|--------------|------------|------------|
| | December 31, 2003 | | | |
| | Maturity | | | Total |
| within 1 year | over 1 to 5 years | over 5 years | | |
| 3.3.3 Remaining Maturity of Debt Securities | | | | |
| Trading Securities | | | | |
| Government & State Enterprise Securities | 7.24 | - | - | 7.24 |
| Private Enterprise Debt Securities | 618.75 | - | - | 618.75 |
| Total | 625.99 | - | - | 625.99 |
| Add Allowance for Revaluation | 4.03 | - | - | 4.03 |
| Total | 630.02 | - | - | 630.02 |
| Available-for-sale Securities | | | | |
| Government & State Enterprise Securities | 2,790.88 | 6,538.43 | - | 9,329.31 |
| Private Enterprise Debt Securities | 15.00 | - | 3.45 | 18.45 |
| Foreign Debt Securities | 1,215.52 | 1,127.43 | 90.60 | 2,433.55 |
| Total | 4,021.40 | 7,665.86 | 94.05 | 11,781.31 |
| Add Allowance for Revaluation | 3.43 | 246.64 | 0.56 | 250.63 |
| Add (Less) Allowance for Impairment | (240.47) | (11.89) | 0.46 | (251.90) |
| Total | 3,784.36 | 7,900.61 | 95.07 | 11,780.04 |
| Held-to-Maturity Debt Securities | | | | |
| Government & State Enterprise Securities | 469.11 | 983.09 | 19,981.60 | 21,433.80 |
| Private Enterprise Debt Securities | - | 346.83 | 1,927.17 | 2,274.00 |
| Foreign Debt Securities | 4,354.78 | - | - | 4,354.78 |
| Total | 4,823.89 | 1,329.92 | 21,908.77 | 28,062.58 |
| Less Allowance for Impairment | (5.94) | - | (3,741.76) | (3,747.70) |
| Total | 4,817.95 | 1,329.92 | 18,167.01 | 24,314.88 |
| Total Debt Securities | 9,232.33 | 9,230.53 | 18,262.08 | 36,724.94 |

(Million Baht)

| | Consolidated Financial Statements | | | |
|--|-----------------------------------|--------------|----------|----------|
| | December 31, 2002 | | | |
| | Maturity | | | Total |
| within 1 year | over 1 to 5 years | over 5 years | | |
| 3.3.3 Remaining Maturity of Debt Securities | | | | |
| Available-for-sale Securities | | | | |
| Government & State Enterprise Securities | 471.29 | 5,101.12 | 1,492.00 | 7,064.41 |
| Private Enterprise Debt Securities | 15.00 | - | 3.73 | 18.73 |
| Foreign Debt Securities | 630.31 | 808.06 | 4.81 | 1,443.18 |
| Total | 1,116.60 | 5,909.18 | 1,500.54 | 8,526.32 |
| Add (Less) Allowance for Revaluation | (0.07) | 285.58 | 64.73 | 350.24 |
| Add (Less) Allowance for Impairment | (251.55) | (7.35) | 0.51 | (258.39) |
| Total | 864.98 | 6,187.41 | 1,565.78 | 8,618.17 |

(Million Baht)

| Consolidated Financial Statements | | | | |
|--|---------------|-------------------|--------------|------------|
| December 31, 2002 | | | | |
| | Maturity | | | Total |
| | within 1 year | over 1 to 5 years | over 5 years | |
| 3.3.3 Remaining Maturity of Debt Securities | | | | |
| Held-to-Maturity Debt Securities | | | | |
| Government & State Enterprise Securities | 7,121.89 | 5,967.92 | 8,345.25 | 21,435.06 |
| Private Enterprise Debt Securities | - | - | 258.32 | 258.32 |
| Foreign Debt Securities | 17,382.37 | 648.60 | - | 18,030.97 |
| Others | - | - | 918.85 | 918.85 |
| Total | 24,504.26 | 6,616.52 | 9,522.42 | 40,643.20 |
| <u>Less</u> Allowance for Impairment | (10.81) | (789.31) | (1,921.38) | (2,721.50) |
| Total | 24,493.45 | 5,827.21 | 7,601.04 | 37,921.70 |
| Total Debt Securities | 25,358.43 | 12,014.62 | 9,166.82 | 46,539.87 |

(Million Baht)

| The Bank's Financial Statements | | | | |
|---|-------------------------|------------|-------------------------|------------|
| | December 31, 2003 | | December 31, 2002 | |
| | Cost/ Amortized Cost | Fair Value | Cost/ Amortized Cost | Fair Value |
| 3.3.1 Current Investments | | | | |
| Trading Securities | | | | |
| Government & State Enterprise Securities | 7.24 | 7.24 | - | - |
| Private Enterprise Debt Securities | 618.75 | 622.78 | 2,611.20 | 2,608.88 |
| Domestic Marketable Equity Securities | 21.50 | 22.60 | 89.21 | 196.78 |
| Total | 647.49 | 652.62 | 2,700.41 | 2,805.66 |
| <u>Add</u> Allowance for Revaluation | 5.13 | - | 105.25 | - |
| Total | 652.62 | 652.62 | 2,805.66 | 2,805.66 |
| Available-for-sale Securities | | | | |
| Government & State Enterprise Securities | 2,790.88 | 2,794.31 | 471.29 | 471.22 |
| Private Enterprise Debt Securities | 15.00 | - | 15.00 | - |
| Foreign Debt Securities | 1,215.52 | 990.05 | 630.31 | 393.76 |
| Domestic Marketable Equity Securities | 706.94 | 1,002.50 | - | - |
| Others | 1,192.68 | 1,269.93 | - | - |
| Total | 5,921.02 | 6,056.79 | 1,116.60 | 864.98 |
| <u>Add</u> (Less) Allowance for Revaluation | 376.24 | - | (0.07) | - |
| <u>Less</u> Allowance for Impairment | (240.47) | - | (251.55) | - |
| Total | 6,056.79 | 6,056.79 | 864.98 | 864.98 |
| Held-to-Maturity Debt Securities | | | | |
| Government & State Enterprise Securities | 469.11 | 469.11 | 7,121.89 | 7,121.89 |
| Foreign Debt Securities | 4,354.78 | 4,348.84 | 17,382.37 | 17,371.56 |
| Total | 4,823.89 | 4,817.95 | 24,504.26 | 24,493.45 |
| <u>Less</u> Allowance for Impairment | (5.94) | - | (10.81) | - |
| Total | 4,817.95 | 4,817.95 | 24,493.45 | 24,493.45 |
| Total Current Investments - Net | 11,527.36 | 11,527.36 | 28,164.09 | 28,164.09 |

(Million Baht)

| | The Bank's Financial Statements | | | |
|--|---------------------------------|------------|-------------------------|------------|
| | December 31, 2003 | | December 31, 2002 | |
| | Cost/ Amortized Cost | Fair Value | Cost/ Amortized Cost | Fair Value |
| 3.3.2 Long-Term Investments | | | | |
| Available-for-sale Securities | | | | |
| Government & State Enterprise Securities | 6,538.43 | 6,785.07 | 6,593.12 | 6,942.52 |
| Private Enterprise Debt Securities | 3.45 | 4.47 | 3.73 | 5.15 |
| Foreign Debt Securities | 1,218.03 | 1,206.14 | 812.87 | 805.52 |
| Domestic Marketable Equity Securities | 1,886.40 | 3,458.08 | 1,965.25 | 1,744.07 |
| Others - VAYUPAK MUTUAL FUND 1 | 28,001.07 | 29,814.63 | - | - |
| Total | 37,647.38 | 41,268.39 | 9,374.97 | 9,497.26 |
| Add Allowance for Revaluation | 3,632.44 | - | 129.13 | - |
| Less Allowance for Impairment | (11.43) | - | (6.84) | - |
| Total | 41,268.39 | 41,268.39 | 9,497.26 | 9,497.26 |
| Held-to-Maturity Debt Securities | | | | |
| Government & State Enterprise Securities | 20,964.69 | 17,967.45 | 14,313.17 | 12,353.49 |
| Private Enterprise Debt Securities | 2,274.00 | 1,529.48 | 258.32 | 112.80 |
| Foreign Debt Securities | - | - | 648.60 | 642.11 |
| Others | - | - | 918.85 | 319.85 |
| Total | 23,238.69 | 19,496.93 | 16,138.94 | 13,428.25 |
| Less Allowance for Impairment | (3,741.76) | - | (2,710.69) | - |
| Total | 19,496.93 | 19,496.93 | 13,428.25 | 13,428.25 |
| General Investments | | | | |
| Domestic Non-marketable | | | | |
| Equity Securities | 4,844.04 | 3,200.42 | 5,756.48 | 3,971.56 |
| Foreign Non-marketable | | | | |
| Equity Securities | 110.35 | 68.03 | 98.24 | 54.47 |
| Others | 3,526.83 | 3,516.23 | 2,951.63 | 2,943.67 |
| Total | 8,481.22 | 6,784.68 | 8,806.35 | 6,969.70 |
| Less Allowance for Impairment | (1,696.54) | - | (1,836.65) | - |
| Total | 6,784.68 | 6,784.68 | 6,969.70 | 6,969.70 |
| Total Long-Term Investments - Net | 67,550.00 | 67,550.00 | 29,895.21 | 29,895.21 |

As at December 31, 2003 and December 31, 2002, the Bank's long-term investments in Government and State Enterprise debt securities held-to-maturity included promissory notes issued by the Thai Asset Management Corporation (TAMC) in exchange for the transfer of the Bank's NPL portfolio (see Note 3.28) amounting to Baht 19,981.60 million and Baht 13,064.59 million, respectively. The promissory notes have been treated and disclosed in accordance with the Bank of Thailand's guidance as stated in its letter of consent of BOT. SOR BOR SOR. (21) WOR. 2508/ B.E. 2544 regarding Accounting for Investments, dated November 8, 2001.

As at December 31, 2003 and December 31, 2002, the Bank has provided Baht 2,997.24 million and Baht 1,959.69 million, respectively as an allowance for losses arising from the transfer and disclosed in the allowance for impairment of investments. (see Note 3.5)

(Million Baht)

| The Bank's Financial Statements | | | | |
|--|---------------|-------------------|--------------|------------|
| December 31, 2003 | | | | |
| | Maturity | | | Total |
| | within 1 year | over 1 to 5 years | over 5 years | |
| 3.3.3 Remaining Maturity of Debt Securities | | | | |
| Trading Securities | | | | |
| Government & State Enterprise Securities | 7.24 | - | - | 7.24 |
| Private Enterprise Debt Securities | 618.75 | - | - | 618.75 |
| Total | 625.99 | - | - | 625.99 |
| Add Allowance for Revaluation | 4.03 | - | - | 4.03 |
| Total | 630.02 | - | - | 630.02 |
| Available-for-sale Securities | | | | |
| Government & State Enterprise Securities | 2,790.88 | 6,538.43 | - | 9,329.31 |
| Private Enterprise Debt Securities | 15.00 | - | 3.45 | 18.45 |
| Foreign Debt Securities | 1,215.52 | 1,127.43 | 90.60 | 2,433.55 |
| Total | 4,021.40 | 7,665.86 | 94.05 | 11,781.31 |
| Add Allowance for Revaluation | 3.43 | 246.64 | 0.56 | 250.63 |
| Add (Less) Allowance for Impairment | (240.47) | (11.89) | 0.46 | (251.90) |
| Total | 3,784.36 | 7,900.61 | 95.07 | 11,780.04 |
| Held-to-Maturity Debt Securities | | | | |
| Government & State Enterprise Securities | 469.11 | 983.09 | 19,981.60 | 21,433.80 |
| Private Enterprise Debt Securities | - | 346.83 | 1,927.17 | 2,274.00 |
| Foreign Debt Securities | 4,354.78 | - | - | 4,354.78 |
| Total | 4,823.89 | 1,329.92 | 21,908.77 | 28,062.58 |
| Less Allowance for Impairment | (5.94) | - | (3,741.76) | (3,747.70) |
| Total | 4,817.95 | 1,329.92 | 18,167.01 | 24,314.88 |
| Total Debt Securities | 9,232.33 | 9,230.53 | 18,262.08 | 36,724.94 |

(Million Baht)

| The Bank's Financial Statements | | | | |
|--|---------------|-------------------|--------------|----------|
| December 31, 2002 | | | | |
| | Maturity | | | Total |
| | within 1 year | over 1 to 5 years | over 5 years | |
| 3.3.3 Remaining Maturity of Debt Securities | | | | |
| Available-for-sale Securities | | | | |
| Government & State Enterprise Securities | 471.29 | 5,101.12 | 1,492.00 | 7,064.41 |
| Private Enterprise Debt Securities | 15.00 | - | 3.73 | 18.73 |
| Foreign Debt Securities | 630.31 | 808.06 | 4.81 | 1,443.18 |
| Total | 1,116.60 | 5,909.18 | 1,500.54 | 8,526.32 |
| Add (Less) Allowance for Revaluation | (0.07) | 285.58 | 64.73 | 350.24 |
| Add (Less) Allowance for Impairment | (251.55) | (7.35) | 0.51 | (258.39) |
| Total | 864.98 | 6,187.41 | 1,565.78 | 8,618.17 |

(Million Baht)

| The Bank's Financial Statements | | | | |
|--|---------------|-------------------|--------------|------------|
| December 31, 2002 | | | | |
| | Maturity | | | Total |
| | within 1 year | over 1 to 5 years | over 5 years | |
| 3.3.3 Remaining Maturity of Debt Securities | | | | |
| Held-to-Maturity Debt Securities | | | | |
| Government & State Enterprise Securities | 7,121.89 | 5,967.92 | 8,345.25 | 21,435.06 |
| Private Enterprise Debt Securities | - | - | 258.32 | 258.32 |
| Foreign Debt Securities | 17,382.37 | 648.60 | - | 18,030.97 |
| Others | - | - | 918.85 | 918.85 |
| Total | 24,504.26 | 6,616.52 | 9,522.42 | 40,643.20 |
| Less Allowance for Impairment | (10.81) | (789.31) | (1,921.38) | (2,721.50) |
| Total | 24,493.45 | 5,827.21 | 7,601.04 | 37,921.70 |
| Total Debt Securities | 25,358.43 | 12,014.62 | 9,166.82 | 46,539.87 |

3.3.4 Investments in Subsidiaries and Associated Companies

(Million Baht)

| Consolidated Financial Statements | | | | | | |
|--|---------------------------|--|--|---------------------------|-----------------------------|----------|
| December 31, 2003 | | | | | | |
| Name of Company | Type of Business | Type of Shares (Preferred/Ordinary Shares) | Percentage of Shareholding (Preferred/Ordinary Shares) | Investments (Cost Method) | Investments (Equity Method) | Dividend |
| Associated Companies | | | | | | |
| Krung Thai Axa Life Insurance Co., Ltd. | Life Insurance | Ordinary | 50.00 | 446.08 | 56.61 | - |
| Krung Thai Card Public Co., Ltd. | Credit Card Business | Ordinary | 49.00 | 1,960.00 | 2,373.63 | 26.95 |
| Krung Thai Panich Insurance Co., Ltd. | Non-Life & Life Insurance | Ordinary | 40.00 | 719.20 | 975.39 | 32.00 |
| Krung Thai C.S. Co., Ltd. | Hire Purchase | Ordinary | 35.00 | 71.93 | 136.83 | - |
| Krung Thai Charoensri Co., Ltd. | Hire Purchase | Ordinary | 35.00 | 35.00 | - | - |
| Krung Thai IBJ Leasing Co., Ltd. | Hire Purchase | Ordinary | 40.00 | 50.95 | 125.73 | 6.00 |
| Total | | | | 3,283.16 | 3,668.19 | 64.95 |
| Total Investments in Subsidiaries and Associated Companies - Net | | | | 3,283.16 | 3,668.19 | 64.95 |

In 2003, the Bank, as the former shareholder of Krung Thai Card Public Co., Ltd., has exercised the right of buying and raising share capital amounting to 73.50 million shares at Baht 20.00 each totaling Baht 1,470.00 million.

3.3.4 Investments in Subsidiaries and Associated Companies

(Million Baht)

| Name of Company | Consolidated Financial Statements | | | | | |
|---|-----------------------------------|--|---|------------------------------|--------------------------------|----------|
| | December 31, 2002 | | | | | |
| | Type of Business | Type of Shares (Preferred/ Ordinary Shares) | Percentage of Shareholding (Preferred/ Ordinary Shares) | Investments (Cost Method) | Investments (Equity Method) | Dividend |
| Associated Companies | | | | | | |
| Krung Thai Axa Life Insurance Co., Ltd. | Life Insurance | Ordinary | 50.00 | 446.08 | 54.81 | - |
| Krung Thai Card Public Co., Ltd. | Credit Card Business | Ordinary | 49.00 | 490.00 | 761.76 | - |
| Krung Thai Panich Insurance Co., Ltd. | Non-Life & Life Insurance | Ordinary | 40.00 | 719.20 | 795.22 | 28.00 |
| Krung Thai C.S. Co., Ltd. | Hire Purchase | Ordinary | 35.00 | 71.93 | 124.32 | 7.00 |
| Krung Thai Charoensri Co., Ltd. | Hire Purchase | Ordinary | 35.00 | 35.00 | - | - |
| Krung Thai IBJ Leasing Co., Ltd. | Hire Purchase | Ordinary | 39.99 | 50.95 | 106.54 | 2.80 |
| Total | | | | 1,813.16 | 1,842.65 | 37.80 |
| Total Investments in Subsidiaries and Associated Companies - Net | | | | 1,813.16 | 1,842.65 | 37.80 |

(Million Baht)

| Name of Company | The Bank's Financial Statements | | | | | |
|--|---------------------------------|--|---|------------------------------|--------------------------------|----------|
| | December 31, 2003 | | | | | |
| | Type of Business | Type of Shares (Preferred/ Ordinary Shares) | Percentage of Shareholding (Preferred/ Ordinary Shares) | Investments (Cost Method) | Investments (Equity Method) | Dividend |
| Subsidiaries | | | | | | |
| Krung Thai Legal Services Co., Ltd. | Legal Services | Ordinary | 100.00 | 30.00 | 138.74 | 45.00 |
| Krung Thai General Business Services Co., Ltd. | General Services | Ordinary | 100.00 | 140.00 | 158.09 | 4.20 |
| Krung Thai Asset Management | Asset Management | Ordinary | 100.00 | 210.90 | 138.22 | - |
| Krung Thai Computer Services Co., Ltd.* | IT Services | Ordinary | 100.00 | 800.00 | 963.70 | - |
| Krung Thai Property Development Co., Ltd.* | Real Estate Development | Ordinary | 100.00 | 1,147.17 | 771.68 | - |
| N.C. Associates Co., Ltd. | Rubber wood Agent | Ordinary | 54.39 | 0.54 | 0.92 | - |
| Total | | | | 2,328.61 | 2,171.35 | 49.20 |

3.3.4 Investments in Subsidiaries and Associated Companies

(Million Baht)

| Name of Company | The Bank's Financial Statements | | | | | |
|---|---------------------------------|--|---|------------------------------|--------------------------------|----------|
| | December 31, 2003 | | | | | |
| | Type of Business | Type of Shares (Preferred/ Ordinary Shares) | Percentage of Shareholding (Preferred/ Ordinary Shares) | Investments (Cost Method) | Investments (Equity Method) | Dividend |
| Associated Companies | | | | | | |
| Krung Thai Axa Life Insurance Co., Ltd. | Life Insurance | Ordinary | 50.00 | 446.08 | 56.61 | - |
| Krung Thai Card Public Co., Ltd. | Credit Card Business | Ordinary | 49.00 | 1,960.00 | 2,373.63 | 26.95 |
| Krung Thai Panich Insurance Co., Ltd. | Non-Life & Life Insurance | Ordinary | 40.00 | 719.20 | 975.39 | 32.00 |
| Krung Thai C.S. Co., Ltd. | Hire Purchase | Ordinary | 35.00 | 71.93 | 136.83 | - |
| Krung Thai Charoensri Co., Ltd. | Hire Purchase | Ordinary | 35.00 | 35.00 | - | - |
| Krung Thai IBJ Leasing Co., Ltd. | Hire Purchase | Ordinary | 40.00 | 50.95 | 125.73 | 6.00 |
| Total | | | | 3,283.16 | 3,668.19 | 64.95 |
| Total Investments in Subsidiaries and Associated Companies - Net | | | | 5,611.77 | 5,839.54 | 114.15 |

*In 2003, the Bank increased the capital of Krung Thai Computer Services Co., Ltd. from Baht 40 million to Baht 800 million and that of Krung Thai Property Development from Baht 204.33 million to Baht 1,147.17 million.

(Million Baht)

| Name of Company | The Bank's Financial Statements | | | | | |
|--|--|--|---|------------------------------|--------------------------------|----------|
| | December 31, 2002 | | | | | |
| | Type of Business | Type of Shares (Preferred/ Ordinary Shares) | Percentage of Shareholding (Preferred/ Ordinary Shares) | Investments (Cost Method) | Investments (Equity Method) | Dividend |
| Subsidiaries | | | | | | |
| Krung Thai Legal Services Co., Ltd. | Legal Services | Ordinary | 100.00 | 30.00 | 182.68 | 30.00 |
| Krung Thai General Business Services Co., Ltd. | General Services | Ordinary | 100.00 | 140.00 | 120.91 | 1.20 |
| Krung Thai Asset Management | Asset Management | Ordinary | 100.00 | 210.90 | 98.47 | - |
| Krung Thai Computer Services Co., Ltd. | IT Services | Ordinary | 99.99 | 40.00 | 62.44 | - |
| Krung Thai Land and House Co., Ltd. | Project Consultant & Land appraisal | Ordinary | 99.99 | 204.33 | 123.82 | - |
| N.C. Associates Co., Ltd. | Rubber wood Agent | Ordinary | 54.39 | 0.54 | 0.55 | - |
| Total | | | | 625.77 | 588.87 | 31.20 |

3.3.4 Investments in Subsidiaries and Associated Companies

(Million Baht)

| The Bank's Financial Statements | | | | | | |
|--|---------------------------|---|---|---------------------------|-----------------------------|----------|
| December 31, 2002 | | | | | | |
| Name of Company | Type of Business | Type of Shares (Preferred/ Ordinary Shares) | Percentage of Shareholding (Preferred/ Ordinary Shares) | Investments (Cost Method) | Investments (Equity Method) | Dividend |
| Associated Companies | | | | | | |
| Krung Thai Axa Life Insurance Co., Ltd. | Life Insurance | Ordinary | 50.00 | 446.08 | 54.81 | - |
| Krung Thai Card Public Co., Ltd. | Credit Card Business | Ordinary | 49.00 | 490.00 | 761.76 | - |
| Krung Thai Panich Insurance Co., Ltd. | Non-Life & Life Insurance | Ordinary | 40.00 | 719.20 | 795.22 | 28.00 |
| Krung Thai C.S. Co., Ltd. | Hire Purchase | Ordinary | 35.00 | 71.93 | 124.32 | 7.00 |
| Krung Thai Charoensri Co., Ltd. | Hire Purchase | Ordinary | 35.00 | 35.00 | - | - |
| Krung Thai IBJ Leasing Co., Ltd. | Hire Purchase | Ordinary | 39.99 | 50.95 | 106.54 | 2.80 |
| Total | | | | 1,813.16 | 1,842.65 | 37.80 |
| Total Investments in Subsidiaries and Associated Companies - Net | | | | 2,438.93 | 2,431.52 | 69.00 |

Krung Thai Card Public Company Limited, formerly one of the Bank's subsidiaries, took over the Bank's credit card loan portfolio. (see Note 3.29), and registered to Ministry of Commerce and become a public limited company on July 2, 2002. Public share offerings were held on October 16-18, 2002. It became a public listed on the Stock Exchange of Thailand (SET) on October 28, 2002 and held its initial stock trading on the same day. The Bank's shareholding was reduced to Baht 490.00 million out of a total of Baht 1,000.00 million of issued and fully paid-up share capital. The Bank's shareholding now represents 49% of paid-up share capital, thus, the Bank's ownership control over Krung Thai Card Public Co., Ltd. was relinquished, with Krung Thai Card Public Co., Ltd. has becoming an associated company.

Krung Thai Card Public Co., Ltd.'s financial position and operating results as at December 31, 2003 and 2002 were as follows :

| | (Million Baht) | |
|---------------------------|----------------------------------|--------------------------------|
| | December 31, 2003 (Unaudited) | December 31, 2002 (Audited) |
| Total Assets | 14,297.50 | 9,262.20 |
| Total Liabilities | 9,453.36 | 7,707.59 |
| Paid-up share capital | 2,500.00 | 1,000.00 |
| Premium on Ordinary Share | 1,890.36 | 399.00 |
| Retained Earnings | | |
| Legal Reserve | 25.70 | 8.00 |
| Unappropriated | 428.08 | 147.61 |
| Net Income | 353.16 | 141.31 |

3.3.5 Revaluation Surplus/(Deficit) on Investments

(Million Baht)

| | Consolidated Financial Statements | | The Bank's Financial Statements | |
|-------------------------|-----------------------------------|-------------------|---------------------------------|-------------------|
| | December 31, 2003 | December 31, 2002 | December 31, 2003 | December 31, 2002 |
| Balance brought forward | 423.37 | (1,359.39) | 423.37 | (1,359.39) |
| Changes for the period | 4,025.58 | 1,782.76 | 4,025.58 | 1,782.76 |
| Balance carried forward | 4,448.95 | 423.37 | 4,448.95 | 423.37 |

Investments in other securities in which the Bank holds 10% or more of the shareholding are classified by industrial sector and shown at fair value as follows:

(Million Baht)

| | Consolidated Financial Statements | | The Bank's Financial Statements | |
|-------------------------------|-----------------------------------|-------------------|---------------------------------|-------------------|
| | December 31, 2003 | December 31, 2002 | December 31, 2003 | December 31, 2002 |
| Manufacturing | 33.74 | 205.97 | 33.74 | 205.97 |
| Commercial | 3.22 | 3.22 | 3.22 | 3.22 |
| Banking and Financial | 32,244.80 | 197.93 | 32,244.80 | 197.93 |
| Public Utilities and Services | 1,401.82 | 390.00 | 1,401.82 | 390.00 |
| Others | 20.55 | 39.90 | 20.55 | 39.90 |
| TOTAL | 33,704.13 | 837.02 | 33,704.13 | 837.02 |

As at December 31, 2003 and 2002, the Bank's investment in foreign debt securities were affected by adverse foreign exchange rate movements, resulting in a decline of Baht 174.78 million and Baht 87.44 million, respectively.

3.3.6 Investments in listed companies whose financial position and operations fall under SET's delisted criteria. These investments as at December 31, 2003 was as follows:

(Million Baht)

| | Cost Value | Fair Value | Allowance for Impairment |
|--|------------|------------|--------------------------|
| Equity Securities | | | |
| Sikarin Hospital Plc. | 25.00 | - | 25.00 |
| Thai Nam Plastic Plc. | 0.03 | 32.74 | - |
| Thai German Product | 3.22 | 3.22 | - |
| Prasit Pattana Public Co., Ltd. | 0.77 | 0.77 | - |
| Siam Sintech Construction Public Co., Ltd. | 0.01 | 0.06 | - |
| Debt Securities | | | |
| Sun Tech Group Plc. | 150.00 | - | 150.00 |

3.4 Loans and Accrued Interest Receivable

(Million Baht)

| | Consolidated Financial Statements | | The Bank's Financial Statements | |
|---|-----------------------------------|-------------------|---------------------------------|-------------------|
| | December 31, 2003 | December 31, 2002 | December 31, 2003 | December 31, 2002 |
| Promissory Notes - SAM | 238,763.15 | 281,763.15 | 238,763.15 | 281,763.15 |
| Accrued Interest Receivable | 4,382.59 | 5,517.45 | 4,382.59 | 5,517.45 |
| Total | 243,145.74 | 287,280.60 | 243,145.74 | 287,280.60 |
| Loans (normal operations) | 739,671.10 | 568,052.56 | 740,324.25 | 568,054.60 |
| Accrued Interest Receivable | 6,847.82 | 7,702.12 | 6,847.82 | 7,702.12 |
| Less Unearned Discounts | (61.76) | (41.49) | (61.76) | (41.49) |
| Total | 746,457.16 | 575,713.19 | 747,110.31 | 575,715.23 |
| Total Loans and Accrued Interest Receivable | 989,602.90 | 862,993.79 | 990,256.05 | 862,995.83 |

The promissory notes and accrued interest receivable from SAM were classified as pass category and availed by the Financial Institutions Development Fund (FIDF). As such, no allowance for doubtful accounts is required under the Bank of Thailand's regulations (see Note 3.27).

3.4.1 Classified by Type of Loans

(Million Baht)

| | Consolidated Financial Statements | | The Bank's Financial Statements | |
|--------------------------------------|-----------------------------------|-------------------|---------------------------------|-------------------|
| | December 31, 2003 | December 31, 2002 | December 31, 2003 | December 31, 2002 |
| Overdrafts | 106,408.84 | 106,114.02 | 106,414.90 | 106,116.46 |
| Fixed loans | 435,849.49 | 303,600.48 | 436,496.58 | 303,600.48 |
| Bills receivable | | | | |
| SAM | 238,763.15 | 281,763.15 | 238,763.15 | 281,763.15 |
| Others | 184,719.48 | 141,317.90 | 184,719.48 | 141,317.50 |
| Others | 12,693.29 | 17,020.16 | 12,693.29 | 17,020.16 |
| Total | 978,434.25 | 849,815.71 | 979,087.40 | 849,817.75 |
| Add Accrued Interest Receivable | | | | |
| SAM | 4,382.59 | 5,517.45 | 4,382.59 | 5,517.45 |
| Others | 6,847.82 | 7,702.12 | 6,847.82 | 7,702.12 |
| Less Allowance for Doubtful Accounts | (54,144.78) | (55,545.13) | (54,144.78) | (55,545.13) |
| Allowance for TDR Revaluation | (5,308.80) | (8,379.32) | (5,308.80) | (8,379.32) |
| Total | 930,211.08 | 799,110.83 | 930,864.23 | 799,112.87 |
| Less Unearned Discounts | (61.76) | (41.49) | (61.76) | (41.49) |
| Total | 930,149.32 | 799,069.34 | 930,802.47 | 799,071.38 |

As at December 31, 2003 and 2002, other loans of Baht 12,693.29 million and Baht 17,020.16 million included Baht 7,267.48 million and Baht 9,902.95 million, respectively, of debts resulting from the Bank's liabilities under acceptances or guarantees.

As at December 31, 2003 and 2002, the Bank had loans and accrued interest receivable outstanding to 9 debtors whose financial position and operations fall under the delisted criteria. The loan balances of these debtors amounted to Baht 2,143.49 million and Baht 6,084.26 million, respectively and accrued interest receivable was Baht 93.45 million and Baht 300.57 million, respectively, totaling Baht 2,236.94 million and Baht 6,384.83 million, all of which were provided by Baht 8.53 million and Baht 38.90 million, respectively, as an allowance against doubtful accounts in accordance with the Bank of Thailand's regulations for debts classified as "Pass" category. (see Note 3.5)

3.4.2 Classified by Remaining Maturity

(Million Baht)

| | Consolidated Financial Statements | | The Bank's Financial Statements | |
|--|-----------------------------------|-------------------|---------------------------------|-------------------|
| | December 31, 2003 | December 31, 2002 | December 31, 2003 | December 31, 2002 |
| Within 1 year | 270,531.72 | 262,677.08 | 271,184.87 | 262,679.12 |
| Over 1 year | | | | |
| SAM | 238,763.15 | 281,763.15 | 238,763.15 | 281,763.15 |
| Others | 469,139.38 | 305,375.48 | 469,139.38 | 305,375.48 |
| Total | 978,434.25 | 849,815.71 | 979,087.40 | 849,817.75 |
| <u>Add</u> Accrued Interest Receivable | | | | |
| SAM | 4,382.59 | 5,517.45 | 4,382.59 | 5,517.45 |
| Others | 6,847.82 | 7,702.12 | 6,847.82 | 7,702.12 |
| Total | 989,664.66 | 863,035.28 | 990,317.81 | 863,037.32 |
| <u>Less</u> Unearned Discounts | (61.76) | (41.49) | (61.76) | (41.49) |
| Total | 989,602.90 | 862,993.79 | 990,256.05 | 862,995.83 |

3.4.3 Classified by Currency and Customer's Residence

(Million Baht)

| | Consolidated Financial Statements | | | | | |
|--|-----------------------------------|----------|------------|-------------------|----------|------------|
| | December 31, 2003 | | | December 31, 2002 | | |
| | Domestic | Overseas | Total | Domestic | Overseas | Total |
| Thai Baht | | | | | | |
| SAM | 238,763.15 | - | 238,763.15 | 281,763.15 | - | 281,763.15 |
| Others | 706,227.72 | 28.36 | 706,256.08 | 549,507.55 | 26.26 | 549,533.81 |
| US Dollar | 22,876.08 | 7,849.21 | 30,725.29 | 13,240.29 | 2,712.33 | 15,952.62 |
| Other currencies | 2,553.77 | 135.96 | 2,689.73 | 2,495.59 | 70.54 | 2,566.13 |
| Total | 970,420.72 | 8,013.53 | 978,434.25 | 847,006.58 | 2,809.13 | 849,815.71 |
| <u>Add</u> Accrued Interest Receivable | | | | | | |
| SAM | 4,382.59 | - | 4,382.59 | 5,517.45 | - | 5,517.45 |
| Others | 6,847.82 | - | 6,847.82 | 7,702.12 | - | 7,702.12 |
| Total | 981,651.13 | 8,013.53 | 989,664.66 | 860,226.15 | 2,809.13 | 863,035.28 |
| <u>Less</u> Unearned Discounts | | | (61.76) | | | (41.49) |
| Total | | | 989,602.90 | | | 862,993.79 |

3.4.3 Classified by Currency and Customer's Residence

(Million Baht)

| | The Bank's Financial Statements | | | | | |
|--|---------------------------------|----------|------------|-------------------|----------|------------|
| | December 31, 2003 | | | December 31, 2002 | | |
| | Domestic | Overseas | Total | Domestic | Overseas | Total |
| Thai Baht | | | | | | |
| SAM | 238,763.15 | - | 238,763.15 | 281,763.15 | - | 281,763.15 |
| Others | 706,880.87 | 28.36 | 706,909.23 | 549,509.59 | 26.26 | 549,535.85 |
| US Dollar | 22,876.08 | 7,849.21 | 30,725.29 | 13,240.29 | 2,712.33 | 15,952.62 |
| Other currencies | 2,553.77 | 135.96 | 2,689.73 | 2,495.59 | 70.54 | 2,566.13 |
| Total | 971,073.87 | 8,013.53 | 979,087.40 | 847,008.62 | 2,809.13 | 849,817.75 |
| <u>Add</u> Accrued Interest Receivable | | | | | | |
| SAM | 4,382.59 | - | 4,382.59 | 5,517.45 | - | 5,517.45 |
| Others | 6,847.82 | - | 6,847.82 | 7,702.12 | - | 7,702.12 |
| Total | 982,304.28 | 8,013.53 | 990,317.81 | 860,228.19 | 2,809.13 | 863,037.32 |
| <u>Less</u> Unearned Discounts | | | (61.76) | | | (41.49) |
| Total | | | 990,256.05 | | | 862,995.83 |

3.4.4 Classified by Business Types and Loan Classification

(Million Baht)

| | Consolidated Financial Statements | | | | | |
|--|-----------------------------------|--------------------|-------------|----------|---------------------|------------|
| | December 31, 2003 | | | | | |
| | Pass | Special mention | Substandard | Doubtful | Doubtful of Loss | Total |
| Agriculture and Mining | 34,424.76 | 499.43 | 375.93 | 292.35 | 3,778.62 | 39,371.09 |
| Manufacturing and Commercial | 244,274.76 | 2,227.08 | 1,496.34 | 2,840.51 | 35,027.73 | 285,866.42 |
| Real Estate and Construction | 81,903.45 | 626.28 | 638.35 | 945.71 | 6,033.80 | 90,147.59 |
| Public Utilities and Services | 135,863.26 | 582.83 | 820.49 | 946.24 | 4,036.52 | 142,249.34 |
| Housing loans | 67,661.34 | 1,088.97 | 927.42 | 916.22 | 14,148.09 | 84,742.04 |
| Financial Institution (SAM) | 238,763.15 | - | - | - | - | 238,763.15 |
| Others | 90,603.00 | 873.73 | 381.94 | 554.91 | 4,881.04 | 97,294.62 |
| Total | 893,493.72 | 5,898.32 | 4,640.47 | 6,495.94 | 67,905.80 | 978,434.25 |
| <u>Add</u> Accrued Interest Receivable | | | | | | |
| SAM | 4,382.59 | - | - | - | - | 4,382.59 |
| Others | 3,059.98 | 70.26 | 49.03 | 175.79 | 3,492.76 | 6,847.82 |
| Total | 900,936.29 | 5,968.58 | 4,689.50 | 6,671.73 | 71,398.56 | 989,664.66 |
| <u>Less</u> Unearned Discounts | | | | | | (61.76) |
| Total | | | | | | 989,602.90 |

3.4.4 Classified by Business Types and Loan Classification

(Million Baht)

| Consolidated Financial Statements | | | | | | |
|--|------------|--------------------|-------------|-----------|---------------------|------------|
| December 31, 2002 | | | | | | |
| | Pass | Special mention | Substandard | Doubtful | Doubtful of Loss | Total |
| Agriculture and Mining | 36,095.91 | 699.53 | 916.14 | 712.12 | 5,082.86 | 43,506.56 |
| Manufacturing and Commercial | 170,670.87 | 4,739.92 | 4,200.87 | 6,250.33 | 43,198.53 | 229,060.52 |
| Real Estate and Construction | 45,172.41 | 485.57 | 639.56 | 1,120.24 | 7,979.47 | 55,397.25 |
| Public Utilities and Services | 96,388.59 | 548.99 | 1,172.69 | 740.86 | 5,787.98 | 104,639.11 |
| Housing loans | 44,618.04 | 775.93 | 1,014.47 | 1,683.75 | 19,246.73 | 67,338.92 |
| Financial Institution (SAM) | 281,763.15 | - | - | - | - | 281,763.15 |
| Others | 59,972.57 | 509.30 | 477.89 | 681.08 | 6,469.36 | 68,110.20 |
| Total | 734,681.54 | 7,759.24 | 8,421.62 | 11,188.38 | 87,764.93 | 849,815.71 |
| <u>Add</u> Accrued Interest Receivable | | | | | | |
| SAM | 5,517.45 | - | - | - | - | 5,517.45 |
| Others | 2,673.85 | 53.49 | 158.33 | 249.32 | 4,567.13 | 7,702.12 |
| Total | 742,872.84 | 7,812.73 | 8,579.95 | 11,437.70 | 92,332.06 | 863,035.28 |
| <u>Less</u> Unearned Discounts | | | | | | (41.49) |
| Total | | | | | | 862,993.79 |

