

Annual Report 2004

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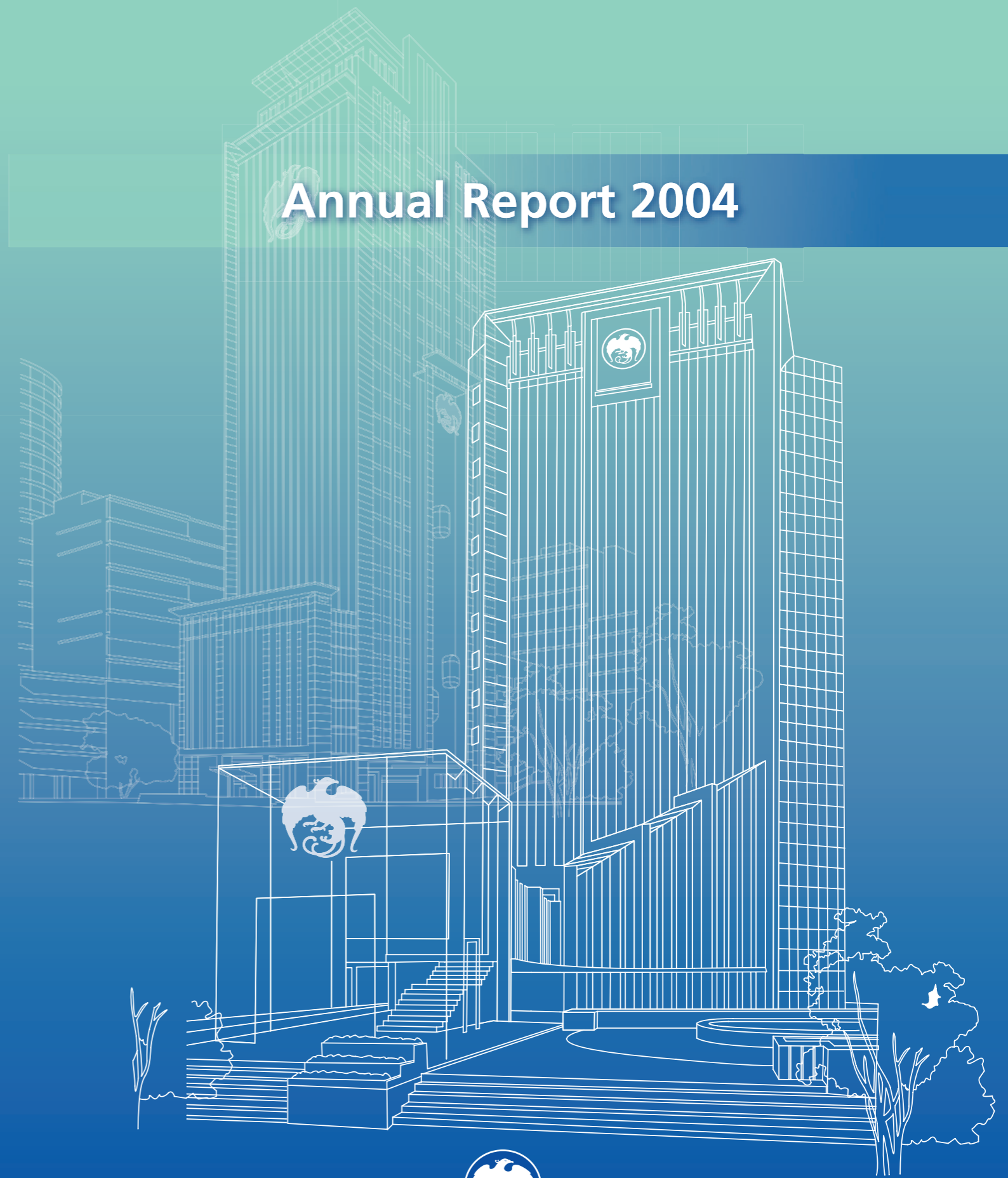
KRUNG THAI BANK PUBLIC COMPANY LIMITED



KRUNG THAI BANK PCL.



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KRUNG THAI BANK PCL.

Vision

Convenience Bank with Niche Processing

Mission

- To Present wide variety of financial products and services to reach target customer groups
- To provide speedy and accurate services at competitive prices
- To have nationwide network encompassing all areas
- To adhere to principle of good governance

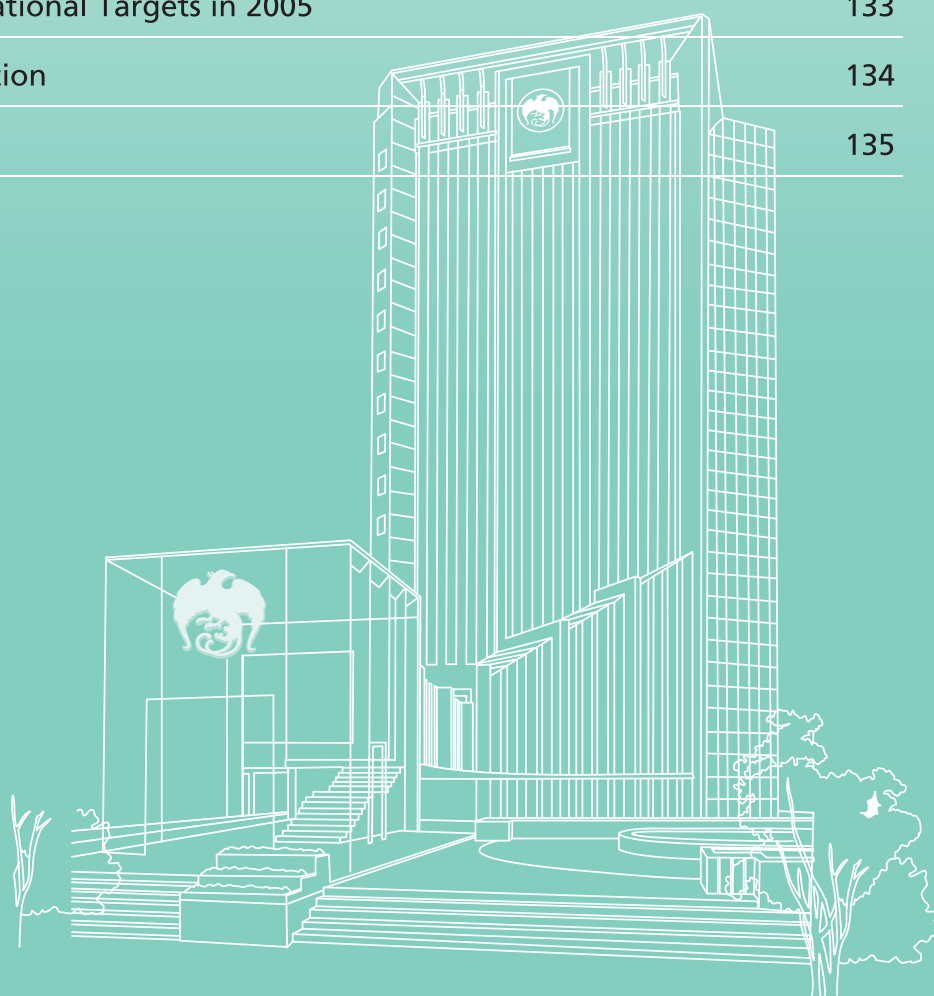


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Summary of Financial Highlights

Description	Consolidated Statements			Krung Thai Bank Statements		
	2004	2003	2002	2004	2003	2002
Financial Figures (Million Baht)						
Total assets	1,148,903.4	1,134,501.4	1,058,442.8	1,149,416.8	1,134,450.7	1,058,387.9
Loans (excluding interest receivable)	871,844.3	918,918.9	785,849.7	874,444.6	919,572.0	785,851.8
Total liabilities	1,073,046.3	1,059,565.6	993,307.1	1,073,560.4	1,059,515.7	993,252.8
Total deposits	1,003,121.8	1,005,355.2	958,551.5	1,003,446.4	1,005,929.8	958,731.8
Borrowings	10,001.2	1.2	71.2	10,001.2	1.2	1.2
Shareholders' equity	75,857.1	74,935.8	65,135.6	75,856.4	74,935.0	65,135.2
Total income	55,178.1	48,675.2	48,096.4	54,980.2	48,418.1	46,908.8
Total expenses	35,708.1	36,348.7	38,055.4	35,537.1	36,171.5	36,884.8
Bad debt and doubtful accounts and loss of debt restructuring	8,349.2	3,541.7	2,014.8	8,349.2	3,541.7	2,014.8
Net profit (loss)	11,093.9	8,704.9	8,009.2	11,093.9	8,704.9	8,009.2
Net earnings (loss) per share (Baht)	0.99	0.78	0.66	0.99	0.78	0.66
Book value per share (Baht)	-	-	-	6.78	6.70	5.82
Financial Ratios (%)						
Net profit (loss) to total in come	20.11	17.88	16.65	20.18	17.98	17.07
Debt to equity (times)	14.15	14.14	15.25	14.15	14.14	15.25
Returns on average assets	0.97	0.79	0.79	0.97	0.79	0.79
Return on average equity	14.71	12.43	12.45	14.71	12.43	12.45
Capital fund to risk assets	-	-	-	10.92	9.20	12.63

Formulae for calculation of ratios are based on criteria set by the Stock Exchange of Thailand (SET)



Dear Valued Shareholders,

The Thai economy in 2004 was considered to expand well albeit slowdown in the second half of the year partly as a result of the oil price hikes in combination with the declining confidence of both consumers and investors because of various incidents throughout the year.

Regarding commercial banking business in 2004, the entire industry could almost double its net profit. The banking industry's net profit stood at a total of Baht 77,400 million, an increase of as much as 98.5% from the previous year as a result of lower costs of interest and higher profit from investments.

As for the operating performance of Krung Thai Bank Public Company Limited in 2004, the Bank earned net profit of Baht 11,100 million. This was regarded as better operating performance over three consecutive years. Currently the Bank is still Thailand's second largest commercial bank with its assets worth Baht 1.14 trillion, total deposits of Baht 1 trillion and Baht 938 billion loans. Apart from this, the Bank's provision for possible loan losses was Baht 11 billion higher than that prescribed by the Bank of Thailand (BOT) in order to strengthen its stability. As at year-end 2004, the Bank had the ratio of capital fund to risk assets equal to 10.92%.

Over the past years, all the Thai commercial banks enhanced themselves to boost their competitiveness by having adjusted the business concepts to be in line with the Financial Master Plan, which greatly allowed commercial banks to handle more business transactions. Krung Thai Bank clearly specified its business direction aiming at achieving the vision of being a Convenience Bank with Processing Niche through the introduction of modern technology to develop its Core Banking System (CBS) so that the Bank would be able to conduct full-scale business operation with varied financial products and services and to join its subsidiary companies and alliances in doing more businesses. In 2004, the Bank planned to organize personnel training programs to cater for new business concepts that would enable the Bank employees to enhance their knowledge and skills simultaneously in finance, service providing and sales of products.

In addition, the Bank could establish a project on the Government Financial Management Information System (GFMIS) until full completion within the specified time-frame in order to support the government policy on boosting the efficiency of managing budget, revenue, expenditure, government cash inventory status, accounting system and electronic operations. The GFMIS would serve as a basis for the Bank's earning of fee-based income in the future.

However the Bank still regards deposits and loans as its core business by focusing on safeguarding the customers' deposits and performing loans. Meanwhile the Bank will broaden its performing-loan customer base through the newly-improved process of credit analysis and approval to be flexible and standardized. Concerning complicated corporate loans, a credit screening committee will be set up to consider loan requests before further submission to the Board of Directors for approval. There will be close monitoring of customers whose loans have already been approved. To reduce risk in loan analysis and approval to be at an acceptable level, the Bank is preparing for an improvement of risk management system for higher efficiency by more detailed risk rating. This will help the Bank to visualize the customers better and enable it to analyze loan requests more accurately. Moreover, loan collateral appraisal will be further improved through standardization of appraisal price control and approval.

The aforementioned plan for improvement of credit management process will assist the Bank in reducing problem of non-performing loans (NPLs) while preventing problems that arose in the past from future re-entry. What the Bank has to carry out in combination with the credit management process is an establishment of the Asset Development Group to resolve problems of substandard loans with higher efficiency.

Krung Thai Bank is determined to develop itself further for increasing potential and competitive edge in order to achieve continually improved operating performance. Moreover, the Bank will undertake to have reliable management by adhering to the principle of good governance in order to enable itself to eventually become a financial institution of steady and sustainable growth.

Last but not least, the Bank wishes to take this opportunity to extend its heartfelt thanks to all the valued shareholders, customers, investors, general public, mass media and government agencies that have had trust and confidence in the Bank and have given kind support to the Bank's operation all along. Sincere thanks is also extended to all the employees for their efforts and dedication to perform the duty in spite of some news reports affecting the Bank's image. The Bank does believe that it will continue to receive such great support as ever.



Mongkon Ampornpisit

(General (Ret.) Mongkon Ampornpisit)
Chairman of the Board of Directors

Apisak Tantivorawong

(Mr. Apisak Tantivorawong)
President

Major Changes in Business Operation in 2004

Operational Policy

2004 was another year in which Krung Thai Bank succeeded in its operation and had major policy changes in several aspects for becoming a bank with sustainable growth so as to create returns to the shareholders' satisfaction and provide the customers with impressive services. In this connection, the Bank set the target for broadening its retail customer base to 60% as well as creating fee-based income from the sales of products and services both of the Bank and its subsidiary companies and business alliances.

Regarding 2004 operating performance, the Bank had net profit of Baht 11,094 million, up from the year 2003 by Baht 2,389 million or 27.44% which was higher than its specified target. To firm up its stability, the Bank therefore set aside additional provision for possible loan losses to be at a level close to that of the large commercial banks. As a result, the Bank's overall provision was higher than the requirement prescribed by the Bank of Thailand.

By following the policy with a target to expand its business base without capital increase, the Bank augmented the tier-two capital to strengthen its capital fund position by issuing subordinated debentures worth Baht 10 billion as public offering. The issued subordinated debentures were of the type specifying names of individual holders, with only one-time repayment of principal, 10-year period, par value of Baht 1,000 per unit, interest rate during 1st - 5th years to be paid at 5.15% per annum and at 6.70% per annum during 6th -10th years. This was the first time in several years that the Bank issued subordinated debentures. As a result, the general public showed great interest to subscribe to the debentures more than the total units offered thus reflecting the public confidence in the Bank. In this connection, Fitch Ratings (Thailand) Co.,Ltd. assigned an AA - rating to such debentures which was of a very high credibility . This debenture issuance increases the Bank's ratio of capital fund to risk assets to be 10%, which was higher than the BOT's requirement of 8.5%.

The foreign investors also had confidence in Krung Thai Bank's stability by having responded to the floating rate certificate of deposit (FRCD) worth USD 150 million or approximately Baht 6 billion of 5 years maturity sold through the Singapore Branch. The Bank could use the proceed of sales for lending in foreign currencies. This was regarded as the first time in seven years after the 1997 economic crisis that the Thai private sector switched to mobilize capital in the international financial markets.

In 2004, the Bank enlarged its overseas network by opening a sub-branch at Siem Riep Province, Cambodia to cater for the businesses of tourism and construction following the Phnom Penh Branch's business growth in loans and funds transfer. The Siem Riep Sub-branch is Krung Thai Bank's seventh overseas network of the existing ones in operation. Apart from the income building for the Bank itself, the SME Bank of Thailand designated Krung Thai Bank PCL as Security Agent under the project on "Thai Kitchen to the World" to act as an agent for collateral appraisal and preparation of various legal contracts for the SME Bank's clients in foreign countries wishing to use their property abroad as loan security or collateral.

In mid-2004, the Bank signed three memorandums of understanding in business cooperation projects consisting of joint venture in the Business Development Bank in the People's Republic of China, co-investment in Krung Thai Asset Management Co. Ltd. (KTAM) and business cooperation with CP Seven Eleven PCL and CP Group of Companies.


Krung Thai Bank set up 18 Cash Inventory Management Centers nationwide to perform the duty of treasury management in safeguarding cash. These Centers provide the service of keeping customers' cash inventory, sorting and transporting bank notes for KTB branches and six other banks requesting for such services. In addition, the Bank installed more ATMs at various points of business potential in order to facilitate the ATM users' transactions. At year-end 2004, the Bank had a total of 1,294 ATMs installed both inside and outside the branches.

As for the transfer of substandard debts the Thai Asset Management Corporation (TAMC) in 2004, the Bank transformed additional substandard debts five times to TAMC for a total of 97 debtors at the book value of Baht 474,856,195.73.

Regarding conflicts in the three southern-most provinces, the Bank realized the importance of taking part in jointly creating good understanding and promoting education for all the fellow citizens in the southern provinces. The Shariah Bank thus gave financial support to the Islamic schools for construction of school buildings, libraries, Islamic-praying building and dormitories and purchase of school buses. The signing ceremonies of financial support were organized twice to help 42 schools in eight provinces in a total amount of Baht 207 million at the first time, and 66 schools in nine provinces in a total amount of Baht 257 million at the second time. This was because the Bank strongly believed that education would help promote moral ethics and create wisdom that would further assist in permanently eliminating conflicts in the southern region.

Apart from this, the Bank organized mobile units for dissemination of knowledge concerning finance and banking under the Shariah principle so that the people would get to know more about the innovation and evolution of banking system. This was because the Muslim-related business expanded considerably with market value of Halal products worldwide of more than Baht 350,000 million; and it was expected that Thailand would have its market share worth higher than Baht 10,000 million. Above all, the Bank's pride was that it has adopted the Integrated Islamic Banking System, which has been accepted by the Shariah Committees several of counties including Malaysia and Brunei Darussalam.

Towards year-end 2004, tsunami tidal waves catastrophe took place in six southern provinces and tremendously destroyed people's lives and properties. In this connection, the Bank's senior executives took fieldtrips to survey the



damages together with issuing measures for bailing out the customers who were affected directly and indirectly by granting 6-month debt payment relief and reducing interest rate to 2% per annum. Moreover, the Bank offered emergency loans and rehabilitation loans and requested the business units and branches concerned to expedite debt restructuring for the affected customers in order to enable them to recover or rehabilitate their business within six months.

As for the depositors holding Krung Thai ATM gold card, Visa electron debit card or Krung Thai Plus deposit account and sustaining damages from tsunami or losing their lives, the Bank already paid compensations to 69 victims in the amount of Baht 100,000 each.

On this occasion, the Bank donated a sum of Baht 100 million as relief aid to tsunami victims by dividing donation into three parts through foundations and organizations. Part 1, sum of Baht 80 million was handed to the Disaster Victims Relief Fund of the Prime Minister's Office and Rajaprajanugroh Foundation under the Royal Patronage (for public welfare). Part 2, sum of Baht 15 million was given as counterpart fund to respective foundations needing support. Part 3, sum of Baht 5 million was offered in conjunction with the Thai Bankers' Association to the Rajaprajanugroh Foundation under the Royal Patronage. Apart from this, the Bank opened a savings account number 000-0-01049-9 at Nana Nua Office with the name of account "Relief Aid Fund for Tsunami Victims" for receiving donations from the Bank employees, customers and general public. Krung Thai Bank offered all the donations received to the Disaster Victims Relief Fund of the Prime Minister's Office as matching fund.

Technology

The Bank has developed its Deposits System Application, Credit System, Customer Information System and Accounting System to be all in the same system to replace the existing Retail Core Banking System by making use of customer-based information. In 2004, the Bank implemented the Deposit System and Accounting System and was being prepared for implementation of the Credit System in 2005.

In addition, the Bank set up its own central database to compile various customer details from all systems of the Bank to be used in harmonious, efficient and timely manner. Meanwhile, the Bank was able to quickly present new products that would be useful to the target customer segments.

The Bank's presentation of financial services through various channels in the form of "Convenience Bank with Niche Processing" was based on the principle of Open Finance in order to provide comprehensive financial services focusing on providing the retail customers, organizations and general public with services required. Moreover, the Bank presented Cash Management System to the Thai government as well as setting up the system application for the GFMIS project, which would be expanded to reach the clients in private sector, corporates or manufacturing factories in the future.

Regarding design or image of branches, the Bank newly changed the image or look by starting from the Nana Nua Office as prototype branch representing concept of modern lifestyle in warm and friendly atmosphere. New technology was introduced for assisting in service providing with convenience, speed and modernity to satisfy the customer needs.

The Bank has also established its IT architecture to cater for the fast changing innovation. In addition, the Bank built its backup Computer Center at Bang Buathong Center and Pibulsong-kram Center for safeguarding and maintaining security of customer information to the best of its ability.

The Bank's IT development continued to be developed for serving as its driving force so that it would be ready for moving efficiently in the future direction of business operations.

Personnel

The Bank reformed its personnel information management system by acquiring the Human Resources Management System (HRMS), a modern technology with functioning on the internet, thus enabling the Bank to efficiently manage the human resources information. In this connection, the Bank adopted the system of Performance Management as a tool for boosting the employees' work products or performance. The roll-in bonus was introduced and cost-of-living allowance was included in employees' salaries.

The Bank has focused on personnel development by encouraging the employees to be aware of self-development. The Bank gave support to the staff to build their own knowledge through the project on Knowledge-Based Management whereby the employees could freely gain their knowledge. All this was done by developing the Bank to become a learning organization through the establishments of the Book Club project, KTB Champions project and Work Improvement project. The Bank will eventually be developed to serve as an organization of creative thinking by having carried out the following tasks of human resources development:

- Developing the executive officers by means of "learning by doing" or learning from actual practices in order to come up with integrated system of analysis and thinking process by setting up the CEO Forum project.
- Developing the employees according to their own individual competency, which was classified into Core Competency, Management Competency and Technical Competency. The employees would be developed to boost their competency in performing jobs to be ready for responding to the organization's determination through various courses both in classroom and self-learning.

- Developing the employees according to the necessity for the Bank's operation such as Core Banking System (CBS) project to prepare the readiness of employees for handling or accommodate new systems and technology.
- Developing the employees with high potential under the KTB Talent Group and create more of those who could become stars in terms of knowledge and skills. This was meant to enhance employees' know-how and insight in order that they would keep pace with the Bank's financial and banking system. Leadership would also be built for being well prepared to substitute manpower in the future, and this project could attract and retain the smart and talented staff to keep working with Krung Thai Bank.
- Reinforcing the Personnel Information Management System by acquiring the new Human Resource Management System (HRMS), which is a system using modern technology to efficiently manage the Bank's human resources information.

The Bank still kept organizing the training project on "Work Spirit Development through Vipassana Meditation" as a method of developing the employees' work spirit that would benefit both the employees themselves and the Bank. In 2004, the number of trainees was as high as 1,164 in total.

The Bank organizing the project on Personnel Management for Greater Efficiency by giving opportunities to the employees who were in poor health and unable to adjust themselves to new changes or wished to take up other profession to have alternatives in life through early retirement.

Apart from this, the Bank offered special monthly allowances in the amount of Baht 3,000 per person and later raised to Baht 5,000 to the branch employees working in the southern provinces of Yala, Narathiwat, Pattani and certain branches in Songkhla in order to boost their morale.

Social Contributions : Returning Profits to the People

On the occasion of Her Majesty Queen Sirikit's 72nd Birthday Anniversary on 12 August 2004, the Bank organized the project entitled "Krung Thai Supporting Lunch Program through Sustainable Agriculture" to be offered to Her Majesty the Queen as royal charity with the objective to give daily lunch to the needy schoolchildren by training them to have their share in producing food for lunch. There were 170 schools in 37 provinces participating in this project, accounting for donation from the Bank of nearly Baht 5 million. Moreover, the Bank donated a sum of Baht 1 million to support the project called "Donation for Eye and Heart Surgery in Honour of Her Majesty the Queen on the 72nd Birthday Anniversary".

Krung Thai Bank still moved forward to have continuation of being a part of building intellectual capital to the Thai society under the "Krung Thai Young Enterprisers" project with the objective to promote the Thai youth's entrepreneurship experience. Under this project, those young entrepreneurs would be able to discover their own business potential and have an opportunity to choose the fields of study and ways of life that suit their aptitude and skills. The Bank keeps organizing this project for the third year in a row with increased cash prizes. In each year, more students from various schools nationwide submitted their business schemes for participating in Krung Thai Young Enterprisers Project contest. KTB Lecture Series was a program organized by the Bank for value addition of intellectual capital to the society that was expected to become knowledge-based society. In this regard, the Bank extended invitation to experts in various fields to lead the talk on interesting themes every third Tuesday of the month for the general public to attend the talk free of charge. Among the topics under discussion was "From Ya-Lay to Thongdaeng : Changes and Future of Thailand" and the talk was expanded to the provinces in the form of mobile discussions, which were organized twice in Khonkaen and Chonburi provinces. In addition, the Bank issued advertising series called "Puyai lee" to communicate the importance of intellectual capital to the people to realize.

Krung Thai Bank gave financial support to Silpakorn University in organizing the National Exhibition of Art for the second year in 2004. Moreover, the Bank sponsored an exhibition and contest of sculptures with total cash awards worth Baht 3 million, and sculptures' sizes had to be not more than two meters in height. This was to give good opportunities to the Thai artists to express their sentiments or feelings through the art work, which would serve as heritage for the following generations to study the concepts and art objects created by artists of previous days.

In addition to participation in building intellectual capital to the society and helping to raise the youth's quality of life, the Bank has given continual support to sports and athletic activities all along. As a result, the Bank's football team won the Thai League Championship for the second time in 2004. The Bank took part in promoting the organization of Phuket King's Cup Regatta Sailing Tournament, a sport at national level that helped to build up Thailand's reputation at international level.

It was regarded as great pride and joy that Krung Thai Bank PCL Training Center, Khao Yai, Pakchong District, Nakorn Ratchasima was awarded the first prize for outstanding energy-saving building in Thailand, and also the first runner-up prize from the ASEAN Energy Awards 2004, organized by the Efficiency and Energy Conservation Group under the Energy Cooperation Network of ASEAN countries in Malaysia. All the buildings at the Training Center were designed for maximum energy saving by making full use of natural daylight and utilizing natural streams running around the compound of the Training Center.



Major Financial Services

Further to the Bank's policy focusing on becoming a convenience bank with niche processing to provide a wide variety of financial products and services covering needs of all customer groups, the Bank, over the year 2004, made preparation in all aspects to attain the specified targets covering human resources, technology and various system applications.

As for the key financial series in 2004, the Bank added new financial products and services to create satisfaction to the customers until the Bank became one of the best choices/alternatives. Meanwhile, the Bank increased both interest income and fee-based income through campaigning for customer use of payment service or payment for costs of goods and services including utility at the Bank counters nationwide or through ATMs and Tele-Banking System as well as on the internet. All this aimed at being a real processing bank. From the Bank's outstanding character of having nationwide branch networks and ATMs all over Thailand, the Bank became a selling agent for Krung Thai Asset Management Company (KTAM), its subsidiary company, covering open-end KTB fund for shares combined with profit-returning debt instruments and open-end KTB fund for long-term shares. The Bank was designated as selling agent for a capitalized ordinary shares of Airports of Thailand PCL, and was the only bank selected as selling agent of ordinary shares of the MCOT PCL. Moreover, KTB was the only bank entrusted by the Revenue Department for general public's submission of private entity tax income payment forms (Forms Por. Ngor. Dor. 90 and Por. Ngor. Dor. 91) in all cases at counters of all its branches nationwide with prompt issuance of tax receipts. All these activities helped to increase the Bank's fee-based income to a great extent.

The Bank modified or adjusted the size, format and content on its various types of cheque to be up to the standards prescribed by the Bank of Thailand in line with the electronic cheque clearing system. Besides, KTB cheques would have distinctive identity, reliability, modernity and good appearance.

In addition, the Bank opened up service of Krungthai AXA Bank Assure for selling life insurance products of AXA Insurance Company through the Bank branches for moving towards being a convenience bank with niche processing.

Major financial services provided in 2004 consisted of the following :

Government Loan Projects

Krung Thai Bank is a state-owned commercial bank with good relations with various government agencies and state enterprises all along. The Bank has provided services and developed respective services encompassing deposits and loans to government agencies including various types of welfare loan to state enterprise employees in the form of housing loans, car loans and motorcycle loans. In order to provide modern and standardized services, the Bank kept revising rules and regulations of housing loans and respective welfare loans.

The Bank joined forces with the Ministry of Education to establish a Welfare Loan Project for members of Cremation Association as welfare assistance for teachers who are members of Kurusapa Business Organization so as to raise their standard of living and to ease problems in their lives by lending a maximum of Baht 200,000 to each of them. Krung Thai Bank was regarded as the only commercial bank and state-owned bank providing such loan service. A large number of interested members submitted their requests for loan under the project.

Moreover, the Bank joined the Government Pension Fund (GPF) to make welfare education loans to GPF members and their children studying at various education levels both locally and abroad including loans for buying desk-top and notebook computer.

The Bank supported loans of Baht 5,000 million to the National Housing Authority (NHA) under the "Ua-Arthorn" Housing Project, Phase 3 for construction of 140,000 housing units in Bangkok and periphery as well as primary towns and secondary towns in the provinces. This was to enable the low-income people in the community to have standard housing with suitable surroundings.

In addition, the Bank was the only bank performing the function of managing the Education Loan Fund by transferring monthly loans to the borrowing students, transferring funds for school term fees and cost of credit hours to the educational institution as well as accepting loan repayments for the Education Loan Fund.

Retail Loans

In 2004, the Bank further expanded its Krung Thai Circle Loans or revolving loans that were meant for the borrowers to use the approved credit lines for spending in time of emergency without depending on loans from non-financial institutions or loan sharks. This included the Happy Retirement Loan, a term loan as an alternative for customers of Krung Thai Circle Loan and Circle Loan Plus who were reaching retirement age by making loan of not more than 10 times the amount of borrower's salary with loan period of not more than five years.

As for the people at grassroots level, the Bank aimed at enabling them to have an access to source of capital in the financial system particularly by strengthening the capability of various community financial organizations. This would be accomplished by expanding the results from the village funds and community funds to cover all areas nationwide. The Bank gave support to financial organizations at Huey Nam Khao District, Yasothorn Province. Apart from this, the Bank added products for the Commercial Retail Loans i.e. OTOP Loan Support Project, Occupation Groups Project, Project on Urban Community Loan in conjunction with the Municipality and the Community Network Loan Project.