(Million Baht)

| The Bank's Financial Statements | | | | | | |
|--|------------|--------------------|-------------|----------|---------------------|------------|
| December 31, 2003 | | | | | | |
| | Pass | Special mention | Substandard | Doubtful | Doubtful of Loss | Total |
| Agriculture and Mining | 34,424.76 | 499.43 | 375.93 | 292.35 | 3,778.62 | 39,371.09 |
| Manufacturing and Commercial | 244,274.76 | 2,227.08 | 1,496.34 | 2,840.51 | 35,027.73 | 285,866.42 |
| Real Estate and Construction | 81,903.45 | 626.28 | 638.35 | 945.71 | 6,033.80 | 90,147.59 |
| Public Utilities and Services | 136,516.41 | 582.83 | 820.49 | 946.24 | 4,036.52 | 142,902.49 |
| Housing loans | 67,661.34 | 1,088.97 | 927.42 | 916.22 | 14,148.09 | 84,742.04 |
| Financial Institution (SAM) | 238,763.15 | - | - | - | - | 238,763.15 |
| Others | 90,603.00 | 873.73 | 381.94 | 554.91 | 4,881.04 | 97,294.62 |
| Total | 894,146.87 | 5,898.32 | 4,640.47 | 6,495.94 | 67,905.80 | 979,087.40 |
| <u>Add</u> Accrued Interest Receivable | | | | | | |
| SAM | 4,382.59 | - | - | - | - | 4,382.59 |
| Others | 3,059.98 | 70.26 | 49.03 | 175.79 | 3,492.76 | 6,847.82 |
| Total | 901,589.44 | 5,968.58 | 4,689.50 | 6,671.73 | 71,398.56 | 990,317.81 |
| <u>Less</u> Unearned Discounts | | | | | | (61.76) |
| Total | | | | | | 990,256.05 |

3.4.4 Classified by Business Types and Loan Classification

(Million Baht)

| The Bank's Financial Statements | | | | | | |
|--|------------|--------------------|-------------|-----------|---------------------|------------|
| December 31, 2002 | | | | | | |
| | Pass | Special mention | Substandard | Doubtful | Doubtful of Loss | Total |
| Agriculture and Mining | 36,095.91 | 699.53 | 916.14 | 712.12 | 5,082.86 | 43,506.56 |
| Manufacturing and Commercial | 170,670.87 | 4,739.92 | 4,200.87 | 6,250.33 | 43,198.53 | 229,060.52 |
| Real Estate and Construction | 45,172.41 | 485.57 | 639.56 | 1,120.24 | 7,979.47 | 55,397.25 |
| Public Utilities and Services | 96,390.63 | 548.99 | 1,172.69 | 740.86 | 5,787.98 | 104,641.15 |
| Housing loans | 44,618.04 | 775.93 | 1,014.47 | 1,683.75 | 19,246.73 | 67,338.92 |
| Financial Institution (SAM) | 281,763.15 | - | - | - | - | 281,763.15 |
| Others | 59,972.57 | 509.30 | 477.89 | 681.08 | 6,469.36 | 68,110.20 |
| Total | 734,683.58 | 7,759.24 | 8,421.62 | 11,188.38 | 87,764.93 | 849,817.75 |
| <u>Add</u> Accrued Interest Receivable | | | | | | |
| SAM | 5,517.45 | - | - | - | - | 5,517.45 |
| Others | 2,673.85 | 53.49 | 158.33 | 249.32 | 4,567.13 | 7,702.12 |
| Total | 742,874.88 | 7,812.73 | 8,579.95 | 11,437.70 | 92,332.06 | 863,037.32 |
| <u>Less</u> Unearned Discounts | | | | | | (41.49) |
| Total | | | | | | 862,995.83 |

3.4.5 Classified by Loan Classification

(Million Baht)

| Consolidated and the Bank's Financial Statements | | | | |
|--|---|------------------------------|--------------------------|---------------------------|
| December 31, 2003 | | | | |
| | Loans and Accrued Interest Receivable | Debt Net of Collateral | Allowance Rate (%) | Allowance Established* |
| Pass | 643,285.38 | 258,931.22 | 1 | 2,516.57 |
| Special Mention | 5,807.94 | 1,682.23 | 2 | 33.53 |
| Substandard | 4,469.99 | 1,222.28 | 20 | 202.01 |
| Doubtful | 6,647.40 | 2,906.04 | 50 | 5,288.09 |
| Doubtful of Loss | 72,822.56 | 33,785.21 | 100 | 34,567.97 |
| Total | 733,033.27 | 298,526.98 | | 42,608.17 |

* Allowance Established is the minimum requirement allowance set for classified debtors multiply by allowance rate not less than as prescribed by the BOT, including additional allowance required which disclose accordingly under debt classification and allowance rate as instructed by the BOT from December 2003 onwards.

| | |
|---|-----------|
| Allowance for doubtful accounts for loans under BOT regulations | 42,608.17 |
| <u>Less</u> Allowance for doubtful accounts for inter-bank and money market items | (512.30) |
| Allowance for doubtful accounts for loans under BOT regulations | 42,095.87 |
| Allowance for doubtful accounts provided as at December 31, 2003 (see Note 3.5) | 54,144.78 |
| Excess allowance for doubtful accounts over and above the BOT minimum requirement | 12,048.91 |

(Million Baht)

| Consolidated and the Bank's Financial Statements | | | | |
|--|---|------------------------------|--------------------------|---|
| December 31, 2002 | | | | |
| | Loans and Accrued Interest Receivable | Debt Net of Collateral | Allowance Rate (%) | Allowance Established* |
| Pass | 425,616.29 | 200,486.34 | 1 | 2,004.86 |
| Special Mention | 7,692.36 | 2,138.18 | 2 | 42.76 |
| Substandard | 8,289.73 | 3,255.42 | 20 | 651.08 |
| Doubtful | 11,437.70 | 3,816.84 | 50 | 1,908.42 |
| Doubtful of Loss | 93,792.52 | 42,657.60 | 100 | 42,657.60 |
| Total | 546,828.60 | 252,354.38 | | 47,264.72 |
| | | | | Allowance for doubtful accounts on period overdue and credit-quality basis |
| | | | | 47,264.72 |
| | | | | Less Allowance for doubtful accounts for inter-bank and money market items |
| | | | | (502.18) |
| | | | | Allowance for doubtful accounts for loans under BOT regulations |
| | | | | 46,762.54 |
| | | | | Allowance for doubtful accounts provided as at December 31, 2002 (see Note 3.5) |
| | | | | 55,545.13 |
| | | | | Excess allowance for doubtful accounts over and above the BOT minimum requirement |
| | | | | 8,782.59 |

In 2003, the Bank has continuously conducted the review of all debtors in compliance with the BOT's guideline which requires that such review must be done once on a yearly basis, at a minimum. Accepted statistical sampling approach can be applicable to debtors whose outstanding loan balance less than Baht 20.00 million or to a group of debtors engaged in industrywide risk management. According to the BOT's audit report, the Bank is required to establish additional allowance for a certain debtor (including in allowance for doubtful accounts for loan under BOT regulation amounting to Baht 42,608.17 million) including to conduct the review of the allowance for doubtful accounts in associated to the debtors whose capability of making debt repayment is low and to provide for in full within the period ended December 2003. The Bank has conducted the review of those debtors responded by the Head Office and Business Office. Accordingly, accepted statistical sampling approach is adopted for reviewing small debtors of the branch. Consequently, the Bank has considered establishing special allowance for low repayment capability on a prudent banking practice amounting to Baht 11,826.91 million as at December 31, 2003.

The Bank provides an allowance for doubtful accounts on period overdue and credit-quality basis as stipulated by the Bank of Thailand. In addition, the Bank employs prudent banking practice by taking into account the inherent uncertainty of restructured debtors despite the fact that the debtors are still capable of making debt repayment by installments in compliance with debt restructuring agreements, when making its allowance for doubtful accounts. Moreover, from the above mentioned loan review coupled with the Bank's acceleration to reduce its NPL would further decrease the allowance for doubtful accounts.

Further, the Bank is taking into account the establishment of allowance at 1 percent of loan portfolio and accrued interest receivable without deducting collateral value for debtors classified in pass category. Such allowance would be gradually set aside for each period not less than Baht 100.00 million commencing from the year 2004. This is to assure the adequacy of an allowance provided for the uncollectible debt that may cause severe financial loss in the future.

As at December 31, 2003 and 2002 the Bank's classified loans and accrued interest receivable totaled Baht 733,033.27 million and Baht 546,828.60 million, respectively. These loans less exempt classified debts, included inter-bank and money market items and in 2002, included promissory note issued by the Bangkok Bank of Commerce Public Co., Ltd. amounting to Baht 78,680.57 million (In 2003 these promissory notes have been replaced by the promissory notes of the Financial Institutions Development Fund and all were repaid) and Sukhumvit Asset Management Co., Ltd. and also excluded restructured loans on which a loss has been recognized and such loss exceeds the allowance as per loan classification guidelines.

As at December 31, 2003 and 2002, the Bank's allowance for doubtful accounts for loans totaled Baht 54,144.78 million and Baht 55,545.13 million, which were in excess of the amounts calculated on period overdue and credit-quality basis as stipulated by the Bank of Thailand by Baht 12,048.91 and Baht 8,782.59 million, respectively. The excess portion relating to the Bank's prudent provisioning policy approximated to Baht 11,826.91 million and Baht 8,115 million, respectively.

The Bank's non-performing loans as at December 31, 2003 and 2002, were Baht 79,442.60 million and Baht 107,843.65 million or 7.96 and 11.46 percent, respectively of the Bank's loan portfolio (including loans to banks and financial institutions).

Loans ceasing to be recognized in line with the Bank of Thailand's definition applicable since the period ended in December 2002, comprise loans classified as substandard, doubtful, doubtful of loss and loss.

The original value of the 13,462 troubled debts restructured for the year ended December 31, 2003 was Baht 49,576.57 million. Interest and principal repayments on these loans amounted to Baht 9,612.56 million, whereas lending increased by Baht 4,110.72 million and losses resulted from restructuring were Baht 5,328.23 million.

Troubled Debt Restructuring for the year ended December 31, 2003 was as follows:

| (Million Baht) | | | | |
|--|--------------|--|----------------------------|------------|
| The Bank's Financial Statements | | | | |
| Troubled Debt Restructuring Approaches | No. of Cases | Book Value of Debt as to Original term | Type of Assets Transferred | Fair Value |
| Asset transferred | 87 | 1,777.21 | Land & Premises | 1,777.21 |
| Debt-equity swap | 11 | 133.99 | | |
| Loan Terms Modification | 2,776 | 15,676.47 | | |
| Combination of Restructuring | 10,588 | 31,988.90 | | |
| | 13,462 | 49,576.57 | | |

As at December 31, 2003 the Bank had completed loans restructuring for 107,971 cases amounting to Baht 397,238.52 million. Of this total, 85,798 cases had outstanding loans amounting to Baht 132,273.20 million, of which 3,760 cases amounting to Baht 2,152.55 million, are being monitored under the new contractual agreements.

3.5 Allowances for Doubtful Accounts

(Million Baht)

| | Consolidated and the Bank's Financial Statements | |
|---|--|-------------------|
| | December 31, 2003 | December 31, 2002 |
| Opening balance | 55,545.13 | 26,912.16 |
| Increase in allowance for doubtful accounts | 3,541.77 | 2,014.80 |
| Allowance for doubtful accounts transferred from/(to) TDR revaluation | 3,629.75 | (5,827.67) |
| Allowance for TDR revaluation | (559.23) | (330.31) |
| Bad debt recovered | 0.08 | 11.87 |
| Bad debts written off | (5,608.57) | (423.75) |
| Written back of allowance for fully provided doubtful debts written off | - | 42,542.68 |
| Others | (28.37) | (696.05) |
| Total | 56,520.56 | 64,203.73 |
| Allowance for doubtful accounts transferred from Sukhumvit Asset Management Co., Ltd. (Net) | 94.13 | 42.96 |
| Allowance for doubtful accounts transferred to TAMC (Net) | (1,432.36) | (5,336.83) |
| Transfer to allowance for impairment losses on investments arising from debt transferred to TAMC (see Note 3.3.2) | (1,037.55) | (1,959.69) |
| Allowance for doubtful accounts for debtors transferred to Krung Thai Card Public Co., Ltd. (Net) | - | (1,405.04) |
| Closing Balance | 54,144.78 | 55,545.13 |

(Million Baht)

| | Consolidated and the Bank's Financial Statements | | | | | | |
|--|--|--------------------|-------------|----------|---------------------|---|------------|
| | December 31, 2003 | | | | | | |
| | Pass | Special Mention | Substandard | Doubtful | Doubtful of Loss | Allowance in excess of BOT's Guideline | Total |
| Opening balance | 2,004.86 | 42.76 | 651.08 | 1,908.42 | 42,657.60 | 8,782.59 | 56,047.31 |
| Changes for the period | 511.71 | (9.23) | (449.07) | 3,379.67 | (8,089.63) | 3,266.32 | (1,390.23) |
| Closing balance | 2,516.57 | 33.53 | 202.01 | 5,288.09 | 34,567.97 | 12,048.91 | 54,657.08 |
| Allowance for doubtful accounts | | | | | | | 54,657.08 |
| Less Allowance for doubtful accounts for inter-bank and money market items | | | | | | | (512.30) |
| Allowance for doubtful accounts for Loans and Accrued Interest Receivable | | | | | | | 54,144.78 |

(Million Baht)

| | Consolidated and the Bank's Financial Statements | | | | | | |
|--|--|--------------------|-------------|----------|---------------------|---|-----------|
| | December 31, 2002 | | | | | | |
| | Pass | Special Mention | Substandard | Doubtful | Doubtful of Loss | Allowance in excess of BOT's Guideline | Total |
| Opening balance | 1,605.92 | 169.44 | 1,220.20 | 769.04 | - | 23,227.18 | 26,991.78 |
| Changes for the period | 398.94 | (126.68) | (569.12) | 1,139.38 | 42,657.60 | (14,444.59) | 29,055.53 |
| Closing balance | 2,004.86 | 42.76 | 651.08 | 1,908.42 | 42,657.60 | 8,782.59 | 56,047.31 |
| Allowance for doubtful accounts | | | | | | | 56,047.31 |
| Less Allowance for doubtful accounts for inter-bank and money market items | | | | | | | (502.18) |
| Allowance for doubtful accounts for Loans and Accrued Interest Receivable | | | | | | | 55,545.13 |

3.6 Revaluation Allowance for Debt Restructuring

(Million Baht)

| | Consolidated and the Bank's Financial Statements | |
|---|--|-------------------|
| | December 31, 2003 | December 31, 2002 |
| Opening balance | 8,379.32 | 2,221.34 |
| Adjustment to opening balance | - | 9,515.17 |
| Increase | 559.23 | 330.31 |
| Transfer to Allowance for doubtful accounts | (3,629.75) | (3,687.50) |
| Closing balance | 5,308.80 | 8,379.32 |

The revaluation allowance for troubled debt restructuring (TDR) was transferred to the allowance for doubtful accounts as the debtors failed to comply with the TDR new agreement.

The allowance for revaluation on TDR has not been amortized and recognized as income upon receipt of debt repayment, as the restructured debts may again become non-performing due to economic instability.

3.7 Properties Forclosed

(Million Baht)

| Type of Properties | Consolidated and the Bank's Financial Statements | | | |
|--|--|-----------|-----------|-----------------|
| | December 31, 2003 | | | |
| | Opening balance | Additions | Disposals | Closing balance |
| Acquired from debt settlement | | | | |
| Immovable assets | 20,268.89 | 6,806.53 | 1,294.62 | 25,780.80 |
| Movable assets | 2.83 | 1.40 | - | 4.23 |
| Total | 20,271.72 | 6,807.93 | 1,294.62 | 25,785.03 |
| Others (Closed Branches) | 712.18 | 86.83 | 255.11 | 543.90 |
| Total | 20,983.90 | 6,894.76 | 1,549.73 | 26,328.93 |
| Less Allowance for Properties Forclosed Impairment | (5,616.33) | - | (759.66) | (4,856.67) |
| Net Properties Forclosed | 15,367.57 | 6,894.76 | 790.07 | 21,472.26 |

(Million Baht)

| Type of Properties | Consolidated and the Bank's Financial Statements | | | |
|--|--|-----------|-----------|-----------------|
| | December 31, 2002 | | | |
| | Opening balance | Additions | Disposals | Closing balance |
| Acquired from debt settlement | | | | |
| Immovable assets | 20,213.48 | 1,141.12 | 1,085.71 | 20,268.89 |
| Movable assets | 2.83 | - | - | 2.83 |
| Total | 20,216.31 | 1,141.12 | 1,085.71 | 20,271.72 |
| Others (Closed Branches) | 205.22 | 1,178.43 | 671.47 | 712.18 |
| Total | 20,421.53 | 2,319.55 | 1,757.18 | 20,983.90 |
| Less Allowance for Properties Forclosed Impairment | (5,856.68) | - | (240.35) | (5,616.33) |
| Net Properties Forclosed | 14,564.85 | 2,319.55 | 1,516.83 | 15,367.57 |

3.8 Premises and Equipment

Premises and equipment as at December 31, 2003 and 2002 were as follows:

(Million Baht)

| Consolidated Financial Statements | | | | | | | | | | |
|-----------------------------------|-----------------|-----------|-----------|-----------------|--------------------------|--------------|-----------|-----------------|--------------------------|------------------------------|
| December 31, 2003 | | | | | | | | | | |
| | Cost | | | | Accumulated Depreciation | | | | Allowance for Impairment | (Net) Premises and Equipment |
| | Opening balance | Additions | Disposals | Closing balance | Opening balance | Depreciation | Disposals | Closing balance | | |
| Land | | | | | | | | | | |
| Historical cost | 5,743.68 | 125.97 | 102.90 | 5,766.75 | - | - | - | - | 1,203.98 | 4,562.77 |
| Revaluation surplus | 3,980.65 | - | 7.20 | 3,973.45 | - | - | - | - | - | 3,973.45 |
| Premises | | | | | | | | | | |
| Historical cost | 7,787.34 | 375.87 | 109.62 | 8,053.59 | 2,871.90 | 366.45 | 43.37 | 3,194.98 | - | 4,858.61 |
| Equipment | 7,990.04 | 1,658.90 | 4,094.17 | 5,554.77 | 6,273.41 | 510.97 | 3,272.61 | 3,511.77 | - | 2,043.00 |
| Others | 234.08 | 1,069.73 | - | 1,303.81 | - | - | - | - | - | 1,303.81 |
| Total | 25,735.79 | 3,230.47 | 4,313.89 | 24,652.37 | 9,145.31 | 877.42 | 3,315.98 | 6,706.75 | 1,203.98 | 16,741.64 |

(Million Baht)

| Consolidated Financial Statements | | | | | | | | | | |
|-----------------------------------|-----------------|-----------|-----------|-----------------|--------------------------|--------------|-----------|-----------------|--------------------------|------------------------------|
| December 31, 2002 | | | | | | | | | | |
| | Cost | | | | Accumulated Depreciation | | | | Allowance for Impairment | (Net) Premises and Equipment |
| | Opening balance | Additions | Disposals | Closing balance | Opening balance | Depreciation | Disposals | Closing balance | | |
| Land | | | | | | | | | | |
| Historical cost | 6,253.39 | 895.44 | 1,405.15 | 5,743.68 | - | - | - | - | 1,212.83 | 4,530.85 |
| Revaluation surplus | 5,535.97 | 265.27 | 1,820.59 | 3,980.65 | - | - | - | - | - | 3,980.65 |
| Premises | | | | | | | | | | |
| Historical cost | 8,008.28 | 229.35 | 450.29 | 7,787.34 | 2,793.44 | 365.85 | 287.39 | 2,871.90 | - | 4,915.44 |
| Equipment | 7,991.98 | 596.19 | 598.13 | 7,990.04 | 6,219.71 | 631.46 | 577.76 | 6,273.41 | - | 1,716.63 |
| Others | 104.06 | 130.02 | - | 234.08 | - | - | - | - | - | 234.08 |
| Total | 27,893.68 | 2,116.27 | 4,274.16 | 25,735.79 | 9,013.15 | 997.31 | 865.15 | 9,145.31 | 1,212.83 | 15,377.65 |

3.8 Premises and Equipment

(Million Baht)

| The Bank's Financial Statements | | | | | | | | | | |
|---------------------------------|-----------------|-----------|-----------|-----------------|--------------------------|--------------|-----------|-----------------|--------------------------|------------------------------|
| December 31, 2003 | | | | | | | | | | |
| | Cost | | | | Accumulated Depreciation | | | | Allowance for Impairment | (Net) Premises and Equipment |
| | Opening balance | Additions | Disposals | Closing balance | Opening balance | Depreciation | Disposals | Closing balance | | |
| Land | | | | | | | | | | |
| Historical cost | 5,723.65 | 20.53 | 38.05 | 5,706.13 | - | - | - | - | 1,203.98 | 4,502.15 |
| Revaluation surplus | 3,980.65 | - | 7.20 | 3,973.45 | - | - | - | - | - | 3,973.45 |
| Premises | | | | | | | | | | |
| Historical cost | 7,771.85 | 44.73 | 109.62 | 7,706.96 | 2,868.48 | 349.67 | 43.37 | 3,174.78 | - | 4,532.18 |
| Equipment | 7,508.51 | 189.51 | 4,093.72 | 3,604.30 | 6,015.24 | 441.06 | 3,272.61 | 3,183.69 | - | 420.61 |
| Others | 234.08 | 1,069.73 | - | 1,303.81 | - | - | - | - | - | 1,303.81 |
| Total | 25,218.74 | 1,324.50 | 4,248.59 | 22,294.65 | 8,883.72 | 790.73 | 3,315.98 | 6,358.47 | 1,203.98 | 14,732.20 |

(Million Baht)

| The Bank's Financial Statements | | | | | | | | | | |
|---------------------------------|-----------------|-----------|-----------|-----------------|--------------------------|--------------|-----------|-----------------|--------------------------|------------------------------|
| December 31, 2002 | | | | | | | | | | |
| | Cost | | | | Accumulated Depreciation | | | | Allowance for Impairment | (Net) Premises and Equipment |
| | Opening balance | Additions | Disposals | Closing balance | Opening balance | Depreciation | Disposals | Closing balance | | |
| Land | | | | | | | | | | |
| Historical cost | 6,250.25 | 878.55 | 1,405.15 | 5,723.65 | - | - | - | - | 1,212.83 | 4,510.82 |
| Revaluation surplus | 5,535.97 | 265.27 | 1,820.59 | 3,980.65 | - | - | - | - | - | 3,980.65 |
| Premises | | | | | | | | | | |
| Historical cost | 7,999.08 | 223.06 | 450.29 | 7,771.85 | 2,787.61 | 365.85 | 284.98 | 2,868.48 | - | 4,903.37 |
| Equipment | 7,567.02 | 539.62 | 598.13 | 7,508.51 | 5,992.79 | 600.21 | 577.76 | 6,015.24 | - | 1,493.27 |
| Others | 104.06 | 130.02 | - | 234.08 | - | - | - | - | - | 234.08 |
| Total | 27,456.38 | 2,036.52 | 4,274.16 | 25,218.74 | 8,780.40 | 966.06 | 862.74 | 8,883.72 | 1,212.83 | 15,122.19 |

3.9 Other assets

(Million Baht)

| | Consolidated Financial Statements | | The Bank's Financial Statements | |
|---|-----------------------------------|-------------------|---------------------------------|-------------------|
| | December 31, 2003 | December 31, 2002 | December 31, 2003 | December 31, 2002 |
| Accrued Interest Receivable and Dividend Income | 678.15 | 615.95 | 542.77 | 615.95 |
| Prepaid Expense | 387.19 | 244.68 | 229.96 | 242.47 |
| Advances | 790.22 | 623.98 | 789.82 | 616.65 |
| Inter-office Accounts | 923.90 | 941.10 | 923.90 | 941.10 |
| Account Receivable - Dhipyasin Co., Ltd. (formerly: Sayam Bank Ltd.) (see Note 3.23.1) | 1,369.00 | 1,980.00 | 1,369.00 | 1,980.00 |
| Intangible Assets | 865.34 | 1,169.63 | 865.34 | 1,167.03 |
| Sundry debtors and Assets | 5,976.27 | 3,075.68 | 5,457.80 | 2,724.49 |
| Total | 10,990.07 | 8,651.02 | 10,178.59 | 8,287.69 |

Included in "Accrued Interest Receivable and Dividend Income" as at December 31, 2003 and 2002 were Baht 131.25 million and Baht 172.03 million, respectively representing accrued interest receivable on government and state enterprise bonds. The majority of the Advance, amounting to Baht 768.98 million, was distributed to Sukhumvit Asset Management Co., Ltd.

Included in "Sundry Debtors and Assets" as at December 31, 2003 and 2002 were the differences between debts transferred to BBC Asset Management Co., Ltd. and a promissory note received from the company amounting to Baht 139.57 million. This matter was notified to the FIDF on August 15, 2002. (see Note 3.25.2)

3.10 Deposits

3.10.1 Classified by Product

(Million Baht)

| | Consolidated Financial Statements | | The Bank's Financial Statements | |
|-------------------------------|-----------------------------------|-------------------|---------------------------------|-------------------|
| | December 31, 2003 | December 31, 2002 | December 31, 2003 | December 31, 2002 |
| Demand deposits | 29,884.83 | 23,978.23 | 29,888.22 | 23,982.84 |
| Savings deposits | 385,154.04 | 319,910.14 | 385,584.24 | 320,085.74 |
| Time deposits | | | | |
| - Less than 6 months | 247,505.56 | 238,337.32 | 247,646.39 | 238,337.34 |
| - 6 months - Less than 1 year | 2.69 | 6.96 | 2.69 | 6.96 |
| - 1 year and over | 342,808.05 | 376,318.88 | 342,808.25 | 376,318.88 |
| Total | 1,005,355.17 | 958,551.53 | 1,005,929.79 | 958,731.76 |

3.10.2 Classified by Remaining Maturity

(Million Baht)

| | Consolidated Financial Statements | | The Bank's Financial Statements | |
|---------------|-----------------------------------|-------------------|---------------------------------|-------------------|
| | December 31, 2003 | December 31, 2002 | December 31, 2003 | December 31, 2002 |
| Within 1 year | 792,852.93 | 702,778.30 | 793,427.35 | 702,958.53 |
| Over 1 year | 212,502.24 | 255,773.23 | 212,502.44 | 255,773.23 |
| Total | 1,005,355.17 | 958,551.53 | 1,005,929.79 | 958,731.76 |

3.10.3 Classified by Currency and Residence of Depositors

(Million Baht)

| | Consolidated Financial Statements | | | | | |
|------------------|-----------------------------------|----------|--------------|-------------------|----------|------------|
| | December 31, 2003 | | | December 31, 2002 | | |
| | Domestic | Overseas | Total | Domestic | Overseas | Total |
| Thai Baht | 990,632.52 | 12.31 | 990,644.83 | 941,965.36 | 11.95 | 941,977.31 |
| US Dollar | 13,236.92 | 1,095.37 | 14,332.29 | 14,820.33 | 1,155.34 | 15,975.67 |
| Other Currencies | 240.08 | 137.97 | 378.05 | 476.51 | 122.04 | 598.55 |
| Total | 1,004,109.52 | 1,245.65 | 1,005,355.17 | 957,262.20 | 1,289.33 | 958,551.53 |

(Million Baht)

| | The Bank's Financial Statements | | | | | |
|------------------|---------------------------------|----------|--------------|-------------------|----------|------------|
| | December 31, 2003 | | | December 31, 2002 | | |
| | Domestic | Overseas | Total | Domestic | Overseas | Total |
| Thai Baht | 991,207.14 | 12.31 | 991,219.45 | 942,145.59 | 11.95 | 942,157.54 |
| US Dollar | 13,236.92 | 1,095.37 | 14,332.29 | 14,820.33 | 1,155.34 | 15,975.67 |
| Other Currencies | 240.08 | 137.97 | 378.05 | 476.51 | 122.04 | 598.55 |
| Total | 1,004,684.14 | 1,245.65 | 1,005,929.79 | 957,442.43 | 1,289.33 | 958,731.76 |

3.11 Interbank and Money Market Items

(Million Baht)

| | Consolidated Financial Statements | | | | | |
|---|-----------------------------------|-----------|-----------|-------------------|----------|-----------|
| | December 31, 2003 | | | December 31, 2002 | | |
| | Demand | Time | Total | Demand | Time | Total |
| 3.11.1 Domestic items | | | | | | |
| Bank of Thailand and Financial Institutions Development Fund | - | 3,220.56 | 3,220.56 | - | 1,886.87 | 1,886.87 |
| Commercial Banks | 747.62 | 13,871.11 | 14,618.73 | 178.01 | 6,500.01 | 6,678.02 |
| Other Banks | 630.11 | - | 630.11 | 548.96 | 1.30 | 550.26 |
| Finance Co., Finance & Securities Co., Securities Co., and Credit Foncier Co. | 3,733.83 | 21.69 | 3,755.52 | 1,746.49 | 18.68 | 1,765.17 |
| Other Financial Institutions | 8,497.79 | 969.46 | 9,467.25 | 7,651.93 | 1,006.20 | 8,658.13 |
| Total Domestic Items | 13,609.35 | 18,082.82 | 31,692.17 | 10,125.39 | 9,413.06 | 19,538.45 |

(Million Baht)

| | Consolidated Financial Statements | | | | | |
|--------------------------------|-----------------------------------|-----------|-----------|-------------------|-----------|-----------|
| | December 31, 2003 | | | December 31, 2002 | | |
| | Demand | Time | Total | Demand | Time | Total |
| 3.11.2 Foreign items | | | | | | |
| US Dollar | 6.47 | 3,142.79 | 3,149.26 | 1.98 | 830.94 | 832.92 |
| Japanese Yen | - | - | - | - | - | - |
| Deutsche Mark | - | - | - | - | - | - |
| Other Currencies | 105.49 | - | 105.49 | 282.56 | 9.45 | 292.01 |
| Total Foreign Items | 111.96 | 3,142.79 | 3,254.75 | 284.54 | 840.39 | 1,124.93 |
| Total Domestic & Foreign Items | 13,721.31 | 21,225.61 | 34,946.92 | 10,409.93 | 10,253.45 | 20,663.38 |

(Million Baht)

| | The Bank's Financial Statements | | | | | |
|---|---------------------------------|-----------|-----------|-------------------|-----------|-----------|
| | December 31, 2003 | | | December 31, 2002 | | |
| | Demand | Time | Total | Demand | Time | Total |
| 3.11.1 Domestic items | | | | | | |
| Bank of Thailand and Financial Institutions Development Fund | - | 3,220.56 | 3,220.56 | - | 1,886.87 | 1,886.87 |
| Commercial Banks | 747.62 | 13,871.11 | 14,618.73 | 178.01 | 6,500.01 | 6,678.02 |
| Other Banks | 630.11 | - | 630.11 | 548.96 | 1.30 | 550.26 |
| Finance Co., Finance & Securities Co., Securities Co., and Credit Foncier Co. | 3,758.30 | 21.79 | 3,780.09 | 1,746.59 | 18.78 | 1,765.37 |
| Other Financial Institutions | 8,497.79 | 969.46 | 9,467.25 | 7,651.93 | 1,006.20 | 8,658.13 |
| Total Domestic Items | 13,633.82 | 18,082.92 | 31,716.74 | 10,125.49 | 9,413.16 | 19,538.65 |
| 3.11.2 Foreign items | | | | | | |
| US Dollar | 6.47 | 3,142.79 | 3,149.26 | 1.98 | 830.94 | 832.92 |
| Japanese Yen | - | - | - | - | - | - |
| Deutsche Mark | - | - | - | - | - | - |
| Other Currencies | 105.49 | - | 105.49 | 282.56 | 9.45 | 292.01 |
| Total Foreign Items | 111.96 | 3,142.79 | 3,254.75 | 284.54 | 840.39 | 1,124.93 |
| Total Domestic & Foreign Items | 13,745.78 | 21,225.71 | 34,971.49 | 10,410.03 | 10,253.55 | 20,663.58 |

3.12 Borrowings Borrowings classified by type of debt instrument and source of funds were as follows:

(Million Baht)

| | | Consolidated Financial Statements | | | | | |
|--------|-------|-----------------------------------|----------|-------|-------------------|----------|-------|
| | | December 31, 2003 | | | December 31, 2002 | | |
| | | Domestic | Overseas | Total | Domestic | Overseas | Total |
| Others | | 1.17 | - | 1.17 | 71.17 | - | 71.17 |
| | Total | 1.17 | - | 1.17 | 71.17 | - | 71.17 |

(Million Baht)

| | | The Bank's Financial Statements | | | | | |
|--------|-------|---------------------------------|----------|-------|-------------------|----------|-------|
| | | December 31, 2003 | | | December 31, 2002 | | |
| | | Domestic | Overseas | Total | Domestic | Overseas | Total |
| Others | | 1.17 | - | 1.17 | 1.17 | - | 1.17 |
| | Total | 1.17 | - | 1.17 | 1.17 | - | 1.17 |

Borrowings in amount of Baht 1.17 million were long-term borrowings as follows:

(Million Baht)

| Lender | Lending Period | Maturity Year | Interest Rate (%per annum) | The Bank's Financial Statements | |
|---------------------|----------------|---------------|----------------------------|---------------------------------|-------------------|
| | | | | December 31, 2003 | December 31, 2002 |
| Ministry of Finance | 3-12 years | 1989-1998 | - | 1.17 | 1.17 |
| | | | | 1.17 | 1.17 |

3.13 Other liabilities Other liabilities comprise the followings:

(Million Baht)

| | Consolidated Financial Statements | | The Bank's Financial Statements | |
|----------------------------|-----------------------------------|-------------------|---------------------------------|-------------------|
| | December 31, 2003 | December 31, 2002 | December 31, 2003 | December 31, 2002 |
| Suspense Account Creditors | 2,886.95 | 2,850.09 | 2,886.95 | 2,850.09 |
| Sundry Liabilities | 2,697.46 | 1,398.76 | 2,048.36 | 1,234.01 |
| FBCB Account Payable | 339.89 | 339.89 | 339.89 | 339.89 |
| Total | 5,924.30 | 4,588.74 | 5,275.20 | 4,423.99 |

3.14 Share Capital

3.14.1 Warrants exercised for Ordinary Shares

The Bank has registered 11,912,250 ordinary shares, each of Baht 10, to back the warrants to be granted to the employees whose working years total 15 years and more, and who are eligible to join the Mutual Separation Plan for right sizing of the organization.

As at December 31, 2002, the Bank issued warrants to employees to buy 11,884,750 ordinary shares at Baht 10.00 per warrant, exercisable between January 1, 2003 to December 31, 2004. The exercised date was set up 4 times on June 30, 2003 and December 31, 2003 and June 30, 2004 and December 31, 2004. As at December 31, 2003 the warrants have been exercised for 13,000 shares amounting to Baht 130,000.00.

3.14.2 Warrants exercised for Preferred Shares

On June 22, 2000, the following resolutions were passed at the shareholders' extraordinary meeting:

1. Approval was given for writing down Baht 108,000.00 million of the registered capital from Baht 219,969.12 million to Baht 111,969.12 million by reducing 10,800 million class A preferred shares of Baht 10.00 par value totaling Baht 108,000 million and repaying the amount to the FIDF, the majority shareholder.

2. Approval was given for the issuance of warrants to the FIDF to buy 10,800 million class A preferred shares.

3. Approval was given to increase the registered capital by Baht 108,000 million from Baht 111,969.12 million to Baht 219,969.12 million by the issuance of 10,800 million class A preferred shares at Baht 10.00 par value, underwriting the issuance of warrants to the FIDF.

On September 21, 2000, Baht 108,000 million was paid to the FIDF for the redemption of preferred shares.

On September 25, 2000, the Bank registered the write-down of registered and paid-up preferred shares amounting to Baht 108,000 million. The remaining registered preferred shares were equal to the issued and paid-up preferred share capital amounting to Baht 55 million. The 10,800 million class A preferred shares to be issued on exercise of the warrants by FIDF was registered at Baht 10.00 par value totaling Baht 108,000 million on September 27, 2000.

On September 27, 2002 the Bank repurchased the warrants in accordance with a resolution passed at an extraordinary shareholders' meeting held on September 24, 2002. On October 9, 2002 the Bank reduced its registered shares by 10,800 million units of class A preferred shares to cover the issue of warrants exercisable for class A preferred shares amounting to 10,800 million shares. This is discussed more fully in the note on the capital restructuring plan. (see Note 3.14.3)

3.14.3 Capital Restructuring

On September 24, 2002, an extraordinary shareholders' meeting passed a resolution regarding the Bank's capital restructuring plan as mentioned, mandatory to the followings:

1. The Bank repurchased warrants held by the FIDF, exercisable over KTB's 10,800 million class A preferred shares, at a price of Baht 0.61 per warrant. The total consideration was Baht 6,588.00 million and the warrants were subsequently revoked.

2. The Bank reduced its registered shares by 10,800 million class A preferred shares at Baht 10.00 per share, for a total of Baht 108,000 million from Baht 219,969,122,500 to Baht 111,969,122,500.

3. The Bank amended its Memorandum of Association No. 4 to record the reduction in its registered shares from Baht 219,969,122,500 to Baht 111,969,122,500.

4. The Bank transferred the following reserves to reduce accumulated losses:

4.1 Baht 16,091.94 million of other reserve excessive from warrants repurchasing mentioned in No. 1.

4.2 Baht 1,485.00 million of legal reserve.

4.3 Baht 5,079.29 million of share premium reserve.

5. The Bank reduced its par value of its share from Baht 10.00 to Baht 5.15 to off-set accumulated losses.

6. The Bank amended its Memorandum of Association No. 4 to record the reduction in its registered share capital.

7. The Bank amended its prescription section 2 No. 4 to record the reduction in its registered share capital.

8. The Bank issued and offered for sale subordinated debentures up to Baht 10,000.00 million in value or other currencies equivalent.

As a result of the above, the repurchase of warrants exercisable for 10,800 million preferred shares amounting to Baht 6,588.00 million was completed on September 27, 2002 and on October 9, 2002, the Bank reduced its registered class A preferred shares. On December 18, 2002, the reduction of registered shares was notified to the Public Company Registrar Office Ministry of Commerce. The Bank's registered share capital remained at Baht 57,664.10 million and its paid-up shares capital remained at Baht 57,602.75 million.

3.14.4 Preferred Share

The 5.5 million of preferred shares are fully paid-up. Preferred share has more preference over the ordinary share, apart from entitling to the same voting rights and claims on dividends as ordinary share, it may enjoy certain preferential rights to a dividend at a 3 percent special rate p.a. prior to the ordinary share.

3.14.5 As at December 31, 2003 and 2002, the Bank's shareholders were as follows:

(Million Baht)

| | The Bank's Financial Statements | | | | | |
|---|-----------------------------------|------------------------------------|-----------|-----------------------------------|------------------------------------|-----------|
| | December 31, 2003 | | | December 31, 2002 | | |
| | Ordinary Shares (No.of Shares) | Preferred Shares (No.of Shares) | Total (%) | Ordinary Shares (No.of Shares) | Preferred Shares (No.of Shares) | Total (%) |
| Top ten shareholders | | | | | | |
| Financial Institutions | | | | | | |
| Development Fund | 6,306,635,967 | - | 56.39 | 9,756,635,967 | - | 87.23 |
| Thailand Securities Depository | | | | | | |
| Co. Ltd. for Thai Depositors | 2,221,851,511 | 7,270 | 19.86 | 599,666,620 | 4,040 | 5.36 |
| Ministry of Finance | - | - | - | 414,339,615 | 5,452,190 | 3.75 |
| Thailand Securities Depository Co. Ltd. | | | | | | |
| for Depositors | 1,908,068,641 | - | 17.06 | 227,591,313 | - | 2.03 |
| Vayupak Mutual Fund 1 | 414,340,615 | 5,452,190 | 3.75 | - | - | - |
| The Government Savings Bank | 88,145,858 | - | 0.79 | 88,145,858 | - | 0.79 |
| Mrs. Charoonsri PongKriangyos | 3,500,086 | - | 0.03 | 3,500,086 | - | 0.03 |
| Mr. Naris Singhawangsha | - | - | - | 3,000,000 | - | 0.03 |
| Ms. Nipa Maleenond | 1,528,700 | - | 0.01 | 1,528,700 | - | 0.01 |
| Ms. Suthee Jesadachet | 1,500,000 | - | 0.01 | - | - | - |
| Ms. Kongsak Vongsakvanich | 733,900 | - | 0.01 | - | - | - |
| Mrs. Kittiya Srilertfar | 700,000 | - | 0.01 | - | - | - |
| Colonel Peerapat Viriyachambhumi | - | - | - | 890,000 | - | 0.01 |
| Mr. Jugraj Singh Chawla | - | - | - | 735,722 | - | 0.01 |
| Total | 10,947,005,278 | 5,459,460 | | 11,096,033,881 | 5,456,230 | |
| Juristic entities | | | | | | |
| Thais (85 entities in 2003) | 7,804,280 | 240 | 0.07 | 1,563,370 | 240 | 0.02 |
| Foreigners (2 entities in 2003) | 12 | - | - | 12 | - | - |
| Total | 7,804,292 | 240 | | 1,563,382 | 240 | |
| Individuals | | | | | | |
| Thais (16,429 entities in 2003) | 222,667,619 | 40,300 | 1.99 | 79,726,770 | 43,530 | 0.71 |
| Foreigners (65 entities in 2003) | 2,022,811 | - | 0.02 | 2,175,967 | - | 0.02 |
| Total | 224,690,430 | 40,300 | | 81,902,737 | 43,530 | |
| Grand Total | 11,179,500,000 | 5,500,000 | 100.00 | 11,179,500,000 | 5,500,000 | 100.00 |

The FIDF's shareholdings has reduced to 3,450 million shares as to its ordinary share offering done in 2003. Partial operating expenses incurred from such offerings would be borne by the bank.

3.14.6 Statutory Capital Fund

| | (Million Baht) | |
|----------------|--|-------------------|
| | Consolidated and the Bank's Financial Statements | |
| | December 31, 2003 | December 31, 2002 |
| Tier 1 Capital | 58,242.90 | 57,674.48 |
| Tier 2 Capital | 6,986.67 | 4,788.88 |
| Total | 65,229.57 | 62,463.36 |

As at December 31, 2003 and 2002, the Bank maintained Tier 1 capital at 8.51% and 11.66%, respectively of the Bank's total risk-weighted assets and Tier 1 capital coupled with Tier 2 capital at 9.54% and 12.63%, respectively of the total risk-weighted assets.

3.15 Legal Reserve

On December 18, 2002, the Bank transferred Baht 1,485.00 million of its legal reserve to reduce accumulated losses as approved in the extraordinary shareholders' meeting of September 24, 2002.

In compliance with the Public Company Act, the Bank is required to set aside 5 percent of net income for the year as a legal reserve appropriation and, by taking into account the accumulated losses, the legal reserve as at December 31, 2003 and 2002 was calculated as follows:

| | (Million Baht) | |
|---|----------------|----------|
| | 2003 | 2002 |
| Net Income | 8,704.92 | 8,009.16 |
| Less accumulated losses as at December 31, 2002 | - | 4,880.76 |
| Unappropriated retained earnings (before legal reserve) | 8,704.92 | 3,128.40 |
| Legal reserve (5%) | 435.25 | 156.42 |
| Balance B/F | 156.42 | - |
| Total | 591.67 | 156.42 |

3.16 Net Income Appropriation for the year 2002 and Dividend Paid

Net income appropriation for the year 2002 has been approved by the shareholders' ordinary meeting no.10 on March 19, 2003 as follows :

| | (Million Baht) |
|---|----------------|
| Legal Reserve | 156.42 |
| Dividend - Preferred shares (@ Baht 0.4145) | 2.28 |
| Dividend - Ordinary shares (@ Baht 0.26) | 2,906.67 |
| Directors' Bonuses | 14.55 |
| Unappropriated Retained Earnings | 48.48 |
| | 3,128.40 |

3.17 Contingencies

(Million Baht)

| | Consolidated and the Bank's Financial Statements | | | | | |
|------------------------------|--|--------------------|------------|-------------------|--------------------|------------|
| | December 31, 2003 | | | December 31, 2002 | | |
| | Thai Baht | Foreign Currencies | Total | Thai Baht | Foreign Currencies | Total |
| Aval | | | | | | |
| and Guarantees | | | | | | |
| Aval for bills | 4,561.21 | - | 4,561.21 | 1,916.35 | - | 1,916.35 |
| Guarantees for Loans | 1,941.60 | 7,246.86 | 9,188.46 | 2,010.39 | 10,635.60 | 12,645.99 |
| | 6,502.81 | 7,246.86 | 13,749.67 | 3,926.74 | 10,635.60 | 14,562.34 |
| Liability under unmatured | | | | | | |
| import bills | 6.54 | 182.66 | 189.20 | - | 290.08 | 290.08 |
| Letters of Credit | 1,469.59 | 12,286.75 | 13,756.34 | 1,457.03 | 14,228.60 | 15,685.63 |
| Other Contingencies | | | | | | |
| Firm underwriting | 52.61 | - | 52.61 | 71.84 | - | 71.84 |
| Other guarantees | 29,512.93 | 5,353.89 | 34,866.82 | 23,808.60 | 3,390.53 | 27,199.13 |
| FX Forward/Swap Contracts | | | | | | |
| - Bought | 69,493.82 | 48,240.19 | 117,734.01 | 82,205.44 | 46,400.34 | 128,605.78 |
| - Sold | 42,930.75 | 74,803.26 | 117,734.01 | 40,303.54 | 88,302.24 | 128,605.78 |
| Interest Rate Swap Contracts | | | | | | |
| - Bought | 647.00 | 1,505.63 | 2,152.63 | 1,215.80 | 648.60 | 1,864.40 |
| - Sold | 647.00 | 1,505.63 | 2,152.63 | 1,215.80 | 648.60 | 1,864.40 |
| Undrawn Overdraft | 77,546.96 | 111.46 | 77,658.42 | 74,517.27 | 54.92 | 74,572.19 |
| Credit Linked Notes (CLN) | - | 594.33 | 594.33 | - | 1,729.60 | 1,729.60 |
| Others | - | 66.07 | 66.07 | - | 9.13 | 9.13 |
| Total | 220,831.07 | 132,180.46 | 353,011.53 | 223,338.29 | 141,183.96 | 364,522.25 |
| Grand Total | 228,810.01 | 151,896.73 | 380,706.74 | 228,722.06 | 166,338.24 | 395,060.30 |

The Bank's investment in CLN's as at December 31, 2003 and 2002 and was USD 15.00 million, equivalent to Baht 594.33 million and USD 40.00 million, equivalent to 1,729.60 million, respectively which have been recorded as investments and disclosed in off-balance sheet items.

The Bank's other material contingent liabilities as at December 31, 2003 and 2002 were claims against the Bank of Baht 12,678.39 million and Baht 32,060.18 million, respectively.

3.18 Assets Pledged as Collateral

(Million Baht)

| | Consolidated and the Bank's Financial Statements | |
|---|--|-------------------|
| | December 31, 2003 | December 31, 2002 |
| Government and State Enterprise bonds pledged as collateral | | |
| - to maintain conditions for branch establishment | - | 1,000.13 |
| - at court | 0.50 | 0.50 |
| Total | 0.50 | 1,000.63 |

3.19 Related-Party Transactions

3.19.1 Loans to the Bank's executives (Senior Vice President and above), as at December 31, 2003 and, 2002 were Baht 158.44 million and Baht 72.78 million, respectively. The average outstanding balance of loans at month-end was Baht 104.97 million and Baht 53.99 million, respectively.

The loans outstanding as at December 31, 2003 and 2002 to family members of the Bank's executives were Baht 28.12 million and 28.23 million, respectively.

3.19.2 The Bank's loans and contingencies to businesses in which the Bank, its directors, or those mentioned in the preceding paragraph, hold 10 percent or more of the shares, were as follows:

(Million Baht)

| | Pricing Policy for Loans and Contingencies | The Bank's Financial Statements | | | |
|---------------------------------------|--|---------------------------------|---------------|-------------------|---------------|
| | | December 31, 2003 | | December 31, 2002 | |
| | | Loans | Contingencies | Loans | Contingencies |
| Vejthani Public Co., Ltd. | Normal Bank Policy | 1,550.47 | 8.50 | 1,568.63 | 6.17 |
| Thai Baroda Industries Limited | Normal Bank Policy | 466.03 | 123.11 | 433.34 | 188.19 |
| Cermas Co., Ltd | Normal Bank Policy | - | 1.71 | - | 1.09 |
| Thai Nam Plastic Public Co., Ltd. | Normal Bank Policy | 85.92 | 5.29 | 93.42 | - |
| Bangkok Mass Transit System Co., Ltd. | Normal Bank Policy | 3,835.79 | 13.20 | 2,241.86 | - |
| Dhipaya Insurance Public Co., Ltd. | Normal Bank Policy | - | 4.14 | - | - |
| Cotco Metal Works Co., Ltd. | Normal Bank Policy | 508.30 | 22.74 | - | - |

3.19.3 Transactions with Subsidiaries, Associated and Related Companies

(Million Baht)

| | Pricing Policy for Loans and Contingencies | The Bank's Financial Statements | | | |
|---|--|---------------------------------|---------------|-------------------|---------------|
| | | December 31, 2003 | | December 31, 2002 | |
| | | Loans | Contingencies | Loans | Contingencies |
| <i>Loans to and Contingencies associated with subsidiaries and associated companies</i> | | | | | |
| <i>Subsidiaries</i> | | | | | |
| Krung Thai General Business Services Co., Ltd. | Normal Bank Policy | - | 0.05 | - | - |
| Krung Thai Land and House Co., Ltd. | Normal Bank Policy | - | - | - | 0.20 |
| Krung Thai Computer Services Co., Ltd. | Normal Bank Policy | 611.67 | 0.44 | 70.00 | - |
| N.C. Associated Co., Ltd. | Normal Bank Policy | - | 0.05 | - | 28.63 |

(Million Baht)

| | Pricing Policy for Loans and Contingencies | The Bank's Financial Statements | | | |
|---|--|---------------------------------|---------------|-------------------|---------------|
| | | December 31, 2003 | | December 31, 2002 | |
| | | Loans | Contingencies | Loans | Contingencies |
| <i>Loans to and Contingencies associated with subsidiaries and associated companies</i> | | | | | |
| <i>Associated Companies</i> | | | | | |
| Krung Thai Panich Insurance Co., Ltd. | Normal Bank Policy | - | 0.03 | - | 0.03 |
| Krung Thai C.S. Co., Ltd. | Normal Bank Policy | 2,024.73 | - | 2,863.82 | - |
| Krung Thai Charoensri Co., Ltd. | Normal Bank Policy | 93.91 | - | 110.91 | - |
| Krung Thai IBJ Leasing Co., Ltd. | Normal Bank Policy | 557.03 | 2.22 | 405.01 | 2.23 |
| Krung Thai Card Public Co., Ltd. | Normal Bank Policy | 2,070.00 | - | 7,007.78 | - |
| Lanna Agribusiness Co., Ltd. | Normal Bank Policy | 99.76 | - | 63.29 | - |
| Kamol Kit Co., Ltd. | Normal Bank Policy | 527.64 | - | 591.68 | - |
| Alphatech Electronics Public Co., Ltd. | ormal Bank Policy | 11.88 | - | 3,702.31 | - |
| Farm Kirikan Co., Ltd. | Normal Bank Policy | 0.04 | 5.00 | - | 8.33 |
| Amorn-Chai Co., Ltd. | Normal Bank Policy | 182.31 | - | 165.44 | - |
| <i>Loans to Related Companies (Common-Director)</i> | | | | | |
| Thai Airways International Public Co., Ltd | Normal Bank Policy | - | 0.59 | - | - |
| Electricity Generating Public Co., Ltd. | Normal Bank Policy | - | 0.83 | - | - |
| Loxley Public Co., Ltd | Normal Bank Policy | - | - | 462.51 | 0.92 |
| Export-Import Bank of Thailand | Normal Bank Policy | - | 1.30 | - | - |
| The Fiscal Policy Office | Normal Bank Policy | 0.01 | - | - | - |

3.19.4 Intercompany Trading Transactions

Subsidiaries

1. For the year ended December 31, 2003 and 2002, the Bank received premises rental income from subsidiaries amounting to Baht 2.69 million and Baht 4.88 million, respectively at the agree-upon rate.

2. In year 2002, the Bank's property was sold to subsidiaries at its appraised value at Baht 82.50 million generating a profit on disposal amounting to Baht 64.85 million.

In year 2003, the Bank sold 4 pieces of land to subsidiaries totaling Baht 642.85 million. Of these, based on the appraised value, 3 pieces of land generated a profit on disposal of Baht 299.37 million.

In year 2003, IT System's assets were transferred at its net carrying value to a subsidiary amounting to Baht 506.01 million (Cost value at Baht 3,127.57 million, Accumulated Amortization at Baht 2,621.56 million). The additional item transferred in the subsequent period would be Intangible assets (net) amounting to Baht 277.04 million and Value Added Tax (VAT) for the asset transferred amounting to Baht 35.42 million.

3. The Bank incurred service charges from its subsidiaries for the year ended December 31, 2003 and 2002 amounting to Baht 1,123.62 million and Baht 1,194.90 million, respectively at the agree-upon rate.

4. In year 2003, the operating expenses incurred in associated to the GFMIS project Phase 2 would be borne and paid, on behalf of the Bank, by the Bank's subsidiaries. Advance payment according to the agree-upon contract was Baht 147.97 million.

5. Supplementary Information

The Board of Executive Directors' meeting no.43/2003 on November 5, 2003 passed a resolution mandatory to the merger and acquisition of Krung Thai General Business Services Co., Ltd. and Krung Thai Property Development Co., Ltd. The guidelines of the merger are under consideration.

Associated Companies

1. For the year ended December 31, 2003 and 2002, the Bank received premises rental income from associated companies amounting to Baht 0.97 million and Baht 3.15 million, respectively at the agree-upon rate.

2. The Bank incurred service charges from its associated companies for the year ended December 31, 2002 amounting to Baht 420.00 million at the agree-upon rate.

3. In year 2003, the Bank was subject to service fees under a Credit Business Management Contract with a joint venture totaling Baht 10.43 million. In addition, the Bank generated the income of Baht 46.96 million from the joint venture under the Facilitation Contract.

3.20 Overseas Branches

The Bank operates 7 branches - in New York, Los Angeles, Phnom Penh, Kunming, Vientiane, Singapore, and Mumbai. These branches engage other certified accountants to audit their financial statements on an annual basis.

The assets and liabilities of the overseas branches included in consolidated financial statements (after elimination of inter-branch items) for the year ended December 31, 2003 and 2002, were as follows:

| | (Million Baht) | |
|----------------------------|---------------------------------|-------------------|
| | The Bank's Financial Statements | |
| | December 31, 2003 | December 31, 2002 |
| Assets | 11,685.00 | 7,860.99 |
| Ratio to total Assets | 1.03 | 0.74 |
| Liabilities | 8,532.61 | 4,611.79 |
| Ratio to total Liabilities | 0.80 | 0.46 |

Included in the net income of Baht 137.58 million and 43.10 million for the year ended December 31, 2003 and 2002 were gains from the foreign exchange translation of the financial statements of overseas branches totaling Baht 1.38 million and Baht 129.23 million, respectively.

Before the elimination of inter-branch items totaling Baht 3,062.36 million and Baht 3,297.02 million, the Bank has overseas branches' assets as at December 31, 2003 and 2002 totaling Baht 11,685.00 million and Baht 7,860.99 million, respectively or 1.03 percent and 0.74 percent, respectively. Overseas branches' liabilities amounted to Baht 11,594.97 million and Baht 7,908.81 million, respectively or 1.09 percent and 0.80 percent of total liabilities, respectively. Net income for the year periods ended December 31, 2003 and 2002, amounting to Baht 152.70 million and Baht 108.20 million, respectively.

3.21 Significant Financial Position and Operations classified by Domestic and International Business Segment.

3.21.1 Financial Position Classified by Business Segment

(Million Baht)

| | Consolidated Financial Statements | | | | | |
|----------------------------------|-----------------------------------|--------------------------------|--------------|---------------------------|--------------------------------|--------------|
| | December 31, 2003 | | | December 31, 2002 | | |
| | Domestic Business Segment | International Business Segment | Total | Domestic Business Segment | International Business Segment | Total |
| Total Assets | 1,125,878.73 | 11,685.00 | 1,137,563.73 | 1,053,878.78 | 7,860.99 | 1,061,739.77 |
| Interbank and Money Market Items | 33,695.71 | 2,734.31 | 36,430.02 | 138,502.06 | 2,708.72 | 141,210.78 |
| Loans | 972,333.50 | 6,038.99 | 978,372.49 | 847,617.90 | 2,156.31 | 849,774.21 |
| Investments | 79,960.96 | 2,784.58 | 82,745.54 | 56,990.36 | 2,911.58 | 59,901.94 |
| Deposits | 1,003,829.29 | 1,525.87 | 1,005,355.16 | 957,014.96 | 1,536.57 | 958,551.53 |
| Interbank and Money Market Items | 28,083.29 | 6,863.63 | 34,946.92 | 17,968.63 | 2,694.75 | 20,663.38 |
| Borrowings | 1.17 | - | 1.17 | 71.17 | - | 71.17 |
| Contingencies | 376,704.01 | 4,002.73 | 380,706.74 | 391,858.02 | 3,202.28 | 395,060.30 |

(Million Baht)

| | The Bank's Financial Statements | | | | | |
|----------------------------------|---------------------------------|--------------------------------|--------------|---------------------------|--------------------------------|--------------|
| | December 31, 2003 | | | December 31, 2002 | | |
| | Domestic Business Segment | International Business Segment | Total | Domestic Business Segment | International Business Segment | Total |
| Total Assets | 1,125,828.04 | 11,685.00 | 1,137,513.04 | 1,053,823.98 | 7,860.99 | 1,061,684.97 |
| Interbank and Money Market Items | 33,641.79 | 2,734.31 | 36,376.10 | 138,475.44 | 2,708.72 | 141,184.16 |
| Loans | 972,986.65 | 6,038.99 | 979,025.64 | 847,619.94 | 2,156.31 | 849,776.25 |
| Investments | 82,132.32 | 2,784.58 | 84,916.90 | 57,579.23 | 2,911.58 | 60,490.81 |
| Deposits | 1,004,403.92 | 1,525.87 | 1,005,929.79 | 957,195.19 | 1,536.57 | 958,731.76 |
| Interbank and Money Market Items | 28,107.86 | 6,863.63 | 34,971.49 | 17,968.83 | 2,694.75 | 20,663.58 |
| Borrowings | 1.17 | - | 1.17 | 1.17 | - | 1.17 |
| Contingencies | 376,704.01 | 4,002.73 | 380,706.74 | 391,858.02 | 3,202.28 | 395,060.30 |

Total assets in the Bank's Financial Statements as at December 31, 2003 and 2002 of Baht 1,137,513.04 million and Baht 1,061,684.97 million, respectively, were stated before the elimination of inter-company items of Baht 3,062.36 million and Baht 3,297.02 million, respectively.

3.21.2 Operations Classified by Business Segment.

(Million Baht)

| | Consolidated Financial Statements | | | | | |
|---|-----------------------------------|--------------------------------|-------------|---------------------------|--------------------------------|-------------|
| | December 31, 2003 | | | December 31, 2002 | | |
| | Domestic Business Segment | International Business Segment | Total | Domestic Business Segment | International Business Segment | Total |
| Interest and Dividend Income | 39,637.97 | 449.13 | 40,087.10 | 39,602.03 | 352.00 | 39,954.03 |
| Interest Expenses | (17,209.37) | (241.75) | (17,451.12) | (20,038.75) | (178.86) | (20,217.61) |
| Net Interest Income | 22,428.60 | 207.38 | 22,635.98 | 19,563.28 | 173.14 | 19,736.42 |
| Non-Interest Income | 7,950.84 | 102.31 | 8,053.15 | 8,081.86 | 212.41 | 8,294.27 |
| Non-Interest Expense | (21,747.28) | (156.99) | (21,904.27) | (19,735.07) | (269.44) | (20,004.51) |
| Income before Income Tax and minority interests | 8,632.16 | 152.70 | 8,784.86 | 7,910.07 | 116.11 | 8,026.18 |

(Million Baht)

| | The Bank's Financial Statements | | | | | |
|------------------------------|---------------------------------|--------------------------------|-------------|---------------------------|--------------------------------|-------------|
| | December 31, 2003 | | | December 31, 2002 | | |
| | Domestic Business Segment | International Business Segment | Total | Domestic Business Segment | International Business Segment | Total |
| Interest and Dividend Income | 39,638.15 | 449.13 | 40,087.28 | 39,601.25 | 352.00 | 39,953.25 |
| Interest Expenses | (17,211.86) | (241.75) | (17,453.61) | (20,039.29) | (178.86) | (20,218.15) |
| Net Interest Income | 22,426.29 | 207.38 | 22,633.67 | 19,561.96 | 173.14 | 19,735.10 |
| Non-Interest Income | 7,693.50 | 102.31 | 7,795.81 | 6,894.99 | 212.41 | 7,107.40 |
| Non-Interest Expense | (21,567.58) | (156.99) | (21,724.57) | (18,563.90) | (269.44) | (18,833.34) |
| Income before Income Tax | 8,552.21 | 152.70 | 8,704.91 | 7,893.05 | 116.11 | 8,009.16 |

Total interest and dividend income and total interest expense, in the Bank's financial statements for the year ended December 31, 2003 and 2002 of Baht 40,087.28 million and Baht 17,453.61 million and Baht 39,953.25 million and Baht 20,218.15 million, respectively, were stated before the elimination of inter-company items of Baht 233.53 million and Baht 151.87 million, respectively.

3.22 Net Foreign Exchange Position

The Bank's net foreign exchange position (USD equivalent) as at December 31, 2003 and 2002 was follows:

(Million USD)

| | Consolidated and the Bank's Financial Statements | | | | | |
|------------------|--|--------------------------------|----------|---------------------------|--------------------------------|----------|
| | December 31, 2003 | | | December 31, 2002 | | |
| | Domestic Business Segment | International Business Segment | Total | Domestic Business Segment | International Business Segment | Total |
| Spot | 671.04 | 2.27 | 673.31 | 1,003.40 | (1.11) | 1,002.29 |
| Forward | | | | | | |
| Forward Contract | 176.21 | - | 176.21 | (110.60) | - | (110.60) |
| Swap Contract | (511.04) | - | (511.04) | (709.57) | - | (709.57) |
| CCS Contract | (307.89) | - | (307.89) | (152.94) | - | (152.94) |
| | 28.32 | 2.27 | 30.59 | 30.29 | (1.11) | 29.18 |

3.23 Disclosure of Financial Instruments

Thai Accounting Standard No. 48 "Financial Instruments: Disclosure and Presentation" is used as a reference for disclosing information on the Bank's financial instruments. The information aims to assist users of the financial statements to assess the Bank's exposure to risks associated with significant financial instruments.

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.

A financial asset is any asset that is:

- Cash
- A contractual right to receive cash or another financial asset from another enterprise
- A contractual right to exchange financial instruments with another enterprise under conditions that are potentially favorable
- An equity instrument of another enterprise.

A financial liability is any liability that is a contractual obligation:

- to deliver cash or another financial asset to another enterprise
- to exchange financial instruments with another enterprise under conditions that are potentially unfavorable.

An equity instrument is any contract that evidences a residual interest in the assets of an enterprise after deducting all of its liabilities.

Financial instruments include both:

- primary instruments such as receivables, payables and equity securities
- derivative instruments such as option contracts, futures contracts, forward contracts, interest rate swap contracts, currency swap contracts and Credit Linked Notes. Derivative instruments, whether recognized or unrecognized, meet the definition of a financial instrument.

3.23.1 Interest Rate Risk

Interest rate risk in the balance sheet arises from market interest rate volatility and the mismatch in repricing dates of the Bank's assets and liabilities that may have an adverse effect on the net interest earnings of the Bank.

The majority of the Bank's financial assets earn interest at floating rates such as MOR, MRR and MLR, except for investments in bonds with a fixed interest rate. The majority of the Bank's financial liabilities, including those in the domestic money market and saving deposits, pay interest at floating rates and 3-mth, 6-mth and 12-mth time deposits pay at short-term fixed interest rates.

Basic information relating to fixed and floating interest rates of loans as at December 31, 2003 and 2002 is as follows:

| | Consolidated Financial Statements | | The Bank's Financial Statements | |
|---|-----------------------------------|-------------------|---------------------------------|-------------------|
| | December 31, 2003 | December 31, 2002 | December 31, 2003 | December 31, 2002 |
| Fixed interest rate | 136,095.14 | 95,820.75 | 136,095.14 | 95,820.75 |
| Floating interest rate | 860,914.30 | 845,183.97 | 861,567.45 | 845,186.01 |
| Total loans (Financial Institutions Included) | 997,009.44 | 941,004.72 | 997,662.59 | 941,006.76 |

3.23.2 Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the Bank or its subsidiaries to incur a financial loss.

The carrying amount for each class of financial asset recognized in the balance sheet, net of applicable allowance for doubtful debts, represents the Bank's exposure to credit risk. (see Note 3.5). There is no material concentration of credit risk.

Credit risk also arises from the potential default on its contractual obligations by the other party, including aval to bills, guarantees of loans, liability under unmatured import bills, letters of credit and other contingencies. The credit exposure on these instruments is represented by the notional amount recorded off-balance sheet.

The Bank has established credit policies to mitigate the risk of financial loss arising from obligations as follows:

1. Establishing the lending policy as a guideline for the Bank's lending approvals, reviewing and improving the lending policy to ensure smooth operation and meet international standard.
2. Conduct business research that includes economic & industry research, industry risk rating, business profile and Banking industry analysis and making KTB Index (KTBI) available.
3. Establishing standard operation procedures (SOPs) as well as standard credit tools, forms and reports, appropriate to each group of the Bank's customers.
4. Development of tools to analyze customer risk based on credit scoring and customer credit risk rating by assessing those factors related to customers taking into account the appropriateness of each group of the Bank's customers.
5. Establishing and reviewing Delegated Lending Authorities (DLA) and Delegated Structuring Authorities (DRA).
6. Closely monitoring approved lending activities to ensure that the compliance to the Bank's agreements is met to create preventive monitoring system.

7. Management of non-performing loan (NPLs) by determining standard procedures for debt restructuring hand in hand with debt management to ensure early repayment and minimum damage.

8. Determination of lending procedures to assure compliance with standard procedures for loan approval/debt restructuring. In addition, assessments of the quality of loans and other related assets for debtors classification, and the assessment of reserves set aside for doubtful assets which may be worthless or irrecoverable, and for writing-off assets, are undertaken.

9. Development of credit training and risk management in collaboration with foreign consultant and distinctive expertises by designing standard training courses for the management, branch managers and all level of lending officers.

10. Enhancement of information technology system to ensure the completeness and adequacy of information system for risk management and decision making as well as to mitigate work redundancy and error arising from staff's operation.

The Bank's credit risk arising from derivatives as at December 31, 2003 and 2002 is set out in the table below:

| | (Million Baht) | |
|-------------------|--|-------------------|
| | Consolidated and the Bank's Financial Statements | |
| | December 31, 2003 | December 31, 2002 |
| Forward Contracts | 65,379.94 | 33,520.64 |

3.23.3 Interest Earning Financial Assets and Interest-bearing Financial Liabilities

The table below represents the Bank's average outstanding balance, interest income/expense and average interest rates on interest earning-financial assets and interest-bearing financial liabilities, for the year ended December 31, 2003 and 2002.

| | (Million Baht) | | | | | |
|---|-----------------------------------|-------------------------|------------------|-----------------------------|-------------------------|------------------|
| | Consolidated Financial Statements | | | | | |
| | December 31, 2003 | | | December 31, 2002 | | |
| | Average Outstanding Balance | Interest Income/Expense | Average Rate (%) | Average Outstanding Balance | Interest Income/Expense | Average Rate (%) |
| Interest Earning Financial Assets | | | | | | |
| Interbank and money market items and securities | | | | | | |
| purchased under resale agreement | 96,680.26 | 1,525.09 | 1.58% | 200,411.01 | 5,874.74 | 2.93% |
| Investments in securities | 56,117.83 | 1,221.86 | 2.18% | 44,487.91 | 1,404.28 | 3.16% |
| Loans | 935,080.16 | 37,106.61 | 3.97% | 794,908.45 | 32,523.14 | 4.09% |
| Total | 1,087,878.25 | 39,853.56 | 3.66% | 1,039,807.37 | 39,802.16 | 3.83% |
| Interest-bearing Financial Liabilities | | | | | | |
| Deposits | 987,213.03 | 16,679.66 | 1.69% | 949,895.04 | 19,778.84 | 2.08% |
| Interbank and money market items | 30,634.48 | 538.33 | 1.76% | 21,490.70 | 286.66 | 1.33% |
| Long-term borrowings | 1.17 | - | - | 18.67 | 0.04 | 0.21% |
| Total | 1,017,848.68 | 17,217.99 | 1.69% | 971,404.41 | 20,065.54 | 2.07% |

(Million Baht)

| The Bank's Financial Statements | | | | | | |
|---|-----------------------------|-------------------------|------------------|-----------------------------|-------------------------|------------------|
| | December 31, 2003 | | | December 31, 2002 | | |
| | Average Outstanding Balance | Interest Income/Expense | Average Rate (%) | Average Outstanding Balance | Interest Income/Expense | Average Rate (%) |
| Interest Earning Financial Assets | | | | | | |
| Interbank and money market items and securities | | | | | | |
| purchased under resale agreement | 96,648.74 | 1,524.85 | 1.58% | 200,380.81 | 5,874.40 | 2.93% |
| Investments in securities | 57,845.49 | 1,221.86 | 2.11% | 45,129.63 | 1,403.73 | 3.11% |
| Loans | 935,273.50 | 37,107.04 | 3.97% | 793,261.84 | 32,523.26 | 4.10% |
| Total | 1,089,767.73 | 39,853.75 | 3.66% | 1,038,772.28 | 39,801.39 | 3.83% |
| Interest-bearing Financial Liabilities | | | | | | |
| Deposits | 988,011.35 | 16,679.66 | 1.69% | 950,378.28 | 19,779.55 | 2.08% |
| Interbank and money market items | 30,660.31 | 540.42 | 1.76% | 21,493.97 | 286.73 | 1.33% |
| Long-term borrowings | 1.17 | - | - | 1.17 | - | - |
| Total | 1,018,672.83 | 17,220.08 | 1.69% | 971,873.42 | 20,066.28 | 2.06% |

3.23.4 Maturity Profile of Assets and Liabilities

The table below represents the Bank's maturity profile of on-balance sheet financial assets and financial liabilities as at December 31, 2003 and 2002.

(Million Baht)

| | December 31, 2003 | | | | | |
|---|-------------------|------------|---------------------------|-------------|-------------|--------------|
| | Less than 1 month | 1-3 months | Over 3 months upto 1 year | over 1 year | No Maturity | Total |
| Financial Assets | | | | | | |
| Interbank and money market items | 13,237.61 | 22,108.32 | 594.33 | - | 435.84 | 36,376.10 |
| Securities purchased under resale agreement | - | 13,000.00 | - | - | - | 13,000.00 |
| Investments in securities | - | - | 11,527.35 | 67,550.01 | 5,839.54 | 84,916.90 |
| Loans | 106,202.87 | 108,867.81 | 56,052.43 | 707,902.53 | - | 979,025.64 |
| Total | 119,440.48 | 143,976.13 | 68,174.11 | 775,452.54 | 6,275.38 | 1,113,318.64 |
| Financial Liabilities | | | | | | |
| Deposits | 415,472.45 | 230,632.35 | 147,322.55 | 212,502.44 | - | 1,005,929.79 |
| Interbank and money market items | 13,745.78 | 8,657.92 | 651.96 | 11,915.83 | - | 34,971.49 |
| Borrowings | - | - | 1.17 | - | - | 1.17 |
| Total | 429,218.23 | 239,290.27 | 147,975.68 | 224,418.27 | - | 1,040,902.45 |

(Million Baht)

| | | December 31, 2002 | | | | | |
|------------------------------|---|----------------------|-------------------|------------------------------|-------------------|-----------------|---------------------|
| | | Less than 1 month | 1-3 months | Over 3 months upto 1 year | over 1 year | No Maturity | Total |
| Financial Assets | | | | | | | |
| | Interbank and money market items | 97,088.69 | 42,298.88 | - | 1,320.95 | 475.64 | 141,184.16 |
| | Securities purchased under resale agreement | - | 1,812.00 | - | - | - | 1,812.00 |
| | Investments in securities | - | - | 28,164.09 | 29,895.21 | 2,431.52 | 60,490.82 |
| | Loans | 106,116.46 | 93,988.90 | 62,573.76 | 587,097.14 | - | 849,776.26 |
| | Total | 203,205.15 | 138,099.78 | 90,737.85 | 618,313.30 | 2,907.16 | 1,053,263.24 |
| Financial Liabilities | | | | | | | |
| | Deposits | 344,068.58 | 218,795.82 | 140,094.13 | 255,773.23 | - | 958,731.76 |
| | Interbank and money market items | 10,410.03 | 3,269.40 | 484.15 | 6,500.00 | - | 20,663.58 |
| | Borrowings | - | - | 1.17 | - | - | 1.17 |
| | Total | 354,478.61 | 222,065.22 | 140,579.45 | 262,273.23 | - | 979,396.51 |

3.23.5 Derivatives

A derivative is a financial contract whose value is derived from the value of an underlying reference rate, index, or other instrument.

Asset and Liability Management

The Bank uses derivatives to hedge its market risk arising from its assets and liabilities, which are predominantly interest rate and foreign exchange risks in relation to customer transactions and proprietary trading positions. The Bank primarily uses foreign exchange contracts, and currency and interest rate swaps. The Bank's customers are also exposed to market risks and may choose to use derivatives as part of their risk management strategies. The Bank's general policy is to hedge risks arising from customer positions. Derivative contracts comprise foreign exchange contracts and currency swaps at the end of the period. Unmatured forward contracts at accounting period-ends are disclosed in Note 3.22. The Bank's policy is to maintain foreign exchange positions as prescribed by the Bank of Thailand and as noted in Note 2.8 and to hedge the interest rate risk arising from asset and liability re-pricing gaps.

Fair Value of Derivatives

Fair value represents the amount the Bank expects to pay or receive to exchange or settle a derivative contract. The net fair value may be determined by several generally accepted methods based on the economic characteristics of a derivative and the financial market in which it operates. When a financial instrument with standard terms and conditions is traded in an active and liquid market, its quoted market price provides the best evidence of fair value. A fair value may be obtained from quoted market prices such as interest and foreign exchange rates which are subsequently incorporated into generally accepted discounted cash flow models.

Derivative financial instruments as at December 31, 2003 and 2002 were as follows:

(Million Baht)

| | | December 31, 2003 | | | |
|--|------------------|-------------------|-------------|------------|------------|
| | | Notional Amount | | | Fair Value |
| | | Up to 1 year | Over 1 year | Total | |
| | Forward Contract | 212,827.94 | 26,945.35 | 239,773.29 | 240,858.43 |

(Million Baht)

| | December 31, 2002 | | | |
|------------------|-------------------|-------------|------------|------------|
| | Notional Amount | | | Fair Value |
| | Up to 1 year | Over 1 year | Total | |
| Forward Contract | 243,468.24 | 13,743.32 | 257,211.56 | 257,174.10 |

The net income/(loss) as at December 31, 2003 and 2002 together with the contract or notional amounts, were used as the base for the Bank's estimation of the financial instruments' fair value.

3.23.6 Fair Value

Fair value is the value for which the Bank's and its subsidiaries' financial assets and liabilities could be exchanged or settled. Quoted market prices, or present value estimates derived from generally accepted financial models, are used to determine fair value.

The table below summarise the outstanding balance of on-balance sheet items and the estimated fair value of financial assets and liabilities as at December 31, 2003 and 2002.