The Bank participated in the Property Capitalization Project through cooperation with four government agencies

i.e. National Housing Authority, Treasury Department, National Park, Wildlife and Plant Conservation Department and Department of Local Administration Promotion by making loans to the leaseholders of the NHA housing in KlongToey Community and also making loans to be used as working capital to the business entrepreneurs in the areas of Doi Suthep-In Pui National Park and Noparat-tara - Phi Phi Islands National Park

SME Loans

To achieve the Bank's policy guidelines for broaden its retail customer based especially the small and medium enterprises (SMES) a major market with great potential, the Bank, in 2004, developed the local products to satisfy the needs of local entrepreneurs in respective regions. The was to increase the Bank's scenic channels for more convenience to the customers in accessing various services provided by the Bank especially electronic products. The Bank also joined forces with its network organizations and business alliances to inresse benefits to the customers. The financial products and services for SMEs customers consisted of the following :

- Krung Thai SME Loans Project to support new investment, business expansion and liquidity supplement to entrepreneurs with no limits on type of business and credit line
- SME - BOT Promissory Notes (P/Ns) Repurchase Project to buy P/Ns at discount from SMEs as loans for working capital and liquidity supplement in conjunction with the Bank of Thailand (BOT)
- SME - Invigorating Thai Business (ITB) Project was joint KTB -Ministry of Industry to provide soft loans to entrepreneurs to carry on their business while retaining employment
- SME - PTT Loans for Petrol Station Entrepreneurs Project to extend loans for buying or paying cost of petroleum including products from PTT PCL in the form of an overdraft (O/D) or promissory notes (P/Ns) instead of issuing petroleum ticket or L/G credit line. Under the project, the entrepreneurs were able to pay the cost of petroleum or other products from KTB through this Self - Service Banking system both at KTB counter or by phone or on internet
- SME Electronic Trading Finance and/or Cash Management System (SME - EFCM) Project to provide the SMEs with service of buying goods and making payment for cost of gooks through electronic system.

In addition to various products and services, the Bank placed an emphasis on capability development by organizing the SME - KTB Awards Project for the second year running, and joined hand with the SME Financial Consulting Center to organize seminars and training programs at provincial level for a total of 60 provinces nationwide.

Personal Loans

To retain the existing quality customer base, the Bank gave the opportunities to its housing loan customers with good records of debt repayment as scheduled and decreased existing loans to be able to request for additional loans for business operation or spending on various goods such as cars, furniture, electric appliances or for personal spending in a maximum credit line combined with existing line of 90%.


The Bank joined forces with the Secondary Market Corporation to provide the service of extending housing loan at fixed interest rate throughout 30 years. However, the borrowers are able to change the method of loan repayment themselves thus helping to increase alternatives and reduce risk from interest rate volatility.

Government Fiscal Management Information System (GFMIS)

The Bank has been entrusted by the government to operate the Government Fiscal Management Information System (GFMIS) concerning systems of budget disbursement, accounting, standardized procurement and employment, public debt management, human resources management, salary and payment, IT verification and assessment to be all in electronic system, which would be the centralization of the national government monetary and fiscal system. Krung Thai Bank began the operation of the GFMIS on 1 October 2004. As a result, the Bank received government support in increasing efficiency and also carried fee-based income as well as building opportunity to sell its products to various government agencies and government officials.

Shariah Financial Services

Krung Thai Bank is the first bank that has provided Shariah financial services in the manner of "one bank, two systems" whereby the Bank's products and services are accurate and in harmony with the Islamic principles while the non-Islamic Thais are able to use the services provided although the specially focused target customers are the Muslim Thais. In 2004, Krung Thai Bank's operation of Shariah financial services was at a satisfactory level with capital funds from mobilization increasing as high as 120% and financial support went up by more than 340% from the year 2003, This resulted from the Bank's strategy in disseminating knowledge of Shariah financial services to the general public, expansion



of network in the areas of large Islamic population and increase of more diversified products. The Shariah financial products and services consist of :

- Capital fund mobilization, divided into three types of account i.e. Wadiah savings account, Wadiah current account and Mudharabah account
- Financial support, divided into:
 - Personal financial support for purchase of house , construction of house , conducting Umrah trip and travel, personal spending for redemption of property from other financial institution
 - Financial support for business operation for working capital , liquidity supplement, property purchase, construction of property and construction of project
 - Special financial support project for teachers of Islam-teaching private schools for buying house, construction of house, conducting Umrah, car purchase, further study abroad and personal spending

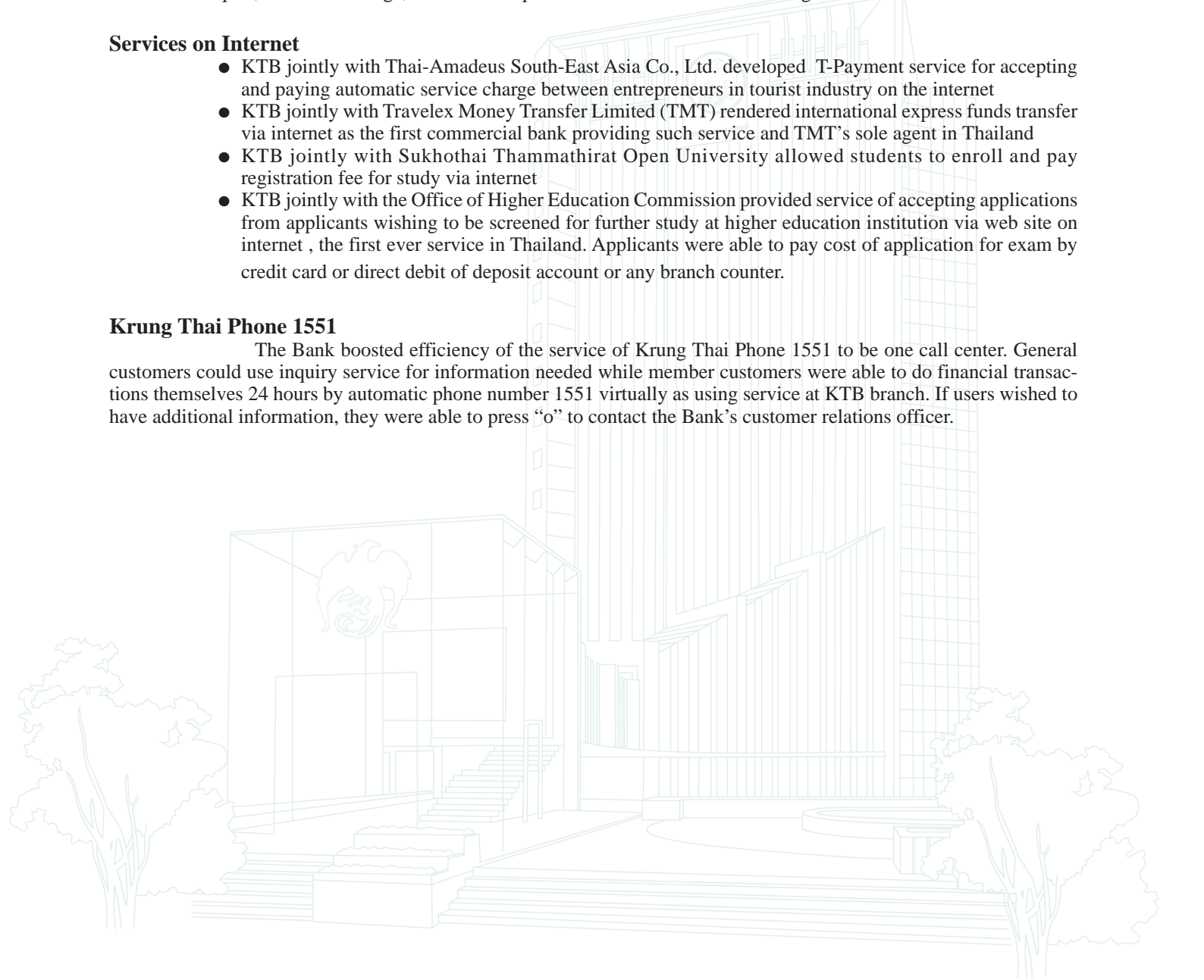
Apart from this, the Bank provided service of Shariah debit card, Shariah ATM card, telegraphic funds transfer, travelers' cheques, bills of exchange, cashier's cheques and automatic account clearing and settlement.

Services on Internet

- KTB jointly with Thai-Amadeus South-East Asia Co., Ltd. developed T-Payment service for accepting and paying automatic service charge between entrepreneurs in tourist industry on the internet
- KTB jointly with Travelex Money Transfer Limited (TMT) rendered international express funds transfer via internet as the first commercial bank providing such service and TMT's sole agent in Thailand
- KTB jointly with Sukhothai Thammathirat Open University allowed students to enroll and pay registration fee for study via internet
- KTB jointly with the Office of Higher Education Commission provided service of accepting applications from applicants wishing to be screened for further study at higher education institution via web site on internet , the first ever service in Thailand. Applicants were able to pay cost of application for exam by credit card or direct debit of deposit account or any branch counter.

Krung Thai Phone 1551

The Bank boosted efficiency of the service of Krung Thai Phone 1551 to be one call center. General customers could use inquiry service for information needed while member customers were able to do financial transactions themselves 24 hours by automatic phone number 1551 virtually as using service at KTB branch. If users wished to have additional information, they were able to press "o" to contact the Bank's customer relations officer.



Market Condition and Competition

The competition of commercial banking industry over the year 2004 was continually severe since various commercial banks expedited their income earning in the thriving economy as shown by the figures of credit expansion by the entire commercial banking system clearly indicating the increase. This resulted in decreasing excess liquidity in the industry.

In addition, merger and acquisition of financial institutions after the Bank of Thailand's announcement of the Financial Master Plan in late 2003 signaled at the changing competitive condition. All the banks thus had to adjust themselves to be prepared for doing financial business in the new era.

Policy and Nature of Marketing for Major Products and Services

Strategies and Tactics for Competition

Krung Thai Bank formulated its marketing strategy by adjusting and changing its direction to become a Convenience Bank. Being so the Bank would act as producer and distributor focusing on selling more financial products whether they would be personal financial system, credit card, life insurance, mutual fund etc. through direct sales or acting as an intermediary or agent in selling a wide variety of goods corresponding mostly to the customers' requirements. This would be undertaken by relying on the Bank's existing clients, thus enabling it to receive returns from such sales that would augment its fee-based income.

However, the Bank still surged forward in the business of debt restructuring services for state enterprises requiring change from foreign currency loans to Thai Baht loans, and large-scale projects that would benefit the economy as a whole according to the government policy. The Bank's response to such policy enabled it to be the leader in extending loans to stimulate the overall economy and also deep down to the economy at grassroots level.

The 2004 marketing strategy of the Bank can be summarized as follows :

1. Customer segmentation was made and products were presented to them by focusing on the consumption behavior of customers in each segment.
2. Products and services were developed and enhanced, making use of marketing strategy and integrated marketing communication in presentation of products to suit the behavior of each target segment or group.
3. Internal organizational units were set up to be responsible for overseeing of services.
4. The Bank made use of its more than 600 branches nationwide as channels for expanding products and services both in offensive and defensive manner.
5. Information technology was further developed to support major marketing and sales information.
6. Other sales channels were developed such as internet and mobile phone.
7. The Bank expedited creation of good image and identity so that the customers would accept or recognize its products and services.
8. Emphasis was placed on building of long-term relationship to retain the existing customer bases and increase new customers.
9. Emphasis was placed on management of experience aiming at customers' good impression.
10. The Bank returned its profit to the customers by means of organizing training programs or seminars to disseminate knowledge and exchange experiences in various aspects to the customers.

Nature of Customers and Target Segments


The Bank kept being customer oriented by dividing customers into seven main segments considering their needs for and behavior of using services in order to satisfy their needs suitably according to customer segments as below :

1. People at grassroots level
2. Schoolchildren and students.
3. General public.
4. Islamic customer segment.
5. Small and medium enterprises (SMEs).
6. Corporate customers.
7. Government agencies and state enterprises.

Distribution and Distribution Channels

To respond to the customer needs by enabling them to use KTB financial services everywhere at anytime, service distribution channels were added to provide them with good variety of services as follows :

1. More than 600 KTB branches nationwide.

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2. More than 1,200 ATMs have been installed with the policy to increase the number in 2005 by approximately 1,000.
 3. Customers were able to use financial services instantly by house phone and mobile phone.
 4. Online service via internet was another channel enabling customers to enjoy 24-hour financial services.

Competition

Competition in Banking Industry

The year 2004 saw banking business in rather more intense competition than the prior year due to economic volatility. Interest rates on deposits were cut lower while oil prices soared and stock exchange condition was volatile. Free trade system with lower tariffs gave opportunities to foreign trading rivals to compete freely as well as the fast-changing pattern of the young generation's lifestyle. All this prompted the Bank to adjust its marketing strategy and develop capability to take the lead in marketing and retain stable and sustainable market share. Among the strategies adapted by the Bank were lowering of interest rates on loans, speedy credit approval, increase of credit line to borrowers, or interest rates cut on deposits as a result of excess liquidity. These phenomena made each bank join hand with insurance companies to accommodate the excess liquidity in the industry thus resulting in the Bank's higher fee-based income.

In the current age of information, the buyers are in a better position to compare the rates or prices of goods before deciding to buy. Meanwhile, the sellers make use of information obtained from customers in producing products and services that match the customer needs and respond to them quickly as well. Hence, all the commercial banks utilize information technology (IT) and further develop it to boost their efficiency of service providing in the form of internet banking, mobile banking, e-commerce etc.

Products Competition

The retail customer segment was a group receiving special attention from all banks since they could seek more income in every way whether in the form of interest or various fees. Most commercial banks would cooperate with their business alliances or subsidiary companies to enable them to conduct full-scale business and add service channels such as cooperation with airlines, insurance companies, educational institutions, coffee houses, department stores and mobile phone companies.

Krung Thai Bank thus developed its Core Banking System (CBS) to link information from all the systems together. This was aimed at reducing duplication or overlapping of operation for convenience and speed thus enabling the Bank to utilize the information for further development to match the target segment the most. Apart from this, the Bank attached importance to non-bank transactions such as life insurance, mutual fund, stocks, which were regarded as products that could attract customer segments needing these services. Included was the establishment of the Government Finance Management Information System (GFMS) project with the objective to respond to the government policy on improvement of the efficiency of its management of income and expense budgeting as well as electronic funds transfer for various payments etc.

Pricing Competition

Both Thai and foreign commercial banks attached importance to loan base expansion to create income thus prompting pricing competition by using strategy of cutting down interest rates on loans and reducing commissions or fees so as to attract more customers' attention.

Hence, Krung Thai Bank entered the pricing competition system to retain its existing customers by giving more lenient terms and conditions such as loan interest rates cut, extension of loan repayment period, reduction or discount on various fees or even increase of credit line of some types of loan to as high as 100%.

Place Competition

Each commercial bank adapted its strategy of place or premises for adding more convenience to customers. This was done by constructing branches in business locations or major communities to facilitate the clients' travel as well as creating highlights that would be the Bank's identity through renovation of its premises both interior and exterior to have modern look. Krung Thai Bank renovated and enhanced the Head Office building and customer service areas to be in line with its business objective to become a convenience bank after having declared itself as one. In the future, the Bank would redesign its branches to be modern and attractive.

Promotion Competition

All commercial banks conducted sales promotion through various approaches such as price cut, products exchange, freebies, bonus gifts, lucky dips etc. to attract the customers attention to use more services. Each bank entered intense competition by trying to advertise its products and made more publicity through every possible channel in order to encourage customers to use more services and retain customer bases to the best of its ability.

Estimated Number of Competitors

The business structure in the 11 Thai commercial banks is divided into the following three groups :

1. Thai commercial banks having major shareholders that are private groups such as Kasikorn Bank, Bangkok Bank, Bank of Ayudhya, Siam Commercial Bank and Thanachart Bank.
2. Thai commercial banks having major shareholders that are government agencies such as Krung Thai Bank, Thai Military Bank (merged with DBS Thai Dhanu Bank), Siam City Bank and Bank Thai.
3. Thai commercial banks having major shareholders that are foreign financial institutions such as Bank of Asia, UOB Ratanasin Bank and Standard Chartered Nakornthon Bank.

In addition, there are is foreign commercial banks operating in Thailand such as Hong Kong and Shanghai Bank of Commerce (HSBC), Citibank Group. The eleven special government financial institutions include the Government Housing Bank, Government Savings Bank, Bank for Agriculture and Agricultural Cooperatives (BAAC), SME Bank of Thailand.

KTB's Size and Competitiveness

Krung Thai Bank is a large commercial bank with high competitiveness since it has reengineered its methods of operation and introduced modern technology to help boost efficiency and cut operational costs thus resulting in the Bank's having satisfactory operating performance and continual business expansion with strong financial position. Besides, the Bank played an important role in participating in Thailand's economic development and making contributions to the society. This can be seen from the Bank's being leader of expansion of loan base down to the grassroots level as well as donating a sum of Baht 100 million as relief aid and rehabilitation assistance for the tsunami victims in the six southern provinces. The Bank was thus considered the people's bank truly wishing to stand side by side with the fellow Thais.

Industry Trends and Future Competition

It was expected that, in 2005, the Thai economy in the first quarter might slacken especially in tourism sector, which was regarded as the top income-generating source of Thailand's economy, due to the tsunami disaster that caused severe damages to the people's lives and properties the six southern provinces. Moreover, such catastrophe resulted in declining confidence in the eyes of both Thai and foreign tourists although respective organizations, governmental and non-governmental, fully mobilized their resources to give continual aids to alleviate and correct the crisis to be back to normal as early as possible. This was because such incident might have implications for long-term economy and investment.

Nevertheless, several research agencies foresaw the 2005 economy that there would be fierce competition in manufacturing industry especially real estate that would continue to grow. The automobile industry had its market expansion to 600,000 cars per year following the government policy on transforming Thailand into Detroit of Asia. This policy also resulted in growth of related industry such as manufacturing of auto spareparts, motor vehicles and tires. The electronic business kept growing continually as a result of changing consumption behavior of the people who wanted quick response from the manufacturers.

In addition, other factors including government policy on free multilateral trade such as AFTA, WTO and bilateral FTA aiming at lowering import tariffs, and open-door principle welcoming foreign business rivals with high technology already being world market leaders or even employment of foreign workers at low wages, will have adverse effects on various Thai business establishments. If those businesses do not revamp themselves and tried to build strong alliance network, they may face difficulties in conducting their business. On the part of Thai financial institutions, foreign banks are regarded as significant competitors. If the Thai commercial banks still operate by using the same old approaches without reinforcing their organizations and work system to keep abreast of the ever-changing environment, they may have losses in their operating performance resulting in weakening financial status.



Risk Factors and Risk Management

Krung Thai Bank's business operation had to encounter risk factors in several aspects i.e. credit risk, interest rate risk, exchange rate risk, market risk, liquidity risk and operational risk. All these risks might have significant impacts on the business, operating performance, assets, liquidity, source of capital fund and financial position of the Bank. Moreover, there were still other risk factors presently unknown to the Bank but they might become vital risk factors in the future. The Bank thus attached importance to the development and improvement of risk management process to be up to international standards, and at the same time, introduced the information technology (IT) system to help support its risk management.

Credit Risk

Credit risk refers to the chance or probability that the contract party or borrower is unable to comply with the terms and conditions and covenants in the loan agreement or contract or the quality of assets has impaired. As a result, the Bank is not fully repaid for loans extended according to the agreement thus adversely affecting the Bank's capital fund.

1. Nonperforming Loans (NPLs)

The increase of NPLs prompted the Bank to have higher provision for bad debts and doubtful accounts, thus affecting the operating performance, financial status, and capital adequacy of the Bank. Rise in NPLs resulted partly from the changes of criteria for assets quality classification to be more stringent as prescribed by the Bank of Thailand (BOT).

However, the Bank took various measures for correcting and controlling the NPLs from further rising. It set the targets for credit business units to lower their NPLs annually while establishing process of debt management with problem customers earlier before becoming bad accounts. Apart from this, the Bank's tools for assessment of customer risk used in credit analysis also helped to have more efficient process of customer screening. In 2004, the Bank carried out the NPLs reduction expedition project in continuation from the previous year by assigning the senior executives to take the lead in expediting and restructuring debts classified by areas or regions. It also expedited case proceedings and executions with the problem debtors, and expedited disposition of foreclosed property in order that the process of consideration and decision-making was efficient and the Bank could better control risk involved.

2. Debt restructuring might result in the Bank's receiving less repayment of principal and interest, and the restructured loans might become NPL re-entries.

Krung Thai Bank restructured its debts under the guidelines stipulated by the Bank of Thailand, and such debts restructuring might have significant implications to the Bank's financial standing and operating performance. This was because the Bank might be repaid of principal and interest in lesser amounts than in the existing loan agreements and it might have to provision more for possible loan losses in case such loans became NPLs.

The Bank had the policy that all the credit business units had to closely monitor the debtors' business operations and compliance with the debt restructuring contracts. In some case, though the Bank was able to restructure the NPLs to be performing loans under the guidelines prescribed by the BOT but the Bank might consider not to restructure certain debts until it was assured that such loans would not become NPL re-entries.

Apart from this, the Bank, in 2004 pursued the policy on provisioning for general possible loan losses in the amount of Baht 300 million every month to ensure the level of general provisioning for coping with the risk that might arise in case the performing loans or restructured debts became NPLs.

3. Competition in banking industry might decrease the Bank's interest margin.

More intense competition both from foreign banks and non-bank businesses with large capital and higher technology as well as preparedness for complying with the Basel II Accord might have impact on higher cost on the part of Thai commercial banks. As a result, interest rate margins from lending might decline. The Bank adjusted itself by attaching importance to boosting non-interest income such as various fees and commissions to compensate with the decreasing margins from credit extension.

4. Risk arising from concentration of credit.

The Bank undertook to closely monitor the concentration and diversification of loans extended to each industry in order to fix the industry concentration limit that the bank would be able to extend to each industry. The Bank supported lending to key economic sectors such as export, services and manufacturing industry that would help increase gross domestic products (GDP). Regarding credit extended to respective business sectors in 2004 (excluding SAM promissory notes), there was no significant concentration of credit in any particular business. Most credit was extended to major economic sectors such as manufacturing business, commercial business (i.e. wholesale and retail trade, import and export), service business and housing, accounting for 20.7%, 14.7%, 11.7% and 10.7% of total loans respectively.

5. Risk arising from impairment of collateral.

The Bank's loans were largely those with collateral or security in the form of immovable property, the values of which would depend on economic situation. In case of economic recession, the values of loan collateral would be

impaired, thus prompting the Bank to set aside more provision for possible NPLs. This made the sum of proceeds that Bank would receive from disposition of foreclosed property decrease, thus adversely affecting the Bank's net profit and capital fund. However, the Bank decided to revise and update such collateral appraisal so that the real values of property used as loan collateral would be known. The results would be utilized to formulate strategy and tactic in further operation to be in line with the changing credit risk. In this regard, the Bank had already set aside allowance for foreclosed property impairment as detailed in the Notes to the Financial Statements.

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

The Bank had risk from losses of loans that were transferred to the TAMC since it had signed an agreement to share the future profits and losses of the transferred loans. In case the TAMC managed such loans transferred and incurred losses, the Bank would have to be jointly responsible for the losses as specified in the agreement. Nevertheless, the Bank already provisioned in this part as shown in the details of the Notes to the Financial Statements.

7. Significant changes of rules and regulations governing the Bank and its business operation might have significant impact on its business and operating performance in the future.

The Bank has been conducting business under the stringent supervision and control by the Bank of Thailand (BOT). Hence, the Bank's business will certainly be affected by revision of policy by the Bank of Thailand including criteria for lending, maintenance of capital adequacy and maintenance of liquidity. Apart from this, changes of or amendments to the regulations or international policies, laws on tax and tariff, accounting rules and principles as well as international standards related to operations of financial institutions might have impact on the Bank's business operation.

8. Outbreak of unexpected incidents might have adverse effects on the Bank's business and operations as well as financials situation and operating performance.

The outbreaks of avian influenza or bird flu in early 2004 to mid-2004, insurgents terrorism in three deep-south provinces that went on in continuation from early 2004 and tsunami devastation in late 2004 were all unexpected. These types of incident might occur in a row and might take place again in the future, thus being the risk that the Bank could not possibly know or foresee and make assessment in advance. Such incidents could have severe implications for financial institutions and the Bank's operating performance. The Bank, however, instantly remedied the situation by having assessed the damages and losses and issued measures for bailing out the affected customers from any additional loss that might incur.

Market Risk

Market risk refers to the risk arising from fluctuations or volatility of interest rates, foreign exchange rates and prices of instruments in money markets and capital markets that may have negative impact on the Bank's income and capital funds. Market risk can be classified into three aspects i.e. interest rate risk, foreign exchange risk, and price risk.

The Bank set its main objectives in risk management to manage market risk in an appropriate manner as follows :

1. Interest Rate Risk.

This is the risk that the Bank's income or capital funds have negative impacts from changes of interest rates of all items of assets and liabilities and off-the-balance-sheet items which are rate sensitive items that may adversely affect net interest income.


The Bank already established the Assets and Liabilities Management Committee (ALCO) responsible for overseeing and managing interest rate risk from mismatch between the Bank's interest rate structure and nature of assets and liabilities used in conducting the gap analysis for analyzing gap between adjustments of assets and liabilities in each time period. In this regard, if the assets and liabilities are due or reach the period of interest rate change within a certain period of time, such assets or liabilities are regarded as sensitive to interest rate change or they are rate sensitive items.

Apart from this, the Bank used the so-called "N II Simulation" method for analyzing model of impact on the Bank's net interest received so as to know the implications that might arise from interest rate volatility for its net interest received. This would have further implications to the Bank's net profit in the next 12-month period. The Bank's management of interest rate risk stemming from mismatches was under the supervision of the ALCO with the target set for the Bank's receiving maximum returns under the levels of risk approved by the ALCO.

2. Foreign Exchange Risk

This is the risk of income or capital funds is adversely affected due to foreign exchange rate fluctuation/volatility from conducting business transactions in foreign currencies or having assets or liabilities in foreign currencies.

The Bank formulated its Trading Book Policy that was clear enough to have preparedness in generating report and assessment of capital funds which had to maintain for coping with the market risk according to the policy of the Bank of Thailand in 2004.



Krung Thai Bank has supervised and controlled its daily transactions of foreign exchange both concerning spot trading and forward trading as well as swap by setting the limits of foreign exchange dealing. Such limits were already approved by the Executive Committee for the trading to be made within the limits set. Moreover, the Bank prepared the Daily Trading Report by making use of value-at-risk (VaR) for assessing foreign exchange risk. It also measured the value of MTM of foreign exchange transactions at the end of each working day as a tool for the assessment of impact from foreign exchange rate volatility that would be on the Bank's income and capital funds.

As for lending in foreign currencies, the Bank sought almost all of the sources of fund in the same currency as that of the loans to be extended and tried to fix the due date of borrowing and that of foreign currency loan to be the same in order to minimize foreign exchange risk. In addition, the Bank prepared reports on monitoring of foreign currency debt burdens of customers on monthly basis in order to prevent negative effects from credit that might occur from such foreign exchange volatility.

3. Price Risk

This type of risk is the risk that the Bank's income or capital funds receive negative impact from changes of debt instrument prices or capital instrument prices. In this regard, the Bank conducted mark to market (MTM) daily so as to know the implications from price changes that would be on its operating performance. Besides, the Bank generated its daily trading risk report to analyze the risk arising from changes of prices of debt instruments and capital instrument. The Bank's most investment policies would focus on long term investment rather than short-term investment.

Liquidity Risk

Liquidity risk refers to the risk stemming from the Bank's being unable to repay the liabilities and contingencies when they are due because it cannot convert assets to cash or cannot obtain adequate capital i.e. lack of liquidity.

The Bank managed its liquidity risk by attaching importance to liabilities structure management through managing its sources of funds to have more variety in order to diversify risk as well as having appropriate structure of both short-term and long-term capital. This was combined with consideration of internal and external factors in supplement of the risk analysis for achieving optimum efficiency in liquidity management of the Bank. Hence, assessment of demand for liquidity in the future was made both in the short run and long run by estimating the cash flow received and cash flow paid that would occur under different situation in both normal and critical liquidity. The Bank also considered all the factors concerned in respect of assets, liabilities and various contingencies ; and also formulated emergency plan to cope with the case of liquidity problems.

In 2004, Krung Thai Bank held its status as net provider of funds on domestic financial markets largely in Thai Baht. The Bank made redemption of the SAM promissory notes to be in line with the liquidity for accommodating the Bank's further expansion according to the business plan.

The Bank already had tools and processes for managing its liquidity risk to deal with daily liquidity management, short-term liquidity ; and estimated medium-term and long-term liquidity for further submission to the ALCO for consideration.

Operational Risk

Operational risk refers to risk or loss/damage stemming from errors and deficiencies in the management, operational processes, system applications, information technology (IT) system and personnel including external incidents or factors that may cause both direct and indirect losses/damages of both monetary or non-monetary term, thus having impact on the Bank's income and capital funds.

Since operational risk is the type of risk having broad scope and involving all the business units in the organization and all the bank employees, the Bank has attached great importance to the prevention or control of this risk to minimize losses. Major risks include risk from internal management such as organizational structure, administration or management, process of work practices, system applications and information technology system. Without good supervision and lack of good internal control, there will probably be errors or irregularities on the part of the employees and the latter will bring about more damages than monetary losses, for example, the Bank's reputation will be tarnished.

To reduce the losses that may arise from internal factors that the Bank is unable to control, the Bank has tried its best to communicate this issue to the employees at all levels so that they will understand and be aware of operational risk and realize the importance of risk prevention. The Bank has also requested all business units to play joint role in managing risk of the Bank by having established the process of gathering information on the environment, assessing risks that may arise and prioritize them, setting up guidelines for prevention or reduction of significant risk and periodically reporting on the matter. This can be regarded as an establishment of good internal control. Such process is under the supervision of the chiefs of respective business units and is audited by the Office of Internal Audit.

Measures for Coping with the Bank's Risk

The Bank has taken measures for managing credit risk by attaching importance to the following :

1. Formulation of credit policy to be used as guidelines for the Bank's credit extension, revision and improvement of credit policy for flexibility in practice so that credit extension will be up to international standards.

2. Business research including economic and industry research, industry risk rating, business profile preparation, banking industry analysis and preparation of Krung Thai business index or KTB Index (KTBI) to be used as supplementary information for the executive officers in planning the operation and also as supplementary data for credit extension decision-making.

3. Establishment of standard operation procedure (SOP) to be used in credit approval and debt restructuring.

4. Development of tools for customer risk analysis as classified by two segments / groups of customers :

4.1 Retail customer group. Credit scoring system is used.

4.2 Medium-business customer and corporate customer groups. Credit risk rating system is adopted by making use of some statistical values in calculating risk such as probability of default (PD) or the chance of customer's default.

5. Establishment and revision/review of the Bank's delegated lending authorities (DLA) and delegated restructuring authorities (DRA) so that credit approval and debt restructuring will both have the same standardized practices with flexibility. Therefore, the Bank stipulated its credit regulations of "Delegated Lending Authorities and Delegated Restructuring Authorities" with the key principle of credit consideration and approval in the form of committee or group of three persons and over.

6. Close monitoring of credit or loans already approved to ensure that the customer/borrower has complied with the terms and conditions of loan agreement. This was regarded as preventive monitoring system that would prevent problem loans.

7. Management of non-performing loans (NPLs) through conducting debt restructuring together with legal action taking in order that the Bank would receive debt repayment more quickly with minimum loss.

8. Establishment of credit examination process to ensure compliance with the standard operation procedure (SOP) in relation to credit approval and debt restructuring. Apart from this, the Bank conducted assessment of loan quality and other related assets to be useful for debtors classification, assessment of adequacy of provisioning for assets doubtful of no value or non-recovery and assets written off.

9. Formulation of assets and liabilities management policy and liquidity emergency plan to be used in managing financial risk and timely resolving liquidity problem.

10. Communication with the Bank employees for better understanding and awareness of risk so that they would realize the importance of risk prevention. In this regard, the Bank adopted two-way communication that was creative and transparent for strengthening the organization adhering to good governance.