(Million Baht)

| | Consolidated Financial Statements | | | |
|--|-----------------------------------|--------------|---------------------|------------|
| | December 31, 2003 | | December 31, 2002 | |
| | Outstanding Balance | Fair Value | Outstanding Balance | Fair Value |
| Financial Assets | | | | |
| Cash | 13,530.74 | 13,530.74 | 9,118.23 | 9,118.23 |
| Interbank and money market items | 36,430.02 | 36,430.02 | 141,210.78 | 141,210.78 |
| Securities purchased under resale agreements | 13,000.00 | 13,000.00 | 1,812.00 | 1,812.00 |
| Investments in securities, net | 82,745.54 | 82,895.02 | 59,901.94 | 60,133.59 |
| Loans and accrued interest receivable, net | 930,149.32 | 930,149.32 | 799,069.34 | 799,069.34 |
| Customers' liabilities under acceptances | 4,342.42 | 4,342.42 | 2,500.80 | 2,500.80 |
| Other Debtor-SAM | 5,099.36 | 5,099.36 | 5,433.42 | 5,433.42 |
| Other assets | 4,115.52 | 4,115.52 | 2,746.52 | 2,746.52 |
| Financial Liabilities | | | | |
| Deposits | 1,005,355.17 | 1,005,355.17 | 958,551.53 | 958,551.53 |
| Interbank and money market items | 34,946.92 | 34,946.92 | 20,663.38 | 20,663.38 |
| Liabilities payable on demand | 5,321.13 | 5,321.13 | 2,297.89 | 2,297.89 |
| Borrowings | 1.17 | 1.17 | 71.17 | 71.17 |
| Customers' liabilities under acceptances | 4,342.42 | 4,342.42 | 2,500.80 | 2,500.80 |
| Other Creditor, net -TAMC | 67.95 | 67.95 | 18.23 | 18.23 |
| Other liabilities | 1,198.62 | 1,198.62 | 692.60 | 692.60 |
| Off-Balance Sheet Items-Contingencies | | | | |
| Aval to bills and guarantees of loans | 13,749.67 | 13,749.67 | 14,562.34 | 14,562.34 |
| Liability under unmatured import bills | 189.20 | 189.20 | 290.08 | 290.08 |
| Letters of Credit | 13,756.34 | 13,756.34 | 15,685.63 | 15,685.63 |
| Other contingencies | 353,011.53 | 353,011.53 | 364,522.26 | 364,522.26 |

(Million Baht)

| | The Bank's Financial Statements | | | |
|--|---------------------------------|--------------|---------------------|------------|
| | December 31, 2003 | | December 31, 2002 | |
| | Outstanding Balance | Fair Value | Outstanding Balance | Fair Value |
| Financial Assets | | | | |
| Cash | 13,530.40 | 13,530.40 | 9,117.92 | 9,117.92 |
| Interbank and money market items | 36,376.10 | 36,376.10 | 141,184.16 | 141,184.16 |
| Securities purchased under resale agreement | 13,000.00 | 13,000.00 | 1,812.00 | 1,812.00 |
| Investments in securities, net | 84,916.90 | 85,066.38 | 60,490.82 | 60,722.47 |
| Loans and accrued interest receivable, net | 930,802.47 | 930,802.47 | 799,071.38 | 799,071.38 |
| Customers' liabilities under acceptances | 4,342.42 | 4,342.42 | 2,500.80 | 2,500.80 |
| Other Debtor-SAM | 5,099.36 | 5,099.36 | 5,433.42 | 5,433.42 |
| Other assets | 4,115.52 | 4,115.52 | 2,746.52 | 2,746.52 |
| Financial Liabilities | | | | |
| Deposits | 1,005,929.79 | 1,005,929.79 | 958,731.76 | 958,731.76 |
| Interbank and money market items | 34,971.49 | 34,971.49 | 20,663.58 | 20,663.58 |
| Liabilities payable on demand | 5,321.13 | 5,321.13 | 2,297.89 | 2,297.89 |
| Borrowings | 1.17 | 1.17 | 1.17 | 1.17 |
| Customers' liabilities under acceptances | 4,342.42 | 4,342.42 | 2,500.80 | 2,500.80 |
| Other Creditor, net TAMC | 67.95 | 67.95 | 18.23 | 18.23 |
| Other liabilities | 1,198.62 | 1,198.62 | 692.59 | 692.59 |
| Off-Balance Sheet Items-Contingencies | | | | |
| Aval to bills and guarantees of loans | 13,749.67 | 13,749.67 | 14,562.34 | 14,562.34 |
| Liability under unmatured import bills | 189.20 | 189.20 | 290.08 | 290.08 |
| Letters of Credit | 13,756.34 | 13,756.34 | 15,685.63 | 15,685.63 |
| Other contingencies | 353,011.53 | 353,011.53 | 364,522.26 | 364,522.26 |

The significant assumptions made in measuring the fair value of financial assets and financial liabilities are as follows:

The carrying value of cash, interbank and money market items (assets and liabilities), securities purchased under resale agreements, deposits, liabilities payable on demand, customers' liabilities under acceptances and off-balance sheet contingencies, approximate to their fair value.

The quoted market values of trading, available-for-sale and held to maturity debt securities determine their fair value and market prices for government bonds based on the most recent yield curve characteristics if available. Where such prices are not available, a yield curve established by the Bank is used with the consent of the Bank of Thailand.

The net carrying amount of other investments approximates to their fair value.

The carrying value of loans and accrued interest receivable (net of allowance for doubtful accounts fully provided as required by the Bank of Thailand) approximates to their fair value, as most of loans bear floating rate interest.

The fair value of borrowings is the carrying value as disclosed in the balance sheet.

3.24 Long-terms Leased Asset

(Million Baht)

| Period | The Bank's Financial Statements | | | |
|----------------------|---------------------------------|-------------------|-------------------|-------------------|
| | Leasing Amount | | | |
| | Land/Premises | | Equipment | |
| | December 31, 2003 | December 31, 2002 | December 31, 2003 | December 31, 2002 |
| 1 Jan - 31 Dec. 2003 | - | 52.06 | - | 174.40 |
| 1 Jan - 31 Dec. 2004 | 58.67 | 38.53 | 501.18 | 164.90 |
| 1 Jan - 31 Dec. 2005 | 40.67 | 24.16 | 433.63 | 104.40 |
| 1 Jan - 31 Dec. 2006 | 19.27 | 10.62 | 343.88 | 62.28 |
| 1 Jan 2007 onwards | 60.00 | 63.55 | 228.23 | - |

3.25 The Acquisition of Assets and Liabilities

3.25.1 The Acquisition of Assets and Liabilities of Sayam Bank Public Company Limited

On August 17, 1987, the assets and liabilities of Sayam Bank Limited, (now called Dhipyasin Co., Ltd.) were transferred to the Bank with liabilities exceeding assets by Baht 7,371.60 million (The excess was Baht 1,369.00 million and 1,980.00 million as at December 31, 2003 and 2002). The Bank, therefore, designated Sayam Bank Limited (Dhipyasin Co., Ltd.) as a debtor under non-interest earning accounts receivable as the transfer is guaranteed by the Government.

3.25.2 The Acquisition of Assets and Liabilities of Bangkok Bank of Commerce Public Company Limited

During the period from October 8, 1998 to December 31, 1998, the Bank acquired certain liabilities (depositors and creditors) and performing assets of Bangkok Bank of Commerce Public Company Limited (BBC). BBC was recorded as a Bank debtor for the difference of Baht 16,580.57 million and was liable to pay interest at the weighted average cost of 3 mth-fixed deposit rate of the previous month, plus 1 percent p.a. on the net debtor amount.

On August 15, 2002 the notice letter has been delivered to the FIDF, BOT and MOF. The FIDF, as the guarantor to a promissory note issued by BBC, would be subject to repay the Bank amounted to Baht 79,647.27 million including the Baht 1,329.14 million of accrued interest receivable (calculated up to June 30, 2002), thus, bringing up the total to Baht 80,976.41 million. The Baht 79,647.27 million consist of 2 promissory notes totaling Baht 78,680.57 million, one was from the transfer of BBC's assets and liabilities amounted to Baht 16,580.57 million, the other was from debt repayment and loan from the FIDF transferred to the Bank amounted to Baht 62,100.00 million and the rest of Baht 966.70 million for debts of the Bangkok Commerce Public Co., Ltd., as specified in the transferred contract.

On September 25, 2002 Krung Thai Legal Services Co., Ltd., acting as a fiduciary for the Bank filed a claim with the Receiver against the Bangkok Commerce Public Co., Ltd., as a debtor in Bankruptcy, for the repayment amounting to Baht 80,835.07 million including interest, calculated up to June 5, 2002 (the final Receivership day).

On March 12, 2003, the Financial Institutions Development Fund redeemed 2 original promissory notes and, repaid principal to the Bank totaling Baht 8,680.57 million, and issued 7 promissory notes for the remaining principal totaling Baht 70,000 million. The Financial Institutions Development Fund shall redeem 1 promissory note per month with interest. The final repayment was due on October 8, 2003.

As at December 31, 2003, the Bank's suspense account debtor comprised interest receivable since year 1998 amounting to Baht 816.4 million and the difference from the transfer, booked in other assets amounting to Baht 139.57 million, approximately. Claims for repayment has been pledged to the FIDF, as to asset and liability transferred agreement in compliance with the Cabinet's resolution passed on August 14, 1998.

3.25.3 The Acquisition of Assets and Liabilities of First Bangkok City Bank Public Company Limited

First Bangkok City Bank Public Company Limited (FBCB)'s total assets and liabilities of Baht 284,532.01 million were transferred to the Bank on November 1, 1998. Interest rate or cost of funds differences on deposits or other liabilities transferred and borne by the Bank will be compensated by the Bank of Thailand, Ministry of Finance and the FIDF.

On April 18, 2000, the Cabinet approved guidelines to manage delinquent problem loans, including the assets and liabilities totaling Baht 284,532.01 million transferred from FBCB through the establishment of the Asset Management Company. The Bank has transferred such delinquent loans to Sukhumvit Asset Management Co., (see Note 3.27). As of December 31, 2003 FBCB account payable outstanding was Baht 339.89 million.

3.26 KTB's 42 Finance Companies Promissory Note Exchange Program

On August 5, 1997, the Government temporarily suspended 42 ailing finance and securities companies as part of its strategy to alleviate the problems in the financial sector and to protect depositors and creditors. Holders of promissory notes issued by these institutions were given the option of either rolling over old P/Ns at the existing institution, or exchanging their notes with Negotiable Certificates of Deposit (NCD) issued by Krung Thai Bank Public Company Limited. The maturity date for new NCDs would be 6 months, 3 years or 5 years, respectively and depositors would be entitled to interest at rates prescribed by the Bank. In this arrangement, the Bank is acting as an intermediary for the Financial Institutions Development Fund and all transactions are guaranteed by the Government under this program.

The 43,393 PN holders had exchanged their notes for NCDs amounting to Baht 137,613.41 million. The 993 other creditors have also exchanged the liabilities to NCDs amounting to Baht 68,555.01 million. As of December 31, 2003 the outstanding of NCDs remained at 20 holders amounting to Baht 61.25 million.

3.27 The Transfer of Non-performing Loans to Sukhumvit Asset Management Co., Ltd.

On April 18, 2000 the Cabinet approved a plan to manage delinquent problem loans of the Bank through the establishment of the Asset Management Company which wholly own 100 percent by the Financial Institutions Development Fund (FIDF).

As at September 21, 2000, Baht 519,378.17 million and 198,126.15 million of non-performing assets and allowance for doubtful accounts, respectively, were transferred to Sukhumvit Asset Management Co., Ltd. (SAM), in accordance with the guidelines issued by the Cabinet on April 18, 2000. A 5-year promissory note availed by the FIDF of Baht 321,252.02 million was issued as payment to the Bank. The transferred price can be adjusted under the terms and conditions specified in the contract, such as the inaccuracy of information relating the transferred asset, unqualified assets, or other circumstances as otherwise stated. The price adjustment can be made up to three times, with the third adjustment expiring on May 15, 2001 unless a mutual agreement for time expansion was agreed. The transfer price shall be subsequently adjustable over time. As specified in the contract, the Bank will be obliged to compensate any damage or expense incurred by SAM.

On September 14, 2001 SAM adjusted transfer prices by issuing a second P/N due in 4 years, availed by FIDF, amounting to Baht 281,763.15 million in exchange for the P/N issued on April 18, 2000, bearing interest calculated from the Bank's weighted average deposit rate.

As of December 31, 2003 the net assets returned totaled Baht 44,725.02 million together with allowance for doubtful accounts of Baht 7,893.01 million. An allowance for doubtful amounting to Baht 7,750.09 million was returned more to the Bank due to the increase in appraised value of collateral.

SAM signed 2 contracts hiring KTB to manage the above assets for an initial period of six months from September 21, 2000 to March 21, 2001. The contract was extended to March 31, 2002.

3.28 The Transfer of Non-performing Loans to Thai Asset Management Corporation

The TAMC was established under the TAMC Emergency Decree B.E. 2544 to manage non-performing assets of financial institutions. Under this Decree, financial institutions are required to transfer to TAMC non-performing assets, including the ownership rights over assets pledged as collateral, according to terms and conditions prescribed by TAMC. The transfer price would be the valuation of collateral of the non-performing assets as appraised according to the Bank of Thailand's regulations. The Bank is eligible to request reappraisal of pledged assets under prescribed rules and time frame. TAMC and the Bank agreed to share gains/losses resulting from asset management at the end of the 5th and 10th year as from July 1, 2001, providing that the gains/losses are calculated in respect of debtors whose debts have been fully paid, or collateral which has been sold and the proceeds from its sale have been received after taking into account the transfer cost, total operating expenses incurred and interest expense paid to the Bank.

Non-performing assets with a net carrying value of approximately Baht 19,981.60 million and Baht 13,064.59 million (net of allowance for doubtful accounts amounting to Baht 12,075.71 million and Baht 10,643.35 million, respectively) were transferred to TAMC as at December 31, 2003 and 2002, respectively. TAMC would verify the initial transfer price within 180 days after each transfer date. Having confirmed the price, TAMC would issue 10-year non-transferable promissory notes, availed by the FIDF, to pay for the assets at transfer values. The notes could be redeemed prematurely. Interest rates will be determined on the basis of the weighted average of all types of Baht deposit rates (including current accounts), quoted by Bangkok Bank Public Co., Ltd., Krung Thai Bank Public Co., Ltd., Kasikornbank Public Co., Ltd. Siam Commercial Bank Public Co., Ltd. and Bank of Ayudhya Public Co., Ltd. and paid annually, at year-end. As at December 31, 2003, an allowance for doubtful accounts amounting to Baht 2,997.24 million has been provided against losses arising from such assets transferred. On December 31, 2003, the Bank received 31 promissory notes issued by TAMC amounting to Baht 12,809.19 million as the payment for the transfer, and accrued interest amounting to Baht 219.09 million. During the year, TAMC also issued a promissory notes to repay for the interest amounting to Baht 226.97 million and Baht 33.37 million in Cash.

TAMC hired the Bank to manage non-performing loans transferred to TAMC. (As the SAM's NPLs were transferred to TAMC) The management fee would be calculated on a monthly basis at the rate of 0.25 percent, calculated on the outstanding carrying value of designated transferred assets of previous month plus VAT. Payment would be made once every six months within 30 days from the invoice date. Further, an incentive fee for the Bank would be agreed upon within two months from the signing date. Such agreement commenced on December 14, 2001 and lasted for a period of one year. The agreement was terminated when due.

In 2003, TAMC hired the Bank to manage non-performing loans which outstanding balance as at June 30, 2003 ranged from Baht 200,000.00 but not over Baht 20,000,000.00 as to the contract dated August 26, 2003. The management fee would be on a monthly basis at the rate of 0.75-1 percent calculated on the outstanding carrying value of debtors as agreed upon in the contract. The other 0.5 percent was calculated on the outstanding carrying value of debtors whose capability to repay under TDR was met through 6 consecutive periods which by the Bank was required to seek approval for those debtors from TAMC Board of Executive Directors within 6 months from the contract date.

3.29 The Transfer of Loans related to Credit Card To Krung Thai Card Public Co., Ltd. (KTC)

Credit card loans with a net carrying value amounting to Baht 4,008.78 million, (net of allowance for doubtful accounts amounting to Baht 1,405.04 million), were transferred to KTC on June 30, 2002. Non-transferable promissory notes issued by KTC were issued to the Bank on July 1, 2002 as consideration for the transfer.

3.30 Other Issues

3.30.1 Sundry Debtors (Net) - Sukhumvit Asset Management Co., Ltd.


This represents outstanding balances arising from non-performing assets transferred from the Bank to SAM which are subject to verification in order to acquire the right for repricing and to exchange for a further promissory note.

3.30.2 KTB Shariah Banking Services

The Bank's business strategy seeks its position as "one bank with dual systems" and focuses on providing its customers with Commercial Banking System and shariah Banking System. Shariah Committee has been appointed mandatory to supervise and regulate the offer of products and services based on "Shariah Principles". The Bank established the Shariah Banking System as a separate financial service system in order to better serve the special needs of Muslim target group. Shariah Rule has been applicable for "Shariah Banking Services", a new form of commercial bank, which is totally alternative to the conventional banking system or referred to as a moral-aspect based banking. Shariah Banking Services operates its business based on "Shariah Rule" regarding Islamic laws regulated the banking and financial activities accepted for worldwide practices. Shariah banking engages only in the interest-free businesses. Financial aids are not applicable to monopolized, hoarding, speculation, distillery businesses as well as anti-moral pursuit businesses. Further, Shariah Banking Intent also focuses on good corporate governance encompassing transparency, clearness and justice under the regulation and supervision framework of Shariah Committee.

The Bank provided the initial operating capital of Baht 1,000 million for the establishment of Shariah Banking in 2002. The services rendered cover deposit taking, financial aid and other financial services such as remittance, bill for collection, guarantee, acceptance/aval etc. As at December 31, 2003 deposit taking accounted for Baht 1,986.61 million whereas financial aids and investments accounted for Baht 275.11 million.

The Bank converted its first branch to provide full Shariah Banking products and services on July 12, 2002 at Vijitchaiyaboon Road Branch, Narathiwat province. The Bank expected to accelerate the opening more at Yala, Pattani, Songkhla, Satun, Chiang Mai, Chiang Rai, Bangkok, Phetchaburi, Lampang, Phitsanulok, Khon Kaen and Chumphon. As of December 31, 2003 the Bank operated interest-free business through 16 branches and over-the-counter or window services in 16 more branches.



Income Structure

| Income Structure | 2003 | | 2002 | | 2001 | |
|--|-----------------------|--------|-----------------------|--------|-----------------------|---------|
| | Amount (Mil. Baht) | % | Amount (Mil. Baht) | % | Amount (Mil. Baht) | % |
| Interest income and dividends | | | | | | |
| Loans | 37,107.0 | 84.13 | 32,523.3 | 72.44 | 30,823.9 | 89.95 |
| Interbank and money market items | 1,524.8 | 3.46 | 5,874.4 | 13.09 | 6,780.3 | 19.79 |
| Investments | 1,221.9 | 2.77 | 1,403.7 | 3.13 | 1,880.4 | 5.49 |
| Total interest income and dividends | 39,853.7 | 90.36 | 39,801.4 | 88.66 | 39,484.6 | 115.23 |
| Bad debt and doubtful accounts | 2,982.5 | 6.76 | 1,811.3 | 4.03 | 15,489.6 | 45.20 |
| Loss from debt restructuring | 559.2 | 1.27 | 203.5 | 0.45 | (5,723.1) | (16.70) |
| Interest income and dividends | | | | | | |
| After deduction bad debt and doubtful accounts and debt restructuring | 36,312.0 | 82.33 | 37,786.6 | 84.17 | 29,718.1 | 86.73 |
| Non-interest income | | | | | | |
| Porfit (Loss) on investments | 217.9 | 0.49 | (412.5) | (0.92) | (1,226.9) | (3.58) |
| Share of profit (loss) on equity | 203.4 | 0.46 | (88.4) | (0.20) | (103.3) | (0.30) |
| Fees and services : | | | | | | |
| Acceptance, aval of bills and other guarantees | 766.5 | 1.74 | 682.1 | 1.52 | 819.0 | 2.39 |
| Profit (Loss) on foreign exchange | 4,649.1 | 10.54 | 5,610.8 | 12.50 | 4,433.6 | 12.94 |
| Other income | 895.3 | 2.03 | 897.4 | 2.00 | 366.0 | 1.07 |
| Total non-interest income | 1,063.6 | 2.41 | 418.0 | 0.93 | 259.9 | 0.76 |
| Total income | 7,795.8 | 17.67 | 7,107.4 | 15.83 | 4,548.3 | 13.27 |
| Total income | 44,107.8 | 100.00 | 44,894.0 | 100.00 | 34,266.4 | 100.00 |

Income Structure Earned by Affiliated and Associated Companies in 2003 and 2002

| Managed by | Product/Service | Percentage of KTB's Holding (%) | Type of Income | 2003 (unaudited) | | 2002 | |
|---|--|---------------------------------|-------------------|---------------------------------|--------|-----------------------|--------|
| | | | | Income (Million Baht) | (%) | Income (Million Baht) | (%) |
| 1. Krungthai Legal Services Company Limited | Legal services to KTB and its subsidiaries | 100.00 | Services fees | 125.57 | 99.77 | 112.25 | 100.00 |
| | | | Other income | 0.29 | 0.23 | - | - |
| | | | Total | 125.86 | 100.00 | 112.25 | 100.00 |
| 2. Krung Thai General Business Services Company Limited | General services to KTB and its subsidiaries | 100.00 | Services fees | 476.31 | 99.97 | 408.46 | 99.93 |
| | | | Other income | 0.13 | 0.03 | 0.30 | 0.07 |
| | | | Total | 476.44 | 100.00 | 408.77 | 100.00 |
| 3. Krung Thai Asset Management Public Company Limited | Asset management | 100.00 | Services fees | 181.00 | 99.54 | 115.56 | 97.96 |
| | | | Investment income | 0.24 | 0.13 | 1.06 | 0.90 |
| | | | Other income | 0.59 | 0.33 | 1.35 | 1.15 |
| | | | Total | 181.83 | 100.00 | 117.97 | 100.00 |
| 4. Krung Thai Computer Services Company Limited | IT services | 99.99 | Services fees | 581.74 | 99.76 | 274.65 | 99.07 |
| | | | Other income | 1.41 | 0.24 | 2.57 | 0.93 |
| | | | Total | 583.15 | 100.00 | 277.22 | 100.00 |
| 5. Krung Thai Property Development Company Limited | Project consultant, Land appraisal | 99.99 | Services fees | 67.41 | 98.91 | 67.60 | 99.60 |
| | | | Other income | 0.74 | 1.09 | 0.27 | 0.40 |
| | | | Total | 68.15 | 100.00 | 67.87 | 100.00 |
| 6. NC Associates Company Limited | Rubberwood agent | 54.39 | Income from sales | 181.68 | 99.11 | 1,025.77 | 99.94 |
| | | | Interest | 1.62 | 0.89 | 0.60 | 0.06 |
| | | | Other income | - | - | - | - |
| | | | Total | 183.30 | 100.00 | 1,026.37 | 100.00 |
| 7. Krungthai AXA Life Insurance Company Limited | Life Insurance | 50.00 | Services fees | 1,055.08 | 97.96 | 754.78 | 95.52 |
| | | | Investment income | 19.94 | 1.85 | 33.26 | 4.21 |
| | | | Other income | 2.04 | 0.19 | 2.13 | 0.27 |
| | | | Total | 1,077.06 | 100.00 | 790.17 | 100.00 |
| 8. Kiatpapha Company Limited | Paints production and sales | 49.94 | Income from sales | | | 403.97 | 98.23 |
| | | | Other income | waiting for financial statement | | 7.29 | 1.77 |
| | | | Total | | | 411.27 | 100.00 |
| 9. Amorn-Chai Company Limited | Vegetable oil production | 49.78 | Income from sales | | | 694.72 | 96.78 |
| | | | Other income | waiting for financial statement | | 23.10 | 3.22 |
| | | | Total | | | 717.82 | 100.00 |
| 10. Krungthai Card Public Company Limited | Credit card business | 49.00 | Services fees | 2,589.78 | 99.75 | 1,278.52 | 98.74 |
| | | | Other income | 6.40 | 0.25 | 16.27 | 1.26 |
| | | | Total | 2,596.18 | 100.00 | 1,294.79 | 100.00 |
| 11. Krungthai Panich Insurance Company Limited | Non-life insurance | 40.00 | Services fees | 707.13 | 79.11 | 650.85 | 86.94 |
| | | | Investment income | 186.71 | 20.89 | 97.80 | 13.06 |
| | | | Total | 893.84 | 100.00 | 748.65 | 100.00 |
| 12. Krung Thai IBJ Leasing Company Limited | Hire purchase | 39.99 | Services fees | 184.83 | 93.08 | 159.58 | 95.74 |
| | | | Other income | 13.73 | 6.92 | 7.10 | 4.26 |
| | | | Total | 198.56 | 100.00 | 166.68 | 100.00 |

| Managed by | Product/Service | Percentage of KTB's Holding (%) | Type of Income | 2003 (unaudited) | | 2002 | |
|---|---|---------------------------------|---------------------------------------|---------------------------------|--------|------------------------|--------|
| | | | | Income (Million Baht) | (%) | Income (Million Baht) | (%) |
| 13. Krung Thai Auto Lease Company Limited | Hire purchase | 35.00 | Services fees | 318.50 | 98.24 | 356.30 | 98.17 |
| | | | Other income | 5.71 | 1.76 | 6.65 | 1.83 |
| | | | Total | 324.20 | 100.00 | 362.95 | 100.00 |
| 14. Krungthai Charoensri Company Limited | Hire purchase | 35.00 | Services fees | 2.23 | 63.41 | 5.61 | 56.07 |
| | | | Other income | 1.29 | 36.59 | 4.40 | 43.93 |
| | | | Total | 3.52 | 100.00 | 10.01 | 100.00 |
| 15. Lanna Agribusiness Company Limited | Vegetable oil, fat oil production | 30.97 | Income from sales | | | 361.37 | 99.17 |
| | | | Other income | waiting for financial statement | | 3.02 | 0.83 |
| | | | Total | | | 364.39 | 100.00 |
| 16. Alphatec Electronics Public Company Limited | Electronic components production | 30.51 | Income from sales | - | - | - | - |
| | | | Other income | - | - | - | - |
| | | | Total | - | - | - | - |
| 17. Vejthani Public Company Limited | Hospital | 30.00 | Services fees | | | 347.42 | 98.28 |
| | | | Other income | waiting for financial statement | | 6.07 | 1.72 |
| | | | Total | | | 353.49 | 100.00 |
| 18. Kamol Kij Company Limited | Rice export and vegetable oil production | 28.90 | Income from sales | | | 2,848.23 | 98.76 |
| | | | Other income | waiting for financial statement | | 35.83 | 1.24 |
| | | | Total | | | 2,884.06 | 100.00 |
| 19. Farm Kirikan Company Limited | Land development | 26.67 | Income from sales | | | 63.15 | 83.12 |
| | | | Other income | waiting for financial statement | | 12.82 | 16.88 |
| | | | Total | | | 75.98 | 100.00 |
| 20. Siam Steel Syndicate Company Limited | Manufacturer of round and deformed bars | 25.18 | Income from sales | | | | |
| | | | Other income | waiting for financial statement | | no financial statement | |
| | | | Total | | | | |
| 21. WTA (Thailand) Company | Business taken over from Telecom Asia Corporation | 25.00 | Services fees | | | - | - |
| | | | Other income | waiting for financial statement | | - | NA. |
| | | | Total | | | - | NA. |
| 22. Trinity Watthana Public Company Limited | Holding Company | 19.60 | Fee income and Income from Investment | | | 325.73 | 99.64 |
| | | | Other income | waiting for financial statement | | 1.18 | 0.36 |
| | | | Total | | | 326.91 | 100.00 |
| 23. Cotco Metal Works Company Limited* | Steel Pipe Manufacturer | 17.02 | Income from sale | | | 981.96 | 99.17 |
| | | | Other income | waiting for financial statement | | 8.26 | 0.83 |
| | | | Total | | | 990.22 | 100.00 |
| 24. Dhipaya Insurance Public Company Limited | Non-life insurance | 16.96 | Services fees | | | 1,909.87 | 92.02 |
| | | | Investment income | waiting for financial statement | | 129.03 | 6.22 |
| | | | Other income | | | 36.54 | 1.76 |
| Total | | | 2,075.44 | 100.00 | | | |
| 25. Thai Nam Plastics Public Company Limited | Production and sales of artificial leather sheets | 15.46 | Income from sales | | | 1,074.00 | 98.24 |
| | | | Other income | waiting for financial statement | | 19.20 | 1.76 |
| | | | Total | | | 1,093.20 | 100.00 |

| Managed by | Product/Service | Percentage of KTB's Holding (%) | Type of Income | 2003 (unaudited) | | 2002 | |
|---|---|---------------------------------|--------------------|---------------------------------|--------|---------------------------------|--------|
| | | | | Income (Million Baht) | (%) | Income (Million Baht) | (%) |
| 26. Thai - German Products Public Company Limited | Production and sales of stainless steel pipes | 15.30 | Income from sales | | | 1,063.11 | 98.89 |
| | | | Other income | waiting for financial statement | | 11.91 | 1.11 |
| | | | Total | | | 1,075.01 | 100.00 |
| 27. M. Grand Hotel Company Limited | Hotel | 15.00 | Services fees | - | - | - | - |
| | | | Other income | 0.01 | 100.00 | 0.02 | 100.00 |
| | | | Total | 0.01 | 100.00 | 0.02 | 100.00 |
| 28. Thai Baroda Industries Company Limited | Canvass for tyres | 11.44 | Income from sales | | | 1,265.91 | 89.09 |
| | | | Other income | waiting for financial statement | | 155.08 | 10.91 |
| | | | Total | | | 1,420.99 | 100.00 |
| 29. K.M.B. International Company Limited | Canned pineapple production | 10.00 | Income from sales | | | | |
| | | | Other income | waiting for financial statement | | no financial statement | |
| | | | Total | | | | |
| 30. Cermas Company Limited | Mining | 10.00 | Income from sales* | | | 106.20 | 99.71 |
| | | | Other income* | waiting for financial statement | | 0.31 | 0.29 |
| | | | Total* | | | 106.52 | 100.00 |
| 31. Thai Smart Card Company Limited | Issuer Smart Card | 10.00 | Income from sales | | | - | - |
| | | | Other income | waiting for financial statement | | 2.37 | 100.00 |
| | | | Total | | | 2.37 | 100.00 |
| 32. Thanathep Printing Company Limited | Printing and publishing | 10.00 | Services fees | | | 66.13 | 97.80 |
| | | | Other income | waiting for financial statement | | 1.49 | 2.20 |
| | | | Total | | | 67.62 | 100.00 |
| 33. Saraburi New Industrial City Company Limited | Industrial estate projects management | 10.00 | Services fees | | | 0.93 | 52.98 |
| | | | Other income | waiting for financial statement | | 0.83 | 47.02 |
| | | | Total | | | 1.76 | 100.00 |
| 34. Bangkok Metro Company Limited | Transportation | 10.00 | Services fees | | | | |
| | | | Other income | waiting for financial statement | | no financial statement | |
| | | | Total | | | | |
| 35. NSRF (Thailand) Limited | Business taken over from NorthernBangkok Expressway Co., Ltd. | 10.00 | Services fees | | | - | - |
| | | | Other income | waiting for financial statement | | 0.01 | 100.00 |
| | | | Total | | | 0.01 | 100.00 |
| 36. Suvarnabhumi Airport Hotel Company Limited | Hotel | 10.00 | Services fees | | | | |
| | | | Other income | waiting for financial statement | | waiting for financial statement | |
| | | | Total | | | | |
| 37. MBT Factoring Company Limited | Manufacturing plant | 10.00 | Services fees | | | | |
| | | | Other income | no financial statement | | no financial statement | |
| | | | Total | | | | |

* No.20 Preferred Stock

* No.30 Information as at July 31, 2002

Company in Which Krung Thai Bank Holds 10% or More of the Listed as at December 31, 2003

| NAME | Type of Business | Percentage of Shareholding | No. Of Shares Invested | Total Share Issued | Address |
|---|--|----------------------------|------------------------|--------------------|---|
| 1. Krungthai Legal Services Company Limited | Legal services to KTB and its subsidiaries | 100.00 | 299,993 | 300,000 | 191/50-53 C.T.I. Tower, 19 th Floor, Ratchadapisek Road, Klongtoey, Bangkok 10110 Tel. +66 (0) 2261-2222 Ext. 300 Fax. +66 (0) 2261-5267 |
| 2. Krung Thai General Business Services Company Limited | General services to KTB and its subsidiaries | 100.00 | 1,399,990 | 1,400,000 | 38 Rama I Road, Patumwan, Bangkok 10330 Tel. +66 (0) 2216-9194-6 Fax. +66 (0) 2216-9192 |
| 3. Krung Thai Asset Management Public Company Limited | Asset management | 100.00 | 19,999,994 | 20,000,000 | 11 Q-House Sathorn Building M Floor, South Sathorn Road, Bangkok 10120, Tel. +66 (0) 2670-4900 Fax. +66 (0) 2679-1824 |
| 4. Krung Thai Computer Services Company Limited | IT Services | 99.99 | 7,999,994 | 8,000,000 | 22 Sawai Brown Bldg., 2-7 th floor, Sukhumvit 1, Klongtoeynua, Wattana, Bangkok 10110 Tel. +66 (0) 2655-1921-40 Fax. +66 (0) 2655-6195 |
| 5. Krungthai Property Development Company Limited | Project consultant, land appraisal | 99.99 | 16,999,957 | 17,000,000 | 191/70-73 C.T.I. Tower, 14 th floor, Ratchadapisek Road, Klongtoey, Bangkok 10110 Tel. +66 (0) 2204-1677 Fax. +66 (0) 2204-1676 |
| 6. NC Associates Company Limited | Rubberwood agent | 54.39 | 5,439 | 10,000 | 3195/11 Viboontanee Tower 1, 6 th Floor, Rama IV Road, Bangkok 10110 Tel. +66 (0) 2661-5200 Ext. 6332-3 Fax. +66 (0) 2661-4136 |
| 7. Krungthai AXA Life Insurance Company Limited | Life Insurance | 50.00 | 53,000,000 | 106,000,000 | 87/1 Capital Tower, 22, 24-25 th Floor, Wireless Road, Bangkok 10330 Tel. +66 (0) 2654-3150 Fax. +66 (0) 2654-3140 |
| 8. Kiatpapha Company Limited | Paints Production and sales | 49.94 | 419,000 | 839,000 | 2 Moo 12 Khingkaew Road, Rachathewa, Bangphli, Samutprakarn 10540 |
| 9. Amorn-Chai Company Limited | Vegetable oil production | 49.78 | 22,400 | 45,000 | 293/23-26 Surawongse Road, Bangruk, Bangkok 10500, Tel. +66 (0) 2234-1502-9 Fax. +66 (0) 2236-5197 |
| 10. Krungthai Card Public Company Limited | Credit card business | 49.00 | 122,499,993 | 250,000,000 | 591 United Business Centre II, 14 th Sukhumvit Road, North Klongton, Wattana, Bangkok 10110 |

| NAME | Type of Business | Percentage of Shareholding | No. Of Shares Invested | Total Share Issued | Address |
|---|--|----------------------------|------------------------|--------------------|--|
| 11. Krungthai Panich Insurance Company Limited | Non-life Insurance | 40.00 | 4,000,000 | 10,000,000 | Tel. +66 (0) 2665-5100 Fax. +66 (0) 2665-5497 208 Wireless Road, Lumpini, Patumwan, Bangkok 10330 Tel. +66 (0) 2302-0111, 0-2651-5500 Fax. +66 (0) 2651-5511 |
| 12. Krung Thai IBJ Leasing Company Limited | Hire purchase | 39.99 | 3,999,998 | 10,000,000 | 161 Nantawan Bldg., 18 th Floor, Rajdamri Road, Lumpini, Pathumwan, Bangkok 10330 Tel. +66 (0) 2252-9620, 2651-8120 Fax. +66 (0) 2254-6119 |
| 13. Krung Thai Auto Lease Company Limited | Hire purchase | 35.00 | 700,000 | 2,000,000 | 1483 Petchkasem Road, Hat Yai, Songkhla 90110 Tel. +66 (0) 7422-0832-4, 7442-3830-7 Fax. +66 (0) 7422-0824, 7442-3829 |
| 14. Krung Thai Charoensri Company Limited | Hire purchase | 35.00 | 350,000 | 1,000,000 | 277/3 Prajaksilpakom Road, Muang, Udon Thani 41000 Tel. +66 (0) 4224-9216-20 Fax. +66 (0) 4224-9221 |
| 15. Lanna Agribusiness Company Limited | Vegetable oil, fat oil production | 30.97 | 120,000 | 387,500 | 293/23-26 Surawong Road, Bangrak, Bangkok 10500 Tel. +66 (0) 2234-1502-9 Fax. +66 (0) 2236-5197 |
| 16. Alphatec Electronics Public Company Limited | Electronics components production | 30.51 | 806 | 2,642 | 17/2 Suvintawongse Road, Saladaeng, Bangnammpriao, Chachoengsao 24150 Tel. +66 (0) 3851-4711; 4713 |
| 17. Vejthani Public Company Limited | Hospital | 30.00 | 26,238,000 | 87,459,681 | 1 Ladprao 111 Road, Bangkok, Bangkok 10240 Tel. +66 (0) 2734-0000 Fax. +66 (0) 2734-0044 |
| 18. Kamol Kij Company Limited | Rice export and Vegetable oil production | 28.90 | 113,000 | 391,000 | 293/23-26 Surawong Road, Bangruk, Bangkok 10500 Tel. +66 (0) 2234-1502-9 Fax. +66 (0) 2236-5197 |
| 19. Farm Kirikan Company Limited | Land development | 26.67 | 12,000 | 45,000 | 293/23-26 Surawong Road, Bangruk, Bangkok 10500 Tel. +66 (0) 2234-1502-9 Fax. +66 (0) 2236-5197 |
| 20. Siam Steel Syndicate Company Limited | Manufacturer of round and deformed bars | 25.18 | 11,892,638 | 47,238,120 | 2304 Italthai Tower, 31 st Floor, Newpetchburi Road, Huaykwang, Bangkok, Bangkok 10320 |

| NAME | Type of Business | Percentage of Shareholding | No. Of Shares Invested | Total Share Issued | Address |
|---|---|----------------------------|------------------------|--------------------|--|
| 21. WTA (Thailand) Company Limited | Business taken over from Telecom Asia Corporation | 25.00 | 250 | 1,000 | Tel. +66 (0) 2716-1583-90 Fax. +66 (0) 2716-1580 313 C.P.Tower, Silom Road, Bangruk, Bangkok 10500 Tel. +66 (0) 2230-2019 Fax. +66 (0) 2236-0499 |
| 22. Trinity Watthana Public Company Limited | Holding Company | 19.60 | 27,300,000 | 139,300,000 | 179/111 Bangkok City, Tower 26 th Floor, South Sathorn Road, Bangkok 10120 Tel. +66 (0) 2670-9100 Fax. +66 (0) 2286-9000 |
| 23. Cotco Metal Works Company Limited | Steel Pipe Manufacturer | 17.02 | 400,000 | 2,350,000 | 59/7 Moo 5 Pracha-utid Road, Tungkru, Bangkok 10140 |
| 24. Dhipaya Insurance Public Company Limited | Non-life Insurance | 16.96 | 40,704,000 | 240,000,000 | 63/2 Rama IX Road, Huaykwang, Bangkok 10320 Tel. +66 (0) 2248-0059 Fax. +66 (0) 2248-7850 |
| 25. Thai Nam Plastics Public Company Limited | Manufacturer and distributor of instant plastic | 15.46 | 3,273,811 | 21,175,004 | 40 Moo 7 Petchkasem Road Km.23, Kratommban, Samut Sakhon 74130 Tel. +66 (0) 2810-3000, 2420-9968-74 Fax. +66 (0) 2420-9967; 1827 |
| 26. Thai - German Products Public Company Limited | Stainless steel products manufacturer | 15.30 | 3,215,560 | 21,012,069 | 170/25-28,33-34 Ocean Tower 1, 10, 12th Floor, Ratchadapisek Road, Kiongtoey, Bangkok 10110 Tel. +66 (0) 2261-3300 Fax. +66 (0) 2261-2769-70 |
| 27. M. Grand Hotel Company Limited | Hotel | 15.00 | 15,000,000 | 100,000,000 | 1045 Phaholyothin Road, Phyathai, Bangkok 10400 Tel. +66 (0) 2617-1949 Fax. +66 (0) 2617-1940 |
| 28. Thai Baroda Industries Company Limited | Canvass for tyres | 11.44 | 1,035,600 | 9,050,000 | 3 Map-Ta-Phut Industrial Estate, Muang, Rayong 21150 Tel. +66 (0) 3868-3102-3 ext. 152 Fax. +66 (0) 3863-8101 |
| 29. K.M.B. International Company Limited | Canned pineapple production | 10.00 | 10,000 | 100,000 | 401/1 Abico Bldg., 2nd Floor, Phaholyothin Road, Lumlooka, Pathumtani 12130 Tel. +66 (0) 2992-5757-70 Fax. +66 (0) 2992-5781-2 |
| 30. Cermas | Mining | 10.00 | 8,000 | 80,000 | 116/77-78 Nonsee Road, Chongnonsee, Bangkok 10120 Tel. +66 (0) 2295-2281-5 Fax. +66 (0) 2295-2280 |

| NAME | Type of Business | Percentage of Shareholding | No. Of Shares Invested | Total Share Issued | Address |
|--|--|----------------------------|------------------------|--------------------|---|
| 31. Thai Smart card company Limited | Issuer Smart Card | 10.00 | 3,950,000 | 39,500,000 | 283 Sriboonreung 1, 6 th Floor, Silom Road, Bangruk, Bangkok 10500 |
| 32. Thanathep Printing Company Limited | Printing and publishing | 10.00 | 10,000 | 100,000 | 111 Ladprao Road, Km.9, Bangkok, Bangkok 10240 Tel. +66 (0) 2377-5074-6 Fax. +66 (0) 2377-6289 |
| 33. Saraburi New Industrial City Company Limited | Industrial Estate | 10.00 | 2,500,000 | 25,000,000 | 123 Thai Life Insurance Bldg., 12 th Floor, Ratchadapisek Road, Huaykwang, Bangkok 10320 Tel. +66 (0) 2247-0247 ext. 2112 Fax. +66 (0) 2246-9487 |
| 34. Bangkok Metro Company Limited | Transportation | 10.00 | 6,800,000 | 68,000,000 | 181 Rama IX Road, Huaykwang, Bangkok 10310 Tel. +66 (0) 2354-2000 |
| 35. NSRF (Thailand) Limited | Business taken over from Northern Bangkok Expressway Co., Ltd. | 10.00 | 100 | 1,000 | Thai Military Bank Public Company Limited 3000 Phahonyothin Road, Chatuchak, Bangkok 10900 Tel. +66 (0) 2299-1111 |
| 36. Suvarnabhumi Airport Hotel Company Limited | Hotel | 10.00 | 210,000 | 2,100,000 | 99 Moo10 Bangna-Trad Km.15 Rachathewa, Bangphli, Samutprakarn 10540 Tel. +66 (0) 2723-0000 Fax. +66 (0) 2723-0010-1 |
| 37. MBT Factoring Company Limited | Manufacturing plant | 10.00 | 10,000 | 100,000 | 1976 Khao Larm Road, Talad Noi, Samphanthawong, Bangkok 10100 |

Major Shareholders, book closed as at March 10, 2003

| No. | Shareholder | No. of Shares Held | | | |
|-----|--|--------------------|-----------|----------------|-------------------|
| | | Common | Preferred | Total | % of Total shares |
| 1 | THE FINANCIAL INSTITUTIONS DEVELOPMENT FUND | 9,756,635,967 | 0 | 9,756,635,967 | 87.23 |
| 2 | MINISTRY OF COMMERCE | 414,339,615 | 5,452,190 | 419,791,805 | 3.75 |
| 3 | THE GOVERNMENT SAVINGS BANK | 88,145,858 | 0 | 88,145,858 | 0.79 |
| 4 | CLEARSTREAM NOMINEES LTD | 55,951,503 | 0 | 55,951,503 | 0.50 |
| 5 | Thai NVDR CO., LTD. | 35,765,190 | 60 | 35,765,250 | 0.32 |
| 6 | JAPAN TRUSTEE SERVICES BANK LTD | 21,242,000 | 0 | 21,242,000 | 0.19 |
| 7 | THE GOVERNMENT PENSION FUND | 19,527,600 | 0 | 19,527,600 | 0.17 |
| 8 | RAFFLES NOMINEES PTE LTD | 18,517,614 | 0 | 18,517,614 | 0.17 |
| 9 | HSBC (SINGAPORE) NOMINEES PTE LTD | 14,518,660 | 0 | 14,518,660 | 0.13 |
| 10 | MORGAN STANLEY & CO INTERNATIONAL LIMITED | 14,182,039 | 0 | 14,182,039 | 0.13 |
| | Total | 10,438,826,046 | 5,452,250 | 10,444,278,296 | 93.96 |

Business Operation Target in 2004

Apart from being a year in which Thailand's economy has upward trends to grow brightly, 2004 is also a year of changes in the financial institutions system where mergers are anticipated. This results from the master plan for Financial Institutions Development of the Bank of Thailand aiming at efficiency and stability of the Thai financial institutions system so that those institutions will be able to better meet the people's needs and support Thailand's sustainable economic development. The Bank needs not only to revamp its organization to be well prepared for the changing environment and more intense competition but also to enhance its organization to be able to maximize the benefits from its own opportunities and competitive edge. Meanwhile, the impacts that are obstacles and weaknesses for business expansion will be eliminated to enable the Bank to step further towards sustainable business growth in the long term. In 2004, the Bank introduced the concept and principle of "balanced scorecard" to its management in order to transform the strategy into practical implementation whereby all the business units must set their own clear operational targets that are interrelated and well concerted in the same directions with the following four specified perspectives:

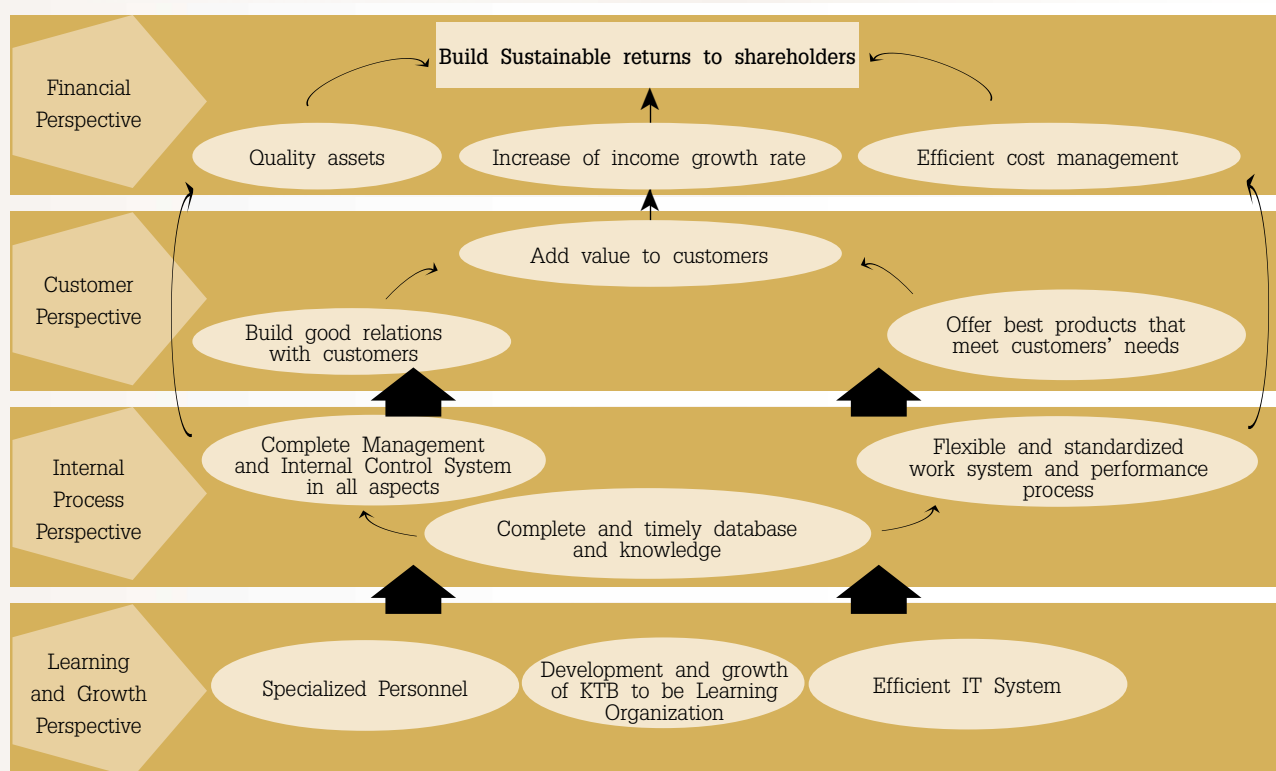
1. Financial Perspective. The Bank specified its ultimate target to build sustainable returns to the shareholders by creating quality assets so as to bring about value added to the organization, boost its growth rate of income through expansion of business network to increase outlets for generating income, and efficiently manage the costs.

2. Customer Perspective. The Bank aimed at creating satisfaction to the customers by increasing value of service providing, building good customer relations and presenting the best products that match the clients' demand.

3. Internal Process Perspective. This refers to the process of boosting the Bank's operational efficiency in order that its work system and performance process will be flexible and standardized. Therefore, This involves development of management system and risk control on continuous basis so as to be up to international standards.

4. Learning and Growth Perspective. The Bank attached importance to revamping itself to be a "learning organization" by means of building its personnel to be specialists and experts in particular fields as well as increasing the efficiency of the information technology (IT) system.

The relationship of the objectives in each perspective can be shown in the strategic map as follows:



Significant Operation Plans in 2004

● Building assets that will create added value to the Bank

In 2004, the Bank will emphasize on quality asset management by maintaining its existing good credit bases to enable it to create continuous income flow towards the Bank. Regarding expansion of credit, the Bank will give support to the small and medium enterprises (SMEs) to have accesses to capital through its coordination with the governmental organizations and other SMEs network so that the entrepreneurs will receive capital fund supports as needed and timely. In addition, the Bank attaches importance to Thailand's economy at grassroots level through its "Community Bank" business unit for lending to all the small entrepreneurs. Besides, the Bank will buy the restructured debtors in order to give the opportunities to obtain capital to those entrepreneurs who have potential to conduct their business as usual. Meanwhile, the Bank has the policy to resolve problem of substandard debts through case expedition and legal execution expedition, purchase of properties sold by auction to be the Bank's properties including expedition of nonperforming asset management by expediting disposition of foreclosed properties or selling them to the Thai Asset Management Corporation (TAMC) that will buy them further.

● Expanding business network in increasing channels for income earning

The Bank plans to increase income from fees and commissions in order to strengthen its operating performance for future stability. This will be done by focusing on settlement transactions, account clearing and service of cheques for collection whereby the Bank provides its services to government agencies and state enterprises in salary payment and funds disbursement. Moreover, the Bank implements the Government Financial Management Information System (GFMS) project which will enable the Bank to serve the government as payment agent in an integrated manner nationwide. Such transaction service can also be extended to the private business sector. Apart from these, the Bank has joint work plan with alliances who are retail traders, securities companies and tourism industry groups in order to develop and expand its services relating to payment or settlement, account debit and cheques for collection.

● Adding value to customer services

The Bank will seek value in presenting services in response to the requirements of its target customer segments by building close relations with customers to create their good impression and loyalty for the Bank in the long run. In this connection, the Bank will offer its products of wide variety, good quality and standards at reasonable prices. At the same time, the Banks will manage its distribution channels for customers' convenience and high speeds in using services.

● Managing and controlling risk

The Bank has attached great importance to its prudent risk management and control covering asset management with caution to have quality assets. Moreover, emphasis will be placed on enhancement of the risk management process to be up to international standards and strengthening of the bank's competitive edge. The Bank will also introduce the information technology (IT) system into the support of development and revamp of risk management tools for more appropriateness.

● Boosting operational efficiency

The Bank is determined to reengineer its methods of performing jobs for the purpose of increasing management efficiency and cutting operation costs through the introduction of IT system to replace the use of paper. It will also centralize all the performances that support the branches' service providing and, at the same time, add convenience and speed of service providing to the customers in order to timely meet their needs.

● Developing KTB towards being a "Learning Organization"

The Bank is well aware of the future competition in the industry where the competitive advantages will depend on the skills, knowledge and competency of the organization's human resources. In 2004, it thus places special emphasis on building intellectual capital for its personnel through the new reform of personnel development process that focuses on the staff members being the center of learning by building knowledge sought from various sources. This focused on learning by doing or practicing, developing and creating personnel with expertise and specialization in particular fields as well as disseminating and transferring knowledge all across the organization.

Business Operation

Krung Thai Bank PCL. has been operating commercial banking business under the licenses issued by the Ministry of Finance and the official agencies concerned. Its core business is accepting deposits and lending i.e. deposits from the general public and respective juristic persons both in government and private sectors as well as borrowing funds from various sources, both on-shore and off-shore, to be used for generating income from lending to customers. Other businesses include earning of income from service providing such as domestic and international funds transfer, foreign exchange business, aval of bills and issuance of letters of guarantee, non-life and life insurance brokerage, and dissemination of financial and economic news and information.

The Bank has its registered capital, already issued and paid up amounting to 57,602,750,000.00 Baht consisting of 5,500,000 preferred shares at par value of 5.15 Baht per share and 11,179,500,000 ordinary shares at par value of 5.15 Baht per share.

The Head Office is located at number 35 Sukhumvit Road, Klongtoey Nua Subdistrict, Wattana District, Bangkok 10110, Tel. 0-2255-2222, Fax. 0-2255-9391-6, website : www.ktb.co.th and company registration number : Bor.Mor.Jor. 335.

References

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2. Auditors

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3. Legal Consultant

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Market Condition and Competition

Overall Market Condition

During the first half of 2003, Thailand's overall economic condition was adversely affected by the Middle East war between the United States of America and Iraq, the volatility of oil prices and the problem of SARS outbreak that had severe impacts on tourism industry. However, after the war ended and the official authorities could successfully cope with SARS epidemic combined with the fact that the government's push of its respective policies encouraging big and small businesses as well as those at grassroots level was continuously carried out the economic condition of Thailand in the second half of the year was brightened up as shown by the satisfactory increase of gross domestic products (GDP).

As the economy began to expand, the customers demand both in business and personal sectors for commercial bank services increased. At the same time, the Bank had more channels and outlets for business expansion thus resulting in more intense competition in the market as well.

● Strategy for Competition

Considering the approaches of conducting business by large commercial banks and those with foreigners as major shareholders including Krung Thai Bank that aimed at being a "convenience bank", all their strategies focused on conducting retail banking business. Such strategies were of international standards and concepts being implemented by world-class financial institutions. Therefore, it was necessary for those institutions to create a wide variety of services focusing on niche segments by mainly taking the needs of customers in each segment into consideration especially consulting service providing, assistance in financial planning and other financial management by experts. These were needed by both entrepreneurial customers and general individual customers whose requirements were not limited only to credit facility or deposits. The Bank's strategy in 2003 can be summarized as follows:

- Conducted customer segmentation and presented the products/services to directly correspond to the requirements and consumption behavior of customers in each segment. In this regard the Bank divided the customers into seven segments i.e. people at grassroots level, pupils and students, general public, Islamic Thais, SMEs, corporate businesses, and government agencies/state enterprises.
- Enhanced and developed the Bank's products and services by adopting the "integrated marketing communication" strategy for presenting them in order to be in line with the target groups' behaviors.
- Segregated and re-organized the internal business units in order to be responsible for supervision of service providing to niche customers in each segment.
- Utilized the Bank's nationwide branch network, which has been its strength as distribution channels or outlets of products and services in both defensive and aggressive manner by expediting the dissemination of knowledge about such products/services and preparing sales promotion media for the Bank's branches and selling units.
- Developed information technology (IT) in support of marketing information and sales.
- Developed other sales or distribution channels in addition to branch network.
- Expedited building of good image for the Bank so that the customers would recognize the organization and be willing to use the services through promotional activities for customers' brand loyalty to the Bank.

● Competition Condition

As the overall economy in early 2003 started to slacken, most banks began to attach more importance to the formulation of clear business strategy and direction of business operation. This was carried out by preparing the

personnel's readiness through training and study and recruitment of personnel with qualifications for being good executive officers in order to cater for the Bank's future growth as well as improvement and modernization of corporate identity and format or design of branches.

After various situations moved toward better direction in the second half of the year, customer demand for using the Bank's services expanded further thus resulting in more intense competition in banking industry especially in retail customer segment, which was the target group. All the banks made their efforts to adopt marketing strategy to compete for higher market share whether in the form of providing services in new formats, using lower-price policy as a tool in organizing sales promotion activities to attract more customers as well as market activities aiming at direct approach to the customers.

Thailand's technological advancement and financial liberalization gave the opportunities to the foreign commercial banks with more readiness regarding worldwide network and diversified financial innovation to become major shareholders of some Thai commercial banks, thus resulting in more intense competition among the Thai commercial banks.

● Size and Potential of the Bank in Competition

Krung Thai Bank is categorized as a large bank of strong financial standing at the forefront of the industry. The Bank adjusted itself to cater for the changes and to get ready for competition in the future. To this end, the Bank formulated its strategy and clear direction in conducting business by restructuring the management, developing personnel and technology for management and administration, modifying service-providing processes and developing new products as well as diversifying service-providing channels.

Therefore, the Bank had potential and readiness to enter in the competition through the use of its large number of branches as the front offices in dealing with the customers in the entire regions nationwide. The Bank had plenty of customer bases, both small and medium-sized, covering all groups, its strong capital position and stability with the official authorities as its major shareholders. It thus had close ties with the government sector that enabled the Bank to conduct a lot of businesses with the government agencies. The Bank is also well prepared for all aspects of operation and has invested in the development of technology on a continuous basis.

● Industry Outlook and Future Competition

It was expected that, in 2004, Thailand's overall economy would still be expanding in continuation from 2003 with several positive factors, both external and internal, for example, quite high expansion rate of export sector, stable growth rate of tourism, confidence in economic and political system as well as the government's pursuance of policies in various aspects. All this would help to increase the growth of gross domestic products (GDP) at the rate of 8 per cent per annum, and would result in the Bank's having more outlets to expand its business.

In addition, the Financial Institutions Development Plan formulated by the Ministry of Finance and the Bank of Thailand with an approval by the Cabinet in early January 2004 focused on revamping the financial institutions in three aspects i.e. promoting financial services for low-income people, reorganizing Thai and foreign commercial banks to be in accordance with the guidelines stipulated by the official authorities, and boosting efficiency of the financial institution system. This would be considered as a great reform of financial institutions structure and the number of commercial banks would decrease as a result of mergers especially the groups of commercial banks with the government as their major shareholder. The official authorities would specify clear roles of each bank to avoid duplication or overlapping of work. The private commercial banks with both Thais and foreigners as major shareholders are required to specify clear directions of their business operations. Such changes would enable the market competition to be clearer than before.

Risk Factors

In conducting business, the Bank must encounter several risk factors, both internal and external, i.e. credit risk, market risk due to changes of market prices and operational risk. All these may have significant impacts on the Bank's income, profit, liquidity or its share values. The Bank thus attaches importance to risk management in various aspects by developing processes, standards and tools or devices in risk management on continuous basis.

● Credit risk

Credit risk refers to risk arising from one party's inability to comply with the obligation specified in the agreement or contract, thus causing loss to the Bank's income and capital funds. Credit risk is considered very important since lending or offering credit is the Bank's core business transaction.

1. Non-performing Loans (NPLs)

As of December 31, 2003, the Bank had NPLs amounting to 79,443 million Baht, accounting for 7.96% of the total loans. As compared with the NPLs figure as at year-end 2002 of 107,844 million Baht, the volume of NPLs decreased by 28,401 million Baht.

The Bank has had clear measures for resolving and stringently controlling credit risk. Apart from controlling its new loans from becoming NPLs and specifying targets for its credit business units to lower NPLs on annual basis, the Bank has also taken watchful measures by assigning the Credit Examination Department to closely monitor the debtors' quality. If it found that any debtors had tendency to be NPL re-entries, it would notify the business units that oversees debtors' quality to expedite the corrective actions in advance. This included assigning the Substandard Debts Management Group to take legal action immediately with such NPL debtors together with making negotiation for debt compromise or restructuring aiming at efficient NPLs management.

2. Debts restructuring may result in the Bank's receiving less repayment of principal and interest, and restructured loans may become substandard loans or assets.

Under the guidelines specified by the Bank of Thailand, the Bank may restructure its loans by lowering interest rates or principals, extending loans repayment period or adopting any other methods. If the debtor is able to comply with the terms and conditions of debts restructuring by making repayment according to the new debts restructuring contract for no less than three consecutive months or three repayment periods, the Bank can classify such substandard loan as normal classified loan and makes provisioning according to the rate for normal classified loan. However the Bank is able to classify substandard loans as normal classified loan without having to wait until completion of three repayment periods as mentioned earlier if it has complied with the terms and conditions stipulated by the Bank of Thailand.

Although the Bank's substandard loans may decrease as a result of debts restructuring, it might receive overall interest repayment less than that in the old contract. In some cases, it might also receive less repayment for principal. As at December 31, 2003, the Bank's restructured loans being re-classified as normal classified loans stood at 70,066 million Baht.

If the Bank, in the process of debts restructuring, made an agreement with the debtor by specifying conditions of repaying low interest rates during the first phase of restructuring and higher amount of interest later on, such restructured loan would become substandard loan that might have significant impact on the Bank's financial position and operating performance. This may result in the Bank's having to increase provision for possible loan losses or increase its capital.

Currently the Bank has its business unit to closely supervise and monitor the cases. If any debtor is found to have tendency to become substandard loan, such unit will notify the matter to the business unit responsible for overseeing debtors quality to expedite debt improvement or corrective actions in early stages.

3. Competitive condition may reduce interest margins

Severe competition in lending may result in lowering the Bank's margins from making loans. The Bank expected that the results from development and respective changes as well as Thai commercial banks restructuring may cause intense competition in lending and create pressure on banks to reduce their profit margins from lending. Nevertheless the Bank has attached importance to the increase of non-interest income such as fees in order to compensate with the margins from lending that may decrease.

4. Risk from concentration of loans

As of December 31, 2003, the Bank's total loans amounted to 997,662 million Baht. After deducting the part of SAM promissory notes (P/N) in the amount of 238,763 million Baht, total loans stood at 758,899 million Baht or 76.1% of the overall loans. Of this, 4.6% represented loans to the public sector and 71.5% was loans to the private sector. In the amount of private sector loans, 13,491 million Baht was loans made to the individuals involving in the Bank and subsidiaries, accounting for 1.78%.

the Bank made loans to the top ten corporate customers totaling 102,502 million Baht, accounting for 10.27% of the total loans, and 13.51% of the loans excluded SAM promissory notes. Of this, 39,500 million Baht represented loans to various projects of the government and state enterprises or 38.53% of the loans granted to the top ten corporate customers.

Regarding loans to respective economic and business sectors, there was no significant concentration of loans in any type of business. Most loans were made available to the important economic sectors such as manufacturing industry in the amount of 150,817 million Baht, and commerce (i.e. wholesale and retail trade import and export) in the amount of 131,997 million Baht, accounting for 15.1% and 13.2 % of the total loans respectively.

The Bank closely monitored the concentration and diversification of loans in each industry in order to fix the concentration limits that the Bank would be able to allocate to debtors in each industry. Apart from this, the Bank assigned industry rating to various businesses and industries as guidelines for considering credit extension.

5. Risk from collateral impairment

Most of the Bank's loans have collateral in the form of immovable property. Value of property is subject to economic condition and if collateral value declines, the Bank will have to increase its provision for possible loan losses. This may cause decrease in the proceeds of sales of foreclosed properties which will have adverse effect on the Bank's net profit and capital funds.

As of December 2003, the Bank's foreclosed properties amounted to 21,472 million Baht, accounting for 1.89% of the total assets of which were mostly immovable properties in the form of land and structures.

Therefore, the Bank took effective measures for coping with such risk by updating its collateral appraisal at all times. If any collateral impairment was found, the Bank would request additional collateral on loan from the customer. However, the Bank attached importance to loss prevention by closely monitoring the customers so as to know the problems quickly and solve them immediately. In connection with provisioning, the Bank soundly reviewed its burden of provision for possible loan losses on a regular basis. This was meant for the Bank to have adequate allowance for bad and doubtful account to cope with the losses that might arise in the future in order that such losses would not become obstacles to its business expansion later on.

6. Risk from losses of loans transferred to Thai Asset Management Corporation (TAMC)

The Bank took the risk arising from losses of loans transferred to TAMC since it had an agreement with TAMC to share the future profit and loss of the transferred loans. In case where TAMC managed the transferred loans and incurred losses, the Bank would be obliged to share such losses according to the specified criteria at the maximum ratio of 30% of the price at which the Bank transferred loans to TAMC.

As of December 31, 2003, the Bank transferred substandard loans totaling 19,982 million Baht to TAMC in accordance with the asset transfer agreement between the Bank and TAMC. In this regard, the Bank primarily received promissory notes (P/N) valued at 12,809 million Baht with the Financial Institutions Development Fund (FIDF) giving aval of such P/N (the Bank would receive the P/N value that it did not receive yet upon TAMC's completion of appraisal). However, the Bank already made provision for possible losses amounting to half the value or an equivalent of 2,997 million Baht.

● Market Risk

Risk arising from market changes is the Bank's risk stemming from changes of interest rates, foreign exchange rates, and market prices of shares or equity that will have impacts on the Bank's net profit.

The Bank's main objective in risk management is to appropriately manage the market changes.

Market risk management of the Bank is divided into three parts : liquidity risk management, interest rate risk management and trading risk management.

1. Liquidity Risk Management

Liquidity risk refers to risk form the Bank's inability to repay its contingencies when due since it is unable to timely convert its assets to cash or unable to obtain adequate capital fund. The Bank has managed liquidity risk by setting the targets that although it is in a situation of being severely affected, it will still have sources of funds in need at reasonable cost. The Bank's several sources of funds comprise deposits from customers and interbank borrowings, both domestic and foreign including forward trading markets and repurchase markets. At the same time, the Bank has its credit lines for borrowing in several money markets both on-shore and off-shore. However, in 2003, the Bank retained its status of being net provider of funds mostly in Baht currency. Therefore, the chance of the Bank to face liquidity problem was slim.

The Bank has entrusted the Treasury Department to perform the duty of managing its daily and short-term liquidity while the Financial Risk Management Department performs the function of estimating medium-term and long-term liquidity for submission to the Bank's Asset and Liability Committee (ALCO).

2. Interest Rate Risk Management

The Asset and Liability Committee (ALCO) is responsible for supervising interest rate risk management arising from mismatch of interest structure and nature of the Bank's assets and liabilities. In this regard, the Bank conducts gap analysis to be used as a tool for assessing interest rate risk form changes of interest rates on its assets and liabilities at a certain point of time. If the assets and liabilities are due or fall in the period of interest rate changes within any period of time, such assets or liabilities will be regarded as those that are sensitive to changes of interest rates.

In addition, the Bank has adopted the method of analysis called "NII Simulation" to assist in knowing any adverse impact that may arise from volatility of the interest rates to the Bank's net interest received which may affect its net profit in the next 12-month period.

3. Trading Risk Management

The two main aspects of risk management are considered as follows:

3.1 Foreign Exchange Risk Management

The Bank has applied the guidelines for trading risk management whereby it make loans in foreign currencies by seeking sources of funds of almost in the same currency and trying to fix the due dates of the borrowed money and of foreign currency loans to be the same in order to minimize foreign exchange risk.

The Treasury Department performs the function of daily foreign exchange trading and applies the foreign exchange rates policy of the Bank. The department submits daily report on foreign exchange trading transactions as well as spot trading, forward trading and foreign exchange swap to the Financial Risk

Management Department, which controls and supervises the foreign exchange trading transactions to be within the specified limits. Apart from this, the Financial Risk Management Department would analyse and prepare the daily trading risk report by using the VaR (value-at-risk) on daily basis in order to assess risk arising from foreign exchange rates movements or fluctuations as well as assessing impacts from changes of assets and liabilities positions, which are affected by foreign exchange rates volatility that may have negative impact on the Bank's capital funds.

3.2 Bond and Equity Risk Management

Bond and equity risk represents risk stemming from changes of the prices of bond and equity that might adversely affect the Bank's profit or loss or asset values. In the regard, the Bank conducts daily mark to market in order to observe the impact of price changes that might affect the Bank's operating performance. In addition, the Financial Risk Management Department analyses and prepares daily trading risk report for submission to the Capital Market Department on a daily basis so as to assess bond and equity risk that might have impact on the Bank's profit or loss or capital funds.

Moreover, the Bank's investment policy mostly focuses on long-term investment or hold to maturity rather than holding bond or equity as short-term investment.

● **Operational Risk**

During the past period, commercial banks' competition and business environment changed drastically thus prompting the Bank to adjust and revamp itself in various aspects such as introduction of information technology (IT) system into its operation, issuing new types of financial products through electronic media and outsourcing for certain services.

The deregulation and relaxation of rules and regulations on bank merger and management independence resulting from having status of state bank as well as changes in commercial banks supervision by the Bank of Thailand (BOT) might have significant impact on the Bank's business and operating performance in the future. All these developments resulted in upward trends of operational risk.

The Bank attached importance to operational risk by specifying operational policy framework and strategy that suit the organization under the supervision of the Risk Management Committee (RMC). The Bank's guidelines for operational risk management made use of media to create correct understanding with respective business units and employees in relation to the importance of risk management and to encourage the media users to be responsible for setting the guidelines for risk management and action plan to be well concerted at all levels. In addition, the Bank used the meetings of the Risk Management Committee as a forum for discussing operational risk within the organization and for reviewing the existing policy framework of risk management to be more prudent and comprehensive. This was meant for having the Bank's risk management that would be efficient, manageable and able to control risk to be at an appropriate and acceptable level.

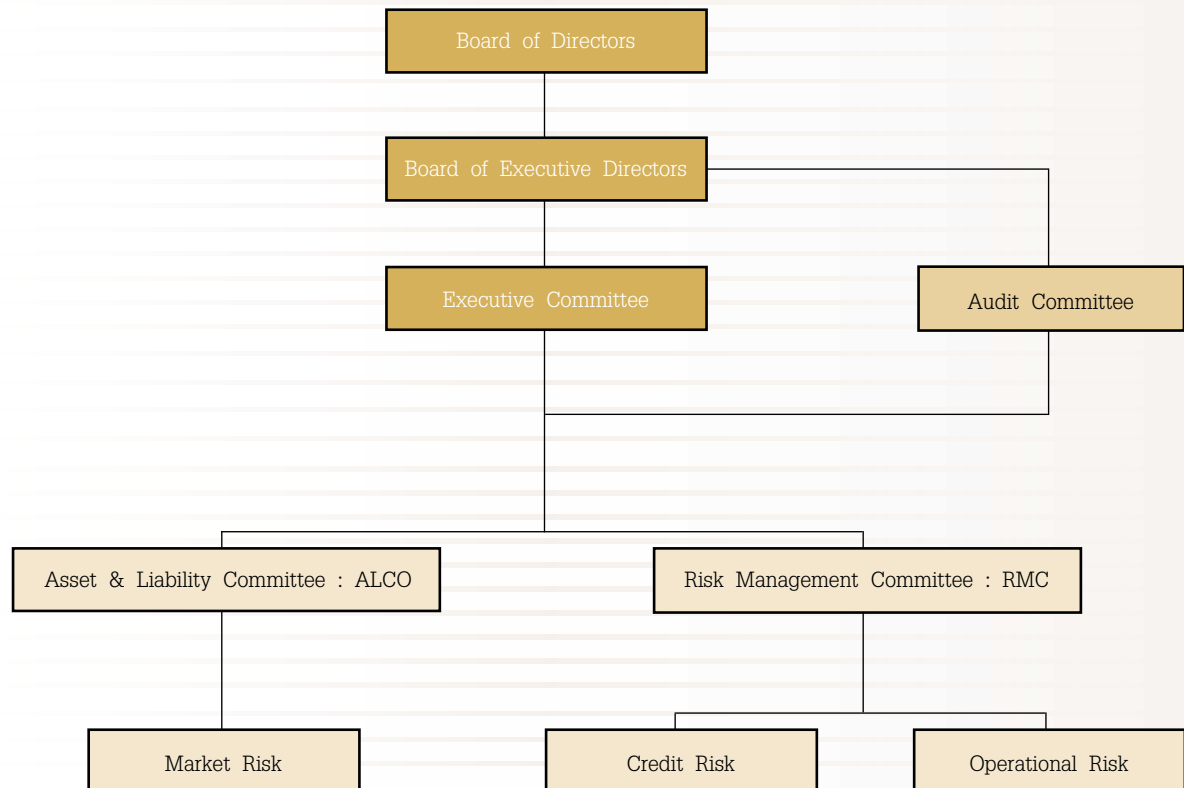
Furthermore, the Bank had a plan to introduce the calculation of risk weighted asset for its risk assessment in order to get prepared for the New Capital Accord (or the so-called BIS II) with which all commercial banks would be required to comply in the near future.

● **KTB's Risk Management in 2003**

Risk management is extremely vital in the Bank's business operation. To enable the management and monitoring of credit risk, market risk and operational risk to be efficient, the Bank thus attached great importance to the management and monitoring of risk in respective aspects so that they would be carried out efficiently with due consideration of internal control and stringent risk management. In the past two years, the Bank took the following actions to manage its risk :

1. Organized training in guidelines for risk management in various aspects in accordance with the guidelines of international standards for the executive officers and employees.
2. Formulated “Credit Policy” to be used as guidelines for the Bank’s Credit extension.
3. Revamped the organizational structure of the Credit Group classified by geographical locations and sizes of customer, and set up the Substandard Debts Management Group to be responsible for legal administration in parallel with problem loans management.
4. The Bank was in the process of developing the computer applications called Krung Thai Credit Management System (KCMS), Core Banking System (CBS), and Banking Data Warehouse (BDW). With these new applications, the Bank would be able to collect and compile various kinds of information necessary for risk management at every step of the credit process.
5. Enhanced the risk rating to be assigned to medium and large business customers to be up to the international standards by implementing such risk rating in 2004.
6. The Bank has two committees to be responsible for supervising risk management as follows:
 - 6.1 Risk Management Committee (RMC) : to oversee and formulate Credit Policy, credit approval authority, credit risk management, operational risk management and other risk management in overall picture of the Bank.
 - 6.2 Asset and Liability Committee (ALCO) : to formulate the financial risk management policy comprising liquidity risk management, interest rate risk management and trading risk management. The committee considers impacts on the Bank’s assets and liabilities resulting from interest rate changes, foreign currency exchange rates, equity markets, debt instruments markets and source of funds.

Committees Overseeing Risk Management



Major Financial Services in 2003

● Retail Loans

The Bank introduced, in 2003, a new type of financial product in the form of housing loan or mortgage loan besides Krung Thai Suktawee Housing Loan, which was offered since early 2002. This was to meet the people's great demand for having their own home through the housing loan called "Uar-arthorn Housing Loan" made by the Bank on March 31, 2003 in conjunction with the National Housing Authority (NHA). Interest rate on such loan was charged at MLR for all credit lines. For 2004, The Bank would revise the borrowing criteria and fix lower interest rates to ease the customers' burden of repaying the principal and interest to the Bank.

Apart from the above Uar-arthorn Housing Loan, the Bank collaborated with the Ying-ruay Co., Ltd. And the Ying-ruay Real Estate Co., Ltd. to implement a loan project under a special agreement in the Royal Park Ville Project and Ying Ruay Nives Project. A housing-related loan called "Krung Thai Perm-suk Loan" was also offered to assist the borrowers who were existing customers under the Bank's housing loan in obtaining credit line for purchasing consumer goods needed in their life or spending on furnishing their home plus loan available for paying life insurance premium.

To better meet the customers' requirements, the Bank revised its criteria and conditions of Krung Thai Circle (Revolving) Loan and Special Circle Loan plus Life Insurance (Master Policy) by giving the opportunity to the borrowers whose salary payments posted from other banks' account to have the same right to borrow as those with salary payments posted through their accounts with Krung Thai Bank.

● Personal Loans

The Bank provided new services of personal loans to increase its income earning channels or outlets as follows :

- "ICT Computer for Thais" through collaboration with the Ministry of Information and Communication Technology (ICT) to make loan to the people for buying computer on personal guarantee for credit line of no more than 25,000.- Baht each at fixed interest rate of 6.25% per annum.
- "ICT Computer for Government Officials" and "ICT Notebook for Thais" by making loan of not exceeding 40,000.- Baht at fixed interest rate of 6.25% per annum on personal guarantee.
- "New Software Programmers Development" loan for those interested in studying new technology. Borrowed fund could be used as expenses for practical educating and training at business establishment under New Software Programmers Development Project.

● SMEs Loans

To raise the level of the SME, entrepreneurs' competitiveness and create sustainable economic growth as well as assets that would add value to Krung Thai Bank, the Bank has diversified its core business with focus on asset quality by expanding its quality loans to cover the SMEs loans. In this regard, the Bank developed the SME products to be of wide variety and suitable to the Thai SMEs of each type through the development of five SMEs products under the following projects :

- Bank of Thailand's Bills Purchase (BOT - SMEs)
- Loan on Promissory Notes (P/Ns) at Special Interest Rates
- Krung Thai SMEs
- Krung Thai Invigorating Thai Business
- Loan to PTT Gas Station Entrepreneurs

In addition, the Bank developed its SME Information Center to disseminate useful information and knowledge to the customers as support given to the Thai exporters to have their Center that collected knowledge for developing competitiveness of their exports and proudly presenting the quality products to the world markets. Moreover, the Bank organized a contest called "SMEs KTB Awards" to present 72 awards to its outstanding SMEs customers for a purpose of encouraging the entrepreneurs to maintain their product quality and continuously develop their own products.