11. Personnel development by organizing training program on risk management covering three types of risk i.e. credit risk, market risk and operational risk. This was to enable the employees to understand the guidelines for risk management set by the New Capital Accord or the so-called Basel II.

12. Investment in information technology (IT) system to enable the Bank to have complete information system that is adequate for risk management and decision making. Besides, this will help reduce duplication and overlapping of work as well as errors or discrepancies that may arise from employees' performance.

13. Setting-up of a "Task force" to study and understand the new risk management under the Basel II Accord. Moreover, the Bank participated in the BOT's project on risk assessment and impact of Basel II to report on the implications and operational guidelines to cope with the changes.

14. Operation of plan for developing the operational risk management to be generally accepted such as compilation of risk information as loss database and management methods and problem solving. Apart from this, the Bank arranged for transfer of knowledge of operational risk management to the employees in all business units for better knowledge and understanding to correspond to policy guidelines for good internal control. Also included were collection of loss information as key risk indicator or risk index report which would be vital information in the Bank's operational risk management for the future.

Shareholding and Management Structure

Shareholding Structure

Shareholders of Krung Thai Bank PCL (as at April 5, 2004)

(Date of closing share register for the right to attend the 11th Annual Ordinary General Meeting and for the right to receive dividends)

Registered capital of 11,196,912,250 shares at par value of Baht 5.15 in the amount of Baht 57,664,098,087.50

Paid-up capital of 11,185,013,000 shares at par value of Baht 5.15 in the amount of Baht 57,602,816,950

Divided into 11,179,513,000 ordinary shares and 5,500,000 preference shares

No	Shareholders	Amount of shares			
		Ordinary	Preference	Total	%
1	THE FINANCIAL INSTITUTIONS DEVELOPMENT FUND	6,306,635,967	-	6,306,635,967	56.38
2	VAYUPAKSA MUTUAL FUND 1	419,792,805	5,452,190	425,244,995	3.80
3	HSBC (SINGAPORE) NOMINEES PTE LTD	155,905,484	-	155,905,484	1.39
4	THAI NVDR CO., LTD	123,215,580	-	123,215,580	1.10
5	BOSTON SAFE DEPOSIT AND TRUST COMPANY	111,918,200	-	111,918,200	1.00
6	THE GOVERNMENT PENSION FUND	102,354,900	-	102,354,900	0.92
7	SOCIAL SECURITY OFFICE	97,539,500	-	97,539,500	0.87
8	STATE STREET BANK AND TRUST COMPANY, FOR LONDON	92,380,100	-	92,380,100	0.83
9	STATE STREET BANK AND TRUST COMPANY	90,648,661	-	90,648,661	0.81
10	THE GOVERNMENT SAVINGS BANK	88,145,858	-	88,145,858	0.79
11	OTHER SHAREHOLDERS	3,590,975,945	47,810	3,591,023,755	32.11
		11,179,513,000	5,500,000	11,185,013,000	100.00

Companies in which Krung Thai Bank PCL. Hold 10% or more of the listed shares

As at December 31, 2004

Name of Company	Type of Business	Percentage of Shareholding	No. of Shares Invested	Paid-up Capital	Address
1. Krung Thai Legal Services Co., Ltd.	Legal services to KTB and its subsidiaries	99.998	299,993	300,000	191/50-53 C.T.I. Tower, 19 th Floor, Ratchadapisek Road, Kiongtoey, Bangkok 10110 Tel.+66 (0) 2261-3739-47 Fax.+66 (0) 2261-3748-51
2. Krung Thai General Business Services Co., Ltd.	General services to KTB and its subsidiaries	99.999	1,399,990	1,400,000	96/12 Soi Ladpraw 106 (Udomsuk) Wangthonglarng Bangkok 10310 Tel. +66 (0) 2791-9800 Fax. +66 (0) 2935-3708
3. Krung Thai Asset Management PCL.	Asset management	99.99997	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 Co., Ltd.	IT Services	99.99	7,999,994	8,000,000	598 Q-House Ploenjit, 9 th Floor, Ploenjit Road Lumpini, Pathumwan, Bangkok 10330 Tel +66 (0) 2251-8199 Fax +66 (0) 2251-8198
5. Krung Thai Property Development Co., Ltd.	Project consultant, land appraisal	99.99	16,999,957	17,000,000	191/70-73 C.T.I. Tower, 14 th Floor, Ratchadapisek Road, Kiongtoey, Bangkok 10110 Tel +66 (0) 2204-1677 Fax +66 (0) 2204-1676
6. N. C. Associates Co., Ltd.	Rubberwood Agent	54.39	5,439	10,000	290/111 Moo 1 Suanpak Road Talingchan Bangkok 10170 Tel +66 (0) 2882-2667-8 Fax +66 (0) 2882-2669

Name of Company	Type of Business	Percentage of Shareholding	No. of Shares Invested	Paid-up Capital	Address
7. Krung Thai Axa Life Insurance Co., Ltd.	Life Insurance	50.00	67,750,000	135,500,000	87/1 Capital Tower, 25 th Floor, Wireless Road, Bangkok 10330 Tel.+66 (0) 2654-3150 Fax.+66 (0) 2654-3140
8. Kiatprapa Co., Ltd.	Manufacture and Sales of color compound	49.94	419,000	839,000	2 Moo 12 Kingkawn Road Rajatewa, Bangpee, Samutprakarn 10540 Tel +66 (0) 2750-2478
9. Amorn-Chai Co., Ltd.	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. Krung Thai Card PCL.	Credit card business	48.32	122,499,993	253,525,144	591 United Business Centre II, building,14 th Floor, Sukhumvit Road, North Klongton, Wattana, Bangkok 10110 Tel.+66 (0) 2665-5100 Fax.+66 (0) 2665-5497
11. Krung Thai Panich Insurance Co., Ltd.	Non-life Insurance	40.00	4,000,000	10,000,000	208 Wireless Road, Lumpini, Patumwan, Bangkok 10330 Tel.+66 (0) 2302-0111; 2651-5500 Fax.+66 (0) 2651-5511
12. Krung Thai IBJ Leasing Co., Ltd.	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

Name of Company	Type of Business	Percentage of Shareholding	No. of Shares Invested	Paid-up Capital	Address
13. Krung Thai Autolease Co., Ltd.	Hire purchase	35.00	700,000	2,000,000	5 Vipawadee Road Ladyao Jatujak Bangkok 10900 Tel +66 (0) 2690-7960-75 Fax +66 (0) 2690-7976
14. Krung Thai Charoensri Co., Ltd.	Hire purchase	35.00	350,000	1,000,000	277/3 Charoensri Complex Bldg., Prajak Road, Muang, Udornthani 41000 Tel.+66 (0) 4224-9216-20 Fax.+66 (0) 4224-9221
15. Lanna Agribusiness Co., Ltd.	Vegetable oil, fat oil production	30.97	120,000	387,500	293/23-26 Surawong Road, Bangruk, Bangkok 10500 Tel.+66 (0) 2234-1502-9 Fax.+66 (0) 2236-5197
16. Alphatec Electronics PLC.	Electronics components production	30.51	806	2,642	179/74-80 Bangkok City Tower 15 th Floor South Sathorn Thongmahamek Bangkok 10120
17. Vejthani PLC.	Hospital	30.00	26,238,000	87,459,681	1 Ladprao 111 Road, Bangkokkapi, Bangkok 10240 Tel.+66 (0) 2734-0000 Fax.+66 (0) 2734-0044
18. Kamol Kij Co., Ltd.	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 Co., Ltd.	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

Name of Company	Type of Business	Percentage of Shareholding	No. of Shares Invested	Paid-up Capital	Address
20. WTA (Thailand) Co., Ltd.	Business taken over from Telecom Asia Corporation	25.00	250	1,000	313 C.P.Tower, Silom Road, Bangruk, Bangkok 10500 Tel.+66 (0) 2230-2019 Fax.+ 66 (0) 2236-0499
21. Trinity Watthana PLC.	Holding Company	19.60	27,300,000	139,300,000	26th Floor, Bangkok City Tower 179/111 South Sathorn Road, Bangkok 10120 Tel.+66 (0) 2670-9100 Fax.+66 (0) 2286-9000
22. Cotco Metal Works Co.,Ltd.	Manufacture of steel tubes and pipes, C-Channels and metal sheets	17.02	400,000	2,350,000	59/7 Moo 5 Prachauthid Road Tungkru Bangkok 10140
23. Dhipaya Insurance PLC.	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
24. Thai Nam Plastics PLC.	Production and sales of artificial leather sheets	15.46	3,273,811	21,175,004	40 Moo 7 Petchkasem Road, Km23, om-Noi Kratoomban, Samut Sakhon 74130 Tel.+66 (0) 2810-3000; 2420-9968-74 Tax.+66 (0) 2420-9967; 2420-1827
25. M. Grand Hotel Co., Ltd.	Hotel	15.00	15,000,000	100,000,000	1045 Phaholyothin Road, Phayathai, Bangkok 10400 Tel.+66 (0) 2617-1949 Fax.+66 (0) 2617-1940

Name of Company	Type of Business	Percentage of Shareholding	No. of Shares Invested	Paid-up Capital	Address
26. Thai Baroda Industries Co., Ltd.	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
27. Thai - German Products PLC.	Production and sales of Stainless steel pipes	11.33	36,780,437	324,583,333	99 Huaypong-Nongbon Road Huaypong Muang Rayong 21000 Tel (038) 68-4901-5 Fax (038) 68-4906
28. K.M.B.International Co., Ltd	Production of Canned pineapple	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
29. Cermas Co., Ltd.	Mining	10.00	8,000	80,000	65/224 Chamnanphenchard Business Center 27 th Floor, Rama 9 Road Huaykwang Bangkok 10310 Tel 0-2295-2281-5 Fax 0-2295-2280
30. Thai Smart Card Co., Ltd.	Issuer Smart Card	10.00	3,950,000	39,500,000	191 Silom Coplex Bldg. 27 th Floor No. 2 Silom Road Silom Bangrak Bangkok 10500
31. Thanathep Printing Co., Ltd.	Printing and Publishing	10.00	10,000	100,000	111 Ladprao Road, Km.9, Bangkapi, Bangkok 10240 Tel.+66 (0) 2377-5074-6 Fax.+66 (0) 02377-6289

Name of Company	Type of Business	Percentage of Shareholding	No. of Shares Invested	Paid-up Capital	Address
32. Saraburi New Industrial City Co.,Ltd.	Industrial estate projects management	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) 0246-9487
33. Bangkok Metro PLC.	Transportation	10.00	725,000,000	7,250,000,000	587 Suthisan Road, Dindaeng, Bangkok 10400 Tel.+66(0) 2690-8200
34. Suvarnabhumi Airport Hotel Co.,Ltd.	Hotel Business	10.00	1,017,780	10,177,800	333 Head Office Airport of Thailand PLC., 1 st Floor, Moo 7 Chedwuttakard Road Seekan Donmuang Bangkok 10210 Tel 0-2723-0000 Fax 0-2723-0010-1
35. Sky Asia Co., Ltd.	Airway	10.00	5,000,000	50,000,000	140 One Pacific Bldg. 11 st Floor, Sukhumwit Road Klongtei Bangkok 10110

Management Structure

Krung Thai Bank's management structure consists of the Board of Directors, the Board of Executive Directors, the Audit Committee, the Corporate Governance Committee, the Nominating and Remuneration Committee, the Procurement Monitoring and Management Committee, the Executive Committee, the Credit Committee, the Credit Screening Committee, the Assets and Liability Management Committee (ALCO) and the Foreclosed Properties Disposition Committee, with their duty and responsibility in brief as follows :

Report of the Board of Directors

The Board of Directors has been aware of its responsibility for conducting business with stability under the policy on supporting good supervision of operation, creating efficient internal control system, focusing on risk management system for various types of risk as well as preparing financial reports in accordance with the generally accepted accounting standards. In this connection, the Board is well determined to provide services with its readiness for competition through service network of nationwide coverage and efficient information technology (IT) system, which will create value addition in future business expansion.

The Board has leadership, vision and independence in decision-making for overall optimum benefits of the Bank and the Bank's vision, mission, strategy, targets and business plan. Moreover, the Board supervised the Management to operate under the business plan towards being a "convenience bank" by focusing on being a processing bank. This will be accomplished by presenting a wide variety of all types of financial products and speedy and accurate services at competitive prices via service network covering all geographical areas. Business value will thus be added under the efficiently allocated budget which will be beneficial and supportive to the overall stability and economic growths responding to the Bank's further business expansion so as to generate maximum returns to the shareholders on continual basis.

The Board is responsible for the Bank's accounting policy relating to the preparation of consolidated financial statements of the Bank and its subsidiary companies including financial information as appeared in the Annual Report in order to show the facts and figures that are essential for recording the accurate and complete information according to the generally accepted accounting standards.

The Board has the policy on good supervision and directive of business by appointing the Corporate Governance Committee to be responsible for formulating policy guidelines and practices in compliance with the principle of good corporate governance of Krung Thai Bank Public Company Limited. It has formulated the operation plan to be strictly implemented at all levels of the organization, and attached importance to the transactions or items that might contain conflict of interests and related-party transactions of all groups of stakeholders by stipulating the regulation governing the Bank employees' securities trading as well as specifying that the high-ranking executives and directors on Board must report on any changes in their shareholding in Krung Thai Bank to the Securities and Exchange Commission Office and also to the Board of Directors. This is because the Bank has realized that all the information and data, both financial and non-financial, have impact on the decision-making process of the investors and stakeholders of the Bank.

The Bank is confident that a good internal control system will serve as a basis for good supervision and directive which will benefit the organization, it has thus pursued the policy requiring all business units to set their internal control system and duties and operational authorities in order that the Office of Internal Audit will act as coordinator for the support and assessment of the adequacy of internal control for greater efficiency via the Audit Committee on continual basis.

The Board has focused on having continued development for bringing about the risk management system to cope with risk in major respects by assigning responsible persons to oversee risk management so that all types of risk will be at acceptable levels at all times.

The Board of Directors (as at March 1, 2005)

1. General (Ret.) Mongkon Ampornpisit	Chairman
2. Mr.Suparut Kawatkul	Vice Chairman
3. Mr.Chaiyawat Wibulswasdi	Director
4. Mr.Chainarong Indharameesup	Director
5. Mr.Uttama Savanayana	Director
6. Mr.Rutt Phanijphand	Director
7. Mr.Chai-Anan Samudavanija	Director
8. Mr.Charnchai Musignisarkorn	Director
9. Mr. Rawat Chamchalerm	Director
10. Mr.Prasit Damrongchai	Director
11. Mr.Aswin Kongsiri	Director
12. Mr.Santi Vilassakdanont	Director
13. Mr.Apisak Tantivorawong	President
14. Mr.Somgiat Sangsurane	Secretary to the Board of Directors
15. Mr.Suchart Dejittirut	Assistant Secretary to the Board of Directors

Note : Directors leaving office during 2004 - 2005:

1. Mr. Tej Bunnag	Director (resigning effective from March 1, 2004 with appointment of Mr.Charnchai Musignisarkorn to replace as Director)
2. Mr.Wichian Wiriyaprasit	Director(resigning effective from March 1, 2004)

- | | | |
|------------------|--------------------|--|
| 3. Mr.Viroj | Nualkhair | Director (leaving office according to employment contract terms effective from July 9, 2004), replaced by appointment of Mr. Apisak Tantivorawong as Director) |
| 4. Mr.Chetthavee | Charoenpitaks | Director (resignation effective from November 16, 2004, replaced by appointment of Mr. Aswin Kongsiri as Director) |
| 5. Lt.Suchai | Jaovisidha | Vice Chairman (completing term of office under Standard Qualifications for Directors and Employees of State Enterprises Act effective from January 2, 2005) |
| 6. Mr.Machima | Kunjara Na Ayudhya | Director (resigning effective from February 24, 2005) |

Scope of Power and Duty of the Board of Directors

The power and duty of the Board of Directors are set forth in the Bank's Articles of Association, Article 35, which states that : "All business of the Company shall be under the power of the Board of Directors"

The Bank's Independent Directors

- | | | |
|--------------------|----------------|--|
| 1. Mr. Chai - Anan | Samudavanija | Director/Chairman of Audit Committee |
| 2. Mr.Charnchai | Musignisarkorn | Director/Member of the Audit Committee |
| 3. Mr.Rawat | Chamchalerm | Director/Member of the Audit Committee |

Definition of Independent Director

An Independent Director shall not engage in business or work in relation to commercial bank(s) that may have impact on the independent decision-making by oneself, and shall possess additional qualifications as follows :

1. No shareholding more than 0.5% of paid-up capital of commercial bank, subsidiary companies, associated companies or affiliated companies including shares held by related person(s)
2. Having no involvement in the management of commercial bank(s), affiliated companies nor being major shareholder of commercial banks, nor being employee companies, associated companies, affiliated companies nor being major shareholder of commercial banks, nor being employee/officer receiving regular salary from commercial bank(s), subsidiary companies, associated companies, affiliated companies. Apart from this, such person must not be advisor/consultant receiving regular salary from commercial bank(s), subsidiary companies, associated companies or major shareholder(s) of commercial bank(s)
3. Having no interest, whether directly or indirectly, both in financial and managerial aspects in commercial bank(s), subsidiary companies or from major shareholder(s) commercial bank(s)
4. Not being related person nor close relative of high-ranking executive officer(s) or major shareholder(s) of commercial banks.
5. Must be person who has passed through the nominating or screening process of the Board of Directors or the Nominating and Remuneration Committee.

Board of Executive Directors (as at March 1, 2005)

- | | | |
|-----------------|---------------|---|
| 1. Mr.Chaiyawat | Wibulswasdi | Chairman |
| 2. Mr.Chinarong | Indharameesup | Executive Director |
| 3. Mr.Uttama | Savanayana | Executive Director |
| 4. Mr.Rutt | Phanijphand | Executive Director |
| 5. Mr.Prasit | Damrongchai | Executive Director |
| 6. Mr.Apisak | Tantivorawong | Executive Director |
| 7. Mr.Somgiat | Sangsurane | Secretary to the Board of Executive Director |
| 8. Mr.Suchart | Dejittirut | Assistant Secretary to the Board of Executive Directors |

Note : Executive Directors leaving office during 2004 :

- | | |
|----------------------------------|--|
| 1. Lt.Suchai Jaovisidha | Chairman (leaving office according to revision of sub-committee from May 1, 2004) |
| 2. Mr.Machima Kunjara Na Ayudhya | Executive Director (resigning according to revision of sub-committee from May 1, 2004) |
| 3. Mr.Viroj Nualkhair | Executive Director (resigning according to terms of employment contract from July 9, 2004) |

Scope of Power and Duty of the Board of Executive Directors

The Board of Directors has empowered the Board of Executive Directors to consider the following subjects or businesses :

1. Credit approval, debt compromise and bad debt written-off
2. Approval of investment in securities including sales of securities invested
3. Credit screening , debt restructuring and bad debt written-off
4. Screening of business plans
5. Screening of task in relation to appointment of executive officer (at the level of Senior Executive Vice President)
6. Approval of appointment of executive officer (at the levels of First Vice President and Executive Vice President)
7. Follow-up and monitoring of key task assigned by the Board of Directors
8. Approval of procurement in accordance with procurement regulations
9. Screening of procurement and employment
10. Screening of approval of consultant / advisor employment
11. Any other business assigned by the Board of Directors

Report of the Audit Committee

In the prior year 2004, the Audit Committee held a total of 20 meetings by having considered and engaged in various activities including other assigned tasks as follows :

1. Examined financial statements jointly with the Office of the Auditor General to ensure that report on such financial statements had accuracy, reliability with accurate and adequate disclosure of information. The Committee attached importance to the strict compliance with the rules, regulations, laws and requirements stipulated by the regulatory authority as well as consideration of the related-party transactions or items that might cause conflicts of interest so that there would be transparency without any transactions having significant impact on the Bank's operation.

2. Examined the Bank's risk management, the efficiency of internal control and internal audit covering all business units, subsidiary companies and all activities in accordance with the Office of the Auditor General's regulation concerning Internal Control Standards, B.E. 2544 (2001). Under such regulation, the Office of Internal Audit assessed the adequacy of the internal control including improvements and corrective actions according to the audit reports. In this regard the Audit Committee was of the opinion that the Bank had complied with the relevant laws and requirements prescribed by the official authorities, and its risk management and overall internal control system were at adequate levels.

3. Examined and participated in the investigation of facts, as committee member, in case the credit extension and debt restructuring might not be in compliance with the Bank's criteria and regulations according to the observations of the Bank of Thailand (BOT) and the findings of the Office of Internal Audit.

4. Considered and gave approvals of the employments of auditors to audit the bank's overseas branches.

5. Considered and gave approvals of the annual audit plan and the budget of the Office of Internal Audit by having focused on the objectives and scopes of the audit to encompass major risk in each business unit and at activity level.

The Audit Committee has confidence that the above operations would result in the Bank's having good internal control system and risk management system that are transparent and can be audited. By all this, the Audit Committee reported on the results of the meetings together with recommendations to the Board of Directors every time the meeting was held.

Chai-Anan Samudavanija
(Mr.Chai-Anan Samudavanija)
Chairman of the Audit Committee



The Audit Committee (as at March 1, 2005)

- | | |
|--------------------------------|----------------------------------|
| 1. Mr.Chai-Anan Samudavanija | Chairman of the Audit Committee |
| 2. Mr.Rawat Chamchalerm | Member |
| 3. Mr.Charnchai Musignisarkorn | Member |
| 4. Mr.Sayan Satangmongkol | Secretary to the Audit Committee |

Notes : Members of the Audit Committee leaving office during 2004 :

- | | |
|----------------------------|--|
| 1. Mr.Wichian Wiriyaprasit | Chairman of the Audit Committee (resigning) from office effective from March 1, 2004) |
| 2. Mr.Tej Bunnag | Member (resigning from office effective from March 1, 2004) |
| 3. Mr.Rutt Phanijphand | Member (resigning from office according to revision of sub-committee from May 1, 2004) |

Scope of Power and Duty of the Audit Committee

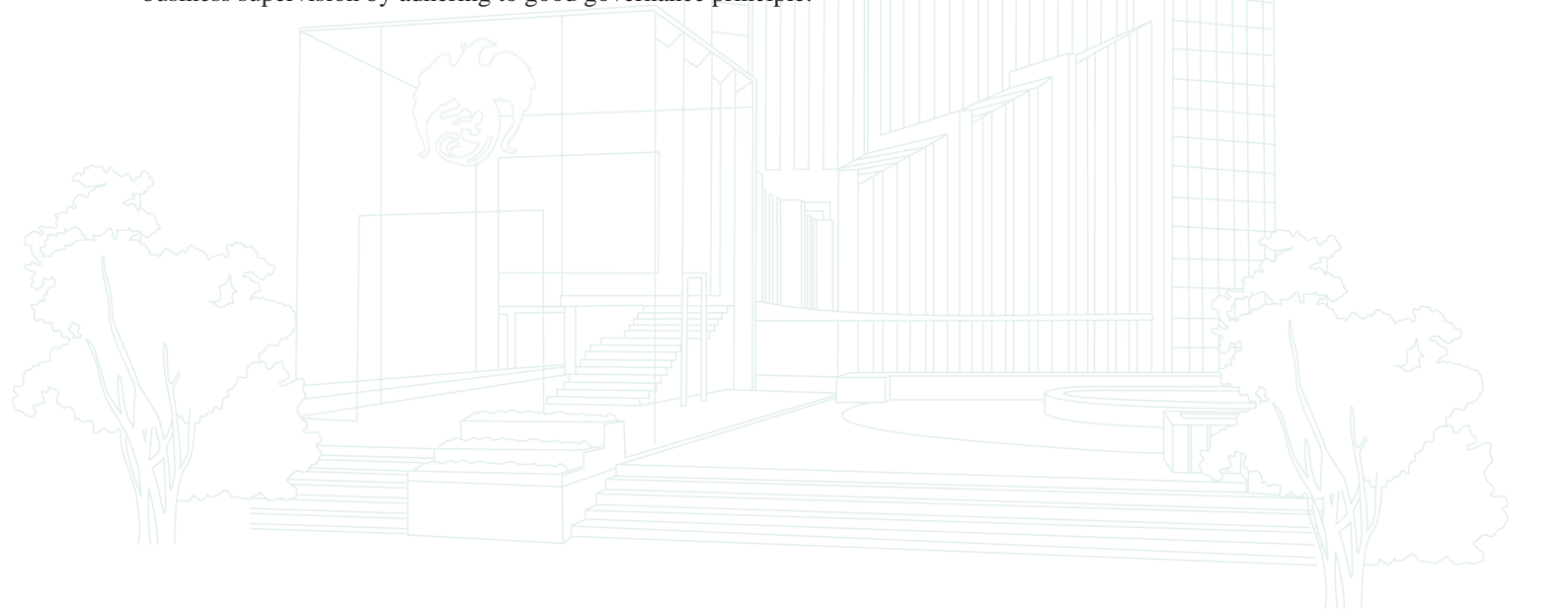
1. Examine the Bank's financial reports to ensure that such reports are accurate and adequate.
2. Examine the Bank's internal control and internal audit systems to ensure that they are appropriate and effective.
3. Examine the Bank's operation to ensure that such operation is in compliance with the laws governing securities and the 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 conflict of interests to ensure that such information is accurate and complete.
6. Prepare reports on the supervision or overseeing of the operation by the Audit Committee through disclosure in the Bank's Annual Report, which must be certified by the Chairman of the Audit Committee.

The Corporate Governance Committee (as at March 1, 2005)

- | | |
|--------------------------------|--|
| 1. Mr.Charnchai Musignisarkorn | Chairman of the Corporate Governance Committee |
| 2. Mr.Santi Wilassakdanond | Vice Chairman |
| 3. Ms.Kittiya Todhanakasem | Member |
| 4. Mr.Sayan Satangmongkol | Member |
| 5. Mr.Suchart Dejittirut | Member and Secretary to the Corporate Governance Committee |

Scope of Power and Duty of the Corporate Governance Committee

The Corporate Governance Committee specifies the Bank's criteria and guidelines for practices in various respects in order to create the corporate governance that is up to standards under the policy on attaching importance to business supervision by adhering to good governance principle.



The Nominating and Remuneration Committee (as at 1 March 2005)

1. Mr.Suparut	Kawatkul	Chairman of the Nominating and Remuneration Committee
2. Mr.Aswin	Kongsiri	Member
3. Ms.Sumana	Vonggapan	Secretary to the Committee

Notes : Member of the Nominating and Remuneration Committee leaving office in 2004 :

1. Mr.Chai-Anan	Samudavanija	Chairman (leaving office according to revision of sub-committee from May 1, 2004)
2. Mr.Machima	Kunjara Na Ayudhya	Member (leaving office according to revision of sub-committee from May 1, 2004)
3. Mr.Chetthavee	Charoenpitaks	Member (resigning from office effective from November 16, 2004)
4. Mr.Chainarong	Indharameesup	Member (leaving office according to revision of sub-committee from January 20, 2004)

Scope of Power and Duty of the Nominating and Remuneration Committee

The Board of Directors has empowered the Nominating and Remuneration Committee to consider the following matters :

1. Nomination or screening of qualifications of the Directors and high-ranking executive officers.
2. Consideration of the remuneration structure for the Directors and high-ranking executive officers.
3. Consideration and recommendation of the Bank's overall policy on payment of remuneration and other benefits
4. Establishment or screening of guidelines for assessment of performance of the Board of Directors and high-ranking executive officers

The Procurement Monitoring and Management Committee (as of December 31, 2004)

1. Lt.Suchai	Jaovisidha	Chairman of the Committee
2. Mr.Machima	Kunjara Na Ayudhya	Member
3. Mr.Prasit	Damrongchai	Member
4. Mr.Suthee	Tripornchaisak	Secretary to the Committee

Scope of Power and Duty of the Procurement Monitoring and Management Committee

The Board of Directors has empowered the Procurement Monitoring and Management Committee to consider the following matters :

1. Monitoring of the important task assigned by the Board of Directors.
2. Procurement in accordance with the procurement regulations as assigned by the Board of Directors.
3. Screening of procurement beyond the scope of authority for further submission to the Board of Directors.
4. Screening of the approval of employment of administrative consultant or advisor.
5. Any other business assigned by the Board of Directors.

Notes : The Board of Directors passed its resolution to transfer the task of the Procurement Monitoring and Management Committee to be the power and duty of the Board of Executive Directors and to abolish this committee since it already finished the major assignments from January 20, 2005.

Records of Training Programs attended by Directors

List of training programs	List of Directors attending training programs	Class/Date of training
1. Director Accreditation Program (DAP)	Lt.Suchai Jaovisidha Mr.Chetthavee Charoenpitaks Mr.Rutt Phanijphand Mr.Chaiyawat Wibulswasdi Mr.Prasit Damrongchai Mr.Machima Kunjara Na Ayudhya Mr.Rawat Chamchalerm	DAP 5/2003 (Dec.15-16, 03) DAP 5/2003 (Dec.15-16, 03) DAP 4/2003 (Dec.15-16, 03) DAP 11/2004 DAP 25/2004 Not being trained but already passed DCP DAP 26/2004 (5 Oct.04)
2. Director Certification Program (DCP)	Mr.Machima Kunjara Na Ayudhya Mr.Chetthavee Charoenpitaks	Class 7/2001 Class 39 (Jan. 28, - May 31, 2003)
3. Board and CEO Assessment	Mr.Chainarong Indhrameesup	Nov. 4, 2003
4. Chairman 2000	Mr.Machima Kunjara Na Ayudhya	Nov. 21, 2003
5. Developing CG Policy Statement	Mr.Machima Kunjara Na Ayudhya Mr.Chainarong Indhrameesup	Dec. 2, 2003 Dec. 2, 2003

Nominating Process of Directors and Executive Officers

1) Director Screening Method

In nominating the Bank's Director, the operation shall pass through the nominating process to enable the Board of Directors to consider such nomination for further submission to the shareholders' meeting. The Director completing term of office may be re-elected.

2) Appointment of Director is classified into two cases as follows :

Case 1 : The appointment of Director to replace the Director who must leave the office after completing the term shall be subject to the shareholders' meeting to elect a Director to replace the one who must leave the office. The Director completing the term may be re-elected.

Case 2 : The appointment of Director to replace the Director who leaves the office before completing the term shall be subject to the Board of Directors' decision whereby not less than three-fourths of the remaining Directors will select a person who is qualified and does not have any prohibited nature or character as Director to replace the leaving Director and shall remain in office only for the remaining term of the Director who is replaced.

3) Shareholder's Right to Elect Director (s)

The general meeting (i.e. shareholders' meeting) elects Director(s) according to the following criteria :

1. One shareholder has his or her vote equal to "One share per one vote" (i.e. one share, one vote) except that the share held by such shareholder is preference share (or preferred share) with the status specifying to have less voting right than ordinary share.

2. Each shareholder may use all the votes he/she has in section 1 above to elect only one person or several persons to be Director (s), but he/she is not allowed to divide the votes into certain number of less or more votes to any candidates for Directors.

3. The persons receiving highest votes in descending order shall be elected Directors as equal to the permissible number of Directors to be elected at that time. In case when persons who are elected in descending order from top down, receive equal votes more than the permissible number of Directors at the time, the Chairman of the general meeting shall have a second vote or cast a vote for final decision.

In nominating the Bank's executive officer or person for the post of the President, the Bank shall also adhere to compliance with the Standard Qualifications for Directors and State Enterprise Officers Act (Volume 4), B.E. 2543 (2000). As for nominating of high-ranking executive officer(s) in other posts, the Bank has already appoint the Nominating and Remuneration Committee to screen and select the applicants who have knowledge and competency suitable for each work position.

Criteria for Fixing Remuneration of the Board of Directors

1. Krung Thai Bank has the status of a state enterprise with the duty to comply with the laws. To enable the Bank to recruit or nominate and retain its competent and knowledgeable Directors to assist in boosting the potential and ability to conduct its business for better operating performance the Bank primarily fixes the remuneration at the rates close to those of private commercial bank of close or comparable size of business.

2. In making payment of remuneration to Directors, the Bank also takes into account its operating performance and ability to pay.

3. Payment of remuneration to Directors is made only in the form of cash including non-cash expenses. This is different from that of some commercial banks that pay remuneration in the form of perks to their Directors such as entertainment allowance, office car etc.

4. Payment of remuneration as meeting honorariums from May 1, 2004 onwards is made to Directors attending the meeting(s) only.

Criteria for Fixing Remuneration of the Top-Five Executive Officers

1. The Bank considers the value of task, operating results under the Bank's operation or action plan and operating performance of each executive officer.

2. To retain its competent officers, the Bank considers fixing the remuneration and adjusting the rates by taking market prices into account as well.

Remuneration of the Board of Directors and Executive Officers in 2004

Cash or Pecuniary remuneration consists of :

- Remuneration of the Board of Directors totaling Baht 19,562,607.53.
- Remuneration of the Board of Executive Directors, the Audit Committee, the Nominating and Remuneration Committee and the Procurement Monitoring and Management totaling Baht 12,850,000.00.
- Remuneration of the executive officers (President, First Senior Executive Vice President and Senior Executive Vice Presidents) totaling Baht 119,365,719.69 (remuneration in the form of salary, wage, bonus, special returns, cost-of-living allowance and child support allowance)

Details of Remuneration of the Board of Directors in Sections 1.1 and 1.2

Names	Board of Directors	Board of Executive Directors	Audit Committee	Nominating and Remuneration Committee	Procurement Monitoring and Management Committee
1. General (Ret.) Mongkon Ampornpisit	2,895,000.00				
2. Lt.Suchai Jaovisidha	1,682,500.00	720,000.00			810,000.00
3. Mr.Suparut Kawatkul	1,577,500.00			570,000.00	
4. Mr.Chaiyawat Wibulswasdi	1,080,000.00	1,260,000.00			
5. Mr.Apisak Tantivorawong	208,333.33	240,000.00			
6. Mr.Machima Kunjara Na Ayudhya	1,442,500.00	480,000.00		120,000.00	570,000.00
7. Mr.Chainarong Indharameesup	1,375,000.00	1,470,000.00		450,000.00	
8. Mr.Uttama Savanayana	1,292,500.00	1,410,000.00			
9. Mr.Rutt Phanijphand	1,375,000.00	930,000.00	160,000.00		
10. Mr.Chai-Anan Samudavanija	1,345,000.00		780,000.00	150,000.00	
11. Mr.Charnchai Musignisarkorn	1,176,370.97		540,000.00		
12. Mr.Rawat Chamchalerm	930,000.00		450,000.00		
13. Mr.Prasit Damrongchai	1,080,000.00				600,000.00
14. Mr.Viroj Nualkhair	547,903.23	690,000.00			
15. Mr.Chethhavee Charoenpitaks	1,217,500.00			270,000.00	
16. Mr.Wichian Wiriyaprasit	187,500.00		100,000.00		
17. Mr.Tej Bunnag	150,000.00		80,000.00		
Total remuneration in Section 1.1	19,562,607.53				
Total remuneration in Section 1.2		7,200,000.00	2,110,000.00	1,560,000.00	1,980,000.00
Total remuneration in Sections 1.1 and 1.2				12,850,000.00	

Gratuity/Remuneration of the Board of Directors in 2004

No.	Director's name	Gratuity (Baht)
1.	General (Ret.) Mongkon Ampornpisit	2,125,215.45
2.	Mr.Suparut Kawatkul	1,858,926.90
3.	Lt.Suchai Jaovisidha	2,058,279.52
4.	Mr.Viroj Nualkhair	1,858,926.90
5.	Mr.Machima Kunjara Na Ayudhya	1,802,904.44
6.	Mr.Chainarong Indharameesup	1,858,926.90
7.	Mr.Uttama Savanayana	1,858,926.90
8.	Mr.Wichian Wiriyaprasit	1,858,926.89
9.	Mr.Chetthavee Charoenpitaks	1,327,804.93
10.	Mr.Tej Bunnag	1,247,045.28
11.	Mr.Chai-Anan Samudavanija	1,446,397.91
12.	Mr.Rutt Phanijphand	1,196,115.78
13.	Mr.Suphachai Phisitvanich	595,875.19
14.	Mr.Supat Tansathitikorn	397,250.13
15.	Mr.Krit Garnjanagunchorn	65,480.91
	Total	21,557,004.03

Board of Directors



General (Ret.) Mongkon Ampornpisit
Chairman



Mr. Suparut Kawatkul
Vice Chairman and Chairman of the Nominating and
Remuneration Committee



Mr. Chaiyawat Wibulswadi
Director and Chairman of the Board of
Executive Directors



Mr. Chainarong Indharameesup
Director and Executive Director



Mr. Uttama Savanayana
Director and Executive Director



Mr. Rutt Phanijphand
Director and Executive Director



Mr. Apisak Tantivorawong
Director and Executive Director

Board of Directors



Mr. Prasit Damrongchai
Director and Executive Director



Mr. Chai-Anan Samudavanija
Director and Chairman of the Audit Committee



Mr. Charnchai Musignisarkorn
Director and Member of the Audit Committee



Mr. Rawat Chamchalerm
Director and Member of the Audit Committee



Mr. Aswin Kongsiri
Director and Member of the Nominating and
Remuneration Committee



Mr. Santi Vilassakdanont
Director

Executive Officers



Mr. Apisak Tantivorawong
President



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



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



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



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



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



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

Executive Officers



Ms. Kittiya Todhanakasem
Senior Executive Vice President
Risk Management Group



Mr. Chaichan Kangwanpong
Senior Executive Vice President
Information Technology Group



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



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



Mr. Suwan Damnernthong
First Executive Vice President Managing Director,
Shariah Banking Services,
Shariah Banking Group



Mr. Somgiat Sangsurane
First Executive Vice President
Office of General Counsel

Executive Officers



Mr. Boonlers Srichareon

First Executive Vice President
Upper Northeastern Region &
Bangkok Metropolis Group



Ms. Sumana Vonggapan

First Executive Vice President
Human Resources & Corporate Support Group



Ms. Nongnutch Thienpaitoon

First Executive Vice President
Eastern Region & Bangkok Metropolis Group



Mr. Pairoj Ratanasopa

First Executive Vice President
Upper Northern Region &
Bangkok Metropolis Group



Mr. Prasert Sophan

First Executive Vice President
Lower Northeastern Region &
Bangkok Metropolis Group



Mr. Preecha Phukham

First Executive Vice President
Lower Southern Region & Bangkok
Metropolis Group



Board of Directors' Biography in Brief (as at March 1, 2005)

General (Ret.) Mongkon Ampornpisit • Chairman

- Education
- Chulachomklao Royal Military Academy • The U.S. Army Armor School
 - The U.S. Army Infantry School • The National Defence College, Class 344
- Experience
- Military Positions • Commander of the 9th Infantry Regiment • Aide-de-Camp to Prime Minister General Prem Tinsulanonda • Commanding General of the 9th Infantry Division • Commanding General of the 1st Division, The King's Guards • Commanding General of the 1st Corps • Director of Joint Operations
 - Chief of Joint Staff • Supreme Commander of the Royal Thai Armed Forces
 - Non-Military Position • Chairman of the Board of Directors of the Bangkok Mass Transportation Authority
 - 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 • Chairman of the Board of Directors of the New Bangkok International Airport

Mr. Suparut Kawatkul • Vice Chairman Chairman of the Nominating and Remuneration Committee

- 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, Revenue Department • Director-General, Fiscal Policy Office, Ministry of Finance
 - Advisor in Finance, Office of the Permanent Secretary • Deputy Director-General, Fiscal Policy Office
- Other Positions
- Permanent Secretary, Ministry of Finance • Chairman of the Board of Directors, The Syndicate of Thai Hotels & Tourists Enterprise Limited • Chairman of the Board of Directors, Erawan Hotel Co.,Ltd. • Chairman of the Board of Directors, The Government Lottery Office • Chairman of Government Pension Fund
 - Chairman, The Student Loan Fund • Etc.

Mr. Chaiyawat Wibulswasdi • Director and Chairman of Executive Directors

- Education
- Ph.D. Massachusetts Institute of Technology (MIT), U.S.A. • B.A. Williams College, U.S.A.
- Experience
- Advisor to Deputy Prime Minister and Minister of Finance • Governor, Bank of Thailand
 - Deputy Minister of Finance and Acting Minister of Finance • Economic Advisor to the Prime Minister
- Other Positions
- Advisor to Deputy Prime Minister and Minister of Finance • Chairman, SC Asset Corporation PLC.

Mr. Chainarong Indhameesup • Director and Executive Director

- Education
- Master of Public Administration, National Institute of Development Administration (NIDA)
 - Executive Programs John F.Kennedy School of Government, Harvard University, U.S.A.
- Experience
- Senior Executive Programs, J.L.Kellogg Graduate School of Management, Northwestern University, U.S.A.
 - Researcher, Ford Foundation / Mucia, National Institute of Development Administration • General Manager, Deemar Research Co.,Ltd. • Managing Director, Interlife Assurance Co.,Ltd. • Executive Vice President, Rama Tower Co.,Ltd. • Audit Committee Chairman, National Scientific Research Institute of Thailand
 - Advisor to the Prime Minister
- Other Positions
- Committee Member, National Salary Board/National Manpower Planning Board/National Statistical Officer/ State Enterprises Performance Evaluation Committee • Executive Committee, The Officer 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 • Etc.

Mr. Uttama Savanayana • Director and 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 and Minister of Finance • Board Director & Chairman of Executive Board, SME & People Financial Advisory Center (SFAC), Siam City - ING Asset Management Co.,Ltd. • Senior Vice President, Strategic Planning, Organization & Research Group, Siam City Bank PCL. • Associate Dean for Academic Affairs, Faculty of Business Administration, National Institute of Development Administration (NIDA)
- Other Positions
- Vice Minister for Office of the Prime Minister • Committee Member, National State Enterprise Policy Committee
 - Board Director & Executive Board Director, Small & Medium Enterprise Development Bank of Thailand
 - Board Director & Executive Board Director, Krungthai AXA Life Insurance Co.,Ltd.

Mr. Rutt Phanijphand • Director and Executive Director

Education	<ul style="list-style-type: none">• M.S. in Business Ad., Fort Hays Kansas State College, Hays, Kansas, USA.• B.S., Kasetsart University
Experience	<ul style="list-style-type: none">• Director, The Stock Exchange of Thailand • President, Banpu Public Co.,Ltd. • President & CEO, Dhana Siam Finance & Securities PCL. • Senior Vice President, Commercial Business Department, Siam Commercial Bank PCL. • Director, The Communication Authority of Thailand • Consultant to a commission of Ministry of Science, Technology and Environment
Other Positions	<ul style="list-style-type: none">• President & CEO, Quality Houses PCL. • Chairman of the Board, United Advisory Service Co.,Ltd.• Director, Home Product Centre PCL. • Chairman of The Kasetsart University Activities Promotion Committee• Etc.

Mr. Apisak Tantivorawong • Director and Executive Director

Education	<ul style="list-style-type: none">• MBA, Industrial Management, University of Tennessee, U.S.A• B.Eng (Chemical Engineering), Chulalongkorn University
Experience	<ul style="list-style-type: none">• President, Siam City Bank PCL. • Senior Executive Vice President, The Industrial Finance Corporation of Thailand • President, Bangkok Commercial Asset Management Co.,Ltd. • Senior Executive Vice President, Bangkok Bank of Commerce PCL • President, IFCT Finance and Security PCL.
Other Positions	<ul style="list-style-type: none">• Director, Thai-German Ceramic Industry PCL. • Director, Indo Worth (Thailand) Co.,Ltd.

Mr. Prasit Damrongchai • Director and Executive Director

Education	<ul style="list-style-type: none">• Ph.D., Political Science, University of Oklahoma, USA (The Civil Service Commission Scholarship)• M.P.A., Kent State University, USA (The Civil Service Commission Scholarship)• Master of Development Administration (Honour) National Institute of Development Administration (NIDA)• Bachelor of Law, Ramkhamhaeng University • Bachelor of Education (Honour), Burapha University
Experience	<ul style="list-style-type: none">• Commissioner of the National Counter Corruption Commission • Investigator Grade 9 (Expert in Counter Corruption), Office of the Commission of Counter Corruption • Assistant Permanent - Secretary, Office of Permanent Secretary, Prime Minister Office • Inspector - General, Prime Minister Office • Secretary - General, Office of the Commission of Counter Corruption • Senior Advisor, Office of Permanent Secretary, Prime Minister Office • Permanent-Secretary, Officer of Permanent Secretary, Prime Minister Office • Member of the Petition Committee, Officer of the Council of State

Mr. Chai-Anan Samudavanija • Director and Chairman of the Audit Committee

Education	<ul style="list-style-type: none">• Ph.D.(Political Science), M.A.(Political Science) University of Wisconsin, U.S.A.• B.A. (Political Science), Victoria University of Wellington, New Zealand• The Dushdi Mala (royal decoration) • Honorary Doctorate : University of Wisconsin, U.S.A.• Honorary Bachelor : National Defence College • Honorary Doctorate : Edgewood College• Honorary Doctorate : National Institute of Development Administration (NIDA)
Experience	<ul style="list-style-type: none">• Member, Constitutional Drafting Committee • Advisor to Prime Minister : Gen.Prem Tinsulanonda / Gen.Chatichai Choonhavan • Senator • Chairman, Joint Senate House Committee on the Amendment to Constitution • Judge, Constitutional Court • Consultant to : The Thai Government on the 8th National Social and Economic Development Plan/ The U.N. Special Adviser on Cambodia
Other Positions	<ul style="list-style-type: none">• Member and Vice President of the Royal Institute • Chairman, EGAT's Board of Directors and Electricity Generating PCL. • Member of the Board, Thai Airways International PCL. • Member of the Strategic Committee, Thai Airways International PCL. • Director, Bangchak Petroleum PCL. • Member, Executive Board, National Research Council • Member, Public Service Reform Committee • Member : Public Enterprise Policy Committee• Member : National Competitiveness Committee • Member : National Education Committee

Mr. Charnchai Musignisarkorn • Director and Member of the Audit Committee

Education	<ul style="list-style-type: none">• Ph.D. (Agricultural Economics), Kyoto University, Japan• M.S. (Agricultural Economics), University of Wisconsin, Madison, U.S.A.• M.A. (Public Policy and Administration), University of Wisconsin, Madison, U.S.A.• B.A. (Economics) (Hons.), Kasetsart University
Experience	<ul style="list-style-type: none">• Director - General, Government Saving Bank • Inspector - General, Ministry of Finance • Counsellor - General (Finance), Ministry of Finance • Deputy Director - General, Fiscal Policy office, Ministry of Finance • Senior Economist, Fiscal Policy office, Ministry of Finance • Minister - Counsellor, Royal Thai Embassy, Tokyo, Japan

Mr. Rawat Chamchalerm • Director and Member of the Audit Committee

- Education
- LL.M., Chulalongkorn University • Thai Barrister • LL.B., Thammasart University
 - National defence joint Public/Private sector course, National Defence College - Class 1
- Experience
- Attorney General • Deputy Attorney General • Director General, Technical Affairs Department, Training and Development Institute • Director General, Training and Development Institute, the Office of Attorney General
 - Public Prosecutor, Minister
- Other Positions
- Chairman, MCOT PCL.

Mr. Aswin Kongsiri • Director and Member of the Nominating and Remuneration Committee

- Education
- B.A. (Hons.) in Philosophy, Politics and Economics, Oxford University, England
- Experience
- Fiscal Policy Office, Ministry of Finance • International Bank for Reconstruction and Development (World Bank), Washington D.C., U.S.A. • President, The Industrial Finance Corporation of Thailand • Chairman of the Executive Board, Bangkok Bank of Commerce PCL. • Chairman, Bangkok Commercial Asset Management Co., Ltd. • Director and Executive Director, Siam Commercial Bank PCL. • Advisor to the Executive Committee, Siam Commercial Bank PCL.

Mr. Santi Vilassakdanont • Director

- Education
- Master of Management (M.M.), Sasin Graduate Institute of Business Administration of Chulalongkorn University
 - Master of Accounting, Chulalongkorn University
 - Bachelor of Accounting, Chulalongkorn University
 - National defence joint Public/Private sector course, National Defence College - Class 355
- Experience
- First Executive Vice President, Saha Pathana Inter-Holding PCL.
- Other Positions
- President, Saha Pathana Inter-holding Public Co., Ltd. • Chairman, P.C.B. Center (Thailand) Co., Ltd. Limited • Director, Thai Asset Management Corporation • Director of 10 other companies in Saha group
 - Vice Chairman, The Federation of Thai Industries • Vice Chairman, The Thai National Shippers' Council

Executive Officers' Biography in Brief (as at March 1, 2005)

Mr. Apisak Tantivorawong • President

- Education
- MBA, Industrial Management, University of Tennessee, U.S.A. • B.Eng. (Chemical Engineering), Chulalongkorn University
- Experience
- President, Siam City Bank PCL. • Senior Executive Vice President, The Industrial Finance Corporation of Thailand • President, Bangkok Commercial Asset Management Co.,Ltd. • Senior Executive Vice President, Bangkok of Commerce PCL. • President, IFCT Finance and Security PCL.
- Other Positions
- Director, Thai-German Ceramic Industry PCL. • Director, Indo Worth (Thailand) Co.,Ltd.

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 PCL. • Director, Krunghai AXA Life Insurance Co.,Ltd. • Chairman, Krunghai Legal Services Co.,Ltd. • Secretary, Ministry of Finance • Deputy Secretary-General to the Prime Minister, Government House
- Other Positions
- Chairman, Krunghai Card PCL. • Director, Trinity Securities PCL. • Director, Sky Asia Co.,Ltd.



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.B.A., Chulalongkorn University • Advanced Management Program for Overseas Bankers, The Wharton School, University of Pennsylvania, U.S.A. • Diploma, National Defence College Class12
- Experience • Senior Executive Vice President/ Executive Vice President : Information Technology Group, Consumer Credit Dept., Credit Card and ATM Dept., Business Development Unit, Krung Thai Bank PCL. • President : Krung Thai Computer Services Co.,Ltd., Krungthai Card Co.,Ltd., Krung Thai General Business Services Co.,Ltd., Thai Capital Management Co.,Ltd. • Chairman, Credit Card Club (Thailand) • Director, Master Card International Asia Pacific Region • President, The Faculty of Commerce and Accountancy of Chulalongkorn University Alumni Association
- Other Positions • Director, Trade Siam Co.,Ltd • President, Policy and Action Plan Subcommittee and Director-Electronic Transactions Commission Committee, The Ministry of Information and Communication Technology • Director, Krungthai AXA Life Insurance Co.,Ltd./ Internet Thailand PCL. / Settrade.Com Co.,Ltd.
-

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

- Education • B.Acc., Chulalongkorn University
- Experience • President, Thai FOREX Club, Thai Bankers Association • Vice Chairman of the Board of Directors/ Chairman of the Board of Executive Directors, Krungthai Thanakit PCL. • Senior Vice President and Manager : International Trade Department / Vice President and Manager : Los Angeles Branch, Siam Commercial Bank PCL.
- Other Positions • Director, AFC Merchant Bank, Singapore • Director, Thailand Securities Depository Co.,Ltd. • Director, Trinity Securities Public Co.,Ltd. • Director, Thailand - China Business Council • Director, Thailand - Hong Kong 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 : Southern Region & Eastern Bangkok Metropolis Group, 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 PCL. • Senior Assistant Chief of Division, Bank of Thailand
- Other Positions • Director and Executive Director, Bangkok Expressway PCL. • Director, Northern Bangkok Expressway PCL. • Director and Executive Director, Bangkok Metro PCL. • Director and Executive Director, Advance Agro PCL. • Director, Krungthai AXA Life Insurance Co.,Ltd.
-

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 • 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 PCL. • Assistant Vice President, Financial Institute and Government Sector Department, Bank of America, Bangkok
- Other Positions • Director and Acting Managing Director, Krung Thai Legal Services Co.,Ltd. • Director, Krung Thai IBJ Leasing Co.,Ltd. • Advisor, Dhipaya Insurance PCL.
-

Mr. Wanchai Thanittiraporn • Senior Executive Vice President Central Region and Bangkok Metropolis Group

- Education • A.E.P., J.L. Kellogg Graduate School of Management, Northwestern University, U.S.A. • M.S. (Economics Development), National Institute of Development Administration • B.Com., B.Acc., Chulalongkorn University
- Experience • Senior Executive Vice President, Bangkok Metropolis, Central & Eastern Region Group • Executive Vice President : Medium Business Area, Retail and Medium Business Unit, Acting Chief Operating Officer of Business Banking Unit • Senior Vice President and Manager : Branch Administration Dept.1 • Senior Branch Manager, Krung Thai Bank PCL.
- Other Positions • Director, Krungthai Panich Insurance Co., Ltd. • Director, Krungthai AXA Life Insurance Co., Ltd.
-

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 PCL. • Chief Financial Officer, Submicron Technology PCL. • Vice President, Head of BIBF, Bank of America NT & SA, Bangkok Branch • Assistant Vice President, International Banking Department, Thai Farmers Bank PCL.
- Other Positions • Director, Krungthai Panich Insurance Co.,Ltd.
-

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 PCL. • Executive Vice President, Thai Military Bank PCL. • Account Relationship Manager, IBM Thailand Co.,Ltd.
- Other Positions • Director, Krung Thai Computer Services Co.,Ltd.
-

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

- Education • M.B.A., Thammasat University • B.B.A., Chulalongkorn University
- Experience • Senior Executive Vice President : Special Projects Group • Executive Vice President : Special Projects Group, Corporate Banking Unit, Retail and Medium Business Unit • Senior Vice President and Manager : Department of SMEs Development, Corporate Asset Management Department , Credit Control & Development Department 2, Krung Thai Bank PCL.
-

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 : Office of Internal Audit • Head of Corporate Relationship Manager : Corporate Banking Center 1 • Head of Corporate Credit Manager : Corporate Banking Center 5 and 3/ Commercial Credit Department /Credit Operation Department, Krung Thai Bank PCL.
- Other Positions • Director, The Bangchak Petroleum PCL. • Director, Thanathep Printing Co.,Ltd.
-

Mr. Suwan Damnernthong • First Executive Vice President Managing Director, Shariah Banking Services, Shariah Banking Group

- Education • M.A. (Management), Sasin Graduate Institute of Business Administration of Chulalongkorn University • B.Acc., Chulalongkorn University • Certificate, Senior Executives In Criminal Justice Administration, National Academy of Criminal Justice, Office of the Judiciary • Investment Banking, Risk Management, Advance Rate Risk, Customer Focused Management, Corporate Finance / Capital Markets
- Experience • Executive Vice President : Products & Marketing Group , Internal Control Unit, International Banking Business Unit • Secretary : Committee on Setting Direction for Internal Audit • Senior Vice President : New York Branch, Krung Thai Bank PCL. • Vice President, Securities Distribution and Underwriting Unit Head, Citibank N.A. • Vice President, Investment Banking Operation Head, Citibank N.A.
- Other Positions • Director and Executive Director, Bangkok Commercial Asset Management Co.,Ltd.
-

Mr. Somgiat 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 PCL. • Assistant Director, Payment Systems Development Office / Chief, Bank Supervision Section Bank of Thailand
- Other Positions • Audit Committee Member, TSFC Securities Limited. • Board Member, Krungthai Legal Services Co.,Ltd. • Secretary to the Board of Directors
-

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 and 2 • Branch Administration Department 8, Industrial Credit Department, Krung Thai Bank PCL.
-

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 and 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 PCL. • Director, Krung Thai General Services Co.,Ltd. • Executive Director, The Thai Institute of Banking and Finance Association • Chairman, Bank Human Resource Development Society, The Thai Bankers' Association • Director, Krung Thai Property Development Co.,Ltd. • Lecturer, Faculty of Communication Arts, Chulalongkorn University
-

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 Banking Unit, Bangkok Metropolis & Southern Region Group • Senior Vice President and Manager : Industrial Credit Department, Commercial Credit Department • Vice President : Industrial Credit Department, Krung Thai Bank PCL.
-

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 PCL.
- Other Positions
- Head of Krung Thai Bank Football Club
-

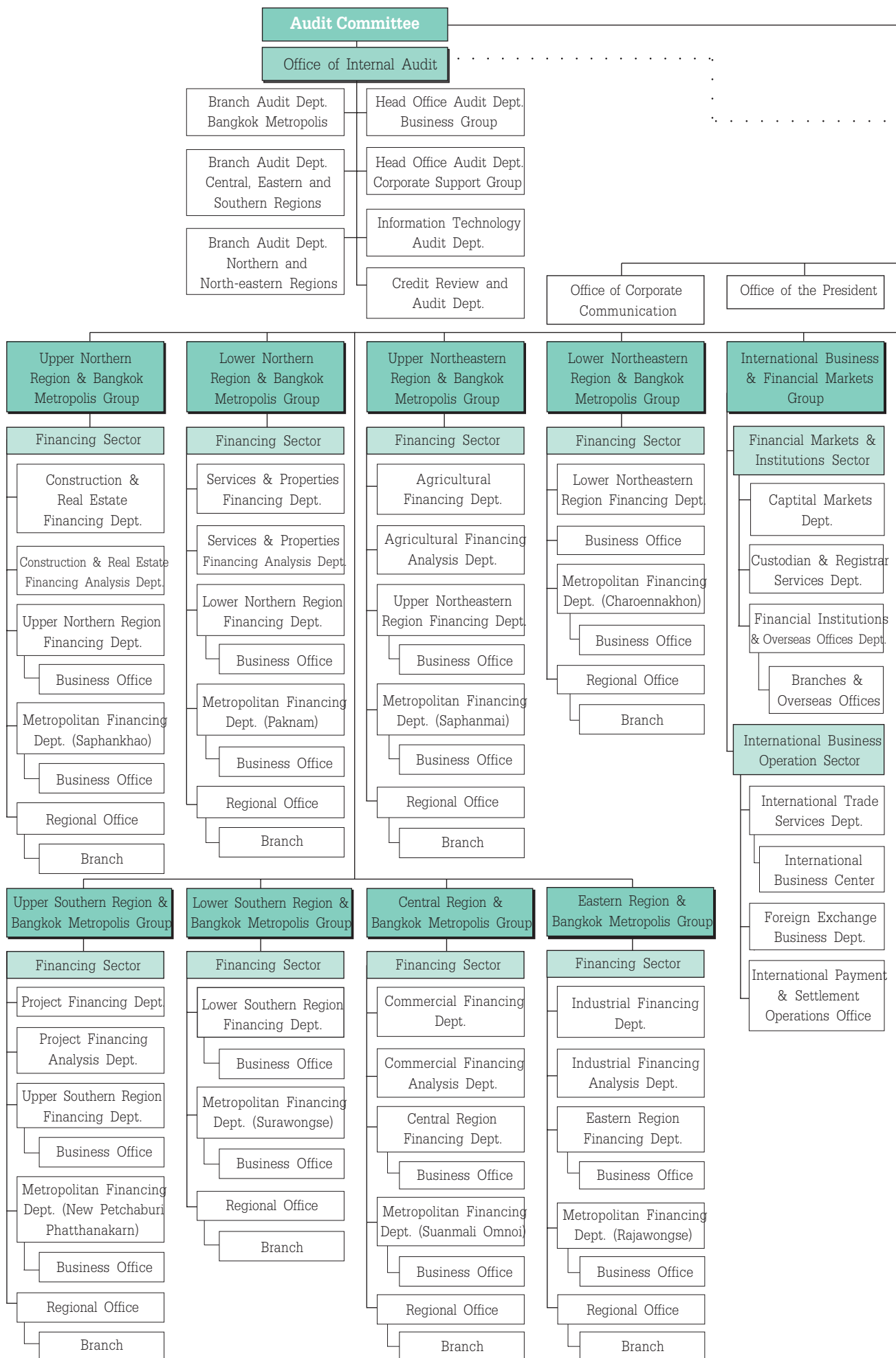
Mr. Prasert Sophan • First Executive Vice President Lower Northeastern Region & Bangkok Metropolis Group

- Education
- M.S. (Economics), Chiang Mai University • B.Acc., Chiang Mai University
- Experience
- Executive Vice President : Northern Region & Western Bangkok Metropolis Group, Northern & Northeastern Region Group, Retail and Medium Business Unit • Senior Vice President and Manager : Zoning Office 3, Internal Audit Department, Credit Control and Development Department 3 • Vice President, Northern Regional Office 3 and 4, Krung Thai Bank PCL.
- Other Positions
- Director, Krungthai Panich Insurance Co.,Ltd.
-

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 Region & Northern Bangkok 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 4 and 6, Krung Thai Bank PCL.
- Other Positions
- Chairman, Krung Thai Auto Lease Co.,Ltd.
-

Krung Thai Bank PCL. Management Chart (as at March 1, 2005)



Board of Directors

Board of Executive Directors

President

Office of General Counsel

Policy & Procedures Office

Office of the Board of Directors & Shareholders

Legal Advisory Office

Office of Compliance

Product Management & Special Projects Group

Products & Marketing Sector

Products & Marketing Management Dept.

Financial Products Development Dept.

Electronic Products Development Dept.

Government Products Development Dept.

Small and Medium Enterprises & Community Business Sector

SMEs Financing Dept.

SMEs Promotion & Development Dept.

Community Bank

Public Sector

Government Relations Dept.

State Enterprise Relations Dept.

Government Project Management Dept.

Banking Operations Group

Branch Support Sector

Branch Support Functions Dept.

Back Office Center

Cash Inventory Management Center

Credit Support Center

Credit Operation Dept.

Collateral Function Dept.

Custody Dept.

Provincial Custody Center

Cashier Dept.

Nana Nua Office

Shariah Banking Group

Substandard Debts Management Group

Legal Administration Sector

Loan Collection Expedition Dept.

Property Investigation Office

Legal Administration Dept.

Case Expedition Office

Legal Execution Expedition Office

Bankruptcy Case Expedition Office

Properties Management Sector

Properties Disposition Management Dept.

TAMC / SAM Management Dept.

Finance Group

Finance and Planning Sector

Planning & Budgeting Dept.

Treasury Dept.

Accounting Dept.

Management Information Dept.

Credit Information Dept.

Investor Relations Sector

Information Support Dept.

Shareholders Relations Dept.

Analyst & Fund Manager Relations Dept.