Krung Thai Bank is regarded as a bank that has provided the small and medium enterprisers with information and financial support on a continuous basis. It assigned more than 600 branches and business offices nationwide, the

SMEs Promotion and Development Department as well as the SMEs Financing Department to be the credit extension units for the SMEs. As a result, the Bank was able to extend higher amount of SMEs credit than targeted.

● Micro Finance

The Bank entrusted its Community Bank Department to operate the Community Bank task in order to increase the opportunities to the people at grassroots level to have more access to capital funds in the banking system and pay lower interest on loan. It also aimed at assisting the communities to develop their quality of life and strengthen their potential by giving support to the operation of the community groups, community network and financial community organizations so that they would have capital for investment and working capital in their production, agriculture, trade and service businesses or any other income generating activities. All this was to help reinforce the Thai communities, which were the significant bases of Thailand's economy. In this connection, the Bank gave financial support or micro finance to the village funds and urban communities that were accorded rating AAA nationwide, and offered micro finance to respective vocational groups.

The Asset Capitalization Project was a project to which the Bank attached great importance. Under this project, the Bank and four government agencies i.e. National Housing Authority, Treasury Department, Local Administration Promotion Department and National Park, Wildlife and Plant Conservation Department jointly signed the Memorandum of Cooperation in Financial Support for the Assets Capitalization Project. In 2003, the Bank's lending stood at a total credit line of approximately 616 million Baht. Apart from this, the Bank participated in the community promotion and development by organizing activities and building financial organization prototype at Ban Samkha Village, Lampang Province in order to set an example for other communities in the future.

● Financial Service on Shariah Principles (Islamic Guidelines)

Krung Thai Bank's financial service on Shariah principles or Islamic guidelines is commercial bank's service providing in accordance with the Islamic principles by adhering to the following significant principles :

- Not handling transactions relating to interest receipt and payment
- Not fixing definite returns to customers in advance
- Not supporting any business involving in monopoly, speculation, and wrongdoing against morality and peace in society, trading of liquor, narcotic drugs and intoxicating substances.
- Focusing on transparent, clear and fair operations under supervision by the Shariah Committee

The first full-fledged Shariah branch of Krung Thai Bank and Thailand began operational at the Narathiwas Darus-Salam Branch on July 12, 2002. As a result, Krung Thai Bank's current business operation is in the form of "one bank, two systems" i.e. general commercial banking system and Shariah banking system based on the Islamic principles. Under the latter system, the management of offices and branches is autonomously separated from the regular banking system. This is to create confidence and trust for all the Muslim Thais so that they will be able to use financial services that are not against the Islamic principles, and such services can be new alternative for the general public.

As at month-end February 2004, the Bank's total mobilized funds (deposits) stood at 2,196.92 million Baht with 18 branches providing Shariah financial services in all regions of the country plus 16 service counters offering three types of financial services i.e. fund mobilization (deposits), financial support (credit facility) and other financial services such as funds transfer or remittance, foreign currency exchange, and issuance of letter of guarantee.

● Other Services

The Bank developed channels or outlets for providing electronic banking services as an opportunity to earn fee-based income for the customers' convenience in the speedy and easy use of the Bank's services as follows :

- Increased spending limit to the ATM customers and provided services of accepting payments for taxes or other fees through the ATMs.
- Regarding Self-service Banking (SSB), the Bank increased the total amount for using service of Tele Banking and Internet Banking to customers.

- For E-Payment service for making payments for utilities, communication and telecommunication, VAT and income tax through the ATMs, Tele Banking and Internet Banking, the Bank offered such service to respective organizations and agencies, both governmental and private.
- Provided service for making payments for dividends and funds returned to mutual funds for the capital market business groups etc.

● Trade Finance

The Bank focused on promoting entrepreneurs with business potential and creating capital opportunity to those with expertise but in short of capital to export their goods by giving them packing credit at low interest rates. Trade Finance by the Bank offered facilities for liquidity and payment to the buyers and sellers residing in different countries by issuing letters of credit (L/C) and several extended services such as L/C advising and amendment, L/C funds transfer, L/C confirming, assignment of payment right under L/C etc. Regarding import, the Bank extended import credit by means of using trust receipt (T/R) and issuing L/C for those wishing to import goods from abroad including L/C amendment and other related services.

In addition, the Bank provided its customers with services relating to foreign letters of guarantee, issuance of certificate of financial position or business operation in order to conduct international business including issuance of certificate of financial position and business operation by aliens to be submitted to the Immigration Office.

● Capital Market Services

In November 2003, the Bank was entrusted to be an agent for supporting the distribution of the Vayupaksa Mutual Fund 1 set up by the Ministry of Finance with investment units worth approximately 35,000 million Baht sold through the Bank. In reciprocating its long-term fixed depositors by enabling them to have the opportunity to invest in financial instruments with low risk, the Bank established a project of Vayupaksa Mutual Fund 1 investment units purchase for the benefit of the 36-month fixed depositors receiving interest rates on deposit of no less than 4% per annum, deposited with the Bank prior to November 2003, by enabling them to withdraw their deposits before due date and use the withdrawn amount for paying the cost of investment units without their interest being adjusted down to savings account interest rates. Apart from this, the Bank set up the "Trinity Flexible Fund" open-end mutual fund investment units trading project through its branches. It also acted as agent for repurchase of the Government Savings Bonds issued in 2002 to supplement the bondholders' liquidity, and provided other extended services such as request for bond denomination split, request for transfer of bond ownership, amendment to name registered for ownership and issuance of new bond to replace the lost one.

The major projects under continuous development by the Bank and expected to render services in 2004 were as follows :

- Government Financial Management Information System (GFMIS). The Bank was entrusted by the government to carry out the improvement of the government's fiscal management concerning budget disbursement, accounting system, standard procurement and hire system, public debts management system, human resources and salary systems etc. This project was to centralize the government financial and fiscal system of the country and to assess the efficiency of the government agencies. The implementation of the project would enable the Bank to have fee-based income from providing services, and this would give an opportunity to cross-sell its products to Thai government agencies and government officials.
- Uar-arthorn Taxi Hire Purchase Project. This would promote new entrepreneurs and the environment by giving the opportunities to the taxi drivers to have their own cab. More importantly, the project would help reduce air pollution since the cars use natural gas as fuel, and would cut down on import of cars from abroad. Under the project, the borrowers would be able to pay the cost of car purchased on installment plan to the Bank at satisfying rates for all parties concerned.
- Financial Services via Electronic Trading Finance and Cash Management. This refers to services of making payment for the cost of goods and transferring fund by crediting the trading partner's account in the amount paid.



Significant Changes in 2003

● Policy

Krung Thai Bank Public Company Limited was not only the first bank able to pay dividends to the shareholders after the financial crisis but also the last bank in the commercial banking system that announced its deposit interest cut. All this was because the Bank could earn profit in 2002 as high as 8,009.2 million Baht by paying dividends of 0.26 Baht per share and took the lead in maintaining the level of interest rates on deposits by making efforts to pay the interest at the existing levels so that the customers whose income depended on interest on deposits would not be too adversely affected. At the same time, the Bank even adjusted the interest rates downward to low levels for not causing burden on the entrepreneurs. As a result, the Bank was able to increase its lending by more than 17% from that in 2002.

Moreover, the Bank, with its wish to boost the efficiency in service providing, formulated the policy on increasing working hours of its branches and employees nationwide by one hour with permission from the Bank of Thailand. The implementation of such policy started on October 1, 2003. This gave an opportunity to the Bank to operate to cater for the increased business volume as a result of economic expansion. It was expected that the general public would have more demand for the Bank's financial services.

Apart from these, the Bank took the lead in campaigning for the people to maintain their own credibility and disclosing credit information. This was done by issuing a television commercial entitled "The Underworld" and advertising spot on radio and through the press under the concept "Krung Thai Bank supports everybody to keep their credibility and disclose credit information for their own benefit in requesting for credit facility." Such activity made the Bank's image more distinguished in its capacity as a financial institution that attached importance to creating knowledge and understanding about credit information and showed to the people the positive results of disclosing their own credit information to the Thai Credit Bureau, which served as a center for gathering credit information of each individual to be used in considering the approvals of credit requests from borrowers and to be in compliance with the laws.

Albeit Thailand's being adversely affected by the SARS outbreak in the first half of 2003, the Bank took its measure for bailing out the affected customers through collaboration with the Thai Amadeus South-east Asia Co., Ltd. to establish a project called "Loan to Selling Agents of Air Tickets of Member Airlines of Thai Amadeus South-east Asia Co., Ltd." in order to supplement liquidity to the customers.

During the second half of the year, H.E. Prime Minister, Lt. Colonel Thaksin Shinawatra paid a visit to Krung Thai Bank for an inspection on July 7, 2003 and said, in conclusion, that Krung Thai Bank had taken major part in driving Thailand's economy forward and also played the role of marketing leader in both lending and reduction of interest rates on loans to support the business sector.

In the fourth quarter of 2003, the Financial Institutions Development Fund (FIDF), a major shareholder of 87.23% of the Bank's total shares, offered 3,450 million shares for distribution to the investors both local and foreign so as to increase the volume of shares traded on the Stock Exchange of Thailand. This was regarded as a reduction of public sector's shareholding in accordance with the government policy.

The Bank thus took action by fixing the proportion of shares distribution to the Thai investors and foreign investors at the percentages close to one another i.e. 20.6% to local individual investors, 20.5% to local institution investors while foreign investors' percentage was fixed at 50.9% of the number of shares offered.

As a result, the Bank's shares received great interest and trust from the investors. The public offering of shares specified on October 9-10, 2003 at the price of 8.50 Baht per share (par value at 5.15 Baht) received overwhelming attention from local individual investors by subscribing to all the shares under this public offering within the first day while the institution investors' subscription accounted for more than 2.2 times of the shares offered.

The foreign investors also subscribed to the Bank's shares more than the allocated percentage of shares offered to them. Hence, Krung Thai Bank was considered as the first and only bank that was able to distribute its shares in the largest volume in Thailand's banking industry to the investors who subscribed to all the shares available within one day only.

● Technology

Krung Thai Bank PCL introduced technological changes into the system by establishing a pilot project on the use of technology in collaboration with eight state banks in Thailand. The objectives of such project were to strengthen the financial competitiveness, reduce the burden of investment duplication or overlapping, economize on the government budget and create added value of the existing databases. Under the project, Krung Thai Bank, the Small and Medium Enterprise Development Bank of Thailand, and Krungthai Computer Services Co., Ltd. (KCS) jointly signed the memorandum of understanding on the State Banks Information Technology Collaboration for future implementation.

Moreover, the Bank introduced the electronic system to be used for its procurement and hire system to facilitate the work for speedy and fair operation including cost cutting and reduction of steps in procurement and hire procedures, and above all, for creating work transparency according to the principle of good corporate governance.

Regarding the Shariah financial service providing, the Bank set up its computer hardware and software system to be able to render full financial services on the Islamic principles. This included the enhancement of computer applications and technological infrastructure to cater for the future business expansion. Besides, the Bank developed respective applications and processes for flexibility and interface. This enabled the Bank to speedily obtain accurate and reliable information as well as speedy network covering all areas nationwide. In 2003, the Bank developed the following significant technology systems :

- ❑ Acquired the Core Banking System (CBS) to increase efficiency in serving the customers in all aspects. This would lead the Bank to being a "convenience bank" in the future. It was expected that the CBS would be completed in 2004.
- ❑ Acquired the KCMS for credit approval to be interfaced with the Core Banking System to serve as a tool for examining customers' credit information including credit analysis and approval.
- ❑ Prepared database by conducting data cleansing before keeping the data in a data warehouse. In the first phase, the Bank implemented the project called "Corporate War Room and Profitability (Fund Transfer Pricing/Cost Allocation)", and the project called "Risk Management and Central Bank Report" in the second phase. In the third phase, the project named "Relationship Management and CRM" was implemented, and in the fourth phase, the project named "Asset and Liability Management" was carried out.
- ❑ Improved the network system through enhancement of the line speed and protocol from X-25 to TCP/IP for all the branches nationwide in order to cater for the IT system.
- ❑ Implemented task under the Corporate Security Project to be used as the Bank's security policy
- ❑ Built the Second Computer Center to be used as the Bank's backup center at the Bangbuathong Building, Sai-noi District, Nonthaburi Province with the main Computer Center located on Sri-Ayudhaya Road.

● Personnel

Personnel are resources of the highest value in an organization. The bank thus attached special importance to this subject since human resources were a significant factor that would enable the Bank's operation to be successful. Hence, the Bank has pursued the policy to develop its personnel's potential on a continuous basis from

the former method of merely transmitting knowledge through learning and teaching to building of interactive or interdependent learning teams. The Bank employees were given freedom or independence in their learning process whether it was self-learning through the Electronic Learning System or the CEO Forum Project, the KTB Book Club Project or the Group Dynamics.

Apart from this, the Bank shared its knowledge with the customers and external individuals interested in the economic, social and political matters by giving them opportunities to exchange their experience with the qualified persons invited by the Bank to transfer their concepts to the customers, the general public as well as the bank employees. This has been provided regularly every month free of charge for all attendees under the KTB Lecture Series Project with the purpose to help transform the Thai society to be knowledge-based and learning society.

● Returning Profits to the Society

Under Krung Thai Bank's policy to participate in creating intellectual capital to the Thai society at all levels, the Bank has expedited the promotion of such concept to the public by initiating the Krung Thai Young Enterprisers since 2002 with the objectives to culture and instill business thoughts into the students at upper secondary education level nationwide for both general and vocational education. The project started from the competition of business concepts for being entrepreneurs in the first year under which the youngsters and students submitted a total of 596 concepts for the contest. After that, the Bank further developed the project in order to enable the students to analyze the business in an integrated manner. The Bank thus requested the youth to map out business plans and put them into actual practice for submission as entries for the competition. As a result, 886 students submitted their plans and projects to join the contest in 2003.

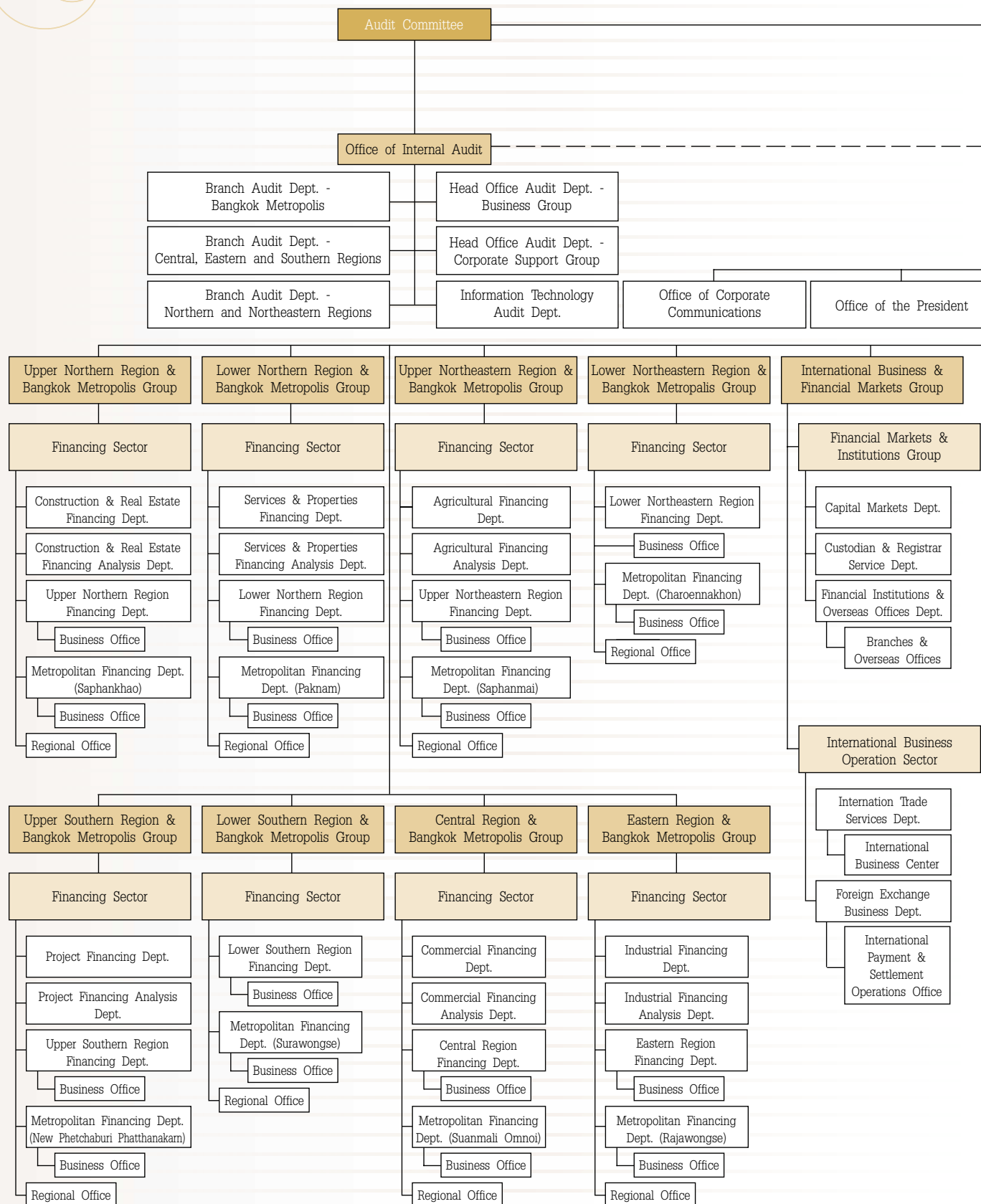
Inspired by the success of the "Krung Thai Young Enterprisers" combined with the intention to further enhance the creation of intellectual capital toward the youth, the Bank then collaborated with the Vocational Education Office, Ministry of Education to establish a project called "Creating Young Entrepreneurs" to encourage students from more than 400 vocational schools to take part in the Project for developing their vocational skills in respective branches of study so that they would be able to apply such skills to the business practices. The Bank gave support to the students to take up actual apprenticeship training in connection with the renovation and repair of the Bank's branch premises under the scope of electric and electronic works, designing and construction. This would assist them in earning income while studying and help to reduce the current social problems to some extent.

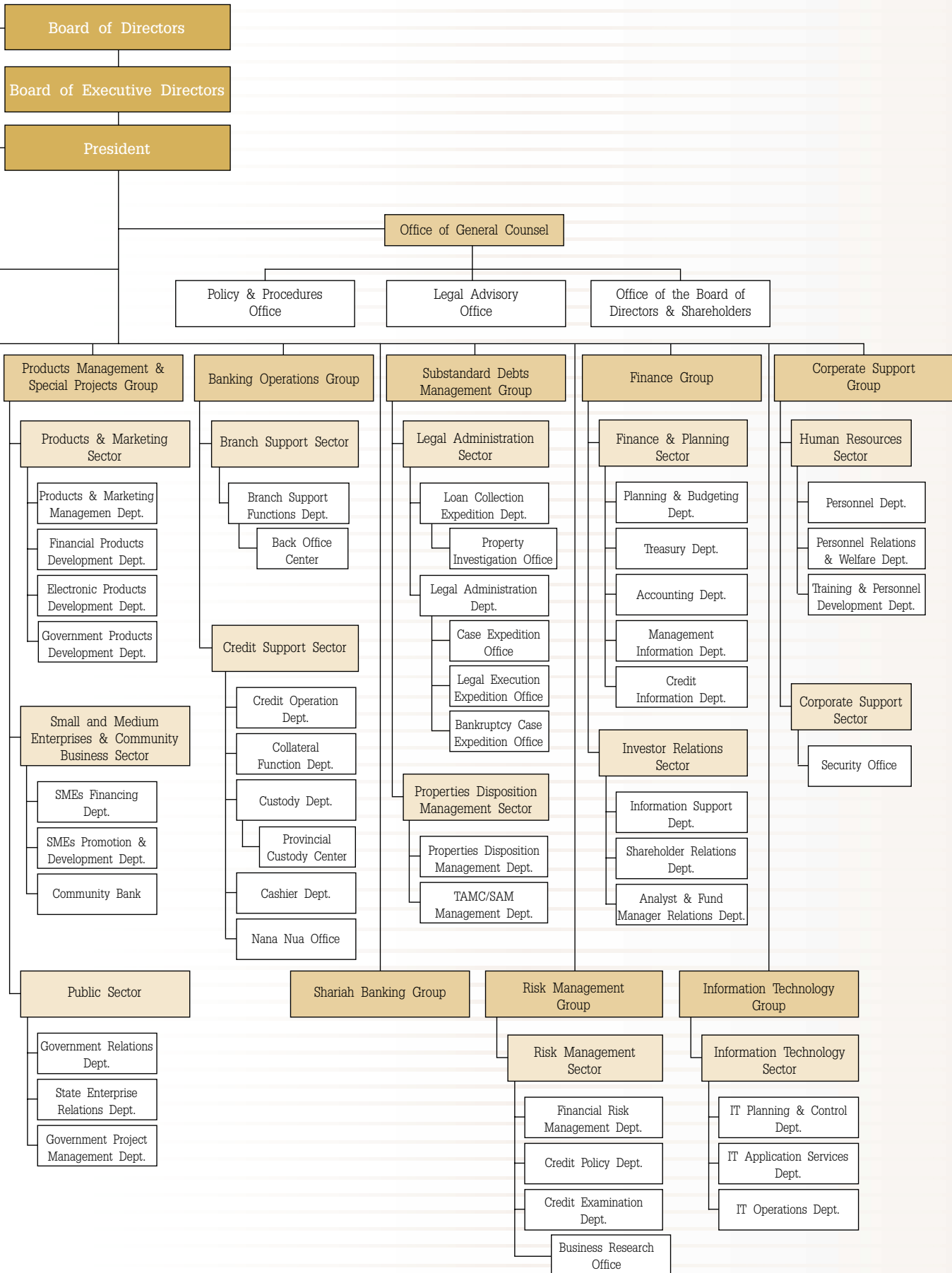
The Bank did not only support intellectual capital for business purpose but also promoted intellectual capital in fine art by joining hands with Silpakorn University to give financial support to the National Exhibition of Art and encourage the artists and sculptors to submit their sculptures for the contest. Moreover, the Bank prepared equipment for promoting knowledge of various fields for distribution to the students and the general public such as CD-ROM in the series called "How to Teach to Make Dream Come True" and CD-ROM compiling Thai-English vocabulary and English-Thai vocabulary in the Royal Institute's version. The Bank also organized an Intellectual Capital Exhibition and sponsored the publishing of documentary books of various fields.

Having considered that Krung Thai Bank had made better changes in several aspects while being an organization that attached great importance to management with transparency and disclosure of information according to the principle of good governance, the Office of the Securities and Exchange Commission thus presented the "Disclosure Report Award" to the Bank as a good example for the companies listed on the Stock Exchange of Thailand. Apart from this, the Bank has outstanding chief executive officer who has taken the lead in the financial markets and constructive concepts in several aspects such as credit extension, interest rates and return of profits to society, Mr. Viroj Nualkhair, President was therefore selected as "Banker of the Year" by the Dokbia Magazine for three consecutive years.

Krung Thai Bank PCL. Management Chart

as at March 1, 2004





New Organizational Structure as at March 1, 2004

The Bank has continuously revamped and developed its own organization by having adopted the strategy of flexible organizational structure that suits the changing environment. From the Bank's reorganization on February 5, 2002 until present, it has improved and developed respective business units in order to respond to the policy, expand credit facilities and loans, expedite loan collection as well as developing itself to become a "Convenience Bank" in the future.

The Bank's organizational structure consists of 18 business groups. Each business group is segregated into business sectors, departments or offices, business offices and business centers respectively with the main business groups performing their functions of credit and marketing, finance, operations and corporate support which will assist in enabling the main business groups to work efficiently.

Credit Group and Branches

The credit group consists of eight groups namely Upper Northern Region and Bangkok Metropolis Group, Lower Northern Region and Bangkok Metropolis Group, Upper Southern Region and Bangkok Metropolis Group, Lower Southern Region and Bangkok Metropolis Group, Central Region and Bangkok Metropolis Group, Eastern Region and Bangkok Metropolis Group, Upper Northeastern Region and Bangkok Metropolis Group, Lower Northeastern Region and Bangkok Metropolis Group.

This eight groups oversee the work in the corporate credit depart segregated in accordance with the business sizes i.e. corporate credit sector, medium credit sector and small credit sector. The credit group's duty and responsibility cover marketing, risk analysis, credit extension, debt collection and compromise or restructuring. On the part of branches, they are responsible for providing services of financial transactions and other transactions of all types of the Bank such as jobs relating to deposits, loans, debt monitoring, collection and problem solving as well as preliminary debt restructuring.

Products Management and Special Projects Group

This group performs the duty of research and development as well as sales promotion and marketing for financial products, credit or loan products and electronic products. It coordinates with the Bank's subsidiaries and affiliated companies to promote joint business and build potential in offensive competition for the Bank. Its responsibility includes collaboration with and providing services to the small and medium enterprises (SMEs), government agencies, state enterprises and various communities by giving support to the SMEs enterprises and various communities both financial support and other activities such as formulation of policy, strategy and marketing plan, providing of financial consultancy service, support of credit extension according to the Bank and the government policies and development of diversified marketing channels for the customers as well as acting as a center for providing services relating to deposits, loans and other services to the government and state enterprise, and offering financial services for income promotion and community development.

Shariah Banking Group

A newly-established group for creating business growth to the Bank by providing financial banking services in accordance with the Shariah or Islamic principle. Its responsibility includes management, formulation of business strategy and expansion of full-scale services to the customers.

International Business and Financial Markets Group

This group provides the customers with services relating to international business and foreign currency payment and settlement. It conducts the business with the correspondent banks and financial institutions both local and foreign. Other responsibilities include support of business operation of the Bank's foreign branches and overseas office, service of issuance and public offering of debt instruments, and being agent for shares distribution including management of investment in debt and capital instruments.

Banking Operation Group

The group provides the branches with support in relation check clearing, checks for collection, cash handling and keeping, funds transfer for public and private sectors and branch support functions in various

aspects. Apart from these, it performs the duty of supporting the credit jobs relating to risk control, preparation of legal contracts, guarantee, recording of obligation, collateral appraisal, being registrar and custodian for contracts and collateral as well as a center for cash disbursement of various business units in the Head Office and center for collection of the Bank's expenses information.

Substandard Debt Management Group

The group's responsibility covers legal management through loan collection expedition, investigation of non-mortgage property and guarantor, legal administration and case expedition according to court's sentence/judgment as well as bankruptcy case expedition. It also handles the Bank's foreclosed property management and disposition and performs the function of a center for substandard debt management coordination of the Bank and SAM's debts transferred to the Thai Asset Management Corporation (TAMC).

Risk Management Group

The group is responsible for financial risk control i.e. interest rate risk, liquidity risk and market risk by means of risk analysis of both overall and specific risk in particular product groups in order to formulate risk control policy and strategy for the Bank as well as submitting credit policy and credit management strategy based on significant business and financial information.

Planning and Finance Group

The group performs the duty of specifying directions of the Bank's business operation, preparing strategic plan and budget overseeing and managing the Bank's liquidity as well as investing in money and capital markets for the Bank. It is responsible for accounting and finance including the Bank's taxes and duties operation. Apart from these, it acts as a center for providing and managing the management information system, credit information processing and information support in relation to the Bank's securities or ordinary shares. Its responsibility includes and establishment of investor relations business unit or sector so as to be in compliance with the SET's principle of best practice for business supervision and with the good corporate governance of world standards.

Office of General Counsel

This office is responsible for compilation of tasks relating to regulations and procedures, policies, laws and those of the Secretary to the Board of Directors for clearness and transparency in bank supervision and risk control.

Human Resources and Corporate Support Group

The group performs the duty of human resources management, discipline, welfare/welfare assistance, medical services and promotional work to bring about personnel development all over the organization. It also acts as a support unit for the operation of all business groups to enable the Bank's operation to be carried out smoothly and effectively.

Information Technology Group

The group is responsible for formulating work plans, specifying targets/ goals and strategy relating to information technology (IT), conducting analysis and giving IT system supports to respective business units of the Bank, for example, computer applications training, system installation, development and enhancement of various applications, and monitoring and assessing uses of applications to enable the business units concerned to use them efficiently. Its duty and responsibility also include specification of security in having an access to the IT network which is regarded as a measure for risk control.

Office of Internal Audit

The office is a unit that reports directly to the Audit Committee.

In addition, there are other business units reporting directly to the President i.e. Office of the President and Office of Corporate Communication so as to be able to respond more effectively to the Bank's policies.

Directory as at March 10, 2004**President**

Mr. VIROJ NUALKHAIR

Office of the President**SVP, Manager**

Ms. AMPAKA DHANATYA

Office of Corporate Communication**FVP, Manager**

Mr. PANYA PRAHMNEE

Office of Internal Audit**SEVP**

Mr. SAYAN SATANGMONGKOL

Branch Audit Department -**Bangkok Metropolis****FVP, Manager**

Ms. NATAYA BENCHASIRIVUT

**Branch Audit Department - Central,
Eastern and Southern Regions****SVP, Manager**

Mr. THAMMANOON BUTHRDEE

**Branch Audit Department -
Northern and North-eastern
Regions****FVP, Manager**

Mr. PRACHA PONGTONGCHAROEN

**Head office Audit Department -
Business Group****SVP, Manager**

Mr. CHAIRAT BUCHITRATANAKHUN

Head office Audit Department -**Corporate Support Group****SVP, Manager**

Ms. TIPARATANA NILLKAN

**Information Technology Audit
Department****FVP, Manager**

Mr. SAROJ CHANTAWATCHAI

Office of General Counsel**FEVP**

Mr. SOMGIAT SANGSURANE

Policy & Procedures Office**SVP, Manager**

Mr. SUTHEE TRIPORNCHAI

**Office of the Board of Directors &
Shareholders****SVP, Manager**

Mr. SUCHART DEJITTIRUT

Legal Advisory Office**SVP, Manager**

Mr. SOMCHAI NGOWWATANA

**Upper Northern Region &
Bangkok Metropolis Group****FEVP**

Mr. PAIROJ RATANASOPA

**Construction & Real Estate
Financing Department****FVP, Manager**

Mr. PRAVITH ADITTO

**Construction & Real Estate
Financing Analysis Department****SVP, Manager**

Ms. SIRIWAN CHINISSARAYOS

**Upper Northern Region Financing
Department****FVP, Manager**

Mr. ALONGKORN TASABAMROONG

**Metropolitan Financing Department
(Saphankhao)****SVP, Manager**

Mr. WINIT SANGARON

**Lower Northern Region &
Bangkok Metropolis Group****SEVP**

Mr. STHIT CHUPATANAKUL

**Services & Properties Financing
Department****SVP, Manager**

Mr. UDOMSAK ROJVIBOONCHAI

**Services & Properties Financing
Analysis Department****SVP, Manager**

Mr. VERASAK PROMMAS

**Lower Northern Region Financing
Department****EVP, Act FVP**

Mr. PRAPHAN TAVANIYOMPHAN

**Metropolitan Financing Department
(Paknam)****EVP, Manager**

Mr. CHINOROT SUNTARAT

**Upper Southern Region &
Bangkok Metropolis Group****SEVP**

Mr. DUSIT TENGNİYOM

● Business Sector Executive**EVP**

Mr. KANOKSAK SOONTORNKITPRAPAI

Project Financing Department**EVP, Manager**

Ms. YAOVALUK LIKITWATTANANURAK

**Project Financing Analysis Depart-
ment****EVP, Manager**

Ms. ARISARA DHARAMADHAJ

**Upper Southern Region Financing
Department****FVP, Manager**

Mr. MITREE KOR-UDOM

**Metropolitan Financing Department
(New Phetchaburi Phatthanakam)****EVP, Act FVP**

Mr. APICHAJ DVITTIYANANDA

| | | |
|---|---|---|
| Lower Southern Region & Bangkok Metropolis Group | ● <i>Business Sector Executive</i> | Lower Northeastern Region & Bangkok Metropolis Group |
| FEVP | EVP, Manager | FEVP |
| Mr. PREECHA PHUKAM | Mr. TOEDPONG KOSAIKANONT | Mr. PRASERT SOPHAN |
| Lower Southern Region Financing Department | Industrial Financing Department | Lower Northeastern Region Financing Department |
| FVP, Manager | EVP, Act FVP | FVP, Manager |
| Mr. KORAKOT RATANAPITAYAPORN | Ms. SOMPIS CHAROENKIATKUL | Mr. KHOMSON THONGPRASERT |
| Metropolitan Financing Department (Surawongse) | Industrial Financing Analysis Department | Metropolitan Financing Department (Charoennakhon) |
| FVP, Manager | EVP, Act FVP | SEP, Manager |
| Mr. SUWAT TEERASETTAMRONG | Mr. PRASERT THIRANAKANAT | Mr. WARIN CHUB-UPPAKARN |
| Central Region & Bangkok Metropolis Group | SVP, Manager | International Business & Financial Markets Group |
| SEVP | Mr. WISIT TREESUVANNA | SEVP |
| Mr. WANCHAI THANITTIRAPORN | Metropolitan Financing Department (Rajawongse) | Mr. SUWIT UDOMSAB |
| ● <i>Business Sector Executive</i> | SVP, Manager | ● <i>Financial Markets & Institutions Sector</i> |
| EVP, Manager | Ms. DUANGJAI SUNTHORNKARN | EVP |
| Ms. VANNEE CHAREONTHONG | Upper Northeastern Region & Bangkok Metropolis Group | Ms. PANNIPA APICHATABUTRA |
| Commercial Financing Department | FEVP | Capital Markets Department |
| FVP, Manager | Mr. BOONLERS SRICHAREON | FVP, Manager |
| Mr. MONGKOL PIRIYANONTHAKUL | Agricultural Financing Department | Mr. GRIDSN NUENGSIKAPIAN |
| Commercial Financing Analysis Department | SVP, Manager | Custodian & Registrar Services Department |
| FVP, Manager | Mr. PRASIT WASUPATH | FVP, Manager |
| Mr. SANPHET PRUETLAPAKORN | Agricultural Financing Analysis Department | Mr. NARONG RUGFUGFON |
| Central Region Financing Department | FVP, Manager | Financial Institution & Overseas Offices Department |
| SVP, Manager | Mr. WEERACHAI SUPAVIRATBUNCHA | - |
| Mr. WIWAT ENGSUWAN | Upper Northeastern Region Financing Department | ● <i>International Business Operation Sector</i> |
| Mr. WEIDT NUCHJALEARN | SVP, Manager | EVP |
| Metropolitan Financing Department (Suanmali Omnoi) | Mr. PRASIT AMPORN | Mr. PICHAI KOJAMITR |
| EVP, Manager | Metropolitan Financing Department (Saphanmai) | International Trade Services FVP, Manager |
| Mr. BUNJOB THONGVICHIT | FVP, Manager | FVP, Manager |
| Eastern Region & Bangkok Metropolis Group | Mr. PRAYUT POONSURAPUN | L.t. SURAT NAWEERA |
| SEVP | | |
| Ms. NONGNUTCH THIENPAITON | | |

| | | |
|---|---|---|
| Foreign Exchange Business Department | Community Bank | Custody Department |
| SVP, Manager | FVP, Manager | FVP, Manager |
| Ms. SUWANNEE SUKHAVACHANA | Ms. NISANART YOTHASMUT | Ms. RUNGLUK DARUNAITHORN |
| International Payment & Settlement Operations Office | Public Sector | Cashier Department |
| VP, Manager | EVP | FVP, Manager |
| Mr. CHAINARONG NISAMANEEWONG | Ms. SUPANG PATTAMADILOK | Mr. KAN PIMOLKIAT |
| Products Management & Special Projects Group | Government Relations Department | Nana Nua Office |
| Products & Marketing Sector | SVP, Manager | FVP, Manager |
| SEVP | Ms. SRIPRABHA PRINGPONG | Mr. KITTISAK PATHOMNATIKUL |
| Mr. SAHAS TREETIPBUT | Government Project Management Department | Shariah Banking Group |
| EVP | FVP, Manager | FEVP, Managing Director |
| Mr. TEERAPOL PUSSADET | Mr. CHAIANUN SIRAVANICHKARN | Mr. SUWAN DAMNERNTHONG |
| Products & Marketing Management Department | State Enterprise Relations Department | Greater & Bangkok Business Development Department |
| FVP, Manager | FVP, Manager | SVP, Manager |
| Mr. PRAPAT NOONPUKDEE | Mr. DHANIT LAKSANAPHUK | Mr. GORGIAT WONG-AREE |
| Financial Products Development Department | Banking Operations Group | Upper & Lower Southern Business Development Department |
| SVP, Manager | FSEVP | FVP, Manager |
| Mr. WALLOP LIPIPHUN | Mr. PONGSATHORN SIRIYODHIN | Mr. METHEE MEKHARAT |
| Electronic Products Development Department | Branch Support Sector | Human Resource Development & Procurement Department |
| | FSEVP | SVP, Manager |
| Government Products Development Department | Mr. PONGSATHORN SIRIYODHIN | Mr. THANEE DEROJAVAN |
| FVP, Manager | Branch Support Function Department | Accounting Department |
| Mr. CHAROENSIL PAKANAN | EVP, Manager | FVP, Manager |
| Small and Medium Enterprises & Community Business Sector | Ms. SUPATTRA HIRANRAS | Mr. SOMSAK LIKITKRANCHANAKUL |
| EVP | Electronic Banking & Contact Center | Substandard Debts Management Group |
| Mr. ANANTAPHOL PUNPENG | SVP, Manager | SEVP |
| SMEs Financing Department | Act. Sub-Lt. PAIROJ DEERAKSA | Mr. SOMANAT CHUTIMA |
| FVP, Manager | Credit Support Sector | Legal Administration Sector |
| Mr. THIRIN TAOTHONG | FEVP | EVP |
| SMEs Promotion & Development Department | Ms. CHUJIT NIYAMOSOT | Mr. ASSANEE SUBVANICH |
| FVP, Manager | Credit Operation Department | Loan Collection Expedition Department |
| Mr. TINNAKORM BOONYAKALIN | FVP, Manager | FVP, Manager |
| | Ms. SUPIN HONGSIRIPONG | Mr. KASEM SWASDEE |
| | Collateral Function Department | Legal Administration Department |
| | SVP, Manager | FVP, Manager |
| | Mr. SANIT ANTARASENA | Mr. UKRIT THANAPATPAIBOON |

| | | |
|---|---|--|
| ● <i>Properties Management Sector</i> | <i>Planning & Budgeting Department</i> | <i>IT Application Services Department</i> |
| EVP | EVP, Manager | |
| Mr. ASSANEE SUBVANICH | Ms. PATCHARASIRI KIATKUMJAI | |
| | | - |
| <i>Properties Disposition Management Department</i> | <i>Treasury Department</i> | <i>IT Operation Department</i> |
| FVP, Manager | SVP, Manager | SVP, Manager |
| Ms. SUVAPA KESUNGKUL | Mr. TAWAN PUNTAWONG | Mr. DUMRONG KAEWPRASITH |
| | ● <i>Finance and Planning Sector</i> | |
| <i>TAMC/SAM Management Department</i> | FEVP | Human Resources & Corporate Support Group |
| SVP, Manager | Mr. ITHINANT PUNYANITYA | FEVP |
| Ms. PLERNPID THANVARACHORN | <i>Accounting Department</i> | Ms. SUMANA VONGGAPAN |
| | SVP, Manager | |
| Risk Management Group | Ms. YAOVALUK LERKSANTIVONG | ● <i>Business Sector Executive</i> |
| SEVP | <i>Management Information Department</i> | EVP |
| Ms. KITTIYA TODHANAKASEM | SVP, Manager | Mr. THIRAVATNA VATHANATHORN |
| EVP | Mr. VIRUCH WONGNIRUND | ● <i>Human Resource Sector</i> |
| Mr. WORACHAI ARUNTAI | <i>Credit Information Department</i> | <i>Personnel Department</i> |
| | - | SVP, Manager |
| ● <i>Risk Management Sector</i> | | Ms. MALINEE BODHISUNDARA |
| SEVP | | <i>Discipline & Welfare Department</i> |
| Ms. KITTIYA TODHANAKASEM | ● <i>Investor Relations Sector</i> | SVP, Manager |
| | FEVP | Mr. MONGKOL KRICHTTAYAWUTH |
| <i>Financial Risk Management Department</i> | Mr. ITHINANT PUNYANITYA (Acting) | <i>Personnel & Organization Development Department</i> |
| FVP, Manager | <i>Information Back up & Analysis Department</i> | SVP, Manager |
| Mr. JAKKRIT PRASATTHAI | - | Ms. NAREE KETTONG |
| <i>Credit Policy Department</i> | | <i>Medical Department</i> |
| SVP, Manager | <i>Investor Contact Department</i> | EVP, Manager |
| Ms. TAYPEE SRISUKH | - | Dr. SOMKIAT GERATIKORNSUPUK |
| <i>Credit Examination Department</i> | | ● <i>Corporate Support Sector</i> |
| FVP, Manager | <i>Analyst & Fund Manager Relation Department</i> | <i>Premises & Property Department</i> |
| Mr. ROONGJIT PUNNAHITANANDA | - | SVP, Manager |
| <i>Business Research Office</i> | | Mr. PHISEK PHONAKORN |
| FVP, Act. VP | Information Technology Group | <i>Security Department</i> |
| Ms. ORAPIN SUTHUM | SEVP | FVP, Manager |
| | Mr. CHAICHAN KANGWANPONG | Mr. JINTAWAT JANGSRI |
| Finance Group | ● <i>Information Technology Sector</i> | |
| FSEVP | SEVP | |
| Mr. PONGSATHORN SIRIYODHIN | Mr. CHAICHAN KANGWANPONG | |
| ● <i>Finance and Planning Sector</i> | <i>IT Planning & Control Department</i> | |
| FSEVP | FVP, Manager | |
| Mr. PONGSATHORN SIRIYODHIN | Mr. THAMRONGSAK LEUNANONCHAI | |