Risk Management Group

Risk Management Sector

Financial Risk Management Dept.

Credit Policy Dept.

Credit Risk Monitoring Dept.

Business Research Office

Human Resources & Corporate Support Group

Human Resources Sector

Personnel Dept.

Discipline & Welfare Dept.

Medical Dept.

Personnel & Organization Development Dept.

Corporate Support Sector

Premises & Property Dept.

Security Dept.

Information Technology Group

Information Technology Sector

IT Budgeting & Procurement Dept.

IT Research & Planning Dept.

IT Development & Process Dept.

IT Operation Control & Monitor Dept.

IT Risk & Security Management Dept.

Business Supervision and Monitoring

Opinion of the Audit Committee

Over the year 2004, the Audit Committee was assigned by the Board of Directors to perform the task of supervision and monitoring for the Bank to have its risk management system, management of good corporate governance, adequate internal control system and internal audit process that would assist in enabling the job performance of various committees and management departments or units to achieve the specified objectives and targets. All this was done by reporting on the activities of the Audit Committee and giving recommendations as deemed appropriate to the Board of Directors on a regular basis, thus resulting significantly to the Bank's overall business operation as follows :

1. The Audit Committee attached importance to the internal control system by requesting the Office of Internal Audit to coordinate with all the business units in assessing and evaluating the internal control activities in the continual and regular manner so as to ensure that the Bank had adequate internal control system that would be useful to the organization in leading to good supervision and monitoring.

2. The Committee considered the financial statements in conjunction with the Office of the Auditor General and the Accounting Department of the Bank by considering the points of issue concerning compliance with relevant regulations in preparing financial reports as well as overseeing the units concerned to ensure the disclosure of financial information and the Bank's operation which corresponded to the facts to all the stakeholders with confidence that such financial reports were complete, accurate and reliable.

3. The Committee placed an emphasis on auditing the transactions bearing related interests or conflicting interests, items of irregularities or frauds, transparency, and compliance with all the related rules, regulations and laws stipulated both by the Bank and the regulator.

The Audit Committee is confident that the activities performed as mentioned above should help to spur Krung Thai Bank Public Company Limited into a well-managed bank in accordance with the principle of good corporate governance, with transparent operation that can be audited or examined, and a bank that takes good care of the interests of all stakeholders concerned.

Policy and Practice Guidelines for Compliance with Good Corporate Governance

1. Business Supervision and Monitoring


Krung Thai Bank PCL via the Board of Directors passed the resolution to adopt the principles of good corporate governance of the OECD group of countries and the criteria and guidelines for good supervision and monitoring in the state enterprises specified by the Office of State Enterprises and Government Securities, Ministry of Finance as guidelines for formulating the Corporate Governance Policy coupled with the formulation of business operation strategy for serious and actual practices. The Bank thus prepared the document of Policy and Practice Guidelines for Compliance with Good Corporate Governance, in writing, that would bring about the creation of organizational culture in respect of corporate governance together with stability and prosperity by means of creating value added both on the parts of the Bank and its customers and persons involved with the Bank. The Bank's Seven Principles of Good Corporate Governance represent the blend between the principles of the Internal Auditors Associations of Thailand and those of foreign countries. Moreover, the Seven Principles are in line with the corporate governance principles of the reliable agencies such as TRIS, Ministry of Finance, OECD Euro Money and international investment analysts like CLSA that use such principles as criteria for investment. The Seven Principles also comply with the 15 Principles of Good Corporate Governance specified by the Stock Exchange of Thailand (SET).

The Seven Principles of Good Corporate Governance specified by Krung Thai Bank as its Policy and Practice Guidelines for Compliance with Good Corporate Governance, B.E. 2546 (2003) are as follows :

1. The Bank has its awareness, understanding and competency in being able to behave according to the duty and responsibility to the best of its ability with the efforts to learn new things at all times, the love for the jobs and determination to work for quality and success, as well as having operating results of higher quality over time.

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

3. The Bank has had equitable treatment and fairness for all its stakeholders. For example, at the level of shareholders and investors, all shareholders from each and every group 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 both regarding rights and access to information and data.

4. The Bank must show its transparency in the operation, which can be explained and audited. For example, the Bank has the decision-making process and work procedures that are clear and transparent with the analyses of operating performance and directions of operation to be reported to all the shareholders and parties concerned in equitable, adequate, clear and timely manner. It has also arranged for having investor relations officers in presenting the information through good communication media. At the company's Board of Directors, the Bank has the Audit Committee and the Nominating and Remuneration Committee to assist in monitoring and auditing the operation and giving recommendations to have control system with cautions so that the banking business will steadily move forward with sustainable growth.

5. The Bank must show its competency in the creation of long term value without short term exploitation. For example, it has to 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. Besides, it must not undertake or conduct any business bearing risk of loss or higher expenses in the short run that may cause damages or lower the level of quality or business value.

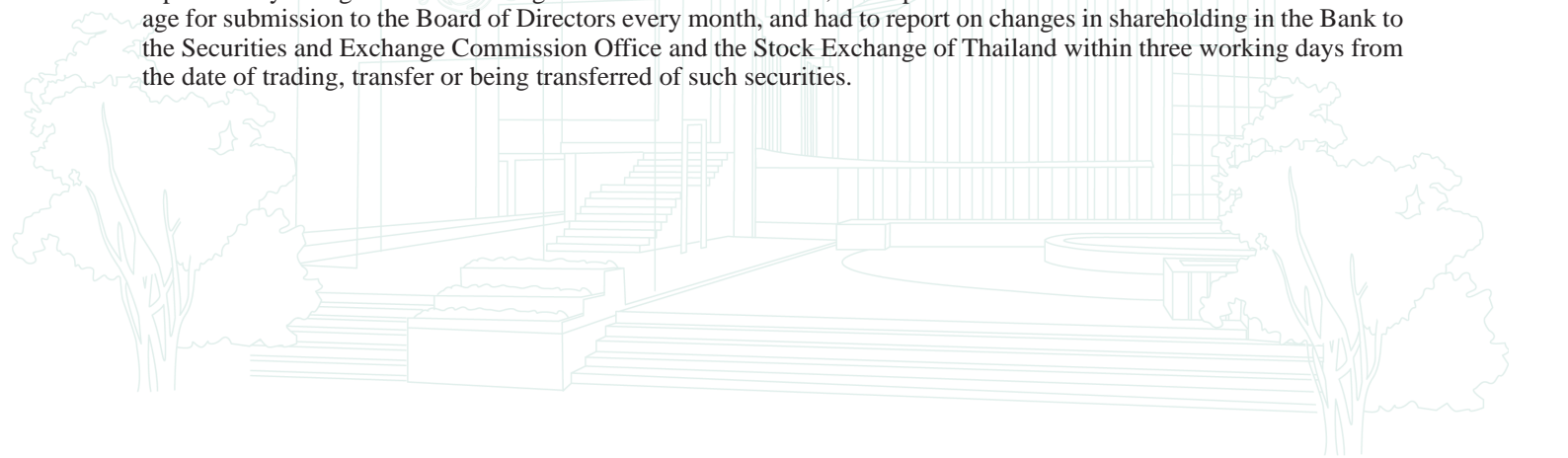
6. The Bank must have its promotion of best practices, creation of culture, code of conduct and business ethics as well as morality that includes integrity in performing its functions thus bringing about value addition to the Bank itself, the Directors, the Management and the employees at all levels. It has also specified methods of practice to enable the organization to eradicate problems of conflict of interest, and encourage all concerned to be ashamed and afraid of committing fraud while adhering to honesty.

7. The Bank must have its social and environmental awareness, which is a part resulting from fair treatment to stakeholders in order to reduce or eliminate any negative impacts on the society and the environment as a result of the Bank's business operation. Such awareness will enable the members of society to live together in happiness and satisfaction with further growth and higher quality of life. Responsibility of this nature will cover respective subjects that may not be specified by the laws but prescribed by custom, tradition, culture and needs of the communities.

Apart from this, the Bank, in 2004, took part in the Good Operation Supervision Rating Project of the Stock Exchange of Thailand under which the Thai Rating and Information Service Co., Ltd. (TRIS) had made assessment of the Bank's operation in the aspects of shareholders' rights, composition and role of the Boards and Committees, the Management, disclosure of information and culture of business supervision in order to ensure that the Bank had complied with the legal requirements and rules and regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission Office. As a result, Krung Thai Bank was assigned rating for business supervision at the level of 7.26 points which was rated "good".

2. Supervision of Inside Information Use

The Bank set up its system of prevention and examination of inside information use for self-interests or insider trading of securities by issuing regulation of employees' securities trading. This was to prevent its employees in the business groups concerned with the chance to obtain inside information that was still undisclosed from using such information for their own interests in trading securities of themselves and related persons. According to the regulation, it was stipulated that the business supervisory unit had to perform the duty of monitoring the practice of inside information use to be in compliance with the rules and regulations. It also specified that the employees with the chance of knowing inside information had to disclose the information on their shareholding and those of the related persons by submitting report to the operation supervisory unit and had to follow the procedures and steps of requesting for approval of securities trading specified by the Bank. In addition, the Bank's executive officers had the duty to prepare the report on any changes in shareholding in the Bank of themselves, their spouse and child/children who have not come of age for submission to the Board of Directors every month, and had to report on changes in shareholding in the Bank to the Securities and Exchange Commission Office and the Stock Exchange of Thailand within three working days from the date of trading, transfer or being transferred of such securities.



Internal Control

The Bank was fully aware of the importance of good business supervision according to the principles of good corporate governance focusing on transparency of operation that could be audited and disclosed by showing the report on the analyses of operating results and directions of operation to the shareholders, customers and the general public. In this connection, the Bank placed an emphasis on the internal control system by specifying that all the business units had to establish their internal control system in accordance with the regulations stipulated by the Office of the Auditor General concerning internal control standards, B.E. 2544 (2001) and to assess the internal control that was already set up at least once a year. This was meant to enhance the internal control to better suit the ever-changing environment so that the Bank's business operation would be efficient and effective.

Currently Krung Thai Bank was facing intense competition, which would be even more severe. As the Bank had the policy and directions to become a "convenience bank" offering a wide variety of financial products and services with completeness and ability to satisfy all the customer needs, it was thus necessary for the Bank to attach importance to cautious risk management and control in every aspect. The Bank has introduced modern information technology (IT) system to support the development and enhancement of tools for risk management to be up to world standards. This has been coupled with continual development of staff potential that is regarded as key mechanism in leading the Bank to the success as planned.

Shareholders' Rights

The Bank has decided to call its annual ordinary general meeting within four months from the expiry date of the Bank's accounting period. In 2004, the Bank convened the Eleventh Annual Ordinary General Meeting on April 23, 2004 and had sent in advance the invitations to the meeting together with details of the agenda and supplementary documents to the shareholders not less than 14 days before the date of meeting. In addition, the Bank made an announcement in Thai daily newspapers for not less than three consecutive days about such meeting.

In arranging various items to be put on the agenda, the matter was submitted to the President of the Bank and the Chairman of the Board of Directors for consideration prior to submission to the Board of Directors for an approval of the proposed agenda and supplementary documents or attachments as well as letters of invitation. This was meant to enable the shareholders to have all the meeting documents that were complete and adequate for them to make decisions for casting their votes in respective agenda items. Apart from this, proxy form was attached to each invitation letter in order that the shareholder who wished to assign a proxy to attend the meeting on his/her behalf would be able to do so.

The items of business to be put on the agenda of the Annual Ordinary General Meeting are usually classified into two main categories :

1. Business specified in the Bank's Articles of Association :

- 1.1 Consideration and acknowledgement of the Annual Report of the Board of Directors
- 1.2 Consideration for approval of the Balance Sheets and the Profit and Loss Statements
- 1.3 Consideration for approval of profit appropriation
- 1.4 Consideration for election of new Director(s) to replace the one(s) completing term of office or leaving office for other reason thus resulting in vacant post(s) or election of additional Director(s) in case of increase in number of Directors
- 1.5 Consideration for election of the Bank's auditor and fixing of the amount of audit fee

2. Other business

- 2.1 Capital increase/decrease
- 2.2 New securities issuance
- 2.3 Preparation of related-party transactions
- 2.4 Amendment (s) to the Articles of Association or Memorandum of Association

Shareholders Meeting

The Bank has pursued the policy on requesting all the Directors to attend the shareholders' meeting or the annual general meeting except the Director(s) having important mission whereby such Director(s) must inform the Bank in advance of the matter and such Director(s) shall take part in the consideration of various information while expressing their opinions and recommendations as per the agenda earlier sent to them. In this regard, the Bank set up the legal procedural steps of the shareholders' meeting, starting from calling the meeting by sending relevant documents, agenda, steps in conducting the meeting etc. The dispatch of minutes of the shareholders' meeting must be in compliance with the criteria set by the Stock Exchange of Thailand, while the method of voting by the shareholders has been clearly specified in the Bank's Articles of Association.

As for the Eleventh Annual Ordinary General Meeting on April 23, 2004, there were 11 items in total on the agenda as follows :

1. Consideration for approval of the minutes of the Tenth Annual Ordinary General Meeting on March 19, 2003
2. Acknowledgement of the Annual Report of the Board of Directors.
3. Consideration for approval of the Bank's Balance Sheets and Profit and Loss Statements for the first half-yearly period as of June 30, 2003 and the second half-yearly period as of December 31, 2003 (for the year ending December 31, 2003)
4. Consideration for approval of the 2003 profit appropriation and consideration of dividends.
5. Consideration for election of Directors to replace those completing term of office and Directors resigning before completing term of office.
6. Consideration for approval of Directors' remuneration
7. Consideration for election of the Bank's auditor and fixing of audit fee.
8. Consideration for amendments to the Bank's Articles of Association, Article 49
9. Acknowledgement of expenses in selling shares of the Financial Institutions Development Fund (FIDF)
10. Acknowledgement of transfer of information technology (IT) assets of the Bank to Krungthai Computer Services Co., Ltd. (KCS)
11. Other business

The above general meeting for all the agenda items received consent from the shareholders by majority vote, and minutes of the meeting with complete recording of material points of discussion by having recorded the votes cast by shareholders, their questions/inquiries and various comments and opinions. During the session, suitable and adequate time was allocated to the shareholders to raise questions and to the Directors to explain or clarify the issues. Normally, the Bank spends about three hours for a shareholders' meeting.

Attendance of the Board of Directors of Krung Thai Bank PCL. at the 11th Annual Ordinary General Meeting, April 23, 2003

List of Directors	Position title	Meetings attendance	
		Attended	Not attend
1. General (Ret.) Mongkon Ampornpisit	Chairman of the Board of Directors	✓	
2. Mr.Suparut Kawatkul	Vice Chairman		✓
3. Lt.Suchai Jaovisidha	Chairman of the Board of Executive Directors	✓	
4. Mr.Chai-Anan Samudavanija	Chairman of the Nominating and Remuneration Committee	✓	
5. Mr.Wichian Wiriyaprasit	Chairman of the Audit Committee		✓
6. Mr.Chainarong Indharameesup	Director	✓	
7. Mr.Chetthavee Charoenpitaks	Director	✓	
8. Mr.Machima Kunjara Na Ayudhya	Director	✓	
9. Mr.Rutt Phanijphand	Director	✓	
10. Mr.Uttama Savanayana	Director	✓	
11. Mr.Tej Bunnag	Director		✓
12. Mr.Viroj Nualkhair	President	✓	

Notes : Directors leaving office during 2004 :

1. Mr.Wichian Wiriyaprasit Chairman of the Audit Committee (resigning effective from March 1, 2004)
2. Mr.Tej Bunnag Director (resigning effective from March 1, 2004)

Board of Directors' Meetings

The Board of Directors was scheduled to call its regular meetings on the third and fourth Thursdays of the month with possibility of calling special session in addition to the regular meetings as appropriate. The items on the agenda were clearly divided into categories or groups such as business reported by the Chairman to the Board for information, adoption of minutes of the previous Board meeting, policy matters, loans or credit, debt compromise, investment, property buying/selling, human resources, business for information and other business. The Secretary to the Board of Directors sent the invitation letters in advance to all the Directors on the Board together with the agenda and supplementary documents or attachments not less than seven days before the date of the Board meeting. In this regard, the Secretary would prepare the minutes of each meeting in writing and file all the minutes already adopted by the Directors to be audited. In 2004, the Board of Directors called 30 meetings, the Board of Executive Directors met 50 times, the Procurement Monitoring and Management Committee held 20 meetings, the Audit Committee called 20 meetings and the Nominating and Remuneration Committee held 14 meetings with the following details of attendance by each Director, Executive Director or Member of Committee :

List of Directors/Executive Directors Committee Members	Board of Directors	Board of Executive Directors	Procurement Monitoring and Management Committee	Audit Committee	Nominating and Remuneration Committee
1. General (Ret.) Mongkon Ampornpisit	29 / 30				
2. Lt.Suchai Jaovisidha	29 / 30	15 / 16	19 / 20		
3. Mr.Suparut Kawatkul	25 / 30				11 / 11
4. Mr.Chaiyawat Wibulswasdi	23 / 23	34 / 34			
5. Mr.Apisak Tantivorawong	4 / 4	8 / 8			
6. Mr.Machima Kunjara Na Ayudhya	29 / 30	13 / 16	19 / 20		3 / 3
7. Mr.Chainarong Indhameesup	27 / 30	48 / 50			14 / 14
8. Mr.Uttama Savanayana	25 / 30	41 / 50			
9. Mr.Rutt Phanijphand	27 / 30	31 / 34		2 / 2	
10. Mr.Chai-Anan Samudavanija	25 / 30			18 / 18	3 / 3
11. Mr.Charnchai Musignisarkorn	25 / 26			18 / 18	
12. Mr.Rawat Chamchalerm	18 / 23			15 / 18	
13. Mr.Prasit Damrongchai	23 / 23		20 / 20		
14. Mr.Chetthavee Charoenpitaks	23 / 26				9 / 9
15. Mr.Viroj Nualkhair	9 / 13	19 / 25			
16. Mr.Wichian Wiriyaprasit	3 / 3			2 / 2	
17. Mr.Tej Bunnag	0 / 3			0 / 2	

Notes : Number in the above table refer to number of times of meeting attendance/total number of meetings called

Details of Directors' Tenure of Office

1. Mr.Tej Bunnag (resigning effective from March 1, 2004)
2. Mr.Wichian Wiriyaprasit (resigning effective from March 1, 2004)
3. Mr.Charnchai Musignisarkorn (taking up office of Director on March 18, 2004)
(taking up office of Member of Audit Committee on May 1, 2004)
4. Mr.Chaiyawat Wibulswasdi (taking up office of Director on April 23, 2004)
(taking up office of Chairman of the Board of Executive Directors on May 1, 2004)
5. Mr.Rawat Chamchalerm (taking up office of Director on April 23, 2004)
(taking up office of Member of the Audit Committee on May 1, 2004)
6. Mr.Prasit Damrongchai (taking up office of Director on April 23, 2004)
(taking up office of Member of Procurement Monitoring and Management Committee on May 1, 2004)
7. Mr.Suparut Kawatkul (taking up office of Chairman of the Nominating and Remuneration Committee on May 1, 2004)
8. Mr.Chai-Anan Samudavanija (taking up office of Chairman of the Audit Committee on May 1, 2004)
(resigning from office of Chairman of the Nominating and Remuneration Committee according to revision of subcommittee from May 1, 2004)
9. Lt.Suchai Jaovisidha (taking up office of Chairman of the Procurement Monitoring and Management Committee on May 1, 2004)
(leaving office of Chairman of the Board of Executive Directors according to revision of subcommittee from May 1, 2004)
10. Mr.Machima Kunjara Na Ayudhya (taking up office of Member of the Procurement Monitoring and Management committee on May 1, 2004)
(leaving office of Executive Director according to revision of subcommittee from May 1, 2004)
(leaving office of Member of the Nominating and Remuneration Committee according to revision of subcommittee from May 1, 2004)
11. Mr.Rutt Phanijphand (taking up office of Executive Director on May 1, 2004)
(leaving office of Member of the Audit Committee according to revision of subcommittee from May 1, 2004)
12. Mr.Viroj Nualkhair (leaving office according to term of employment contract from July 9, 2004)
13. Mr.Apisak Tantivorawong (taking up office of Director and Executive Director on November 8, 2004)
14. Mr.Chetthavee Charaenpitaks (resigning from office effective from November 16, 2004)

Personnel Code of Conduct

Krung Thai Bank PCL. is determined to move forward to sustainable success under the concept of organizational management by adhering to the principles of good corporate governance.

In this regard, all the Bank employees must have their full awareness of duty and responsibility together with the behavior or conduct that is adhered to honesty, morality and ethics as preliminary guarantee to create confidence that all the Bank's business activities are carried out correctly according to the laws and ethical principles to be practiced by the good bankers. This is because the Bank's management and operation at all levels will have implications for its stakeholders covering shareholders, customers, trading partners, creditors, peers or competitors as well as the society as a whole and the country. Therefore, the Bank's Management should show their adherence to the personnel code of conduct as stipulated while committing themselves to preventing and suppressing any violation of the code of conduct.

As a result, the Bank specified its code of conduct to be used as guidelines for behavior and practices for all the employees in order to lead them to the creation of organizational culture based on good corporate governance in the Bank. The code of conduct can be summarized as follows :

1. Suggested Practices towards Customers

- 1.1 Provide services to customers with willingness to the best of his/her ability and also with equality and fairness while being ready to give recommendation and assistance with kind-heartedness by using polite words and gentle gesture.
- 1.2 Be well-prepared to listen to the customers' problems and try to find the root causes and suitable solutions to such problems.
- 1.3 Bank employees are prohibited to disclose the customers' secret or confidential information except when it is specified by law that such information must be disclosed or when receiving written permission from customer to disclose it.

2. Suggested Practices towards Trading Partners

- 2.1 Since the Bank employees are involved in the trading of the Bank's property, goods and services of all types, they must adhere to the principle of optimum interests of the Bank regardless of self-interests or those of their cronies. In this connection, the employees must supply accurate information based on truth and must not make the buyers or sellers of property, goods or services misunderstand about the information or have incomplete/inadequate information.
- 2.2 The Bank employees should avoid accepting gifts, pecuniary gifts or invitations to get-together parties or receptions hosted or invited by the buyers or sellers of property, goods or services on personal basis or specifically organized by certain groups of people including acceptance of invitation to observation tour of which the buyers or sellers of property, goods or services offer to bear the cost of related expenses to the employees. This is meant to avoid any gossips or scandals that may arise and prevent the tendency to help any particular parties or groups in return on later occasion.

3. Suggested Practices to the Bank's Business Alliances.

- 3.1 The employees must comply with the terms and conditions jointly agreed upon by the Bank and its business alliances to fulfil the mission :
- 3.2 The employees should render assistance to the Bank's alliances in the matter that will create mutual benefits for overall business results.

4. Suggested Practices towards the Competitors.

- 4.1 The employees should not slander or bully the Bank's competitors or distort their facts and figures.
- 4.2 The employees should avoid any agreements or discussions/arguments with the employees of other agencies or financial institutions concerning locations, geographical conditions, marketing, appropriation or allocation of customers, interest rates, fees and commission including products, services or various businesses that may have an impact on the Bank's business competition.

5. Suggested Practices towards the Society and Environment.

- 5.1 Behave oneself as good citizen and be able to live with other members of the society with honour and prestige.
- 5.2 Behave oneself by taking into consideration one's duty and responsibility for the society and the nation.
- 5.3 Give support to beneficial public activities and participate in the development of the community/society and the environment as well as focusing on creating and conserving the natural resources.
- 5.4 Give cooperation and support to the government policies for the benefit of the country.

6. Suggested Practices in Relation to Information/Data.

- 6.1 All types of the Bank's information and data must be true and accurate. Therefore the employees must be jointly responsible for recording such information and preparing report in a correct and timely manner as well as on the basis of clearly specified standards.
- 6.2 The employees must not disclose the classified/confidential information of the Bank, customers and buyers or sellers of goods and services to any other unrelated persons except when being permitted by the President of the Bank or the authorized person only.
- 6.3 The employees must set the methods of controlling the photocopying of documents and filing of information/data in an appropriate and secure manner in order to prevent the outsiders or unrelated persons from accessing such information or secrets. Apart from this, they should avoid discussing confidential information in public such as lift/elevator, hall/corridor, restaurant, toilet or public transport vehicle.

7. Suggested Practices in Relation to the Use of Inside Information for Securities Trading.

- 7.1 The employees are prohibited from trading of securities such as shares, debentures, warrants for shares subscription, warrants for debentures subscription of any businesses that are still unannounced to the general public (or may be called as inside information). Any Bank employees who have a chance to know the inside information are strictly prohibited from trading securities of those businesses or companies. Instead, they must keep such information as top secret.
- 7.2 The employees are prohibited from supplying the inside information to other person(s) who may use it for securities trading or passing on to other person(s) since it is an illegal act.

8. Suggested Practices in Relation to Conflict of Interests.

- 8.1 The employees must avoid having any financial involvement and/or relationship with other outsiders that may result in the Bank's loss of interests or benefits.
- 8.2 The employees must avoid their personal investment in any company that may affect the decision-making or operation in the Bank. If such employees invested in such company before working with the Bank, they are required to report on the matter to the President or the authorized person for information first.
- 8.3 The employees' holding the position/office of committee member, officer, employee, representative or consultant/advisor of a company conducting the business of trading of goods or services with the Bank or its subsidiary companies must be given an approval from the Board of Directors first.
- 8.4 The employees are prohibited from using the Bank's name, office building or premises or relationship with the Bank for their own benefits or interests.

Dividend Payment Policy

1. Krung Thai Bank's dividend payment
It was specified as the Bank's policy that its dividend would be paid at the rate of not lower than 40% of the net profit in each year.
2. Subsidiary companies' dividend payment
The dividend payment would be made by considering the operating performance accomplished in the previous year including management of cash balance.

Related-Party Transactions

(See details in the Notes to the Financial Statements, Section 3.18)

The related-party transactions refer to loans or credit facilities extended to the executive officers with the ranks of First Vice President and higher including loans made to family members close to the executive officers with the ranks of First Vice President and higher that are considered normal welfare benefits to such eligible individuals. Loans and contingencies/obligations to businesses regarded as related-party transactions include those between the Bank and its subsidiary and associated companies in which the Bank is a joint investor, and the Bank's debtors whose loans have been restructured and on whose boards the Bank is represented. All these transactions are considered normal business operation in accordance with general trade conditions as the Bank has pursued the policy on calculating the costs of lending and obligations between related parties on the same basis as applied to other customers in general.

Explanation of Operating Performance and Analysis of Financial Status

This report discusses principal changes in the audited unconsolidated financial statements for the year ended December 31, 2004.

Operating results

In 2004, the Bank's net profit after provisioning was Baht 11,094 million ("m"), an increase of Baht 2,389m or 27.4% year-on-year ("yoy"). The net profit before provisioning amounting to Baht 19,443m, however, showed an improvement of Baht 7,196m or 58.8% over the previous year.

	2004	2003	(Million Baht)	
			Change Amount	% yoy
Net profit	11,094	8,705	2,389	27.4
Provisioning	8,349	3,542	4,807	135.7
Net profit before provisioning	19,443	12,247	7,196	58.8

Table 1 Operating results

Net interest and dividend income

In this year, the Bank reported net interest and dividend income of Baht 32,692m, up Baht 9,134m or 38.8% from the year before.

Interest and dividend income amounted to Baht 46,007m, increased by Baht 5,229m or 12.8% over the previous year.

- Interest income on loans was Baht 42,874m, an increase of Baht 4,843m or 12.7% yoy on the back of loan expansion and higher loan yields. Particularly, the Baht 114,778m increases in new loans to customers and the Baht 156,000m redemption of SAM (Sukhumvit Asset Management) promissory notes ("P/N") brought about higher revenue return on average assets.
- Interest and dividend income from investments was Baht 2,273m, a massive increase of Baht 1,051m or 86.0% yoy, mainly due to the Baht 876m dividend received from Vayupak Fund.

Interest expenses equaled Baht 13,315m, down by Baht 3,905m or 22.7% from the previous year, as deposit costs declined by shifting of deposit composition towards savings accounts contributed to lower interest expenses.

Net interest margin

The higher interest and dividend income and lower cost of fund boosted up the Bank's net interest margin ("NIM") to 2.9%, compared to 2.2% the year before.

(Million Baht)

	2004	2003	Change	
			Amount	% yoy
Interest and dividend income	46,007	40,778	5,229	12.8
- Loans	42,874	38,031	4,843	12.7
- Interbank and money market items	860	1,525	-665	-43.6
- Investments	2,273	1,222	1,051	86.0
Interest expenses	13,315	17,220	-3,905	-22.7
Net interest and dividend income	32,692	23,558	9,134	38.8
Net interest margin	2.9%	2.2%		

Table 2 Net interest and dividend income

Non-interest income

Excluding share of gain from investments on equity method and exceptional items, non-interest income from the Bank's core business totaled Baht 7,414m, rising by Baht 745m or 11.2% from the year prior.

- Other income was Baht 1,553m, an increase of Baht 489m or 46.0% yoy, due to deferred income brought to account.

Including share of gain from investments on equity method, reversal of profit on impairment of land and reversal of profit on impairment of properties foreclosed, the Bank's non-interest income was Baht 8,973m, surged by Baht 1,332m or 17.4% from the previous year.

- Share of gain from investments on equity method tremendously increased to Baht 355m, up by Baht 152m or 74.9% from the previous year because the Bank's affiliates showed their improved-operating results.

(Million Baht)

	2004	2003	Change	
			Amount	% yoy
Fee and service income	4,865	4,492	373	8.3
- Acceptances, aval and quarantees	811	767	44	5.7
- Others	4,054	3,725	329	8.8
Gain on exchange	694	895	-201	-22.5
Gain on investments	302	218	84	38.5
Other income	1,553	1,064	489	46.0
Total Operating income	7,414	6,669	745	11.2
Share of gain from investments on equity method	355	203	152	74.9
Reversal of profit on impairment of land	1,204	9	1,195	13,277.8
Reversal of profit on impairment of properties foreclosed	0	760	-760	-
Total non-interest income	8,973	7,641	1,332	17.4

Table 3 Non-interest income

Non-interest expenses

Compared to the year earlier, non-interest expenses increased by Baht 3,272m or 17.3% yoy to Baht 22,223m, primarily due to the higher personnel expenses and provisions on impairment of other assets.

- Personnel expenses were Baht 8,771m, an increase of Baht 1,627m or 22.8% yoy, attributable to a salary base adjustment in consequence of longer working hours for the Bank, the mutual separation programme ("MSP") and the bonus payment for the 2003 performance.
- Other expenses were Baht 5,077m, an increased of Baht 1,881m or 58.9% yoy, resulting from information technology ("IT") investment in building up a "Convenience Bank" platform and impairment on other assets.