Domestic Branches, as at March 14, 2004

| BANGKOK | | | | | |
|-----------------------------------|----------------------|-------------------------|---------------------|----------------------------------|----------------------|
| (142 Branches) | | | | | |
| | | GOVERNMENT HOUSE | +66 (0) 2282-0478 | NEW PHETCHABURI | +66 (0) 2314-5580-7 |
| | | SUB-BRANCH | +66 (0) 2280-7321 | A. BRANCH | |
| | | GOVERNMENT | +66 (0) 2247-8588 | NONG KHAEM BRANCH | +66 (0) 2444-2783-5 |
| ASOK BRANCH | +66 (0) 2664-1600-5 | PHARMACEUTICAL | +66 (0) 2248-4128 | ON NUCH BRANCH | +66 (0) 2322-8932-4 |
| ASOK-DINDANG | +66 (0) 2246-0735-7 | ORGANIZATION SUB-BRANCH | | PAKKLONG TALAD | +66 (0) 2221-4000 |
| ROAD BRANCH | | HAPPY LAND ROAD | +66 (0) 2375-6058 | BRANCH | |
| BANG BON BRANCH | +66 (0) 2416-0090-3 | BRANCH | | PATHUM WAN BRANCH | +66 (0) 2215-0050-4 |
| BANG CHAN BRANCH | +66 (0) 2517-1223-5 | HUAI KHWANG BRANCH | +66 (0) 2275-2559 | PETROLEUM AUTHORITY | +66 (0) 2537-2047-8 |
| BANG JARK BRANCH | +66 (0) 2311-4710 | HUATAKHE BRANCH | +66 (0) 2739-1575-6 | BRANCH | |
| BANG KAE BRANCH | +66 (0) 2454-3737-8 | KAOSAN ROAD BRANCH | +66 (0) 2282-8507-8 | PHASI CHAROEN | +66 (0) 2458-0778 |
| BANG KAE NUA BRANCH | +66 (0) 2421-9753-5 | KLONG CHAOKHUNSING | +66 (0) 2530-4243; | BRANCH | |
| BANG KHUN NON | +66 (0) 2435-1893-5 | BRANCH | 6252 | PHATTHANA KARN | +66 (0) 2319-3910-1 |
| BRANCH | | KLONG TOEY BRANCH | +66 (0) 2229-4237-9 | BRANCH | |
| BANG KHUN THIAN | +66 (0) 2416-3315-6 | KRASRUANG | +66 (0) 2282-4944-5 | PHETKASEM 35-37 | +66 (0) 2454-8085-8 |
| BRANCH | | SUEKSATHIKAN BRANCH | | BRANCH | |
| BANGKOK AIRPORT | +66 (0) 2535-2468-9 | KRUNGKASEM BRANCH | +66 (0) 2223-2430-2 | PHRAPINKLAO BRANCH | +66 (0) 2884-9000-6 |
| SUB-BRANCH | | LADPLAKAO BRANCH | +66 (0) 2570-7116-7 | PHRAPINKLAO | +66 (0) 2435-3413 |
| BANGKOK METRO- | +66 (0) 2226-3879 | LADPRAO BRANCH | +66 (0) 2511-3316 | A. BRANCH | |
| POLITAN ADMINISTRATION SUB-BRANCH | | | +66 (0) 2512-2249 | PLOENCHIT METRO- | +66 (0) 2251-9114-6 |
| BANG LAMPU BRANCH | +66 (0) 2282-8436 | LADPRAO 130/1 | +66 (0) 2731-3123-4 | POLITAN ELECTRICITY | |
| BANG PLAD | +66 (0) 2424-9028 | SUB-BRANCH | | AUTHORITY SUB-BRANCH | |
| SUB-BRANCH | | LAT KRABANG | +66 (0) 2326-0545-6 | PORT AUTHORITY OF | +66 (0) 2350-2390, |
| BANGYIKHAN | +66 (0) 2434-7157; | BRANCH | +66 (0) 2325-0545-6 | THAILAND SUB-BRANCH | 2389 |
| SUB-BRANCH | 4895 | MAHANAK BRANCH | +66 (0) 2225-5611-4 | PRACHANIWET BRANCH | +66 (0) 2591-1742 |
| CENTRAL BANGNA | +66 (0) 2361-0993-4 | MEENBURI BRANCH | +66 (0) 2918-8880-4 | | +66 (0) 2580-6336 |
| TOWER BRANCH | | METROPOLITAN | +66 (0) 2503-9474 | PRACHARAJ ROAD | +66 (0) 2911-4022 |
| CHAN ROAD BRANCH | +66 (0) 2286-2095-7 | WATERWORKS | +66 (0) 2504-0123 | BRANCH | |
| CHANG WATTANA | +66 (0) 2574-4197-8 | SUB-BRANCH | | PRACHAUTIT BRANCH | +66 (0) 2934-7418-20 |
| BRANCH | | MINISTRY OF FINANCE | +66 (0) 2273-9665-6 | PRADIPAT BRANCH | +66 (0) 2618-4855-60 |
| CHARANSANITWONGSE | +66 (0) 2411-1211; | SUB-BRANCH | | PRADIPAT A. BRANCH | +66 (0) 2278-1612-3 |
| 13 BRANCH | 1288 | MINISTRY OF LABOUR | +66 (0) 2247-7949; | PRAKANONG BRANCH | +66 (0) 2391-0429; |
| CHAROENNAKHON | +66 (0) 2438-9551-3 | AND SOCIAL WELFARE | 7763 | | 1961 |
| ROAD BRANCH | | SUB-BRANCH | | PRANNOK SUB-BRANCH | +66 (0) 2411-5589-92 |
| CHOKCHAI 4 BRANCH | +66 (0) 2530-2571-2; | NANA NUA OFFICE | +66 (0) 2255-2222 | PRATUNAM BRANCH | +66 (0) 2252-9472-3 |
| | 3616 | NANGLINGEE ROAD | +66 (0) 2678-8411-3 | PRAWET SUB-BRANCH | +66 (0) 2322-8549-50 |
| COMMUNICATION | +66 (0) 2506-4024-5 | BRANCH | | PROVINCIAL | +66 (0) 2591-6314 |
| AUTHORITY OF THAILAND SUB-BRANCH | | NATIONAL ASSEMBLY | +66 (0) 2243-6117 | ELECTRICITY AUTHORITY SUB-BRANCH | |
| C.T.I. TOWER | +66 (0) 2261-2222 | SUB-BRANCH | | RACHADAPISEK- | +66 (0) 2276-0096-9 |
| SUB-BRANCH | ext. 599 | NATIONAL HOUSING | +66 (0) 2374-1383; | HUAIKHWANG BRANCH | |
| DINDANG SUB-BRANCH | +66 (0) 2692-6351-3 | AUTHORITY SUB-BRANCH | 1466 | RAJADAMNOEN | +66 (0) 2281-6950-2 |
| EKAMAI BRANCH | +66 (0) 2381-4052-4 | NAWAMIN ROAD | +66 (0) 2375-2844 | BRANCH | |
| EXIM BUILDING | +66 (0) 2278-1786-7 | BRANCH | | RAJATHEVI BRANCH | +66 (0) 2215-8080-3 |
| SUB-BRANCH | | | | RAJAWONGSE BRANCH | +66 (0) 2222-2171-8 |

| | | | | | |
|--------------------|---------------------|------------------------|----------------------|-----------------------|----------------------|
| RAJAWONGSE | +66 (0) 2221-8666-7 | SIYAEK PRAYA SRI | +66 (0) 2221-9611 | THATIEN BRANCH | +66 (0) 2222-0198-9 |
| A. BRANCH | | BRANCH | | THE CUSTOMS | +66 (0) 2249-9310-2 |
| RAJAWONGSE | +66 (0) 2221-1193-4 | SIYAEK SAPHAN | +66 (0) 2423-0530-1 | DEPARTMENT BRANCH | |
| B. BRANCH | | KRUNGTHON BRANCH | | THE WET SUB-BRANCH | +66 (0) 2281-2005; |
| RAMA 2 ROAD BRANCH | +66 (0) 2468-4959 | SOI ARLEE BRANCH | +66 (0) 2271-2570-3 | | 3937 |
| | +66 (0) 2877-0450-1 | SONGWAD BRANCH | +66 (0) 2221-1284; | THONBURI-PAKTHO | +66 (0) 2428-6362-3 |
| RAMA 4 ROAD BRANCH | +66 (0) 2249-3316; | | 8368 | BRANCH | |
| | 3178 | SRIYAN BRANCH | +66 (0) 2243-3738-40 | THONG LO | +66 (0) 2381-3508; |
| RAMA 9 ROAD | +66 (0) 2717-0121-4 | SRONG PRAPA | +66 (0) 2566-1755; | SUB-BRANCH | 3867 |
| BRANCH | | SUB-BRANCH | 4388 | UDOMSUK BRANCH | +66 (0) 2399-1169 |
| RAMINTHRA BRANCH | +66 (0) 2971-6167 | SUANMALI BRANCH | +66 (0) 2621-6500 | VAT TUKE BRANCH | +66 (0) 2222-9444 |
| RAMINTHRA KM. 4 | +66 (0) 2510-6630-1 | SUANPLU SUB-BRANCH | +66 (0) 2287-1525; | | +66 (0) 2225-5386 |
| BRANCH | | | 4556 | VICTORY MONUMENT | +66 (0) 2298-0016-20 |
| RAMINTHRA KM. 10 | +66 (0) 2518-1112-5 | SUKHAPHIBAN 2 | +66 (0) 2375-1653; | BRANCH | |
| BRANCH | | BRANCH | 1700 | VIPHAVADI RANGSIT | +66 (0) 2272-2210-6 |
| REVENUE DEPARTMENT | +66 (0) 2617-2565-7 | SUKHAPHIBAN 3 | +66 (0) 2729-5523-6 | ROAD BRANCH | |
| SUB-BRANCH | | ROAD BRANCH | | VORACHAK BRANCH | +66 (0) 2225-4928 |
| SAINTE LOUIS SOI 3 | +66 (0) 2212-3379; | SUKHUMVIT BRANCH | +66 (0) 2258-0624 | WISUT KASAT ROAD | +66 (0) 2282-2629; |
| BRANCH | 5702 | SUKHUMVIT 71 BRANCH | +66 (0) 2381-2603-5 | BRANCH | 2649 |
| SAMYAEK KASET | +66 (0) 2561-4849; | SUKHUMVIT 77 | +66 (0) 2311-6702 | WONG SAWANG BRANCH | +66 (0) 2913-2347-50 |
| BRANCH | 3459 | SUB-BRANCH | +66 (0) 2333-0440 | YAN NAWA BRANCH | +66 (0) 2211-0156; |
| SAM YAN BRANCH | +66 (0) 2215-4007-8 | SUKHUMVIT 93 BRANCH | +66 (0) 2311-4216; | | 3300 |
| SAMYOD BRANCH | +66 (0) 2222-1171-4 | | 4514 | YAOWARAJ BRANCH | +66 (0) 2222-0131-41 |
| SANPHAWUT BRANCH | +66 (0) 2361-1765-8 | SURAWONGSE BRANCH | +66 (0) 2234-7837-8 | | |
| SAO CHING CHA | +66 (0) 2221-1832 | SUTTHISAN WINITCHAI | +66 (0) 2276-9352-3 | | |
| BRANCH | +66 (0) 2225-1247 | BRANCH | | | |
| SAPHAN KASATSUEK | +66 (0) 2214-4147 | TAKSIN ROAD BRANCH | +66 (0) 2438-0023-4 | | |
| BRANCH | +66 (0) 2216-2591 | TALAD MO CHIT | +66 (0) 2272-0910-3 | | |
| SAPHAN KHAO | +66 (0) 2282-5007-8 | BRANCH | | | |
| BRANCH | | TALAD NOI BRANCH | +66 (0) 2236-4866-7 | | |
| SAPHAN MAI BRANCH | +66 (0) 2551-0545-7 | TALAD PLU BRANCH | +66 (0) 2465-1087 | BANG LEN BRANCH | +66 (0) 3439-1032-3 |
| SATHORN ROAD | +66 (0) 2670-1700-3 | TAO POON BRANCH | +66 (0) 2585-1312 | KAMPHAENG SAEN | +66 (0) 3435-1434-6 |
| BRANCH | | TELEPHONE | +66 (0) 2574-1289; | BRANCH | |
| SATHUPRADIT BRANCH | +66 (0) 2295-4921-3 | ORGANIZATION OF | 9410 | NAKHON CHAISAI BRANCH | +66 (0) 3433-1113-6 |
| SERMMIT TOWER | +66 (0) 2260-2697-8 | THAILAND SUB-BRANCH | | NAKHON PATHOM | +66 (0) 3425-0770-2 |
| SUB-BRANCH | | TOURISM AUTHORITY | +66 (0) 2250-1504 | BRANCH | |
| SI AYUTTHAYA ROAD | +66 (0) 2246-7778-9 | OF THAILAND SUB-BRANCH | | OM YAI BRANCH | +66 (0) 2420-4980-1 |
| BRANCH | | THADINDAENG BRANCH | +66 (0) 2437-2979; | PHRAPRATONE BRANCH | +66 (0) 3429-3052-3 |
| SIAM SQUARE BRANCH | +66 (0) 2252-7294 | | 1059 | PRAPATOMJEDEE | +66 (0) 3425-4297-8 |
| SILOM BRANCH | +66 (0) 2233-2383-4 | THAI AIRWAYS | +66 (0) 2512-2154 | BRANCH | |
| SI NAKARIN BRANCH | +66 (0) 2385-8167 | INTERNATIONAL | +66 (0) 2513-0121 | SAM PHRAN BRANCH | +66 (0) 3432-2900-2 |
| SI NAKARIN KM.9 | +66 (0) 2721-8010-3 | SUB-BRANCH | ext. 2069 | SIYAEKSANAMCHAN | +66 (0) 3425-4533-5 |
| BRANCH | | THANON SUKSAWAT | +66 (0) 2468-6860-1 | BRANCH | |
| SIYAEK BANKHAEK | +66 (0) 2466-1650 | BRANCH | | | |
| BRANCH | | THAPRA BRANCH | +66 (0) 2868-2330-1 | | |

**BANGKOK PERIMETER AND
CENTRAL REGION (94 Branches)**

● **NAKHON PATHOM (9 Branches)**

| | | | | | |
|------------------------------------|----------------------|-------------------------------------|---------------------|---------------------------------------|----------------------|
| ● NONTHABURI (12 Branches) | PHACHI BRANCH | +66 (0) 3531-1089; | PA MOK BRANCH | +66 (0) 3566-1329 | |
| BANG BUA THONG | | 1189 | PHO THONG BRANCH | +66 (0) 3569-1352-3 | |
| BRANCH | PRATUNAM PHRA | +66 (0) 3536-1334-6 | WISET CHAI CHAN | +66 (0) 3563-1740-3 | |
| BANG KRUI BRANCH | IN BRANCH | | BRANCH | | |
| BANG KRUI | PHAK HAI BRANCH | +66 (0) 3539-1458-9 | | | |
| ELECTRICITY | 4094 | ROJANA BRANCH | +66 (0) 3524-3489 | ● KANCHANABURI (7 Branches) | |
| GENERATING AUTHORITY SUB-BRANCH | | | +66 (0) 3521-3952 | BOPLOI BRANCH | +66 (0) 3462-8492-4 |
| MINISTRY OF | +66 (0) 2547-5941-3 | SENA BRANCH | +66 (0) 3520-1777; | KANCHANABURI | +66 (0) 3451-2289-80 |
| COMMERCE SUB-BRANCH | | | 1289 | BRANCH | |
| MINISTRY OF PUBLIC | +66 (0) 2580-7000; | TALAD HUA RAW | +66 (0) 3525-2365-6 | SAENGCHUTO ROAD | +66 (0) 3451-6769-71 |
| HEALTH-TIWANON | 2538 | BRANCH | | BRANCH | |
| SUB-BRANCH | | THA RUA BRANCH | +66 (0) 3534-1089; | SAI YOK BRANCH | +66 (0) 3463-4263-5 |
| MUANG THONG THANI | +66 (0) 2503-4893-4 | | 1289 | THA MAKA BRANCH | +66 (0) 3454-2307 |
| BRANCH | | | | | +66 (0) 3464-0681 |
| NGAMWONGWAN | +66 (0) 2591-6180-1 | ● SAMUT PRAKAN (11 Branches) | THA MUANG BRANCH | +66 (0) 3461-1441 | |
| BRANCH | | BANG KRU BRANCH | +66 (0) 2462-7860-2 | THONG PHA PHUM | +66 (0) 3459-9065-6 |
| NONTHABURI BRANCH | +66 (0) 2525-0447 | BANG POO BRANCH | +66 (0) 2703-8092-3 | BRANCH | |
| | +66 (0) 2526-5866 | BANGPHLI BRANCH | +66 (0) 2316-1935-7 | | |
| PAK KRET BRANCH | +66 (0) 2583-8616-7 | PAK NAM BRANCH | +66 (0) 2389-0993-7 | ● LOP BURI (9 Branches) | |
| RATANATHIBET | +66 (0) 2591-3598-9 | PHRA PRADAENG | +66 (0) 2462-5000 | BAN MI BRANCH | +66 (0) 3647-1239; |
| BRANCH | | BRANCH | +66 (0) 2463-1193 | | 1992 |
| SUAN YAI BRANCH | +66 (0) 2525-0913; | PUCHAO SAMINGPHRAI | +66 (0) 2384-2757-9 | KHAO PHRANGAM | +66 (0) 3648-6437; |
| | 0255 | ROAD BRANCH | | SUB-BRANCH | 6615 |
| TIWANON BRANCH | +66 (0) 2591-5525-7 | SAMRONG BRANCH | +66 (0) 2384-4974 | KHOK SAMRONG | +66 (0) 3644-1239; |
| | | | +66 (0) 2394-1157 | BRANCH | 1723 |
| ● PATHUM THANI (8 Branches) | SAMUT PRAKAN | +66 (0) 2389-1161 | LAMNARAI BRANCH | +66 (0) 3646-1760; | |
| AMPHOE SAM KHOK | +66 (0) 2593-1381-3 | BRANCH | +66 (0) 2387-2599 | 1044 | |
| BRANCH | | SINAKARIN KM.14 | +66 (0) 2385-8138; | LOP BURI BRANCH | +66 (0) 3641-1204-5 |
| KLONGLUANG BRANCH | +66 (0) 2516-3901-3 | BRANCH | 8167 | PHATTANANIKHOM | +66 (0) 3663-9313-4 |
| LAT LUM KAEO | +66 (0) 2599-1086-9 | SRISAMUT ROAD | +66 (0) 2395-0706 | BRANCH | |
| BRANCH | | BRANCH | +66 (0) 2702-8208 | THA WUNG BRANCH | +66 (0) 3662-2038-9 |
| PATHUM THANI | +66 (0) 2581-2245-6 | TEPHARAK BRANCH | +66 (0) 2394-6839 | VICHAYEN ROAD | +66 (0) 3661-7953-4 |
| BRANCH | | | | BRANCH | |
| PHITHAKSANTI BRANCH | +66 (0) 2581-6331-3 | ● SAMUT SAKHON (5 Branches) | WONG WIEN SRAKAEW | +66 (0) 3641-3678 | |
| RUNG SIT BRANCH | +66 (0) 2567-1001-5 | BAN PHEO BRANCH | +66 (0) 3485-0685 | BRANCH | +66 (0) 3642-2470 |
| RUNG SIT-NAKHON | +66 (0) 2990-9939-42 | KRATHUM BAEN | +66 (0) 3447-1926-7 | | |
| NAYOK KLONG 4 SUB-BRANCH | | BRANCH | | ● SAMUT SONGKHRAM (2 Branches) | |
| TALAD SIMUMMUENG | +66 (0) 2531-5111-3 | MAHA CHAI | +66 (0) 3481-0257-8 | MAEKLONG | +66 (0) 3471-6352-4 |
| BRANCH | | SUB-BRANCH | | SUB-BRANCH | |
| | | OM NOI BRANCH | +66 (0) 2420-5454-5 | SAMUT SONGKHRAM | +66 (0) 3471-1166; |
| ● PHRA NAKHON SI AYUTTHAYA | SAMUT SAKHON | +66 (0) 3442-3017 | BRANCH | 1186 | |
| (9 Branches) | BRANCH | | | | |
| AYUTTHAYA BRANCH | +66 (0) 3521-1483-4 | | | ● SARABURI (8 Branches) | |
| BANG PA-IN | +66 (0) 3522-1025-7 | ● ANG THONG (4 Branches) | HIN GONG BRANCH | +66 (0) 3633-3793-4 | |
| SUB-BRANCH | | ANG THONG BRANCH | +66 (0) 3561-1720-1 | | |

| | | | | | |
|---------------------------------------|-----------------------|--------------------------------------|----------------------|--------------------------------------|----------------------|
| NA PHRA LAN BRANCH | +66 (0) 3635-1192-3 | CHIANG MAI BRANCH | +66 (0) 5324-5250-1 | LAN KRABU BRANCH | +66 (0) 5576-9117 |
| | | CHOM THONG BRANCH | +66 (0) 5334-1351-2 | | +66 (0) 5573-1046 |
| NONG KHAE BRANCH | +66 (0) 3637-1319 | FANG BRANCH | +66 (0) 5345-1481-3 | SALOKBAT BRANCH | +66 (0) 5577-1200; |
| | +66 (0) 3632-6452 | HANG DONG BRANCH | +66 (0) 5344-1097-8 | | 1100 |
| NONG SAENG BRANCH | +66 (0) 3639-9238-40 | HUAI KAEW ROAD SUB-BRANCH | +66 (0) 5322-5808-9 | | |
| PAKPRAW BRANCH | +66 (0) 3621-2507 | | | ● LAMPANG (7 Branches) | |
| SAO HAI BRANCH | +66 (0) 3639-1219; | KHUANGSING BRANCH | +66 (0) 5340-9545-7 | LAM PANG BRANCH | +66 (0) 5422-1276 |
| | 1170 | MAE JOE BRANCH | +66 (0) 5335-3431-4 | | +66 (0) 5423-0301 |
| SARABURI BRANCH | +66 (0) 3622-2093-9 | MAE RIM BRANCH | +66 (0) 5329-7221-3 | MAE MO BRANCH | +66 (0) 5426-6004; |
| THALAN BRANCH | +66 (0) 3628-1427-8 | PHRASING BRANCH | +66 (0) 5328-3270-1 | | 6176 |
| | | SAN KUMPHAENG BRANCH | +66 (0) 5333-2628; | MAE THA BRANCH | +66 (0) 5428-9155 |
| ● SING BURI (2 Branches) | | | 2311 | | +66 (0) 5433-1620 |
| INBURI BRANCH | +66 (0) 3658-1476-8 | SAN PA KHOI BRANCH | +66 (0) 5324-1110; | NAKUAM BRANCH | +66 (0) 5423-0193-5 |
| SING BURI BRANCH | +66 (0) 3651-1115 | | 1939 | PRATUCHAI BRANCH | +66 (0) 5422-3638 |
| | | SANPATONG BRANCH | +66 (0) 5331-1519-20 | | +66 (0) 5423-0287 |
| ● SUPHAN BURI (8 Branches) | | SIYAEK SANAMBIN | +66 (0) 5328-0965-7 | THOEN BRANCH | +66 (0) 5429-1333; |
| DAN CHANG BRANCH | +66 (0) 3550-9503-7 | CHIANG MAI BRANCH | | | 1111 |
| DON CHEDI BRANCH | +66 (0) 3559-1301-3 | SRI NAKORN PINK BRANCH | +66 (0) 5323-4395 | WANG NUA BRANCH | +66 (0) 5427-9118-9 |
| PHRAPHANVASA ROAD BRANCH | +66 (0) 3552-3475; | | +66 (0) 5325-1046 | | |
| | 3721 | SUTHEP ROAD BRANCH | +66 (0) 5327-8084; | ● LAMPHUN (4 Branches) | |
| SAM CHUK BRANCH | +66 (0) 3557-1011 | | 8087 | BAN HONG BRANCH | +66 (0) 5359-1111; |
| SONG PHI NONG BRANCH | +66 (0) 3553-1452 | TALAD NONG HOY SUB-BRANCH | +66 (0) 5380-0475-6 | | 1311 |
| | | | | LAMPHUN BRANCH | +66 (0) 5351-2109-10 |
| SUPHAN BURI BRANCH | +66 (0) 3552-5202-5 | THA PAE BRANCH | +66 (0) 5325-2801-5 | LAMPHUN INDUSTRIAL ESTATE SUB-BRANCH | +66 (0) 5358-1442; |
| SUPHAN BURI GOVERNMENT CENTRE BRANCH | +66 (0) 3553-5060-3 | | | | 1544 |
| U-THONG BRANCH | +66 (0) 3555-1927-8 | ● CHIANG RAI (7 Branches) | | MAE THAR BRANCH | +66 (0) 5357-4322-5 |
| | | CHIANG RAI BRANCH | +66 (0) 5374-4282-3 | | |
| | | CHIANG SAEN BRANCH | +66 (0) 5365-0696-7 | ● MAE HONG SON (4 Branches) | |
| | | HAYA EK PHOKHUN | +66 (0) 5371-7740-3 | KHUN YUAM BRANCH | +66 (0) 5369-1023; |
| | | MENGRAI BRANCH | | | 1043 |
| NORTHERN REGION (104 Branches) | | MAE CHAN BRANCH | +66 (0) 5377-1940-1 | MAE HONG SON BRANCH | +66 (0) 5361-2399; |
| | | MAE SAI BRANCH | +66 (0) 5373-1624-5 | | 2179 |
| ● CHAI NAT (3 Branches) | | PHAN BRANCH | +66 (0) 5372-1370-1 | MAE SARIANG BRANCH | +66 (0) 5368-1111; |
| CHAI NAT BRANCH | +66 (0) 5641-2406 | TALAD PAKO BRANCH | +66 (0) 5375-6666-7 | | 1482 |
| HANKHA BRANCH | +66 (0) 5645-1099-100 | | | PAI BRANCH | +66 (0) 5369-9028-9 |
| SANKHABURI BRANCH | +66 (0) 5648-1061-2 | ● KAMPHAENG PHET (6 Branches) | | | |
| | | CHAKANGRAO BRANCH | +66 (0) 5571-3365 | ● NAKHON SAWAN (11 Branches) | |
| | | | +66 (0) 5572-0085 | BANPHOT PHISAI BRANCH | +66 (0) 5627-9034; |
| | | KAMPHAENG PHET BRANCH | +66 (0) 5571-1117; | | 9068 |
| | | | 2277 | CHUMSAENG BRANCH | +66 (0) 5628-2103; |
| CHAI PRAKARN BRANCH | +66 (0) 5345-7002-3 | KHANU WORALAK- | +66 (0) 5572-5024 | | 2229 |
| | | SABURI BRANCH | +66 (0) 5577-9074 | KOSEE ROAD BRANCH | +66 (0) 5622-1053; |
| CHANGKLAN ROAD BRANCH | +66 (0) 5327-2093-5 | KLONG KHLUNG BRANCH | +66 (0) 5578-1112; | | 2337 |
| | | | 1114 | LAT YAO BRANCH | +66 (0) 5627-1267; |
| CHIANG DAO BRANCH | +66 (0) 5345-5237-9 | | | | 1618 |

| | | | | |
|------------------------------|----------------------------|-----------------------------------|--|--|
| MATULI ROAD BRANCH | +66 (0) 5622-9904 | RAJKASEMUTTT | +66 (0) 5665-1393-5 | ● UTTARADIT (5 Branches) |
| NAKHON SAWAN BRANCH | +66 (0) 5621-6281-3 | BRANCH | | NAM PAT BRANCH +66 (0) 5548-1011; 1081 |
| PAK NAM PHO BRANCH | +66 (0) 5622-7597; 7643 | SAK LEG BRANCH | +66 (0) 5669-9127-9 | 1037 |
| PHAYUHA KHIRI BRANCH | +66 (0) 5622-7597; 7643 | TAPHAN HIN BRANCH | +66 (0) 5662-1179; 2429 | PHICHAI BRANCH +66 (0) 5542-1555; 1037 |
| SAWANVITI ROAD BRANCH | +66 (0) 5622-1628; 6791 | TAP KLO BRANCH | +66 (0) 5664-1317; 1334 | SI UTRA ROAD +66 (0) 5541-3860; BRANCH 1285 |
| TAK FA BRANCH | +66 (0) 5624-1177-8 | ● PHITSANULOK (7 Branches) | | TRON BRANCH +66 (0) 5549-1013; 1015 |
| TAKHLI BRANCH | +66 (0) 5626-1557; 1200 | BANG RAKAM BRANCH | +66 (0) 5537-1228-9 | UTTARADIT BRANCH +66 (0) 5544-4345-6 |
| ● NAN (1 Branch) | | HAYA EK KHOKMATOOM | +66 (0) 5524-5457-8 | |
| NAN BRANCH | +66 (0) 5477-2543-4 | BRANCH | | ● UTHAI THANI (2 Branches) |
| ● PHAYAO (4 Branches) | | NAKHON THAI | +66 (0) 5538-9297; 9091 | SAWANG AROM +66 (0) 5654-4126-8 BRANCH |
| CHIANG KHAM BRANCH | +66 (0) 5445-1800; 2009 | PHITSANULOK BRANCH | +66 (0) 5523-0371-5 | UTHAI THANI BRANCH +66 (0) 5651-1027; 2811 |
| DOK KHAM TAI BRANCH | +66 (0) 5449-1477-9 | PHROM PHIRAM | +66 (0) 5536-9111-2 | |
| PHAYAO BRANCH | +66 (0) 5443-1032 | BRANCH | | |
| PONG BRANCH | +66 (0) 5448-1734 | SINGHAWAT ROAD | +66 (0) 5523-0721; 0725 | |
| | +66 (0) 5449-7038; 7034 | WANG THONG BRANCH | +66 (0) 5531-1314 | |
| | | BRANCH | +66 (0) 5522-8655 | |
| | | ● PHRAE (2 Branches) | | |
| | | LONG BRANCH | +66 (0) 5458-1666; 1683 | |
| | | PHRAE BRANCH | +66 (0) 5452-2941-2 | |
| | | ● AMNAT CHAROEN (1 Branch) | | |
| | | AMNAT CHAROEN | +66 (0) 4551-1784; | |
| | | BRANCH | 1058 | |
| | | ● BURI RAM (9 Branches) | | |
| | | BURI RAM BRANCH | +66 (0) 4461-3558-9 | |
| | | ● PHETCHABUN (6 Branches) | | |
| | | CHON DAEN BRANCH | +66 (0) 5676-1275-6 | |
| | | ● SUKHOTHAI (5 Branches) | | |
| | | LOM SAK BRANCH | +66 (0) 5670-2400; 1675 | KONG KRAILAT +66 (0) 5569-1130-3 BRANCH 1429 |
| | | NONGPHAI BRANCH | +66 (0) 5678-1886-8 | SAWANKHALOK +66 (0) 5564-2252; BRANCH 1060 |
| | | PHETCHABUN BRANCH | +66 (0) 5671-1344 | SI NAKHON BRANCH +66 (0) 5565-2636; 2747 |
| | | PHETCHAROEN ROAD SUB-BRANCH | +66 (0) 5674-3056 | LAM PLAI MAT +66 (0) 4466-1209; BRANCH 1310 |
| | | WICHIAN BURI BRANCH | +66 (0) 5671-1644-7 | SI SAMRONG BRANCH +66 (0) 5568-1366 +66 (0) 5562-8599 |
| | | ● PHICHIT (7 Branches) | | PHUTTHAISONG +66 (0) 4468-9202-3 BRANCH |
| | | BANG MUN NAK BRANCH | +66 (0) 5663-1830; 1977 | PRAKHON CHAI +66 (0) 4467-1117; BRANCH 1434 |
| | | PHICHIT BRANCH | +66 (0) 5661-1376; 1577 | SATUK BRANCH +66 (0) 4468-1284 +66 (0) 4462-7415 |
| | | PHO THALE BRANCH | +66 (0) 5668-1022; 1191 | THANI ROAD +66 (0) 4461-1233; BRANCH 1560 |
| | | ● TAK (2 Branches) | | |
| | | MAE SOT BRANCH | +66 (0) 5553-1006 +66 (0) 5554-4339 | |
| | | TAK BRANCH | +66 (0) 5551-1423; 3165 | |