	(Million Baht)			
	2004	2003	Change	
			Amount	% yoy
Personnel expenses	8,771	7,144	1,627	22.8
Premises and equipment expenses	2,050	2,912	-862	-29.6
Taxes and duties	1,717	1,513	204	13.5
Fees and service expenses	273	202	71	35.1
Director's remuneration	54	23	31	134.8
Contribution to the FIDF	4,118	3,961	157	4.0
Loss on impairment of properties foreclosed	18	0	18	-
Loss on impairment of land and equipment	145	0	145	-
Other expenses	5,077	3,196	1,881	58.9
Total non-interest expenses	22,223	18,951	3,272	17.3
Operating-cost-to-income ratio*	55.0%	62.7%		

* Non-interest expense (Excl. exceptional Items) / [Net interest and dividend income + Non-interest income (Excl. exceptional items)]

Table 4 Non-interest expenses

Operating-cost-to income ratio

Operating-cost-to income ratio in 2004 declined significantly to 55.0% from 62.7% previous year, on account of the rising net interest and dividend income.

Loan loss provision

The Bank's provisioning for bad debts and doubtful accounts and loss on debt restructuring increased to Baht 8,349m, by Baht 4,807m or 135.7% from previous year. The Bank resolved to build up its loan-loss coverage ratio in line with its peer banks. Accordingly, Baht 4,500m was set aside in the fourth quarter of the year in addition to Baht 2,500m provisions provided in the first quarter of the year and the monthly normalized provisions of Baht 1,200m.

For 2005, the Bank will provide a minimum of Baht 300m per month as normalized general provisions.

Financial status

Assets

Total assets as at December 31, 2004 were Baht 1,149,417m, a slight increase of Baht 14,966m or 1.3% from the end of 2003.

- Gross loans were Baht 937,804m, a decrease of Baht 41,222m or 4.2% from the end of 2003. Conversely, gross loans excluding SAM P/N amounting to Baht 855,041m showed the expansion of Baht 114,778m or 15.5% from the end of previous year. In this year, the redeemed amount of SAM P/N was Baht 156,000m.
- Securities purchased under resale agreements were Baht 56,200m, an increase of Baht 43,200m or 332.3% from the end of previous year as a result of the Bank's liquidity management.

Liabilities

As at December 31, 2004, total liabilities were Baht 1,073,560m, an increase of Baht 14,044m or 1.3% from the end of 2003.

- Deposits totaled Baht 1,003,446m, a tiny decrease of Baht 2,483m or 0.2% but there was an alteration in deposit structure - the expanded proportion of short-term deposits in consequence of the shifting of depositors profile from time deposits to demand and savings accounts.
- Borrowings sharply stepped up to Baht 10,001m, an increase of Baht 10,000m, predominantly due to the issuance of Baht 10,000m of domestic subordinated debentures in October 2004 to strengthen the Bank's Tier 2 capital.

Shareholders' equity

Shareholders' equity at December 31, 2004 totaled Baht 75,856m, an increase of Baht 921m or 1.2% from the end of prior year.

- Issued and paid-up share capital, including preferred shares and ordinary shares, was Baht 57,604m. The whole of which could be divided into the Baht 28m preferred shares and the Baht 57,576m ordinary shares which increased by Baht 2m from the end of 2003, obtained from the exercise of rights to buy ordinary shares under the Bank's warrant units issued to its employees who participated in the MSP.
- Unappropriated retained earnings were Baht 13,600m, an increase of Baht 5,282m or 63.5% from the end of previous year. The increase was attributed to Baht 11,094m in profits for the year and a deduction of Baht 5,258m from dividend payment in April 2004.
- Book value per share (BVPS) at the end of the year rose to Baht 6.78, up Baht 0.08 from Baht 6.70 at the end of 2003.

Loans and deposits

As at December 31, 2004, total loans outstanding were Baht 937,804m, a decrease of Baht 41,222m or 4.2% from the end of 2003. On the other hand, total loans excluding SAM P/N were Baht 855,041m, an increase of Baht 114,778m or 15.5% from the end of previous year. In 2004, the redemption of SAM P/N was equal to Baht 156,000m, thus the outstanding at the end of the year valued at Baht 82,763m which would be due by August 2005.

(Million Baht)

	2004	2003	Change	
			Amount	% yoy
Loans	937,804	979,026	-41,222	-4.2
SAM P/N	82,763	238,763	-156,000	-65.3
Loans excluding SAM P/N	855,041	740,263	114,778	15.5

Table 5 Loans

By sector, loans to the real estate and construction sector recorded the highest growth rate at 29.7% from the end of 2003, comparable to the loan growth of the utilities and services sector at 19.6%. The housing loans grew by 12.2% year to date (“ytd”).

Deposits as at December 31, 2004 stood at Baht 1,003,446m, a small decrease of Baht 2,483m or 0.2% from the end of 2003. In comparison to the previous year, demand and saving deposits increased by Baht 31,694m or 106.0% and Baht 65,292m or 16.9%, respectively. Conversely, time deposits were on a downward trend, declined by Baht 99,469m or 16.8% ytd. As a result, the proportion of time deposits reduced from 58.7% at the end of last year to 49.0% of the full amount. The changes in structure of deposits by maturity markedly led to the Bank’s lower cost of fund.

	(Million Baht)					
	Dec 31,2004	(%)	Dec 31,2003	(%)	Change	
					Amount	% yoy
Demand	61,582	6.1	29,888	3.0	31,694	106.0
Savings	450,876	44.9	385,584	38.3	65,292	16.9
Fixed	490,988	49.0	590,457	58.7	-99,469	-16.8
- Less than 6 months	209,396	20.9	247,646	24.6	38,250	-15.4
- 6 months to 1 year	16,582	1.7	3	0.0	16,579	552,633.3
- More than 1 year	265,010	26.4	342,808	34.1	77,798	-22.7
Total deposits	1,003,446	100.0	1,005,929	100.0	-2,483	-0.2

Table 6 Deposits

Liquidity

Loan-to-deposits ratio declined to 93.5%. Compared to the end of previous year, in contrast, the increase of loans excluding SAM P/N to deposits ratio to 85.2% still represented the stable liquidity status of the Bank.

	(Percentage)	
	Dec 31,2004	Dec 31,2003
Loan-to-deposits ratio	93.5	97.3
Loans excluding SAM P/N to deposits ratio	85.2	73.6

Table 7 Loan-to-deposits ratio

Non-performing loans and allowance for doubtful accounts

Non-performing loans

As at December 31, 2004, non-performing loans (“NPLs”) accounting for 12.4% of total loans amounted to Baht 119,693m, an increase of Baht 40,250m or 50.7% from the end of 2003.

(Million Baht)

	Dec 31,2004	Dec 31,2003	Change	
			Amount	% yoy
NPLs	119,693	79,443	40,250	50.7
Allowance for doubtful accounts	61,024	54,145	6,879	12.7
Revaluation allowance for debt restructuring	2,335	5,309	-2,974	-56.0
Allowance for doubtful accounts for loans under BOT requirements*	49,664	42,096	7,568	18.0
Excess provision over BOT's requirement	11,360	12,049	-689	-5.7
NPLs ratio	12.4%	8.0%		

* Excluding allowance for doubtful accounts under interbank and money market items

Table 8 Non-performing loans

Allowance for doubtful accounts

As at December 31, 2004, the Bank's allowance for doubtful accounts totaled Baht 61,024m, increased by Baht 6,879m or 12.7% from the end of previous year.

Statutory capital fund

As at December 31, 2004, the Bank's total capital funds, consisting of tier 1 and tier 2 capital, were Baht 87,232m or 10.9% of risk-weighted assets ("RWA"), up by Baht 22,002m vis-a-vis the end of previous year, of which Baht 65,871m or 8.2% of RWA was Tier 1 capital, up by Baht 7,628m from the end of 2003.

(Million Baht)

	Dec 31,2004	% of RWA	Dec 31,2003	% of RWA	Change	
					Amount	% yoy
Tier 1 capital fund	65,871	8.2	58,243	8.2	7,628	13.1
Tier 2 capital fund	22,269	2.8	6,987	1.0	15,282	218.7
Total capital fund before less items	88,140		65,230		22,910	35.1
Less revaluation deficit (net) on investments in available-for-sale equity securities	908		0		908	-
Total capital fund	87,232	10.9	65,230	9.2	22,002	33.7
Risk-weighted assets	799,040		708,890		90,150	12.7

Note: Excluding net profit in the second half of 2004 (during July 2004-December 2004)

Table 9 Statutory capital fund

Tier 2 capital amounting to Baht 22,269m or 2.8% of RWA reflected an increase of Baht 15,282m, mainly due to the issuance of Baht 10,000m domestic subordinated debentures with a maturity of 10 years. The debentures, which have been assigned national long-term rating of AA- by Fitch Ratings (Thailand) Limited, bear interest at a rate of 5.15% per annum for the first five years and 6.7% for the remaining years.

The Bank's Operating Performances in 5 Year (2000-2004)

Description	2004		2003	
	Million Baht	% Change	Million Baht	% Change
Income	54,980.2	13.6	48,418.1	3.2
Expenses	35,537.1	(1.8)	36,171.5	(1.9)
Bad debt and doubtful accounts and loss of debt restructuring	8,349.2	135.7	3,541.7	75.8
Pre-tax profit (loss)	11,093.9	27.4	8,704.9	8.7
Conversion of provision to income	-	-	-	-
Income tax	-	-	-	-
Net profit (loss)	11,093.9	27.4	8,704.9	8.7
Net profit (loss) : total income (%)	20.2	12.2	18.0	5.3
Net profit (loss) per share (Baht)	0.99	26.9	0.78	18.2
Dividend per share (Baht)	-	-	-	-
Book value per share (Baht)	6.8	1.2	6.7	15.1
Total assets	1,149,416.8	1.3	1,134,450.7	7.2
- interbank and money market items	50,209.4	38.0	36,376.1	(74.2)
- investments in securities	71,794.1	(15.5)	84,916.9	40.4
- net loans and accrued interest receivable	882,978.1	(5.1)	930,802.4	16.5
- other assets	144,435.2	75.4	82,355.3	42.9
Total liabilities	1,073,560.4	1.3	1,059,515.7	6.7
- deposits	1,003,446.4	(0.2)	1,005,929.8	4.9
- borrowings	10,001.2	833,333.3	1.2	-
- other liabilities	60,112.8	12.2	53,584.7	55.2
Shareholders' equity	75,856.4	1.2	74,935.0	15.0
Capital fund : risk assets (%)	10.92	-	9.20	-
Number of employees (person)	14,196	-	14,501	-
Number of domestic branches	619	-	618	-
Number of overseas branches	7	-	6	-
Number of representative offices	-	-	-	-

2002		2001		2000	
Million Baht	% Change	Million Baht	% Change	Million Baht	% Change
46,908.8	6.5	44,032.8	(2.8)	45,322.9	(17.8)
36,884.8	(4.6)	38,681.9	(16.8)	46,471.8	(25.8)
2,014.8	(79.4)	9,766.5	(64.9)	27,790.3	(67.1)
8,009.2	(281.4)	(4,415.6)	(84.7)	(28,939.2)	68.5
-	-	-	-	108,000.0	-
-	-	-	-	2,800.0	-
8,009.2	(281.4)	(4,415.6)	(105.8)	76,260.8	182.9
17.1	(270.3)	(10.0)	(106.0)	168.3	-
0.66	(283.3)	(0.36)	(109.2)	3.93	164.7
-	-	-	-	-	-
5.8	2.5	5.7	(3.1)	5.9	27.4
1,058,387.9	8.4	976,468.3	(1.3)	989,606.6	(0.3)
141,184.1	(14.5)	165,122.7	1.4	162,870.7	12.8
60,490.8	40.5	43,054.1	31.2	32,817.5	(28.0)
799,071.4	17.3	680,938.3	(3.3)	703,965.2	(6.3)
57,641.6	(34.0)	87,353.2	(2.9)	89,953.2	73.8
993,252.7	8.8	912,981.7	(1.2)	924,045.7	3.6
958,731.7	10.6	866,955.2	2.7	844,057.1	5.2
1.2	-	1.2	(100.0)	12,733.8	(39.2)
34,519.8	(25.0)	46,025.3	(31.6)	67,254.8	(1.8)
65,135.2	2.6	63,486.6	(3.2)	65,561.0	(35.2)
12.63	-	15.67	-	19.21	-
14,703	-	15,233	-	15,751	-
618	-	610	-	617	-
7	-	8	-	8	-
-	-	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, 2004 and 2003, and the related consolidated and the Bank's statements of income, changes in shareholders' equity, 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, 2004 and 2003, 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.

SATJA SASANAVIN
(Ms.SATJA SASANAVIN)
Deputy Auditor General
for Auditor General

VILAILAK AUNYAMANEERAT
(Ms.VILAILAK AUNYAMANEERAT)
Director of Audit Office

Office of the Auditor General
February 24, 2005

KRUNG THAI BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES

BALANCE SHEETS

AS AT DECEMBER 31, 2004 AND 2003

(in Baht)

	Note	Consolidated Financial Statements		The Bank's Financial Statements	
		2004	2003	2004	2003
Assets					
Cash		23,722,819,088	13,530,740,890	23,722,368,238	13,530,399,735
Interbank and Money Market Items	31				
Domestic Items					
Interest Bearing		32,643,521,205	17,949,729,755	32,632,443,945	17,894,968,018
Non - Interest Bearing		7,680,270,245	9,985,775,233	7,679,935,458	9,986,609,816
Foreign Items					
Interest Bearing		8,464,565,808	6,849,791,881	8,464,565,808	6,849,791,881
Non - Interest Bearing		1,432,487,798	1,644,725,309	1,432,487,798	1,644,725,309
Total Interbank and Money Market Items, Net		50,220,845,056	36,430,022,178	50,209,433,009	36,376,095,024
Securities Purchased under Resale Agreements	32	56,200,000,000	13,000,000,000	56,200,000,000	13,000,000,000
Investments	243.3				
Current Investments, Net		6,313,264,554	11,527,357,377	6,214,299,652	11,527,357,377
Long - Term Investments, Net		59,449,682,374	67,550,001,415	59,449,682,354	67,550,001,395
Investments in Subsidiaries and Associated Companies, Net		3,932,068,675	3,668,185,018	6,130,090,111	5,839,540,403
Total Investments, Net		69,695,015,603	82,745,543,810	71,794,072,117	84,916,899,175
Loans and Accrued Interest Receivable	253.4				
Loans		935,203,509,026	978,372,490,282	937,803,827,388	979,025,642,121
Accrued Interest Receivable		8,533,496,793	11,230,414,757	8,533,496,793	11,230,414,757
Total Loans and Accrued Interest Receivable		943,737,005,819	989,602,905,039	946,337,324,181	990,256,056,878
Less Allowance for Doubtful Accounts	263.5	(61,024,089,047)	(54,144,781,464)	(61,024,089,047)	(54,144,781,464)
Less Revaluation Allowance for Debt Restructuring	273.6	(2,335,074,206)	(5,308,801,033)	(2,335,074,206)	(5,308,801,033)
Total Loans and Accrued Interest Receivable, Net		880,377,842,566	930,149,322,542	882,978,160,928	930,802,474,381
Properties Foreclosed, Net	212.3.7	31,634,379,852	21,472,255,375	31,634,379,852	21,472,255,375
Customers' Liabilities under Acceptances		3,367,423,954	4,342,418,650	3,367,423,954	4,342,418,650
Premises and Equipment, Net	210.3.8	19,557,829,276	16,741,641,854	16,192,763,315	14,732,201,538
Other Debtors - Sukhumvit Asset Management Co.,Ltd.		5,561,684,560	5,099,355,547	5,561,684,560	5,099,355,547
Other Assets	39	8,565,561,283	10,990,073,658	7,756,559,924	10,178,585,020
Total Assets		1,148,903,401,238	1,134,501,374,504	1,149,416,845,897	1,134,450,684,445

Notes to The Financial Statements form an Integral Part of These Financial Statements.

KRUNG THAI BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES

BALANCE SHEETS

AS AT DECEMBER 31, 2004 AND 2003

(in Baht)

	Note	Consolidated Financial Statements		The Bank's Financial Statements	
		2004	2003	2004	2003
Liabilities and Shareholders' Equity					
Deposits	2.15 3.10				
Deposits in Baht		988,621,543,654	990,644,829,952	988,946,160,837	991,219,453,833
Deposits in Foreign Currencies		14,500,186,593	14,710,335,800	14,500,186,593	14,710,335,800
Total Deposits		1,003,121,730,247	1,005,355,165,752	1,003,446,347,430	1,005,929,789,633
Interbank and Money Market Items	3.11				
Domestic Items					
Interest Bearing		33,147,548,892	29,544,568,403	33,171,480,366	29,570,624,389
Non - Interest Bearing		1,611,085,640	2,147,602,785	1,611,085,640	2,146,115,573
Foreign Items					
Interest Bearing		7,369,975,430	3,164,209,343	7,369,975,430	3,164,209,343
Non - Interest Bearing		152,417,494	90,544,404	152,417,494	90,544,404
Total Interbank and Money Market Items		42,281,027,456	34,946,924,935	42,304,958,930	34,971,493,709
Liabilities Payable on Demand		2,905,188,887	5,321,133,950	2,905,188,887	5,321,133,950
Borrowings	3.12				
Short - Term Borrowings		1,173,779	-	1,173,779	-
Long - Term Borrowings		10,000,000,000	1,173,779	10,000,000,000	1,173,779
Total Borrowings		10,001,173,779	1,173,779	10,001,173,779	1,173,779
Bank's Liabilities under Acceptances		3,367,423,954	4,342,418,650	3,367,423,954	4,342,418,650
Accrued Interest Payable		2,733,323,954	3,606,557,203	2,733,323,954	3,606,557,203
Other Creditors - Thai Asset Management Co.,Ltd.		35,813,959	67,947,554	35,813,959	67,947,554
Other Liabilities	3.13	8,600,601,211	5,924,302,245	8,766,201,630	5,275,200,097
Total Liabilities		1,073,046,283,447	1,059,565,624,068	1,073,560,432,523	1,059,515,714,575
Shareholders' Equity	3.14				
Share Capital					
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	
Ordinary Share Capital					
11,179,749,000 @ 5.15 Bht.		57,575,707,350		57,575,707,350	
Preferred Share Capital					
5,500,000 @ 5.15 Bht.			28,325,000		28,325,000
Ordinary Share Capital					
11,179,500,000 @ 5.15 Bht.			57,574,425,000		57,574,425,000

Notes to The Financial Statements form an Integral Part of These Financial Statements.

KRUNG THAI BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES

BALANCE SHEETS

AS AT DECEMBER 31, 2004 AND 2003

(in Baht)

	Note	Consolidated Financial Statements		The Bank's Financial Statements	
		2004	2003	2004	2003
Liabilities and Shareholders' Equity (continued)					
Premium (Discount) on Ordinary Share Capital		1,207,650	-	1,207,650	-
Appraisal Surplus on Assets Revaluation		3,962,012,717	3,973,446,243	3,962,012,717	3,973,446,243
Revaluation Surplus (Deficit) on Investments	3.3.5	(456,798,547)	4,448,953,829	(456,798,547)	4,448,953,829
Retained Earnings (Deficit)					
Appropriated					
Legal Reserve		1,146,362,978	591,665,715	1,146,362,978	591,665,715
Unappropriated		13,599,596,226	8,318,154,083	13,599,596,226	8,318,154,083
Minority Interests		704,417	780,566	-	-
Total Shareholders' Equity		75,857,117,791	74,935,750,436	75,856,413,374	74,934,969,870
Total Liabilities and Shareholders' Equity		1,148,903,401,238	1,134,501,374,504	1,149,416,845,897	1,134,450,684,445
Off - Balance Sheet Items - Contingencies					
Aval to Bills and Guarantees of Loans	3.16	11,878,955,597	13,749,667,209	11,878,955,597	13,749,667,209
Liabilities under Unmatured Import Bills		367,473,488	189,199,332	367,473,488	189,199,332
Letters of Credit		23,189,118,334	13,756,339,662	23,189,118,334	13,756,339,662
Other Contingencies		211,976,519,922	240,586,970,709	211,976,519,922	240,586,970,709

Notes to The Financial Statements form an Integral Part of These Financial Statements.

Mongkon Ampornpisit
(General (Ret.) Mongkon Ampornpisit)
Chairman of the Board of Directors

Apisak Tantivorawong
(Mr. Apisak Tantivorawong)
President

KRUNG THAI BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES

INCOME STATEMENT

FOR THE YEARS ENDED DECEMBER 31, 2004 AND 2003

(in Baht)

	Note	Consolidated Financial Statements		The Bank's Financial Statements	
		2004	2003	2004	2003
Interest and Dividend Income	22				
Loans		42,779,281,062	38,030,786,224	42,874,289,521	38,031,207,497
Interbank and Money Market Items		860,811,825	1,525,090,015	860,326,634	1,524,847,362
Investments		2,272,743,232	1,221,862,819	2,272,743,232	1,221,862,819
Total Interest and Dividend Income		45,912,836,119	40,777,739,058	46,007,359,387	40,777,917,678
Interest Expense	23				
Deposits		12,525,458,173	16,679,655,274	12,525,459,880	16,679,657,431
Interbank and Money Market Items		677,663,763	538,326,597	680,934,406	540,418,247
Interest on Short - Term Borrowings		-	(390,099)	-	-
Interest on Long - Term Borrowings		108,376,712	-	108,376,712	-
Total Interest Expense		13,311,498,648	17,217,591,772	13,314,770,998	17,220,075,678
Net Interest and Dividend Income		32,601,337,471	23,560,147,286	32,692,588,389	23,557,842,000
Bad Debts and Doubtful Accounts		8,338,705,607	2,982,540,022	8,338,705,607	2,982,540,022
Loss on Debt Restructuring		10,484,801	559,232,832	10,484,801	559,232,832
Net Interest and Dividend Income After Bad Debts and Doubtful Accounts and Loss on Debt Restructuring		24,252,147,063	20,018,374,432	24,343,397,981	20,016,069,146
Non - Interest Income					
Gain (Loss) on Investments		301,856,109	217,923,860	301,856,109	217,923,860
Share of Gain (Loss) From Investments on Equity Method		321,180,229	274,518,854	354,846,239	203,354,778
Fees and Service Income					
Acceptances, Aval and Guarantees		810,894,428	765,953,531	810,894,428	766,525,864
Others		4,054,333,738	3,724,478,250	4,054,338,533	3,724,931,810
Gain (Loss) on Exchange		694,019,767	896,960,875	694,033,127	895,350,770
Reversal of Profit on Impairment of Properties For Closed		-	759,666,257	-	759,666,257
Reversal of Profit on Impairment of Land		1,203,985,255	8,845,407	1,203,985,255	8,845,407
Other Income		1,879,036,382	1,249,148,719	1,552,967,347	1,063,557,469
Total Non - Interest Income		9,265,305,908	7,897,495,753	8,972,921,038	7,640,156,215

Notes to The Financial Statements form an Integral Part of These Financial Statements.

KRUNG THAI BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES

INCOME STATEMENT (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2004 AND 2003

(in Baht)

	Note	Consolidated Financial Statements		The Bank's Financial Statements	
		2004	2003	2004	2003
Non - Interest Expenses					
Personnel Expenses		9,401,381,863	7,649,570,881	8,770,732,516	7,144,016,577
Premises and Equipment Expenses		2,815,983,168	2,982,963,429	2,049,603,710	2,912,438,198
Taxes and Duties		1,717,726,034	1,512,806,246	1,716,818,640	1,512,533,381
Fees and Service Expenses		301,954,877	228,032,881	272,794,012	201,587,148
Directors' Remuneration		67,662,362	34,564,966	53,969,611	23,395,484
Contribution to The Financial Institutions					
Development Fund		4,118,355,576	3,961,294,252	4,118,355,576	3,961,294,252
Loss on Impairment of Properties Forclosed		18,106,604	-	18,106,604	-
Loss on Impairment of Land and Equipment		144,520,000	-	144,520,000	-
Other Expenses		3,810,890,873	2,761,772,642	5,077,473,084	3,196,045,256
Total Non - Interest Expense		22,396,581,357	19,131,005,297	22,222,373,753	18,951,310,296
Income Before Income Tax		11,120,871,614	8,784,864,888	11,093,945,266	8,704,915,065
Income Tax Expense		27,002,461	79,712,844	-	-
Income Before Minority Interests		11,093,869,153	8,705,152,044	11,093,945,266	8,704,915,065
Minority Interests		76,113	(236,979)	-	-
Net Income		11,093,945,266	8,704,915,065	11,093,945,266	8,704,915,065
Basic Earnings Per Share	2.17	0.99	0.78	0.99	0.78
Diluted Earnings Per Share	2.17	0.99	0.78	0.99	0.78

Notes to The Financial Statements form an Integral Part of These Financial Statements.

Mongkon Ampornpisit
(General (Ret.) Mongkon Ampornpisit)
Chairman of the Board of Directors

Apisak Tantivorawong
(Mr. Apisak Tantivorawong)
President

KRUNG THAI BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2004 AND 2003

	Note	Consolidated Financial Statements		
		Issued and Paid-up Share Capital	Premium on Share Capital	Appraisal Surplus
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
Decreased Appraisal Surplus		-	-	(7,200,432)
Revaluation Surplus on Investments		-	-	-
Un-Recognized Items in Income Statements		-	-	(7,200,432)
Dividends Payable		-	-	-
Director's Bonuses Payable		-	-	-
Net Income		-	-	-
Ending Balance as at 31 December 2003		57,602,750,000	-	3,973,446,243
Beginning Balance as at 1 January 2004		57,602,750,000	-	3,973,446,243
Adjustment B/F Retained Earnings of Subsidiaries and Associated		-	-	-
Balance after Adjustment		57,602,750,000	-	3,973,446,243
Decreased Appraisal Surplus on Impaired Land		-	-	(11,433,526)
Revaluation Deficit on Investments		-	-	-
Un-Recognized Items in Income Statements		-	-	(11,433,526)
Ordinary Shares Exercised by Warrants		1,282,350	-	-
Premium on Ordinary Shares Exercised by Warrants		-	1,207,650	-
Dividends Payable	3.15	-	-	-
Net Income		-	-	-
Ending Balance as at 31 December 2004		57,604,032,350	1,207,650	3,962,012,717

Notes to The Financial Statements form an Integral Part of These Financial Statements.

(in Baht)

Revaluation Surplus(deficit) on Investments	Retained Earnings	Minority Shareholders	Total
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
4,448,953,829	8,909,819,798	780,566	74,935,750,436
-	-	5	5
4,448,953,829	8,909,819,798	780,571	74,935,750,441
-	-	-	(11,433,526)
(4,905,752,376)	-	-	(4,905,752,376)
(4,905,752,376)	-	-	(4,917,185,902)
-	-	-	1,282,350
-	-	-	1,207,650
-	(5,257,805,860)	(41)	(5,257,805,901)
-	11,093,945,266	(76,113)	11,093,869,153
(456,798,547)	14,745,959,204	704,417	75,857,117,791

KRUNG THAI BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2004 AND 2003

	Note	The Bank's Financial Statements	
		Issued and Paid-up Share Capital	Premium on Share Capital
Beginning Balance as at 1 January 2003		57,602,750,000	-
Decreased Appraisal Surplus		-	-
Revaluation Surplus on Investments		-	-
Un-Recognized Items in Income Statements		-	-
Dividends Payable		-	-
Director's Bonuses Payable		-	-
Net Income		-	-
Ending Balance as at 31 December 2003		57,602,750,000	-
Beginning Balance as at 31 January 2004		57,602,750,000	-
Decreased Appraisal Surplus on Impaired Land		-	-
Revaluation Deficit on Investments		-	-
Un-Recognized Items in Income Statements		-	-
Ordinary Shares Exercised by Warrants		1,282,350	-
Premium on Ordinary Shares Exercised by Warrants		-	1,207,650
Dividends Payable	3.15	-	-
Net Income		-	-
Ending Balance as at 31 December 2004		57,604,032,350	1,207,650

Notes to The Financial Statements form an Integral Part of These Financial Statements.

(in Baht)

Appraisal Surplus	Revaluation Surplus(deficit) on Investments	Retained Earnings	Total
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
3,973,446,243	4,448,953,829	8,909,819,798	74,934,969,870
(11,433,526)	-	-	(11,433,526)
-	(4,905,752,376)	-	(4,905,752,376)
(11,433,526)	(4,905,752,376)	-	(4,917,185,902)
-	-	-	1,282,350
-	-	-	1,207,650
-	-	(5,257,805,860)	(5,257,805,860)
-	-	11,093,945,266	11,093,945,266
3,962,012,717	(456,798,547)	14,745,959,204	75,856,413,374

KRUNG THAI BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES

CASH FLOW STATEMENT

FOR THE YEARS ENDED DECEMBER 31, 2004 AND 2003

(in Baht)

	Consolidated Financial Statements		The Bank's Financial Statements	
	2004	2003	2004	2003
Cash Flow From Operating Activities				
Net Income	11,093,945,266	8,704,915,065	11,093,945,266	8,704,915,065
Adjustment to Reconcile Net Profit to Net Cash Flows				
From Operation				
Depreciation and Amortization	997,748,061	916,685,158	567,870,317	826,560,761
Bad Debt and Doubtful Accounts	8,338,705,607	2,982,540,022	8,338,705,607	2,982,540,022
Loss on Debt Restructuring	10,484,801	559,232,832	10,484,801	559,232,832
(Gain) Loss on Equity	(321,180,229)	(274,518,854)	(354,846,239)	(203,354,778)
(Gain) Loss on Sales of Assets	(9,811,670)	(220,402,718)	(9,811,670)	(219,836,233)
(Gain) Loss on Sales of Investments	162,625,865	(394,457,967)	162,625,865	(394,457,967)
(Reversed) Loss on Impairment of Properties Forclosed	18,106,604	(759,666,257)	18,106,604	(759,666,257)
(Reversed) Loss on Impairment of Investments	(467,150,735)	977,629,126	(467,150,735)	977,629,126
(Reversed) Loss on Impairment of Premises and Equipment	(1,059,465,255)	(8,845,407)	(1,059,465,255)	(8,845,407)
Recognized Deferred Income	(851,152,790)	-	(851,152,790)	-
Director Bonus Paid	-	(14,544,749)	-	(14,544,749)
Deferred (Discount)Premium on Investments-Paid	56,067,443	55,945,253	56,067,443	55,945,253
(Gain) Loss on Revaluation of Foreign Currencies	609,885,768	79,952,294	609,885,768	79,952,294
(Increase) Decrease in Accrued Interest Income and Dividend Receivable	2,430,929,949	4,350,996,486	2,430,929,949	4,350,991,981
(Increase) Decrease in Other Accrued Income	(638,021,198)	1,058,256,870	(638,021,198)	1,058,256,870
Increase (Decrease) in Accrued Interest Expenses Payable	(873,233,248)	(1,008,813,472)	(873,233,248)	(1,008,813,472)
Increase (Decrease) in Other Accrued Expenses Payable	216,914,266	153,941,889	216,914,266	153,941,889
Net Income for Minority Interests	(76,113)	236,979	-	-
Operating Income before Changes in				
Operating Assets and Liabilities	19,715,322,392	17,159,082,550	19,251,854,751	17,140,447,230
(Increase) Decrease in Operating Assets				
Interbank and Money Market Items	(13,747,066,425)	102,492,103,506	(13,789,581,533)	102,519,410,628
Securities Purchased under Resale Agreements	(43,200,000,000)	(11,188,000,000)	(43,200,000,000)	(11,188,000,000)
Net Investment in Securities for Trading	(2,964,860,451)	2,052,922,550	(2,964,860,451)	2,052,922,550
Net Loans	22,126,813,998	(143,411,715,461)	20,179,647,476	(144,062,825,588)
Properties Forclosed	(10,180,231,080)	(5,244,711,352)	(10,180,231,080)	(5,244,711,352)
Net Other Assets	2,674,879,367	(3,550,443,627)	2,672,392,088	(3,102,280,955)
Increase (Decrease) in Operating Liabilities				
Deposits	(2,233,435,505)	46,803,635,891	(2,483,442,203)	47,198,032,552
Interbank and Money Market	7,334,102,521	14,283,544,815	7,333,465,220	14,307,916,215
Liability Payable on Demand	(2,415,945,063)	3,023,244,554	(2,415,945,063)	3,023,244,554
Short-term Borrowings	1,173,779	-	1,173,779	-
Other Liabilities	3,310,537,489	1,178,231,900	4,125,240,057	693,885,069
Net Cash Flow Operating Activities	(19,578,708,978)	23,597,895,326	(21,470,286,959)	23,338,040,903

Notes to The Financial Statements form an Integral Part of These Financial Statements.