NORTHEASTERN REGION
(105 Branches)

| | | | | | |
|----------------------------------|----------------------|--|---------------------|--------------------------------------|----------------------|
| ● CHAIYAPHUM (6 Branches) | | ● MAHA SARAKHAM (4 Branches) | | SAM YAK PAK THONG | +66 (0) 4422-2121; |
| BANTANT SUB-BRANCH | +66 (0) 4488-7109; | BORABU BRANCH | +66 (0) 4377-1451-2 | CHAI BRANCH | 2224 |
| | 7132 | KOSUM PHISAI BRANCH | +66 (0) 4376-1845-6 | SIKHIU BRANCH | +66 (0) 4441-1666; |
| BUMNET NARONG | +66 (0) 4485-9221-2 | MAHA SARAKHAM | +66 (0) 4372-3133; | | 2593 |
| BRANCH | | BRANCH | 2025 | WANG NUM KHIEO | +66 (0) 4422-8035-7 |
| CHAIYAPHUM BRANCH | +66 (0) 4482-1323; | PHAYAKKHAPHUM | +66 (0) 4379-1400-2 | SUB-BRANCH | |
| | 1580 | PHISAI BRANCH | | | |
| HARUETHAI ROAD | +66 (0) 4482-1799; | | | ● NONG BUA LUM PHU (1 Branch) | |
| SUB-BRANCH | 1800 | ● MUKDAHAN (3 Branches) | | NONG BUA LUM | +66 (0) 4231-2027-9 |
| NONG BUA RAWE | +66 (0) 4489-7225-6 | KHAMCHA-I BRANCH | +66 (0) 4269-1144; | PHU BRANCHS | |
| SUB-BRANCH | | | 1188 | | |
| PU KEAW BRANCH | +66 (0) 4486-1363; | MUKDAHAN BRANCH | +66 (0) 4261-1507 | ● NONG KHAI (6 Branches) | |
| | 1411 | | +66 (0) 4263-3421 | BUNG KAN BRANCH | +66 (0) 4249-1756; |
| | | NIKHOM KHAM SOI | +66 (0) 4263-8311-2 | | 1759 |
| | | BRANCH | | NONG KHAI BRANCH | +66 (0) 4242-0065-7 |
| ● KALASIN (3 Branches) | | | | SEKA BRANCH | +66 (0) 4248-9089; |
| KALASIN BRANCH | +66 (0) 4381-1731; | ● NAKHON PHANOM (3 Branches) | | | 9097 |
| | 4880 | NAKAE BRANCH | +66 (0) 4257-1123; | SI CHIANG MAI | +66 (0) 4245-1541; |
| KUCHINARAI BRANCH | +66 (0) 4385-1312-4 | | 1323 | BRANCH | 1641 |
| NONG KUNG SI | +66 (0) 4388-1123-4 | NAKHON PHANOM | +66 (0) 4251-3993-4 | THA BO BRANCH | +66 (0) 4243-1793-4 |
| BRANCH | | BRANCH | | THASADEJ BRANCH | +66 (0) 4246-0024-7 |
| | | RANU NAKHON BRANCH | +66 (0) 4257-9125-7 | | |
| ● KHON KAEN (12 Branches) | | | | ● ROI ET (6 Branches) | |
| BAN PHAI BRANCH | +66 (0) 4327-2116 | ● NAKHON RATCHASIMA (15 Branches) | | BUNGPLANCHAI | +66 (0) 4352-0488-90 |
| CHUM PHAE BRANCH | +66 (0) 4331-1119; | BUA YAI BRANCH | +66 (0) 4446-1030-1 | SUB-BRANCH | |
| | 2016 | CHOKCHAI BRANCH | +66 (0) 4449-1700-3 | NONG PHOK BRANCH | +66 (0) 4357-9179-80 |
| KHON KAEN BRANCH | +66 (0) 4324-6837-40 | DAN KHUN THOT | +66 (0) 4438-9428-9 | ROI ET BRANCH | +66 (0) 4351-1153; |
| KHON KAEN | +66 (0) 4324-4461 | BRANCH | | | 5135 |
| UNIVERSITY SUB-BRANCH | | JUA HUA BRANCH | +66 (0) 4437-1035; | SELAPHUM BRANCH | +66 (0) 4355-1251; |
| KLANG MUANG ROAD | +66 (0) 4332-1647-8 | | 1405 | | 1011 |
| BRANCH | | KLANG DONG BRANCH | +66 (0) 4436-1686-7 | SUWANNAPHUM BRANCH | +66 (0) 4358-1251-2 |
| KRANUAN BRANCH | +66 (0) 4325-1700-2 | MAHA RAT | +66 (0) 4425-7198 | TALAD HAI SOKE | +66 (0) 4352-2165-9 |
| MALIWAL ROAD | +66 (0) 4324-1605-6 | NAKHONRATCHASIMA | +66 (0) 4424-3300 | BRANCH | |
| BRANCH | | HOSPITAL SUB-BRANCH | | | |
| MUANG PHON BRANCH | +66 (0) 4341-4273 | MITRAPHAP ROAD | +66 (0) 4425-7470-3 | ● SAKON NAKHON (5 Branches) | |
| NONG RUA BRANCH | +66 (0) 4329-4117; | BRANCH | | AKAT AMNUAI | +66 (0) 4279-9251; |
| | 4119 | NAKHON RATCHASIMA | +66 (0) 4425-5759; | BRANCH | 8123 |
| PRATUMUANG BRANCH | +66 (0) 4332-2278-80 | BRANCH | 6627 | CHAROEN MUANG | +66 (0) 4271-3391; |
| TALAD CHUMPHAE | +66 (0) 4331-2018-9 | PAK CHONG BRANCH | +66 (0) 4431-1095 | SUB-BRANCH | 5089 |
| SUB-BRANCH | | PAK THONG CHAI | +66 (0) 4444-1090; | PHANG KHON BRANCH | +66 (0) 4277-1121-3 |
| UBOL RATANA BRANCH | +66 (0) 4344-6001-4 | BRANCH | 1245 | SAKON NAKHON | +66 (0) 4271-1024; |
| | | PHOKLANG ROAD | +66 (0) 4424-4222 | BRANCH | 1134 |
| ● LOEI (2 Branches) | | BRANCH | +66 (0) 4426-7311 | SAWANG DAEN DIN | +66 (0) 4272-1680-1 |
| DAN SAI BRANCH | +66 (0) 4289-1322; | PRATHAI BRANCH | +66 (0) 4447-9465-6 | BRANCH | |
| | 1275 | | | | |
| LOEI BRANCH | +66 (0) 4281-1185 | | | | |

| | | | | | | |
|--|---------------------|-------------------------------------|----------------------|------------------------------------|----------------------|---------------------|
| ● SI SA KET (5 Branches) | | UDON THANI BRANCH | +66 (0) 4224-7755; | TRIRATANA BRANCH | +66 (0) 3932-5930-2 | |
| KANTHARALAK | +66 (0) 4566-1005; | | 3319 | | | |
| BRANCH | 1045 | UDONDUSADEE ROAD | +66 (0) 4222-1472; | ● CHON BURI (15 Branches) | | |
| KHUN HAN BRANCH | +66 (0) 4567-9042-3 | BRANCH | 2490 | AO UDOM BRANCH | +66 (0) 3835-1357; | |
| SI SA KET BRANCH | +66 (0) 4561-2537 | | | | 1666 | |
| | +66 (0) 4562-0634 | ● YASOTHON (3 Branches) | | BAN BUNG BRANCH | +66 (0) 3844-3498; | |
| TEPHA ROAD | +66 (0) 4562-2870-2 | KUT CHUM BRANCH | +66 (0) 4578-9416-7 | | 3006 | |
| SUB-BRANCH | | LOENG NOKTHA | +66 (0) 4578-1171-2 | BANGPLASOI BRANCH | +66 (0) 3827-4093-5 | |
| UTHUMPHON PHISAI | +66 (0) 4569-1119 | BRANCH | | CHON BURI BRANCH | +66 (0) 3827-3584-7 | |
| BRANCH | | YASOTHON BRANCH | +66 (0) 4572-0801-2 | HUAI KAPI BRANCH | +66 (0) 3827-2471-4 | |
| | | | | JADJAMNONG ROAD | +66 (0) 3828-3457-8 | |
| | | | | BRANCH | | |
| ● SURIN (5 Branches) | | EASTERN REGION (50 Branches) | | | LAEMCHABANG BRANCH | +66 (0) 3849-4320-3 |
| CHOM PHRA BRANCH | +66 (0) 4458-1188-9 | | | NONGMON BRANCH | +66 (0) 3839-2059-60 | |
| LUKMUANG BRANCH | +66 (0) 4451-9416-8 | | | NONG YAI BRANCH | +66 (0) 3821-9472-3 | |
| PRASAT BRANCH | +66 (0) 4455-1308; | ● CHACHOENSAO (9 Branches) | | PATTHAYA BRANCH | +66 (0) 3842-9275-6 | |
| | 1768 | BANG KHLA BRANCH | +66 (0) 3854-1014 | PATTHAYAKLANG ROAD | +66 (0) 3842-8436 | |
| SIKHORAPHUM BRANCH | +66 (0) 4456-1321-4 | | +66 (0) 3882-7500 | BRANCH | +66 (0) 3836-1560 | |
| SURIN BRANCH | +66 (0) 4451-4568 | BANG NAM PRIEO | +66 (0) 3858-1215-7 | PHANAT NIKHOM | +66 (0) 3847-3034 | |
| | | BRANCH | | BRANCH | +66 (0) 3846-1666 | |
| ● UBON RATCHATHANI (9 Branches) | | BANG PAKONG | +66 (0) 3853-1211-2 | PLUTALUANG BRANCH | +66 (0) 3824-5057-8 | |
| AUPPARAJ ROAD | +66 (0) 4524-0381-3 | BRANCH | | SATTAHIP BRANCH | +66 (0) 3843-8042-8 | |
| SUB-BRANCH | | BANGPAKONG | +66 (0) 3857-3574-5 | SI RACHA BRANCH | +66 (0) 3831-2002; | |
| BUNTHARIK BRANCH | +66 (0) 4537-6005-6 | THERMAL PLANT SUB-BRANCH | | | 2853 | |
| CHAYANGKUL ROAD | +66 (0) 4528-0157-9 | CHACHOENSAO | +66 (0) 3851-6606-11 | | | |
| BRANCH | | BRANCH | | ● NAKHON NAYOK (2 Branches) | | |
| DET UDOM BRANCH | +66 (0) 4536-1058-9 | MAHACHAKAPAD ROAD | +66 (0) 3851-2700-1 | BAN NA BRANCH | +66 (0) 3738-1228-30 | |
| KHONG CHIAM BRANCH | +66 (0) 4535-1124-5 | BRANCH | | NAKHON NAYOK | +66 (0) 3731-1475-6 | |
| SAPPASIT ROAD BRANCH | +66 (0) 4524-4848-9 | PANICH ROAD BRANCH | +66 (0) 3851-6691-3 | BRANCH | | |
| SI YAK KILO 0 BRANCH | +66 (0) 4524-4790-4 | PHANOM SARAKHAM | +66 (0) 3855-1836 | | | |
| UBON RATCHATHANI | +66 (0) 4531-4931-4 | BRANCH | +66 (0) 3883-6870 | ● PRACHIN BURI (2 Branches) | | |
| BRANCH | | SANAM CHAI KHET | +66 (0) 3859-7068; | KABIN BURI BRANCH | +66 (0) 3728-1635-6 | |
| WARIN CHAMRAP | +66 (0) 4532-2841-3 | BRANCH | 7999 | PRACHIN BURI BRANCH | +66 (0) 3721-3184; | |
| BRANCH | | | | | 2022 | |
| ● UDON THANI (7 Branches) | | ● CHANTHABURI (8 Branches) | | ● RAYONG (7 Branches) | | |
| BAN PHU BRANCH | +66 (0) 4228-1281-2 | CHANTHABURI | +66 (0) 3931-1507 | BAN CHANG BRANCH | +66 (0) 3860-2684; | |
| CHAROENSRI COMPLEX | +66 (0) 4224-9210-2 | BRANCH | +66 (0) 3932-1154 | | 2481 | |
| BRANCH | | KHLUNG BRANCH | +66 (0) 3944-1239-40 | BAN PHE BRANCH | +66 (0) 3865-1542-3 | |
| KUMPHAWAPI BRANCH | +66 (0) 4233-1055; | NA YAI AM BRANCH | +66 (0) 3937-1236-8 | KLAENG BRANCH | +66 (0) 3867-1765; | |
| | 1088 | PLEAW BRANCH | +66 (0) 3939-7221-5 | | 1280 | |
| MARKKAENG ROAD | +66 (0) 4224-9701-3 | PONG NAM RON | +66 (0) 3938-7106-7 | MABTAPUD BRANCH | +66 (0) 3860-7995-9 | |
| BRANCH | | BRANCH | | RAYONG BRANCH | +66 (0) 3861-3965-6 | |
| TALAD NONGBUA | +66 (0) 4224-4035-6 | SOY DAW BRANCH | +66 (0) 3938-1301 | THAPRADU BRANCH | +66 (0) 3880-0291 | |
| BRANCH | | SRIRONGMUENG ROAD | +66 (0) 3932-2116-7 | | +66 (0) 3861-5180 | |
| | | BRANCH | | | | |

| | | | | | |
|---------------------------------------|----------------------------|-------------------------------|---|------------------------------------|----------------------------|
| WANG CHAN BRANCH | +66 (0) 3888-8254-5 | CHAWANG BRANCH | +66 (0) 7548-1171 | ● PHATTHALUNG (4 Branches) | |
| | | CHIAN YAI BRANCH | +66 (0) 7536-2484-6 | KHAO CHAISON BRANCH | +66 (0) 7469-1123-4 |
| ● SRA KAEW (4 Branches) | | KHANOM BRANCH | +66 (0) 7552-9441-2 | MAE KHRI BRANCH | +66 (0) 7469-5138-9 |
| ARANYAPRATHET BRANCH | +66 (0) 3723-2576-7 | MAHARAT NAKHON SI | +66 (0) 7534-2011 | PAK PHAYUN BRANCH | +66 (0) 7469-9037-8 |
| SRA KAEW BRANCH | +66 (0) 3724-1577; 2693 | THAMMARAT HOSPITAL SUB-BRANCH | | PHATTHALUNG BRANCH | +66 (0) 7461-3192; 1432 |
| TA PHRAYA BRANCH | +66 (0) 3726-9113-5 | NAKHON SI | +66 (0) 7535-6919 | | |
| WATTHANA NAKHON BRANCH | +66 (0) 3726-1021; 1031 | THAMMARAT BRANCH | +66 (0) 7534-6296 | ● PHETCHABURI (4 Branches) | |
| | | PAK PHANANG BRANCH | +66 (0) 7551-7120-1 | CHA-AM BRANCH | +66 (0) 3247-1600; 1175 |
| | | TALAD HUA IT BRANCH | +66 (0) 7531-6319; 5825 | PHETCHABURI BRANCH | +66 (0) 3242-5501; 6518 |
| ● TRAD (3 Branches) | | TALAD KASET BRANCH | +66 (0) 7541-1311; 1998 | PHRA NAKHONKIRI BRANCH | +66 (0) 3242-7098-100 |
| KHLONG YAI BRANCH | +66 (0) 3958-1245-6 | THA SALA BRANCH | +66 (0) 7552-1453; 1550 | THA YANG BRANCH | +66 (0) 3246-1551-3 |
| SAENTUNG BRANCH | +66 (0) 3959-9121-3 | THA WANG BRANCH | +66 (0) 7534-7334-7 | | |
| TRAD BRANCH | +66 (0) 3952-0542-4 | THUNG SONG BRANCH | +66 (0) 7541-1200; +66 (0) 7542-0788 | ● PHUKET (4 Branches) | |
| | | | | PATONG BRANCH | +66 (0) 7634-4302 |
| | | | | PHUKET BRANCH | +66 (0) 7621-1351; 1431 |
| SOUTHERN REGION (103 Branches) | | ● NARATHIWAT (4 Branches) | | RUSDA ROAD BRANCH | +66 (0) 7621-2397 |
| | | NARATHIWAT BRANCH | +66 (0) 7351-1004; 2009 | SUNGAI KOLOK BRANCH | +66 (0) 7622-5691 |
| ● CHUMPHON (4 Branches) | | | | TAK BAI BRANCH | +66 (0) 7358-1261-3 |
| CHUMPHON BRANCH | +66 (0) 7751-1158; 1887 | SUNGAI KOLOK BRANCH | +66 (0) 7361-2000-1 | TANYONGMAS BRANCH | +66 (0) 7367-1113; 1452 |
| LUNG SUAN BRANCH | +66 (0) 7754-1122; 1091 | | | | |
| PATHOMPORN BRANCH | +66 (0) 7750-2926-8 | | | THEPKRASATTRI ROAD BRANCH | +66 (0) 7635-5284-7 |
| SAWI BRANCH | +66 (0) 7753-1500; 1313 | ● PATTANI (3 Branches) | | ● PRACHUAP KHIRI KHAN (5 Branches) | |
| | | CHAROEN PRADIT BRANCH | +66 (0) 7333-1033; 5990 | BANG SAPHAN BRANCH | +66 (0) 3269-2254-5 |
| ● KRABI (4 Branches) | | | | HUA HIN BRANCH | +66 (0) 3251-2564; 1812 |
| AO LUK BRANCH | +66 (0) 7568-1112; 1507 | PATTANI BRANCH | +66 (0) 7333-3024; 6141 | KUI BURI BRANCH | +66 (0) 3268-1585; 1647 |
| KHLONG THOM BRANCH | +66 (0) 7569-9038; 9055 | YARANG BRANCH | +66 (0) 7343-9050; +66 (0) 7335-2277 | PRACHUAP KHIRI KHAN BRANCH | +66 (0) 3261-1371-2 |
| KRABI BRANCH | +66 (0) 7561-1193-4 | | | PRAN BURI BRANCH | +66 (0) 3262-1444; 1664 |
| NUA KHLONG BRANCH | +66 (0) 7569-1114; 1121 | ● PHANGNGA (4 Branches) | | | |
| | | KHOK KLOI BRANCH | +66 (0) 7658-1109; 1403 | ● RANONG (2 Branches) | |
| ● NAKHON SI THAMMARAT (13 Branches) | | | | RANONG BRANCH | +66 (0) 7782-3021; 3029 |
| CHAN DI BRANCH | +66 (0) 7548-6272; 6154 | KHURA BURI BRANCH | +66 (0) 7649-1392-3 | RUENGRAJ ROAD BRANCH | +66 (0) 7781-1716 |
| CHA UAT BRANCH | +66 (0) 7538-1344-5 | PHANGNGA BRANCH | +66 (0) 7641-1565-6 | | |
| | | TAKUA PA BRANCH | +66 (0) 7642-1888; 1998 | | |

| | | | | | |
|-----------------------------------|----------------------|------------------------------------|---------------------|----------------------------|---------------------|
| ● RATCHABURI (11 Branches) | | SONGKHLA BRANCH | +66 (0) 7431-1064; | ● YALA (7 Branches) | |
| BAN PONG BRANCH | +66 (0) 3221-1044; | | 1585 | BAN NANG SATA | +66 (0) 7328-9422; |
| | 1414 | THANON NAKHON NOK | +66 (0) 7431-5236-7 | BRANCH | 9080 |
| CHOM BUNG BRANCH | +66 (0) 3236-2351-2 | BRANCH | | BETONG BRANCH | +66 (0) 7324-5301-2 |
| DAMNOEN SADUAK | +66 (0) 3224-1500-2 | THUNGLUNG | +66 (0) 7447-1254-5 | RAMAN BRANCH | +66 (0) 7329-5101-2 |
| BRANCH | | SUB-BRANCH | | SIROROS BRANCH | +66 (0) 7321-1750-1 |
| KRAIPHET ROAD | +66 (0) 3232-2049 | | | SUKYANG ROAD | +66 (0) 7323-0024 |
| BRANCH | +66 (0) 3233-6013 | ● SURAT THANI (10 Branches) | | BRANCH | |
| PAK THO BRANCH | +66 (0) 3228-1479; | DON SAK BRANCH | +66 (0) 7737-1097; | YAHA BRANCH | +66 (0) 7329-1034 |
| | 1496 | | 1052 | | +66 (0) 7325-0358 |
| PHOTHARAM BRANCH | +66 (0) 3223-1075; | KHIRI RATTHANIKHOM | +66 (0) 7739-1166; | YALA BRANCH | +66 (0) 7321-2105 |
| | 1926 | BRANCH | 1075 | | +66 (0) 7324-1521 |
| RATCHABURI BRANCH | +66 (0) 3233-7146 | KO PHANGAN | +66 (0) 7737-7184; | | |
| | +66 (0) 3231-5803 | SUB-BRANCH | 7237 | | |
| RATCHABURI CITY HALL | +66 (0) 3232-5947 | KO SAMUI BRANCH | +66 (0) 7742-1504-5 | | |
| SUB-BRANCH | | PHUNPHIN BRANCH | +66 (0) 7731-1016; | | |
| RATCHABURI HOSPITAL | +66 (0) 3232-5948; | SUB-BRANCH | 1788 | | |
| SUB-BRANCH | 6723 | SRIVICHAI ROAD | +66 (0) 7728-6002-3 | | |
| SISURIYAWONG BRANCH | +66 (0) 3232-3394-5 | BRANCH | | | |
| SUAN PHUNG BRANCH | +66 (0) 3236-4262-4 | SURAT THANI BRANCH | +66 (0) 7728-2071 | | |
| | | | +66 (0) 7727-2039 | | |
| ● SATUN (2 Branches) | | SURAT THANI COOPERA- | +66 (0) 7744-1089; | | |
| KHUAN KA LONG | +66 (0) 7479-7020-1 | TIVE SUB-BRANCH | 1091 | | |
| BRANCH | | TALAD MAI ROAD | +66 (0) 7727-3967 | | |
| SATUN BRANCH | +66 (0) 7472-1339-41 | BRANCH | +66 (0) 7728-5364 | | |
| | | THA CHANG BRANCH | +66 (0) 7738-9053-4 | | |
| ● SONGKHLA (14 Branches) | | ● TRANG (8 Branches) | | | |
| HAT YAI BRANCH | +66 (0) 7423-0622-3 | KANTANG BRANCH | +66 (0) 7525-2898-9 | | |
| HAT YAI HOSPITAL | +66 (0) 7424-5388-9 | KAPANG BRANCH | +66 (0) 7528-6251-2 | | |
| SUB-BRANCH | | NAYONG BRANCH | +66 (0) 7524-2464-5 | | |
| HAT YAI NAI BRANCH | +66 (0) 7423-0917-8 | SIKAO BRANCH | +66 (0) 7529-1035; | | |
| NA THAWI BRANCH | +66 (0) 7437-1545-7 | | 1064 | | |
| NIPHAT UTIT 2 BRANCH | +66 (0) 7423-9088-9 | TALAD MUENGTRANG | +66 (0) 7521-9871-2 | | |
| PADANG BESAR BRANCH | +66 (0) 7452-1616-7 | BRANCH | | | |
| PHETKASEM ROAD | +66 (0) 7424-5854 | THABTHIANG BRANCH | +66 (0) 7521-1483-4 | | |
| BRANCH | +66 (0) 7423-9087 | TRANG BRANCH | +66 (0) 7521-1348; | | |
| RAJYINDEE BRANCH | +66 (0) 7423-0481-2 | | 4034 | | |
| SADAO BRANCH | +66 (0) 7441-1007; | YAN TA KHAO BRANCH | +66 (0) 7528-1194; | | |
| | 1206 | | 1307 | | |
| SATHING PHRA BRANCH | +66 (0) 7439-7115-6 | | | | |
| SINGHA NAKHON | +66 (0) 7433-1276-7 | | | | |
| BRANCH | | | | | |

Shariah Banking Service (Islamic principle)

Head Office 2nd Floor Tayan Tower
1252 Patthanakam Road Suanluang, Bangkok 10250
Tel. 0-2713-7346-50, Fax. 0-2713-7292

Service Branch: 18 Branches**Shariah Banking Service Counter**

| | | |
|-------------------------------------|-----------------------------------|--|
| PHATTANAKARN DARUL AMANAH (PDA.) | +66 (0) 2713-7346-50 | TANYONGMAS BRANCH COUNTER BAN NANG SATA BRANCH COUNTER |
| NARATHIWAT DARUS SALAM (NTD.) | +66 (0) 7351-1117, 1437 | SADAO BRANCH COUNTER SATHING PHRA BRANCH COUNTER |
| YALA DARUL AMAN (YLD.) | +66 (0) 7324-7140-3 | TAK BAI BRANCH COUNTER RAMAN BRANCH COUNTER |
| PATTANI DARUS SALAM | +66 (0) 7331-1908, 1820-3 | NA THAWI BRANCH COUNTER MAE SAI BRANCH COUNTER |
| SONGKHLA DARUS SALAM | +66 (0) 7431-5981-6 | SUNGAI KOLOK BRANCH COUNTER YAHA BRANCH COUNTER |
| HATYAI DARUL MUSTAQIM (HYD.)* | +66 (0) 7423-7958 | PADANG BESAR BRANCH COUNTER FANG BRANCH COUNTER |
| CHIANG RAI DARUL MUBIN (CRA.) | +66 (0) 5374-8883-5 | SUKYANG BRANCH COUNTER YARANG BRANCH COUNTER |
| CHIANG MAI DARUL HUSNA (CMD.) | +66 (0) 5328-3265-6 | SINGHA NAKHON BRANCH COUNTER KHUAN KA LONG BRANCH COUNTER |
| SATUN BHUKET BU-NGA (BKS.)* | +66 (0) 7472-5039-42 | |
| CHA NA DARUL RAHMAN* | +66 (0) 7439-4032-5 | |
| MEENBURI MADANI (MMN.) | +66 (0) 2517-9600 | |
| PHETCHABURI DARUL AMIN (PHD.) | +66 (0) 3241-4090-3 | |
| CHUMPHON DARUL ADIL (CPD.) | +66 (0) 7750-2889, 3395-6 | |
| LAMPANG DARUL IKHLAS (LPD.) | +66 (0) 5423-0006, 0-5422-2054 | |
| PHITSANULOK DARUL YAGIN (PLD.) | +66 (0) 5524-2712-3 | |
| KHON KAEN DARUL HUDA (KKD.)* | +66 (0) 4324-6824-7 | |

* SUB BRANCH

OVERSEAS OFFICES As at April 22, 2004

| | | | | |
|---|---|--|-------------------------------------|----------------------------|
| Los Angeles International Branch | | Tel. | : | (91-22) 2287-3741-3 |
| FVP & Regional Head | : | Mr. Somsak Nontaganok | | (91-22) 2283-7693 |
| Address | : | 707 Wilshire Boulevard | | (91-22) 2287-5458 |
| | : | Suite 3150 Los Angeles, CA.90017 | Fax. | : (91-22) 2287-3744 |
| | : | U.S.A. | Telex | : 01183001 KTBM IN |
| Tel. | : | (1) (213) 488-9897 | SWIFT | : KRTH IN BB |
| Fax. | : | (1) (213) 891-0734 | E-Mail | : ktbmbin@bom3.vsnl.net.in |
| Telex | : | 49646450 KTB LA | | |
| SWIFT | : | KRTH US 6L | | |
| E-Mail | : | ktbla@pacbell.net | | |
| Singapore Branch | | | | |
| FVP & Branch Manager | : | Mr. Pumin Leelayoova | Sangkat Deipo 1 Market | |
| Address | : | 32-05/08 OCBC Centre | Tuankok District | |
| | : | 65 Chulia Street Singapore 049513 | Tel. & Fax. | : (855-23) 366-005 |
| Tel. | : | (65) 6533-6691, 6533-0131 | | : (855-23) 428-737 |
| Fax. | : | (65) 6533-0930, 6533-0932 | | : (66 2) 551-9076 |
| Telex | : | RS24120 KTBSIN | E-Mail | : ktbpmp@bigpond.com.kh |
| SWIFT | : | KRTH SG SG | | |
| E-Mail | : | ktbs@pacific.net.sg | | |
| Kunming Branch | | | | |
| VP & Branch Manager | : | Mr. Pipat Anegsiripong | B.Xiengngeuanthong | |
| Address | : | 1 st Floor South Building, Kunming Hotel | M.Chanthabouly Vientiane | |
| | : | No.52 Dong Feng Road (East), Kunming, Yunnan | People's Democratic Republic of Lao | |
| | : | The People's Republic of China 650051 | Tel. | : (007) 856-21-213480 |
| | : | | | (007) 856-21-222761 |
| | : | | Fax. | : (007) 856-21-222762 |
| | : | | E-Mail | : ktblao@laotel.com |
| Tel. | : | (86-871) 313-8370-1 | | |
| | : | (86-871) 313-8359 | | |
| Fax. | : | (86-871) 313-8367 | | |
| Telex | : | 64190 KTB KM | | |
| E-Mail | : | ktbkmxcn@public.km.yn.cn | | |
| Mumbai Branch | | | | |
| Branch Manager | : | Mr. Soonthorn Pipake | Siem Reap District | |
| Address | : | 6 th Floor, 62 Maker Chambers VI | Siem Reap Province | |
| | : | Nariman Point Mumbai 400-021 | Siem Reap Province | |
| | : | India | Cambodia | |
| | : | | Tel. | : (007) 855-63 964-758 |
| | : | | Tel. & Fax. | : (007) 855-63 964-759 |
| | : | | E-Mail | : ktbsrp@camintel.com |
| Phnom Penh Branch | | | | |
| Acting Branch Manager | : | Mr. Sethayut Maneesri | Sangkat Deipo 1 Market | |
| Address | : | 149 Road 215 | Tuankok District | |

Business Offices Business Office (BO) : 38 Offices

(Bangkok and its perimeter 12, provincial 26 including 3 Mini-BO)

- | | |
|--|---|
| <p>1. Ayutthaya BO Rojana Branch 3rd Floor, 253 Rojana Road, Phra Nakhon Si Ayutthaya, Ayutthaya 13000 Tel. +66 (0) 3534-5091-6</p> | <p>10. Khon Kaen BO Sichan Branch 3rd Floor, 21/3 Sichan Road, Muang, Khon Kaen 40000 Tel. +66 (0) 4333-8419-24</p> |
| <p>2. Chachoengsao BO Chachoengsao Branch 4th Floor, 355 Sukprayon Road, Muang, Chachoengsao 24000 Tel. +66 (0) 3882-4280-2, +66 (0) 3882-4286-7</p> | <p>11. Nakhon Pathom BO Siyeak Sanamchan Branch 3rd Floor, 243/35 Ratvithi Road, Muang, Nakhon Pathom 73000 Tel. +66 (0) 3427-1801-7</p> |
| <p>3. Chanthaburi Mini-BO Tiratana Branch, 4th Floor. 29/11 Tiratana Road, Muang, Chanthaburi 22000 Tel. +66 (0) 3934-0294-5</p> | <p>12. Nakhon Ratchasima BO Samyeak Pakthongchai Branch 3rd Floor, 1475/1 Mitrphap Road, Muang, Nakhon Ratchasima 30000 Tel. +66 (0) 4422-2114-9</p> |
| <p>4. Charoennakhon Road BO Charoennakhon Road Branch 3rd Floor, 5/1 Charoennakhon Road, Thon Buri, Bangkok 10600 Tel. +66 (0) 2437-6829, +66 (0) 2437-6832, +66 (0) 2437-9171</p> | <p>13. Nakhon Sawan BO Pak Nam Pho Branch 3rd Floor, 1099/22 Phaholyathin Road, Muang, Nakhon Sawan 60000 Tel. +66 (0) 5622-4219, +66 (0) 5622-2400</p> |
| <p>5. Chiang Mai BO Khuangsing Branch 6th Floor, 30/1 Chotana Road, Muang, Chiang Mai 50300 Tel. +66 (0) 5340-9536-42</p> | <p>14. Nakhon Si Thammarat BO Nakhon Si Thammarat Branch 4th Floor, 1452 Paknakorn Road, Muang, Nakhon Si Thammarat 80000 Tel. +66 (0) 7531-3669-75</p> |
| <p>6. Chiang Rai BO Hayaek Phokhun Mengrai Branch 4th Floor, 116/19 Highway 110, Muang, Chiang Rai 57000 Tel. +66 (0) 5374-8802-8</p> | <p>15. New Phetchaburi A. BO New Phetchaburi A. Branch 3rd Floor, 2599 New Phetchaburi Road, Huay Kwang, Bangkok 10320 Tel. +66 (0) 2314-0370-6</p> |
| <p>7. Chon Buri BO Aow Udom Branch 3rd Floor, 180 Sukhumvit Road, Si Racha, Chon Buri 20230 Tel. +66 (0) 3835-4400-5</p> | <p>16. Om Noi BO Om Noi Branch 3rd Floor, 41/1, Moo 12, Phetkasem Road, Kratum Baen, Samut Sakorn 74130 Tel. +66 (0) 2420-5953-7</p> |
| <p>8. Chumphon Mini-BO Pathomporn Branch 3rd Floor, 107 Chumphon-Ranong Road, Muang, Chumphon 86190 Tel. +66 (0) 7757-6807-8</p> | <p>17. Pak Nam BO Sinakaran KM. 14 Branch 4th Floor, 991 Sinakaran Road, Muang, Samut Prakan 10270 Tel. +66 (0) 2385-8615-6, +66 (0) 2385-8620-3</p> |
| <p>9. Hat Yai BO Hat Yai Branch 4th Floor, 18-20-22 Niphat Utit 1 Road, Hat Yai, Songkhla 90110 Tel. +66 (0) 7423-9130-2</p> | <p>18. Pattanakhan BO Pattanakhan Branch 4th Floor, 999 Soi 17, Pattanakhan Road, Pravet, Bangkok 10250 Tel. +66 (0) 2714-6473-9</p> |

19. Phichit BO

Phichit Branch 3rd Floor,
2/345 Srimala Road, Muang, Phichit 66000
Tel. +66 (0) 5665-0670-1

20. Phitsanulok BO

Singhawat Branch 3rd Floor,
114 Singhawat Road, Muang, Phitsanulok 65000
Tel. +66 (0) 5523-2460-5

21. Phrae BO

Phrae Branch 4th Floor,
217 Charoenmuang Road, Muang, Phrae 54000
Tel. +66 (0) 5462-1402-8

22. Phuket BO

Phuket Branch 5th Floor,
154/1 Phangnga Road, Muang, Phuket 83000
Tel. +66 (0) 7623-2566-8, +66 (0) 4528-3027-33

23. Rajawongse BO

Rajawongse Branch 3rd Floor,
80-82 Anuwong Road, Samphanthawong,
Bangkok 10100
Tel. +66 (0) 2225-3422-9

24. Ratchaburi BO

Sisuriyawong Branch 4th Floor,
282/19 Sisuriyawong Road, Muang, Ratchaburi 70000
Tel. +66 (0) 3231-0956-8, +66 (0) 3231-0967

25. Roi Et Mini-BO

Roi Et Branch 3rd Floor,
9/9 Ploenchit Road, Muang, Roi Et 45000
Tel. +66 (0) 4352-0416-7

26. Sakon Nakhon BO

Sakon Nakhon Branch 4th Floor,
1772/33 Ratpattana Road, Muang,
Sakon Nakorn 47000
Tel. +66 (0) 4273-3793-9

27. Saphan Khao BO

Saphan Khao Branch 2nd Floor,
230 Lan Luang Road, Pom Prap Sattru Phai,
Bangkok 10100
Tel. +66 (0) 2280-1036-40

28. Saphan Mai BO

Saphan Mai Branch 4th Floor,
69/3, Moo 7, Phaholyothin Road, Bang Khen,
Bangkok 10220
Tel. +66 (0) 2521-7617-22

29. Saraburi BO

Saraburi Branch 3rd Floor,
78/2 Sudbuntad Road, Muang, Saraburi 18000
Tel. +66 (0) 3630-8125-31

30. Suanmali 1 BO

Thanyaporn Building 3rd Floor,
544-546 Bamroongmeung Road, Tepsirin,
Bangkok 10100
Tel. +66 (0) 2225-3040-2

31. Suanmali 2 BO

Thanyaporn Building 5th Floor,
544-546 Bamroongmeung Road, Tepsirin,
Bangkok 10100
Tel. +66 (0) 2225-3043-5

32. Surat Thani BO

Srivichai Road Branch 4th Floor,
67/83 Srivichai Road, Muang, Surat Thani 84000
Tel. +66 (0) 7722-1661-3

33. Surawongse BO

Surawongse Branch 4th floor,
170 Surawongse Road, Bangruk, Bangkok 10500
Tel. +66 (0) 2637-0572-7

34. Surin BO

Surin Branch 3rd Floor,
543/2 Thanasan Road, Muang, Surin 32000
Tel. +66 (0) 4452-1503-8

35. Trang BO

Talad Muangtrang Branch 4th Floor,
122 Rajadamnoen Road, Muang, Trang 92000
Tel. +66 (0) 7521-7941-7

36. UBon Ratchathani BO

UBon Ratchathani Branch 3rd Floor,
633, Muang, UBon Ratchathani 34000
Tel. +66 (0) 4528-3027-33

37. Udon Thani BO

Udon Thani Branch 4th Floor,
199/12 Udondussadee Road, Muang,
Udon Thani 41000
Tel. +66 (0) 4232-5123-31

38. Yala BO

Siroros Branch 3rd Floor,
176 Siroros Road, Muang, Yala 95000
Tel. +66 (0) 7325-5385-9

International Business Centers (IBC) 17 Centers

(Bangkok and its perimeter 12, Provincial 5 including 1 Mini-IBC)

1. PHATHUMWAN IBC

Pathumwan Branch 2nd Floor,
887 Rama I Road, Pathumwan, Bangkok 10330
Tel. +66 (0) 2216-2576-7, +66 (0) 2216-2775,
+66 (0) 2216-2570-3

2. PHRAPINKLAO IBC

Phrapinklao Branch 2nd Floor,
Central Phrapinklao Bldg.
7/130-137 Boromrat Chonnani Road, Bangkok noi,
Bangkok 10700
Tel. +66 (0) 2884-6910-2

3. RAJAWONGSE IBC

Rajawongse Branch 4th Floor,
80-82 Anuwong Road, Samphanthawong,
Bangkok 10100
Tel. +66 (0) 2225-4507-14

4. WONG SAWANG IBC

Wong Sawang Branch 4th Floor,
313 Wong Sawang Road, Bangsure, Bangkok 10800
Tel. +66 (0) 2585-9970, +66 (0) 2913-2660-82

5. SUANMALI IBC

Suanmali Branch 3rd Floor,
20 Yukol 2 Road, Pom Prap Sattru Phai,
Bangkok 10100
Tel. +66 (0) 2223-7716-7, +66 (0) 2223-7730,
+66 (0) 2223-7738

6. SAPHAN KHAO IBC

Saphan Khao Branch 2nd Floor,
230 Lan Luang Road, Pom Prap Sattru Phai,
Bangkok 10100
Tel. +66 (0) 2282-7152-4 ext. 300-309

7. SAPHAN MAI IBC

Saphan Mai Branch 3rd Floor,
69/3 Phaholyothin Road, Bang Khen, Bangkok 10220
Tel. +66 (0) 2521-6340-2, +66 (0) 2521-6344-5

8. SAMYOD IBC

Samyod Branch 4th Floor,
632 Mahachai Road, Phra Nakhon, Bangkok 10200
Tel. +66 (0) 2224-8931, +66 (0) 2224-8933-7 ext. 40

9. SURAWONGSE IBC

Surawongse Branch 3rd Floor
170 Surawongse Road, Bangruak, Bangkok 10500
Tel. +66 (0) 2233-3923-5, +66 (0) 2233-3921

10. EKAMAI IBC

Ekamai Branch 8th Floor,
596 Sukhumvit Road, Wattana, Bangkok 10110
Tel. +66 (0) 2382-1092-6, +66 (0) 2382-1099

11. SAMUT PRAKAN IBC

Sinakaran KM. 14 Branch 3rd Floor,
991 Sinakaran Road, Muang,
Samrong Nua Samut Prakan 10270
Tel. +66 (0) 2385-8432, +66 (0) 2385-8935,
+66 (0) 2385-8938

12. OM YAI IBC

Om Yai Branch 3rd Floor,
17/78 Phetkasem Road, Sam Phran,
Nakhon Pathom 73160
Tel. +66 (0) 2811-4322-5

13. CHON BURI IBC

Lawmchabang Branch 2nd Floor,
180 Sukhumvit Road, Si Racha, Chon Buri 20230
Tel. +66 (0) 3835-2210-1

14. CHIANG MAI IBC

Khuangsing Branch 4th Floor,
30/1 Chotana Road, Muang, Chiang Mai 50300
Tel. +66 (0) 5321-6028, +66 (0) 5321-6283

15. HAT YAI IBC

Hat Yai Branch 5th Floor,
18-22 Niphat Utit 1 Road, Hat Yai, Songkhla 90110
Tel. +66 (0) 7435-1571-4, +66 (0) 7435-1577-80
ext. 301-313, +66 (0) 7423-6159, +66 (0) 7423-6681

16. AYUTTHAYA IBC

Ayutthaya Branch 3rd Floor,
19/5 Narasawara Road, Phra Nakhon Si Ayutthaya,
Ayutthaya 13000
Tel. +66 (0) 3532-3510-2

17. PHUKET MINI-IBC

Phuket Branch 5th Floor,
154/1 Phangnga Road, Muang, Phuket 83000
Tel. +66 (0) 7623-2470-2

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