KRUNG THAI BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES

CASH FLOW STATEMENT

FOR THE YEARS ENDED DECEMBER 31, 2004 AND 2003

(in Baht)

	Consolidated Financial Statements		The Bank's Financial Statements	
	2004	2003	2004	2003
Cash Flow from Investment Activities				
Purchase of Investment	(6,491,006,385)	(44,054,836,671)	(6,491,006,385)	(44,054,836,671)
Cash Received from Sale of Investment	34,274,375,284	30,003,956,958	34,380,340,181	28,350,238,823
Purchase of Premises and Equipment	(3,218,702,047)	(3,204,266,621)	(1,433,198,658)	(1,360,161,905)
Cash Received from Sale of Premises and Equipment	462,609,963	1,045,329,264	462,609,963	1,044,762,778
Net Cash Flow from Investment Activities	25,027,276,815	(16,209,817,070)	26,918,745,101	(16,019,996,975)
Cash Flow from Financing Activities				
Cash Received from Long Term Borrowings	9,998,826,221	-	9,998,826,221	-
Long Term Borrowings Paid in Cash	-	(70,000,000)	-	-
Dividend Paid	(5,257,805,860)	(2,905,563,133)	(5,257,805,860)	(2,905,563,133)
Cash Received from The Exercise of Warrants	2,490,000	-	2,490,000	-
Net Cash Flow from Financing Activities	4,743,510,361	(2,975,563,133)	4,743,510,361	(2,905,563,133)
Net Increase (Decrease) in Cash and Cash Equivalents	10,192,078,198	4,412,515,123	10,191,968,503	4,412,480,795
Beginning Balance of Cash and Cash Equivalents	13,530,740,890	9,118,225,767	13,530,399,735	9,117,918,940
Ending Balance of Cash and Cash Equivalents	23,722,819,088	13,530,740,890	23,722,368,238	13,530,399,735
Additional Disclosure of Cash Flow				
Cash Paid for The Period				
Interest Paid	14,187,034,092	18,223,080,765	14,187,034,092	18,225,564,671
Income Tax	126,126,829	206,025,935	99,762,812	175,745,856

Notes to The Financial Statements form an Integral Part of These Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2004 AND 2003

1. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

Krung Thai Bank Public Company Limited 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 some major parts of the world. Total employees as at December 31, 2004 and 2003 were 14,196 and 14,501, 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 prepared 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 prepared in accordance with generally accepted accounting principles, under Accounting Act B.E. 2543

The consolidated financial statements comprise the accounts of the Bank and those audited of 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 Computer Service Co., Ltd., Krung Thai Property Development Co., Ltd. (formerly: Krung Thai Land and House Co., Ltd.) and NC Associated Co., Ltd.

The financial statements for the year ended December 31, 2004 and 2003 also include 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 accrued on a time-apportioned basis using the applicable effective interest rate, 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 accrued on a time-apportioned basis using the applicable effective interest rate.

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

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

Investments in debt securities classified as held to maturity are stated at amortized cost. Premiums or discounts arising on acquisition are amortized or accreted over the period to maturity by using the effective interest yield method.



Investments in non-marketable equity securities, including investments in subsidiaries and associates, are classified as general investments and 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 calculated by using the weighted average method. Dividend income from investments is recognized as income when declared (except for those of associated/subsidiaries company recognized on equity method).

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 net deduction from the loans.

2.6 Allowance for Doubtful Accounts

The Bank's allowance for bad debts and doubtful accounts are held in each accounting period and realized as expenses in compliance 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 establishing allowances for doubtful debts based on prudent banking practices by taking into account the inherent uncertainty of restructured debtors in associated with debt repayment. The Bank is also taking into account the establishment of normal provisioning at 1 percent of loan portfolio and accrued interest receivable including collateral for debtors classified as pass category. It would be gradually accumulated on a monthly basis at Baht 100.00 million, until the target has been achieved.

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

2.7 Troubled Debt Restructuring (TDR)

Losses arising on debt restructuring were determined as follows:

1. Where the Bank accepts relaxation of the repayment conditions, losses resulted from repricing the carrying value upon the outstanding balance of debt were recorded according to Accounting Standard No.34 regarding Accounting for Troubled Debt Restructuring by choosing any value as set out below:

1.1 In computing the present value of expected future cash flows in line with the new repayment conditions under debt restructuring are discounted at the financial cost rates or at the rates under new repayment condition in cases where the lower the financial cost rates exist.

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

1.2 The fair value of loans bases on the net present value of expected future cash flows, discounted by the interest rates prevailing in the market with relatively the same characteristic and risk at the time of restructuring. The proceeds from sale of debts are used to determine their fair value if there is an active market for them.

1.3 The net present value of expected future cash flows discounted by the effective interest rates as to original contract.

1.4 Where debt restructuring repayment bases significantly on its collateral or where restructuring debtors fail to discharge obligations, the proceeds from enforceable sale of collateral would determine its fair value.

Losses arising on debt restructuring have been currently determined based on practiced in No. 1.1 by the Bank. Where the carrying value repricing as to No. 1.1 lower than the original carrying value (principal amount plus accrued interest receivable realized in the outstanding balance of debt) total such losses would be realized in the statement of income in the relevant period.

2. Where the Bank accepts assets transferred, financial instruments, or debt-equity conversion for repayment total account receivables would be written off and recorded the assets received at their fair value net of estimated selling cost. Losses arising are charged to Income Statements upon the receipt of transfer by taking into account the original allowance for doubtful of loss. The assets transferred shall not be recorded at the higher of book value of the debt plus accrued interest receivable entitled by the Bank.

Apply the practice through No.2 where the Bank accepts asset transferred, financial instruments or debt-equity conversion for partial repayment and through No.1 for the debt left over.

2.8 Translation of Foreign Currencies

Assets, liabilities and forward contract denominated in foreign currencies are translated into Thai Baht at the rates of exchange prevailing on transaction dates. Translation into Thai Baht uses reference rates of exchange announced by the Bank of Thailand at month-end. Translations of forward exchange and swap contract at period end are computed by using Mark-to-Market rate as their fair value. Foreign exchange gains or losses arising on translation are dealt with through the profit and loss account in the relevant period.

Risk management in relation to foreign currency assets and liabilities is performed under the Bank of Thailand's supervision. Net individual foreign currency position is maintained on a daily basis as long or short not exceeding 15 percent of capital fund or USD 5.0 million whichever is higher, whereas all foreign currency position is maintained on a daily basis as long or short not exceeding 20 percent of capital fund or USD 10.0 million whichever is higher.

Reserve for Exchange fluctuation is provided to moderate the impact of losses expected in subsequent periods.

2.9 Asset Impairment

The Bank conducts the review on a case by case basis of an impairment arising on investments, property, premises and equipment when the carrying value of those assets indicates higher than the expected recoverable amounts. As such, losses on impairment will be realized in the Income Statements. The reversal of losses on impairment will be recorded only when there is an indication that such impairment no longer exists or at a declining balance, if any, and credited to Other Income.

2.10 Property, Premises and Equipment

Property, 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. A Deficit on the revaluation of land is recognized as a loss on impairment and charged to the statement of income.

A surplus on the revaluation of land is double entered to land account and appraisal surplus and shown in the Shareholders' Equity.

Depreciation is calculated on the straight-line basis over their 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.

2.11 Leasehold Properties

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

2.12 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.

2.13 Derivatives

2.13.1 Forward Foreign Exchange Contract Bought or Sold

At the end of each month, the Bank's forward exchange and swap contracts are translated at fair value using Mark-to-Market rate. Foreign exchange gains or losses arising on translation are recognized as income or expense.

2.13.2 Interest Rate Swap Contracts

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

2.13.3 Credit Linked Note Contracts

Credit Linked Notes are booked as investments based on type of instruments. 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 such reference assets in accordance with the Bank of Thailand's regulations.

2.14 Provident Fund and Retirement

The Bank established a Provident Fund under the Provident Fund Act B.E. 2530 and registered with the Ministry of Finance on June 25, 1992.

Permanent employees of the Bank are entitled to apply for membership according to the Fund's regulations. Employees must contribute to the Fund at the rate of either 3%, 6%, or 10% of basic salary while the Bank's additional 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.

2.15 Unclaimed Balances

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

2.16 Income Tax

Tax expense comprises current tax and deferred tax expense.

Current tax is calculated based on the provisions of the Revenue Code.

Deferred tax is calculated using the liability method, for all temporary differences arising between the carrying amount of an asset or liability and its tax base value only to the extent that realization of the related tax benefit is probable.



2.17 Basic Earnings/(Loss) per Share

Basic Earnings/(Loss) per Share is calculated 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 are calculated by dividing the net income after deduction of noncumulative preferred dividend declared during the period by the weighted-average number of ordinary shares, plus unpurchased shares to be added without consideration when assumed exercising of warrants.

2.18 Accounting Estimates

In compliance with generally accepted accounting principles, the Bank is required to make estimates and assumptions in the financial statements 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, 2004			December 31, 2003		
	Demand	Time	Total	Demand	Time	Total
3.1.1 Domestic items						
Bank of Thailand and Financial Institutions Development Fund	7,607.16	5,250.00	12,857.16	9,894.19	-	9,894.19
Commercial Banks	84.01	6,996.27	7,080.28	128.83	118.87	247.70
Other Banks	19.51	2,800.00	2,819.51	18.73	-	18.73
Finance Co., Finance & Securities Co., Securities Co., and Credit Fonciers Co.	35.82	1,574.52	1,610.34	43.57	215.27	258.84
Other Financial Institutions	185.14	16,031.74	16,216.88	693.64	17,008.79	17,702.43
Total Domestic Items	7,931.64	32,652.53	40,584.17	10,778.96	17,342.93	28,121.89
<u>Add</u> Accrued Interest Receivable	-	54.73	54.73	-	13.70	13.70
<u>Less</u> Allowance for doubtful accounts	-	(315.11)	(315.11)	-	(200.09)	(200.09)
Total	7,931.64	32,392.15	40,323.79	10,778.96	17,156.54	27,935.50
3.1.2 Foreign items						
US Dollar	698.40	7,653.54	8,351.94	1,060.63	5,792.81	6,853.44
Japanese Yen	526.55	0.57	527.12	631.32	2.11	633.43
Other currencies	813.53	428.32	1,241.85	820.62	496.74	1,317.36
Total Foreign Items	2,038.48	8,082.43	10,120.91	2,512.57	6,291.66	8,804.23
<u>Add</u> Accrued Interest Receivable	-	5.21	5.21	-	2.49	2.49
<u>Less</u> Allowance for doubtful accounts	-	(229.07)	(229.07)	-	(312.20)	(312.20)
Total	2,038.48	7,858.57	9,897.05	2,512.57	5,981.95	8,494.52
Total Domestic and Foreign Items	9,970.12	40,250.72	50,220.84	13,291.53	23,138.49	36,430.02

(Million Baht)

	The Bank's Financial Statements					
	December 31, 2004			December 31, 2003		
	Demand	Time	Total	Demand	Time	Total
3.1.1 Domestic items						
Bank of Thailand and Financial Institutions Development Fund	7,607.16	5,250.00	12,857.16	9,894.19	-	9,894.19
Commercial Banks	72.60	6,996.27	7,068.87	74.91	118.87	193.78
Other Banks	19.51	2,800.00	2,819.51	18.73	-	18.73
Finance Co., Finance & Securities Co., Securities Co., and Credit Fonciers Co.	35.82	1,574.52	1,610.34	43.57	215.27	258.84
Other Financial Institutions	185.14	16,031.74	16,216.88	693.64	17,008.79	17,702.43
Total Domestic Items	7,920.23	32,652.53	40,572.76	10,725.04	17,342.93	28,067.97
<u>Add</u> Accrued Interest Receivable	-	54.73	54.73	-	13.70	13.70
<u>Less</u> Allowance for doubtful accounts	-	(315.11)	(315.11)	-	(200.09)	(200.09)
Total	7,920.23	32,392.15	40,312.38	10,725.04	17,156.54	27,881.58
3.1.2 Foreign items						
US Dollar	698.40	7,653.54	8,351.94	1,060.63	5,792.81	6,853.44
Japanese Yen	526.55	0.57	527.12	631.32	2.11	633.43
Other currencies	813.53	428.32	1,241.85	820.62	496.74	1,317.36
Total Foreign Items	2,038.48	8,082.43	10,120.91	2,512.57	6,291.66	8,804.23
<u>Add</u> Accrued Interest Receivable	-	5.21	5.21	-	2.49	2.49
<u>Less</u> Allowance for doubtful accounts	-	(229.07)	(229.07)	-	(312.20)	(312.20)
Total	2,038.48	7,858.57	9,897.05	2,512.57	5,981.95	8,494.52
Total Domestic and Foreign Items	9,958.71	40,250.72	50,209.43	13,237.61	23,138.49	36,376.10

As at December 31, 2004 and 2003, loans to finance companies included loans for the Stock Market Stabilization Fund totaling Baht 1.46 million.

As at December 31, 2004, the Bank's loans outstanding and accrued interest receivable to 6 debtors whose businesses were closed, were Baht 69.88 million with an allowance for doubtful of loss provided amounting to Baht 0.20 million.

As at December 31, 2004 and 2003, the Bank's loans and accrued interest receivable to financial institutions classified as non-performing loans were Baht 306.47 million and Baht 400.54 million which were provided for as stipulated by the Bank of Thailand's requirement of Baht 233.04 million and Baht 319.44 million, respectively.

3.2 Securities Purchased under Resale Agreements

(Million Baht)

	Consolidated and the Bank's Financial Statements	
	December 31, 2004	December 31, 2003
Government & BOT Bonds	56,200.00	13,000.00
Total	56,200.00	13,000.00

3.3 Investments

(Million Baht)

	Consolidated Financial Statements			
	December 31, 2004			
	Cost / Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
3.3.1 Current Investments				
Trading Securities				
Government & State Enterprise Securities	2,996.87	0.26	(0.24)	2,996.89
Private Enterprise Debt Securities	566.56	2.21	-	568.77
Domestic Marketable Equity Securities	54.16	-	(7.47)	46.69
Total	3,617.59	2.47	(7.71)	3,612.35
<u>Add</u> Allowance for Revaluation	(5.24)	-	-	-
Total	3,612.35			3,612.35
Available-for-Sale Securities				
Government & State Enterprise Securities	40.17	1.82	-	41.99
Private Enterprise Debt Securities	15.00	-	(15.00)	-
Foreign Debt Securities	1,140.58	-	(14.29)	1,126.29
Domestic Marketable Equity Securities	253.15	8.73	(0.77)	261.11
Others - VAYUPAK MUTUAL FUND I	1,192.68	-	(91.83)	1,100.85
Total	2,641.58	10.55	(121.89)	2,530.24
<u>Add</u> Allowance for Revaluation	(81.28)	-	-	-
<u>Less</u> Allowance for Impairment	(30.06)	-	-	-
Total	2,530.24			2,530.24
Held-to-Maturity Debt Securities				
Government & State Enterprise Securities	100.23	-	-	100.23
Private Enterprise Debt Securities	70.44	-	-	70.44
Total	170.67			170.67
Total Current Investments - Net	6,313.26			6,313.26

(Million Baht)

Consolidated Financial Statements				
December 31, 2004				
	Cost / Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
3.3.2 Long-Term Investments				
Available-for-Sale Securities				
Government & State Enterprise Securities	6,443.37	88.91	-	6,532.28
Private Enterprise Debt Securities	3.14	0.81	-	3.95
Foreign Debt Securities	476.76	-	(4.49)	472.27
Domestic Marketable Equity Securities	1,089.25	1,396.43	(42.12)	2,443.56
Foreign Marketable Equity Securities	12.16	-	-	12.16
Others - VAYUPAK MUTUAL FUND 1	28,206.34	-	(2,182.90)	26,023.44
Total	36,231.02	1,486.15	(2,229.51)	35,487.66
<u>Add</u> Allowance for Revaluation	(735.94)	-	-	-
<u>Less</u> Allowance for Impairment	(7.42)	-	-	-
Total	35,487.66			35,487.66
Held-to-Maturity Debt Securities				
Government & State Enterprise Securities	17,886.00	-	(2,415.61)	15,470.39
Private Enterprise Debt Securities	1,334.23	-	(2.52)	1,331.71
Total	19,220.23	-	(2,418.13)	16,802.10
<u>Less</u> Allowance for Impairment	(2,418.13)	-	-	-
Total	16,802.10			16,802.10
General Investments				
Domestic Non-marketable Equity Securities	6,565.83	-	(1,679.71)	4,886.12
Foreign Non-marketable Equity Securities	112.22	-	(45.17)	67.05
Others	2,206.75	-	-	2,206.75
Total	8,884.80	-	(1,724.88)	7,159.92
<u>Less</u> Allowance for Impairment	(1,724.88)	-	-	-
Total	7,159.92			7,159.92
Total Long-Term Investments - Net	59,449.68			59,449.68

(Million Baht)

Consolidated Financial Statements				
December 31, 2003				
	Cost / Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
3.3.1 Current Investments				
Trading Securities				
Government & State Enterprise Securities	724	-	-	724
Private Enterprise Debt Securities	618.75	4.03	-	622.78
Domestic Marketable Equity Securities	21.50	1.10	-	22.60
Total	647.49	5.13	-	652.62
<u>Add</u> Allowance for Revaluation	5.13	-	-	-
Total	652.62			652.62
Available-for-Sale Securities				
Government & State Enterprise Securities	2,790.88	3.43	-	2,794.31
Private Enterprise Debt Securities	15.00	-	(15.00)	-
Foreign Debt Securities	1,215.52	-	(225.47)	990.05
Domestic Marketable Equity Securities	706.94	296.91	(1.35)	1,002.50
Others - VAYUPAK MUTUAL FUND 1	1,192.68	77.25	-	1,269.93
Total	5,921.02	377.59	(241.82)	6,056.79
<u>Add</u> Allowance for Revaluation	376.24	-	-	-
<u>Less</u> Allowance for Impairment	(240.47)	-	-	-
Total	6,056.79			6,056.79
Held-to-Maturity Debt Securities				
Government & State Enterprise Securities	469.11	-	-	469.11
Foreign Debt Securities	4,354.78	-	(5.94)	4,348.84
Total	4,823.89	-	(5.94)	4,817.95
<u>Less</u> Allowance for Impairment	(5.94)	-	-	-
Total	4,817.95			4,817.95
Total Current Investments - Net	11,527.36			11,527.36

(Million Baht)

Consolidated Financial Statements				
December 31, 2003				
	Cost / Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
3.3.2 Long-Term Investments				
Available-for-Sale Securities				
Government & State Enterprise Securities	6,538.43	246.64	-	6,785.07
Private Enterprise Debt Securities	3.45	1.02	-	4.47
Foreign Debt Securities	1,218.03	-	(11.89)	1,206.14
Domestic Marketable Equity Securities	1,886.40	2,068.86	(497.18)	3,458.08
Others - VAYUPAK MUTUAL FUND 1	28,001.07	1,813.56	-	29,814.63
Total	37,647.38	4,130.08	(509.07)	41,268.39
<u>Add</u> Allowance for Revaluation	3,632.44	-	-	-
<u>Less</u> Allowance for Impairment	(11.43)	-	-	-
Total	41,268.39			41,268.39
Held-to-Maturity Debt Securities				
Government & State Enterprise Securities	20,964.69	-	(2,997.24)	17,967.45
Private Enterprise Debt Securities	2,274.00	-	(744.52)	1,529.48
Total	23,238.69	-	(3,741.76)	19,496.93
<u>Less</u> Allowance for Impairment	(3,741.76)	-	-	-
Total	19,496.93			19,496.93
General Investments				
Domestic Non-marketable Equity Securities	6,167.55	-	(1,654.22)	4,513.33
Foreign Non-marketable Equity Securities	110.35	-	(42.32)	68.03
Others	2,203.32	-	-	2,203.32
Total	8,481.22	-	(1,696.54)	6,784.68
<u>Less</u> Allowance for Impairment	(1,696.54)	-	-	-
Total	6,784.68			6,784.68
Total Long-Term Investments - Net	67,550.00			67,550.00

(Million Baht)

Consolidated Financial Statements				
December 31, 2004				
	Maturity			Total
	Within 1 year	Over 1 to 5 years	Over 5 years	
3.3.3 Maturity Schedule of Debt Securities				
Trading Securities				
Government & State Enterprise Securities	2,996.87	-	-	2,996.87
Private Enterprise Debt Securities	566.56	-	-	566.56
Total	3,563.43	-	-	3,563.43
<u>Add</u> Allowance for Revaluation	2.23	-	-	2.23
Total	3,565.66	-	-	3,565.66
Available-for-Sale Securities				
Government & State Enterprise Securities	40.17	6,443.37	-	6,483.54
Private Enterprise Debt Securities	15.00	-	3.14	18.14
Foreign Debt Securities	1,140.58	391.89	84.87	1,617.34
Total	1,195.75	6,835.26	88.01	8,119.02
<u>Add</u> Allowance for Revaluation	1.82	88.91	0.40	91.13
<u>Less</u> Allowance for Impairment	(29.29)	(3.71)	(0.37)	(33.37)
Total	1,168.28	6,920.46	88.04	8,176.78
Held-to-Maturity Debt Securities				
Government & State Enterprise Securities	100.23	1,781.91	16,104.09	17,986.23
Private Enterprise Debt Securities	70.44	581.53	752.70	1,404.67
Total	170.67	2,363.44	16,856.79	19,390.90
<u>Less</u> Allowance for Impairment	-	-	(2,418.13)	(2,418.13)
Total	170.67	2,363.44	14,438.66	16,972.77
Total Debt Securities	4,904.61	9,283.90	14,526.70	28,715.21

(Million Baht)

Consolidated Financial Statements				
December 31, 2003				
	Maturity			Total
	Within 1 year	Over 1 to 5 years	Over 5 years	
3.3.3 Maturity Schedule 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
<u>Add</u> Allowance for Revaluation	4.03	-	-	4.03
Total	630.02	-	-	630.02

(Million Baht)

Consolidated Financial Statements				
December 31, 2003				
	Maturity			Total
	Within 1 year	Over 1 to 5 years	Over 5 years	
3.3.3 Maturity Schedule of Debt Securities				
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
<u>Add</u> Allowance for Revaluation	3.43	246.64	0.56	250.63
<u>Add (Less)</u> 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
<u>Less</u> 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, 2004				
	Cost / Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
3.3.1 Current Investments				
Trading Securities				
Government & State Enterprise Securities	2,996.87	0.26	(0.24)	2,996.89
Private Enterprise Debt Securities	566.56	2.21	-	568.77
Domestic Marketable Equity Securities	54.16	-	(7.47)	46.69
Total	3,617.59	2.47	(7.71)	3,612.35
<u>Add</u> Allowance for Revaluation	(5.24)	-	-	-
Total	3,612.35			3,612.35

(Million Baht)

The Bank's Financial Statements				
December 31, 2004				
	Cost / Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
3.3.1 Current Investments				
Available-for-sale Securities				
Government & State Enterprise Securities	40.17	1.82	-	41.99
Private Enterprise Debt Securities	15.00	-	(15.00)	-
Foreign Debt Securities	1,140.58	-	(14.29)	1,126.29
Domestic Marketable Equity Securities	253.15	8.73	(0.77)	261.11
Others - VAYUPAK MUTUAL FUND 1	1,192.68	-	(91.83)	1,100.85
Total	2,641.58	10.55	(121.89)	2,530.24
<u>Add</u> Allowance for Revaluation	(81.28)	-	-	-
<u>Less</u> Allowance for Impairment	(30.06)	-	-	-
Total	2,530.24			2,530.24
Held-to-Maturity Debt Securities				
Government & State Enterprise Securities	1.27	-	-	1.27
Private Enterprise Debt Securities	70.44	-	-	70.44
Total	71.71			71.71
Total Current Investments - Net	6,214.30			6,214.30
3.3.2 Long-Term Investments				
Available-for-sale Securities				
Government & State Enterprise Securities	6,443.37	88.91	-	6,532.28
Private Enterprise Debt Securities	3.14	0.81	-	3.95
Foreign Debt Securities	476.76	-	(4.49)	472.27
Domestic Marketable Equity Securities	1,089.25	1,396.43	(42.12)	2,443.56
Foreign Marketable Equity Securities	12.16	-	-	12.16
Others - VAYUPAK MUTUAL FUND 1	28,206.34	-	(2,182.90)	26,023.44
Total	36,231.02	1,486.15	(2,229.51)	35,487.66
<u>Add</u> Allowance for Revaluation	(735.94)	-	-	-
<u>Less</u> Allowance for Impairment	(7.42)	-	-	-
Total	35,487.66			35,487.66
Held-to-Maturity Debt Securities				
Government & State Enterprise Securities	17,886.00	-	(2,415.61)	15,470.39
Private Enterprise Debt Securities	1,334.23	-	(2.52)	1,331.71
Total	19,220.23	-	(2,418.13)	16,802.10
<u>Less</u> Allowance for Impairment	(2,418.13)	-	-	-
Total	16,802.10			16,802.10

(Million Baht)

The Bank's Financial Statements				
December 31, 2004				
	Cost / Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
3.3.2 Long-Term Investments				
General Investments				
Domestic Non-marketable Equity Securities	6,565.83	-	(1,679.71)	4,886.12
Foreign Non-marketable Equity Securities	112.22	-	(45.17)	67.05
Others	2,206.75	-	-	2,206.75
Total	8,884.80	-	(1,724.88)	7,159.92
<u>Less</u> Allowance for Impairment	(1,724.88)	-	-	-
Total	7,159.92			7,159.92
Total Long-Term Investments - Net	59,449.68			59,449.68

(Million Baht)

The Bank's Financial Statements				
December 31, 2003				
	Cost / Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
3.3.1 Current Investments				
Trading Securities				
Government & State Enterprise Securities	724	-	-	724
Private Enterprise Debt Securities	618.75	4.03	-	622.78
Domestic Marketable Equity Securities	21.50	1.10	-	22.60
Total	647.49	5.13	-	652.62
<u>Add</u> Allowance for Revaluation	5.13	-	-	-
Total	652.62			652.62
Available-for-sale Securities				
Government & State Enterprise Securities	2,790.88	3.43	-	2,794.31
Private Enterprise Debt Securities	15.00	-	(15.00)	-
Foreign Debt Securities	1,215.52	-	(225.47)	990.05
Domestic Marketable Equity Securities	706.94	296.91	(1.35)	1,002.50
Others - VAYUPAK MUTUAL FUND 1	1,192.68	77.25	-	1,269.93
Total	5,921.02	377.59	(241.82)	6,056.79
<u>Add</u> Allowance for Revaluation	376.24	-	-	-
<u>Less</u> Allowance for Impairment	(240.47)	-	-	-
Total	6,056.79			6,056.79

(Million Baht)

The Bank's Financial Statements				
December 31, 2003				
	Cost / Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
3.3.1 Current Investments				
Held-to-Maturity Debt Securities				
Government & State Enterprise Securities	469.11	-	-	469.11
Foreign Debt Securities	4,354.78	-	(5.94)	4,348.84
Total	4,823.89	-	(5.94)	4,817.95
<u>Less</u> Allowance for Impairment	(5.94)	-	-	-
Total	4,817.95	-	-	4,817.95
Total Current Investments - Net	11,527.36	-	-	11,527.36
3.3.2 Long-Term Investments				
Available-for-sale Securities				
Government & State Enterprise Securities	6,538.43	246.64	-	6,785.07
Private Enterprise Debt Securities	3.45	1.02	-	4.47
Foreign Debt Securities	1,218.03	-	(11.89)	1,206.14
Domestic Marketable Equity Securities	1,886.40	2,068.86	(497.18)	3,458.08
Others - VAYUPAK MUTUAL FUND I	28,001.07	1,813.56	-	29,814.63
Total	37,647.38	4,130.08	(509.07)	41,268.39
<u>Add</u> Allowance for Revaluation	3,632.44	-	-	-
<u>Less</u> Allowance for Impairment	(11.43)	-	-	-
Total	41,268.39	-	-	41,268.39
Held-to-Maturity Debt Securities				
Government & State Enterprise Securities	20,964.69	-	(2,997.24)	17,967.45
Private Enterprise Debt Securities	2,274.00	-	(744.52)	1,529.48
Total	23,238.69	-	(3,741.76)	19,496.93
<u>Less</u> Allowance for Impairment	(3,741.76)	-	-	-
Total	19,496.93	-	-	19,496.93
General Investments				
Domestic Non-marketable Equity Securities	6,167.55	-	(1,654.22)	4,513.33
Foreign Non-marketable Equity Securities	110.35	-	(42.32)	68.03
Others	2,203.32	-	-	2,203.32
Total	8,481.22	-	(1,696.54)	6,784.68
<u>Less</u> Allowance for Impairment	(1,696.54)	-	-	-
Total	6,784.68	-	-	6,784.68
Total Long-Term Investments - Net	67,550.00	-	-	67,550.00

As at December 31, 2004 and 2003, 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 3.27) amounting to Baht 16,104.09 million (comprised the issue of 51 P/Ns amounting to Baht 15,872.60 million and non-issued P/N, being under verification, of Baht 231.49 million) and Baht 19,981.60 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 NOR SOR. (21) WOR. 2508/ B.E. 2544 regarding Accounting for Investments, dated November 8, 2001.

As at December 31, 2004 and 2003, the Bank has provided an allowance for losses arising from the transfer its NPLs to TAMC which approximated 15 percent upon the transfer prices. They were disclosed in the allowance for impairment of investments amounting to Baht 2,415.61 million and Baht 2,997.24 million, respectively. (see Note 3.27).

As at May 27, 2004, the Bank's long-term investments in available-for-sale domestic marketable equity securities amounting to Baht 797.29 million were partly acquired from the ordinary share swap under the financial institution merger scheme. The Bank has realized losses arising on impairment of such investments for Baht 554.86 million in the Income Statements.

For the period ended 2004, of the Bank's total Refinancing of Baht 1,396.06 million to restructuring debtor, the Baht 918.85 million was drawn down for the redemption of securities under the investments in Private Enterprises Debt Securities (with Baht 640.62 million and Baht 278.23 million as principal amount and accrued interest receivable, respectively) whereas the interest received was Baht 58.72 million. Such Refinancing amounting to Baht 317.78 million was for repurchasing Debt Securities from other creditors. The Bank has generated gains on such transactions amounting to Baht 100.71 million.

Income generated by such Refinancing included accrued interest receivable of Baht 278.23 million, interest received of Baht 58.72 million and gains on investments of Baht 100.71 million bringing the total to Baht 437.66 million and was credited to Deferred Income Account. The realization will reflect cash flow when received (see Note 3.13).

(Million Baht)

The Bank's Financial Statements				
December 31, 2004				
	Maturity			Total
	Within 1 year	Over 1 to 5 years	Over 5 years	
3.3.3 Maturity Schedule of Debt Securities				
Trading Securities				
Government & State Enterprise Securities	2,996.87	-	-	2,996.87
Private Enterprise Debt Securities	566.56	-	-	566.56
Total	3,563.43	-	-	3,563.43
<u>Add</u> Allowance for Revaluation	2.23	-	-	2.23
Total	3,565.66	-	-	3,565.66

(Million Baht)

The Bank's Financial Statements				
December 31, 2004				
	Maturity			Total
	Within 1 year	Over 1 to 5 years	Over 5 years	
3.3.3 Maturity Schedule of Debt Securities				
Available-for-sale Securities				
Government & State Enterprise Securities	40.17	6,443.37	-	6,483.54
Private Enterprise Debt Securities	15.00	-	3.14	18.14
Foreign Debt Securities	1,140.58	391.89	84.87	1,617.34
Total	1,195.75	6,835.26	88.01	8,119.02
<u>Add</u> Allowance for Revaluation	1.82	88.91	0.40	91.13
<u>Less</u> Allowance for Impairment	(29.29)	(3.71)	(0.37)	(33.37)
Total	1,168.28	6,920.46	88.04	8,176.78
Held-to-Maturity Debt Securities				
Government & State Enterprise Securities	1.27	1,781.91	16,104.09	17,887.27
Private Enterprise Debt Securities	70.44	581.53	752.70	1,404.67
Total	71.71	2,363.44	16,856.79	19,291.94
<u>Less</u> Allowance for Impairment	-	-	(2,418.13)	(2,418.13)
Total	71.71	2,363.44	14,438.66	16,873.81
Total Debt Securities	4,805.65	9,283.90	14,526.70	28,616.25

(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 Maturity Schedule 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
<u>Add</u> Allowance for Revaluation	4.03	-	-	4.03
Total	630.02	-	-	630.02

(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 Maturity Schedule of Debt Securities				
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
<u>Add</u> Allowance for Revaluation	3.43	246.64	0.56	250.63
<u>Add (Less)</u> Allowance for Impairment	(240.47)	(11.89)	0.46	(251.90)
Total	3,784.36	7,900.61	95.07	11,780.40
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
<u>Less</u> 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

3.3.4 Investments in Subsidiaries and Associated Companies

(Million Baht)

Consolidated Financial Statements						
December 31, 2004						
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	593.58	126.47	-
Krung Thai Card Public Co.,Ltd.	Credit Card Business	Ordinary	48.32	1,960.00	2,548.86	85.75
Krung Thai Panich Insurance Co.,Ltd.	Non-Life & Life Insurance	Ordinary	40.00	719.20	948.08	32.00
Krung Thai Auto Lease Co.,Ltd.	Hire Purchase	Ordinary	35.00	71.93	159.48	-
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	149.18	7.20
Total				3,430.66	3,932.07	124.95
Total Investments in Associated Companies - Net				3,430.66	3,932.07	124.95

(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 Associated Companies - Net				3,283.16	3,668.19	64.95

(Million Baht)

The Bank's Financial Statements						
December 31, 2004						
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
Subsidiaries						
Krung Thai Legal Services Co.,Ltd.	Legal Services	Ordinary	100.00	30.00	130.14	-
Krung Thai General Business Services Co.,Ltd.	General Services	Ordinary	100.00	140.00	176.64	7.00
Krung Thai Asset Management	Asset Management	Ordinary	100.00	210.90	200.15	-
Krung Thai Computer Services Co.,Ltd.*	IT Services	Ordinary	100.00	800.00	978.43	-
Krung Thai Property Development Co.,Ltd.*	Real Estate Development	Ordinary	100.00	1,147.17	711.83	-
N.C. Associates Co.,Ltd.	Rubber wood Agent	Ordinary	54.39	0.54	0.83	-
Total				2,328.61	2,198.02	7.00
Associated Companies						
Krung Thai Axa Life Insurance Co.,Ltd.	Life Insurance	Ordinary	50.00	593.58	126.47	-
Krung Thai Card Public Co.,Ltd.	Credit Card Business	Ordinary	48.32	1,960.00	2,548.86	85.75
Krung Thai Panich Insurance Co.,Ltd.	Non-Life & Life Insurance	Ordinary	40.00	719.20	948.08	32.00
Krung Thai Auto Lease Co.,Ltd.	Hire Purchase	Ordinary	35.00	71.93	159.48	-
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	149.18	7.20
Total				3,430.66	3,932.07	124.95
Total Investments in Subsidiaries and Associated Companies - Net				5,759.27	6,130.09	131.95

(Million Baht)

The Bank's 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
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 Co.,Ltd.*	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
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

Investments in associated companies accounted for by the equity method was reported by their unaudited or unreviewed financial statements.

*In 2003, the Bank has raised the capital of Krung Thai Computer Services Co.,Ltd. from Baht 40.00 million to Baht 800.00 million and that of Krung Thai Property Development Co.,Ltd. from Baht 204.33 million to Baht 1,147.17 million.

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 to Baht 1,470.00 million, thus, the shareholdings remain unchanged whereas the investments increased from Baht 490.00 million up to Baht 1,960.00 million.

The Bank's investments in Krung Thai Charoensri Co.,Ltd., accounted for by the equity method, were reported at nil value when losses exceeded the carrying amounts of an investments as on December 31, 2004 and 2003.

The Board of Directors' meeting No.1/B.E. 2547 (614) on March 18, 2004 passed a resolution to approve the Bank to raise the Baht 147.50 million more of its share capital in Krung Thai Axa Life Insurance Co.,Ltd, the associated company, thus, bringing up the Bank's investments to Baht 593.58 million as on December 31, 2004 and causing the shareholdings remain unchanged.

3.3.5 Revaluation Surplus/(Deficit) on Investments

(Million Baht)

	Consolidated Financial Statements		The Bank's Financial Statements	
	December 31, 2004	December 31, 2003	December 31, 2004	December 31, 2003
Balance brought forward	4,448.95	423.37	4,448.95	423.37
Changes for the period	(4,905.75)	4,025.58	(4,905.75)	4,025.58
Balance carried forward	(456.80)	4,448.95	(456.80)	4,448.95

The Bank accounts for investments in other securities in which the Bank has equal to or more than 10% of the shareholdings which are classified by industrial sector and shown at fair value as follows:

(Million Baht)

	Consolidated Financial Statements		The Bank's Financial Statements	
	December 31, 2004	December 31, 2003	December 31, 2004	December 31, 2003
Manufacturing	51.00	33.74	51.00	33.74
Commercial	-	3.22	-	3.22
Banking and Financial	537.81	32,244.80	537.81	32,244.80
Public Utilities and Services	1,413.65	1,401.82	1,413.65	1,401.82
Others	29.48	20.55	29.48	20.55
TOTAL	2,031.94	33,704.13	2,031.94	33,704.13

As at December 31, 2004 and 2003, the Bank's investments in foreign debt securities which were affected by adverse foreign exchange rate movements, resulting in a decline of Baht 20.26 million and Baht 174.78 million, respectively.

3.3.6 Investments in listed companies whose financial position and operations fall under SET's delisted criteria as of December 31, 2004 was as follows:

(Million Baht)

	Cost Value	Fair Value	Allowance for Impairment
Equity Securities			
Thai Nam Plastic Plc.	0.03	33.07	-
Thai German Product Public Co.,Ltd.	3.34	-	3.34
Prasit Pattana Public Co.,Ltd.	0.77	-	0.77
Debt Securities			
Sun Tech Group Public Co.,Ltd	150.00	-	150.00

As on December 14, 2004, the majority of creditors has unanimously accepted the debt restructuring plan arranged by Sun Tech Group Public Co.,Ltd. The Bank was entitled to receive debt repayment according to such plan of Baht 1.50 million as the final repayment on December 31, 2004. The carrying value of debt borne by Sun Tech Group was Baht 150.00 million which an allowance for impairment was provided for in full. The accrued interest receivable shown in Other Assets was Baht 5.99 million.

3.4 Loans and Accrued Interest Receivable

(Million Baht)

	Consolidated Financial Statements		The Bank's Financial Statements	
	December 31, 2004	December 31, 2003	December 31, 2004	December 31, 2003
Promissory Notes - SAM	82,763.15	238,763.15	82,763.15	238,763.15
Accrued Interest Receivable	1,838.81	4,382.59	1,838.81	4,382.59
Total	84,601.96	243,145.74	84,601.96	243,145.74
Loans (normal operations)	852,728.41	739,671.10	855,328.73	740,324.25
Accrued Interest Receivable	6,694.68	6,847.82	6,694.68	6,847.82
<u>Less</u> Unearned Discounts	(288.05)	(61.76)	(288.05)	(61.76)
Total	859,135.04	746,457.16	861,735.36	747,110.31
Total Loans and Accrued Interest Receivable	943,737.00	989,602.90	946,337.32	990,256.05

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 was required under the Bank of Thailand's regulations (see Note 3.26).

3.4.1 Classified by Type of Loans

(Million Baht)

	Consolidated Financial Statements		The Bank's Financial Statements	
	December 31, 2004	December 31, 2003	December 31, 2004	December 31, 2003
Overdrafts	107,073.91	106,408.84	107,077.66	106,414.90
Fixed loans	523,935.56	435,849.49	526,532.13	436,496.58
Bills receivable				
SAM	82,763.15	238,763.15	82,763.15	238,763.15
Others	209,593.81	184,719.48	209,593.81	184,719.48
Others	12,125.13	12,693.29	12,125.13	12,693.29
Total	935,491.56	978,434.25	938,091.88	979,087.40
<u>Add</u> Accrued Interest Receivable				
SAM	1,838.81	4,382.59	1,838.81	4,382.59
Others	6,694.68	6,847.82	6,694.68	6,847.82
<u>Less</u> Allowance for Doubtful Accounts	(61,024.09)	(54,144.78)	(61,024.09)	(54,144.78)
Allowance for TDR Revaluation	(2,335.07)	(5,308.80)	(2,335.07)	(5,308.80)
Total	880,665.89	930,211.08	883,266.21	930,864.23
<u>Less</u> Unearned Discounts	(288.05)	(61.76)	(288.05)	(61.76)
Total	880,377.84	930,149.32	882,978.16	930,802.47

As at December 31, 2004 and 2003, other loans of Baht 12,125.13 million and Baht 12,693.29 million included Baht 6,374.15 million and Baht 7,267.48 million, respectively, of debts resulting from the Bank's liabilities under acceptances or guarantees.

As at December 31, 2004 and 2003, the Bank's loans and accrued interest receivable outstanding to 14 and 9 debtors whose financial position and operations fall under the delisted criteria were Baht 2,865.45 million and Baht 2,143.49 million, respectively including accrued interest receivable amounting to Baht 4.16 million and Baht 93.45 million, respectively, bringing up the total to Baht 2,869.61 million and Baht 2,236.94 million. They were provided for Baht 3.89 million and Baht 8.53 million, respectively, as an allowance against doubtful accounts in accordance with the Bank of Thailand's regulations for debts classified as "Pass" category.

3.4.2 Classified by Remaining Maturity

(Million Baht)

	Consolidated Financial Statements		The Bank's Financial Statements	
	December 31, 2004	December 31, 2003	December 31, 2004	December 31, 2003
Within 1 year	411,126.24	270,531.72	411,129.99	271,184.87
Over 1 year				
SAM	82,763.15	238,763.15	82,763.15	238,763.15
Others	441,602.17	469,139.38	444,198.74	469,139.38
Total	935,491.56	978,434.25	938,091.88	979,087.40
<u>Add</u> Accrued Interest Receivable				
SAM	1,838.81	4,382.59	1,838.81	4,382.59
Others	6,694.68	6,847.82	6,694.68	6,847.82
Total	944,025.05	989,664.66	946,625.37	990,317.81
<u>Less</u> Unearned Discounts	(288.05)	(61.76)	(288.05)	(61.76)
Total	943,737.00	989,602.90	946,337.32	990,256.05

3.4.3 Classified by Currency and Customer's Residence

(Million Baht)

	Consolidated Financial Statements					
	December 31, 2004			December 31, 2003		
	Domestic	Overseas	Total	Domestic	Overseas	Total
Thai Baht						
SAM	82,763.15	-	82,763.15	238,763.15	-	238,763.15
Others	801,194.58	29.20	801,223.78	706,227.72	28.36	706,256.08
US Dollar	32,897.90	15,911.78	48,809.68	22,876.08	7,849.21	30,725.29
Other currencies	2,554.30	140.65	2,694.95	2,553.77	135.96	2,689.73
Total	919,409.93	16,081.63	935,491.56	970,420.72	8,013.53	978,434.25
<u>Add</u> Accrued Interest Receivable						
SAM	1,838.81	-	1,838.81	4,382.59	-	4,382.59
Others	6,616.83	77.85	6,694.68	6,782.04	65.78	6,847.82
Total	927,865.57	16,159.48	944,025.05	981,585.35	8,079.31	989,664.66
<u>Less</u> Unearned Discounts			(288.05)			(61.76)
Total			943,737.00			989,602.90

3.4.3 Classified by Currency and Customer's Residence

(Million Baht)

	The Bank's Financial Statements					
	December 31, 2004			December 31, 2003		
	Domestic	Overseas	Total	Domestic	Overseas	Total
Thai Baht						
SAM	82,763.15	-	82,763.15	238,763.15	-	238,763.15
Others	803,794.90	29.20	803,824.10	706,880.87	28.36	706,909.23
US Dollar	32,897.90	15,911.78	48,809.68	22,876.08	7,849.21	30,725.29
Other currencies	2,554.30	140.65	2,694.95	2,553.77	135.96	2,689.73
Total	922,010.25	16,081.63	938,091.88	971,073.87	8,013.53	979,087.40
<u>Add</u> Accrued Interest Receivable						
SAM	1,838.81	-	1,838.81	4,382.59	-	4,382.59
Others	6,616.83	77.85	6,694.68	6,782.04	65.78	6,847.82
Total	930,465.89	16,159.48	946,625.37	982,238.50	8,079.31	990,317.81
<u>Less</u> Unearned Discounts			(288.05)			(61.76)
Total			946,337.32			990,256.05

3.4.4 Classified by Business Types and Loan Classification

(Million Baht)

	Consolidated Financial Statements					
	December 31, 2004					
	Pass	Special mention	Substandard	Doubtful	Doubtful of Loss	Total
Agriculture and Mining	38,079.48	624.00	582.53	1,881.21	2,603.69	43,770.91
Manufacturing and Commercial	263,662.51	3,782.40	2,374.17	11,912.32	34,129.16	315,860.56
Real Estate and Construction	82,541.14	1,781.92	1,771.84	5,934.36	24,913.98	116,943.24
Public Utilities and Services	150,580.90	2,892.18	1,754.16	8,939.98	4,098.46	168,265.68
Housing loans	80,556.66	1,543.85	766.13	1,079.79	11,119.73	95,066.16
Financial Institution (SAM)	82,763.15	-	-	-	-	82,763.15
Others	106,264.71	1,032.21	541.14	484.39	4,499.41	112,821.86
Total	804,448.55	11,656.56	7,789.97	30,232.05	81,364.43	935,491.56
<u>Add</u> Accrued Interest Receivable						
SAM	1,838.81	-	-	-	-	1,838.81
Others	2,691.42	100.16	46.91	462.41	3,393.78	6,694.68
Total	808,978.78	11,756.72	7,836.88	30,694.46	84,758.21	944,025.05
<u>Less</u> Unearned Discounts						(288.05)
Total						943,737.00

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

(Million Baht)

The Bank's Financial Statements						
December 31, 2004						
	Pass	Special mention	Substandard	Doubtful	Doubtful of Loss	Total
Agriculture and Mining	38,079.48	624.00	582.53	1,881.21	2,603.69	43,770.91
Manufacturing and Commercial	263,662.51	3,782.40	2,374.17	11,912.32	34,129.16	315,860.56
Real Estate and Construction	82,541.20	1,781.92	1,771.84	5,934.36	24,913.98	116,943.30
Public Utilities and Services	153,181.16	2,892.18	1,754.16	8,939.98	4,098.46	170,865.94
Housing loans	80,556.66	1,543.85	766.13	1,079.79	11,119.73	95,066.16
Financial Institution (SAM)	82,763.15	-	-	-	-	82,763.15
Others	106,264.71	1,032.21	541.14	484.39	4,499.41	112,821.86
Total	807,048.87	11,656.56	7,789.97	30,232.05	81,364.43	938,091.88
<u>Add</u> Accrued Interest Receivable						
SAM	1,838.81	-	-	-	-	1,838.81
Others	2,691.42	100.16	46.91	462.41	3,393.78	6,694.68
Total	811,579.10	11,756.72	7,836.88	30,694.46	84,758.21	946,625.37
<u>Less</u> Unearned Discounts						(288.05)
Total						946,337.32

3.4.4 Classified by Business Types and Loan Classification

(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

3.4.5 Classified by Loan Classification

(Million Baht)

Consolidated and the Bank's Financial Statements				
December 31, 2004				
	Loans and Accrued Interest Receivable	Debt Net of Collateral	Allowance Rate (%)	Allowance Established *
Pass **	719,846.06	243,144.19	1	2,415.34
Special Mention **	11,371.52	2,184.70	2	43.70
Substandard	7,628.15	1,192.77	20	1,572.65
Doubtful	30,701.96	10,486.50	50	5,945.76
Doubtful of Loss	85,012.85	39,840.93	100	40,230.76
Total	854,560.54	296,849.09		50,208.21

Allowance for doubtful accounts for loans under BOT regulations	50,208.21
Less Allowance for doubtful accounts for inter-bank and money market items	(544.18)
Allowance for doubtful accounts for loans under BOT regulations	49,664.03
Allowance for doubtful accounts provided as at December 31, 2004 (see Note 3.5)	61,024.09
Excess allowance for doubtful accounts over and above the BOT minimum requirement	11,360.06

(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	71,742.47	33,785.21	100	34,567.97
Total	731,953.18	298,526.98		42,608.17

Allowance for doubtful accounts for loans under BOT regulations	42,608.17
Less 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

* Allowance Established is the minimum required allowance set for classified debtors multiply by allowance rate not as 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 as reporting from December 2003 onwards.

** Accrued interest receivable were not included in Pass and Special Mention Categories.

As at December 31, 2004 and 2003, the Bank's classified loans and accrued interest receivable were Baht 973,495.98 million and Baht 1,001,380.31 million, respectively. Those loans included inter-bank and money market items and net of exempt classified debts which comprised a promissory note issued by Sukhumvit Asset Management Co.,Ltd. amounting to Baht 82,763.15 million and Baht 238,763.15 million, loans guaranteed by MOF of Baht 35,626.35 million and Baht 30,334.72 million and restructured loans on which a loss was recognized of Baht 545.94 million and Baht 329.26 million, respectively. Thus, the remaining loans and accrued interest receivable of Baht 854,560.54 million nad Baht 731,953.18 million were required to provide for as prescribed by the Bank of Thailand's loan classification guidelines.

As at December 31, 2004 and 2003, the Bank's allowance for doubtful accounts for loans totaling Baht 61,024.09 million and Baht 54,144.78 million, which were in excess over the BOT minimum requirement by Baht 11,360.06 million and Baht 12,048.91 million, respectively. The excess portion accounted for the Bank's prudent banking practice by taking into account the inherent uncertainty of restructured debtors, and the normal allowance provided on a monthly basis at Baht 100.00 million each.

As at December 31, 2004 and 2003, the Bank's non-performing loans, as stipulated by the BOT, comprised loans classified as substandard, doubtful, doubtful of loss and loss which ceased to be recognized, amounting to Baht 119,692.76 million and Baht 79,442.60 million or 12.35 and 7.96 percent of the Bank's loan portfolio (including loans to banks and financial institutions.), respectively.

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

Estimation of Allowance for doubtful accounts

In accordance with the BOT's notified letter number SOR NOR SOR (21) WOR. 125/B.E. 2547 dated August 26, 2004 regarding provisioning guideline revision associated to non-performing assets that yet to be restructured or brought to court. The Bank has been required to set more of its allowance for loan outstanding after an allowance for doubtful accounts. The rates of additional provisioning based on the accrued period of debts.

Loans accrued over 24 months but not over 36 months required an allowance provided not less than 25 percent, over 36 months but not over 48 months required the allowance of 50 percent and over 48 months required the allowance provided for in full.

The aforementioned notification has been brought to effect since the 2nd half year of 2004.

For collaterals having appraised more than 12 months, up to 90% of appraised value has been deductible from loan outstandings before establishing the allowance.

Further, the prescription for the transfer of reversed excessive allowance to income has been set up.

Where such reversal was not allowed loan classification would be considered based on an account-by-account basis, the modification of losses arising on debt restructuring and debtors' reclassification. In this respect, the Bank has been eligible to adopt the more stringent guideline for provisioning and the BOT's requirement for provisioning would be instructed at the appropriated rate accordingly.

The original value of the 12,319 troubled debts restructured for the year ended December 31, 2004 was Baht 36,177.79 million. Interest and principal repayments on these loans were Baht 4,164.73 million, whereas lending increased by Baht 3,403.71 million and losses resulted from restructuring were Baht 3,615.61 million.

Troubled Debt Restructuring for the year ended December 31, 2004 was set out as follows:

(Million Baht)

Troubled Debt Restructuring Approaches	The Bank's Financial Statements			
	No. of Cases	Book Value of Debt as to Original term	Type of Assets Transferred	Fair Value
Asset transferred	129	1,050.50	Land & Premises	1,050.19
Debt-equity swap	7	281.09		
Loan Terms Modification	2,565	4,184.00		
Combination of Restructuring	9,618	30,662.20		
	12,319	36,177.79		

As at December 31, 2004 the Bank has completed loans restructuring for 120,290 cases amounting to Baht 433,416.31 million (accumulated balance from year 1999 up till now). Of this total, 87,280 cases have outstanding loans amounting to Baht 103,233.87 million, of which 2,381 cases amounting to Baht 585.94 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, 2004							
	Pass	Special mention	Substandard	Doubtful	Doubtful of Loss	Allowance in excess of BOT's Guideline	Total
Opening balance	2,324.72	32.52	202.01	5,287.22	34,249.40	12,048.91	54,144.78
Reversal of additional allowance for doubtful accounts	(219.51)	10.17	1,370.64	654.79	7,221.95	(688.85)	8,349.19
Allowance for doubtful accounts transferred form TDR revaluation	-	-	-	-	2,984.21	-	2,984.21
Allowance for TDR revaluation	-	-	-	-	(10.48)	-	(10.48)
Bad debt recovered	-	-	-	-	18.42	-	18.42
Bad debts writren off	-	-	-	-	(4,570.28)	-	(4,570.28)
Others	-	-	-	-	(41.40)	-	(41.40)
Total	2,105.21	42.69	1,572.65	5,942.01	39,851.82	11,360.06	60,874.44
Allowance for doubtful accounts transferred to TAMC (Net)	-	-	-	-	(431.97)	-	(431.97)
Transfer from allowance for impairment losses on investments arising from debt transferred to TAMC	-	-	-	-	581.62	-	581.62
Closing Balance	2,105.21	42.69	1,572.65	5,942.01	40,001.47	11,360.06	61,024.09

(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	1,897.15	37.66	646.63	1,908.42	42,272.68	8,782.59	55,545.13
Reversal of additional allowance for doubtful accounts	427.57	(5.14)	(444.62)	3,378.80	(3,081.16)	3,266.32	3,541.77
Allowance for doubtful accounts transferred from TDR revaluation	-	-	-	-	3,629.75	-	3,629.75
Allowance for TDR revaluation	-	-	-	-	(559.23)	-	(559.23)
Bad debt recovered	-	-	-	-	0.08	-	0.08
Bad debts written off	-	-	-	-	(5,608.57)	-	(5,608.57)
Others	-	-	-	-	(28.37)	-	(28.37)
Total	2,324.72	32.52	202.01	5,287.22	36,625.18	12,048.91	56,520.56
Allowance for doubtful accounts transferred from Sukhumvit Asset Management Co.,Ltd. (Net)	-	-	-	-	9413	-	9413
Allowance for doubtful accounts transferred to TAMC (Net)	-	-	-	-	(1,432.36)	-	(1,432.36)
Transfer to allowance for impairment losses on investments arising from debt transferred to TAMC	-	-	-	-	(1,037.55)	-	(1,037.55)
Closing Balance	2,324.72	32.52	202.01	5,287.22	34,249.40	12,048.91	54,144.78

In the first quarter of 2004, the Baht 2,500.00 million was set aside as an allowance to comply with the changes in provisioning's guideline as considered by the BOT and that the Bank may, accordingly, provide for more in December 2004. The Bank is taking into account the establishment of allowance at 1 percent of loans portfolio and accrued interest receivable including collateral for debtors classified as pass category. It would be gradually set aside on a monthly basis of Baht 100.00 million to assure the adequacy of an allowance provided for the uncollectible debt that may cause severe financial loss in the future. The allowance of Baht 4,800.00 million was set aside in the 4th quarter. As on December 31, 2004, the Bank has provided for Baht 8,200.00 million. With the inclusion of established allowance of oversea branches, the Bank has to provide totaling to Baht 8,349.19 million.

The Baht 8,349.19 million of increase in allowance for doubtful accounts, net of the Baht 10.48 million of debt restructuring revaluation allowance, would be Baht 8,338.71 million of bad debt and doubtful accounts shown in the Income Statements.

3.6 Revaluation Allowance for Debt Restructuring

(Million Baht)

	Consolidated and the Bank's Financial Statements	
	December 31, 2004	December 31, 2003
	Opening balance	5,308.80
Increase for the period	10.48	559.23
Transfer to Allowance for doubtful accounts	(2,984.21)	(3,629.75)
Closing balance	2,335.07	5,308.80

The revaluation allowance for troubled debt restructuring (TDR) was transferred from the allowance for doubtful accounts for restructured debtors, and vice versa 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, 2004			
	Opening balance	Additions	Disposals	Closing balance
Acquired from debt settlement				
Immovable assets	25,780.80	18,576.52	8,366.39	35,990.93
Movable assets	423	15.14	-	19.37
Total	25,785.03	18,591.66	8,366.39	36,010.30
Others (Closed Branches)	543.90	13.47	58.51	498.86
Total	26,328.93	18,605.13	8,424.90	36,509.16
<u>Less</u> Allowance for Properties Forclosed Impairment	(4,856.67)	(18.11)	-	(4,874.78)
Net Properties Forclosed	21,472.26	18,587.02	8,424.90	31,634.38

(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	283	1.40	-	423
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
<u>Less</u> 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

The reversal of losses on impairment has caused an increase of the allowance for properties forclosed impairment amounting to Baht 18.11 million and a decline of Baht 759.66 million, respectively as on December 31, 2004 and 2003.

3.8 Property Premises and Equipment

Property, Premises and equipment as at December 31, 2004 and 2003 were as follows :

(Million Baht)

Consolidated Financial Statements										
December 31, 2004										
	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	5,766.75	177.29	275.10	5,668.94	-	-	-	-	31.52	5,637.42
Revaluation surplus	3,973.45	-	11.44	3,962.01	-	-	-	-	-	3,962.01
Premises										
Historical cost	8,053.59	1,524.17	4.23	9,573.53	3,194.98	377.72	4.23	3,568.47	-	6,005.06
Equipment	5,554.77	2,263.64	231.89	7,586.52	3,511.77	542.41	230.88	3,823.30	113.00	3,650.22
Others	1,303.81	593.11	1,593.81	303.11	-	-	-	-	-	303.11
Total	24,652.37	4,558.21	2,116.47	27,094.11	6,706.75	920.13	235.11	7,391.77	144.52	19,557.82

(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)

The Bank's Financial Statements										
December 31, 2004										
	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	5,706.13	100.07	205.90	5,600.30	-	-	-	-	31.52	5,568.78
Revaluation surplus	3,973.45	-	11.44	3,962.01	-	-	-	-	-	3,962.01
Premises										
Historical cost	7,706.96	1,502.14	423	9,204.87	3,174.78	348.01	423	3,518.56	-	5,686.31
Equipment	3,604.30	550.68	231.89	3,923.09	3,183.69	184.73	230.88	3,137.54	113.00	672.55
Others	1,303.81	593.11	1,593.81	303.11	-	-	-	-	-	303.11
Total	22,294.65	2,746.00	2,047.27	22,993.38	6,358.47	532.74	235.11	6,656.10	144.52	16,192.76

(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	4,502.12
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

The allowance for land impairment as on December 31, 2004 was set out as follows :

(Million Baht)	
Beginning balance	1,203.98
Add Increased	31.52
Less Reversed to income	1,203.98
Ending balance	<u>31.52</u>

Included in the reversed losses arising on land impairment and credited to an income (non-interest income) of Baht 1,203.98 million was partly of land transferred to properties foreclosed in the prior period amounting to Baht 11.22 million.

Having realized the higher appraised value of impaired land than cost value, when taking land impairment into account at period ended 2004, losses on impairment were therefore reversed and credited to an income amounting to Baht 1,192.76 million.

An increase of land appraisal value of Baht 11.43 million has turned to be impaired in the period ended 2004 and shown in the statement of income as losses on impairment amounting to Baht 31.52 million due to the lower appraised value than cost value.

The Baht 11.43 million was consequently reversed against a declining portion of Revaluation Surplus and realized as losses on impairment of Baht 31.52 million.

Losses on impairment related to unused equipment of Baht 113.00 million were recognized in 2004. With the inclusion of losses on land impairment of Baht 31.52 million has brought the total losses on land and equipment shown in the Statement of income to Baht 144.52 million.

There was no indication of land impairment when taking the revaluation surplus of Baht 3,962.01 million into consideration.

3.9 Other assets

(Million Baht)

	Consolidated Financial Statements		The Bank's Financial Statements	
	December 31, 2004	December 31, 2003	December 31, 2004	December 31, 2003
Accrued Interest Receivable and Dividend Income	765.01	678.15	765.00	542.77
Prepaid Expense	337.39	387.19	216.38	229.96
Advances	1,315.89	790.22	1,315.18	789.82
Inter-office Accounts	-	923.90	-	923.90
Account Receivable - Dhipyasin Co.,Ltd. (formerly: Sayam Bank Ltd.) (see Note 3.24.1)	874.00	1,369.00	874.00	1,369.00
Intangible Assets	587.29	865.34	587.29	865.34
Sundry debtors and Assets	4,685.98	5,976.27	3,998.71	5,457.80
Total	8,565.56	10,990.07	7,756.56	10,178.59

Included in "Accrued Interest Receivable and Dividend Income" as at December 31, 2004 and 2003 were Baht 126.19 million and Baht 131.25 million, respectively representing accrued interest receivable on government and state enterprise bonds. The majority of the Advance, amounting to Baht 768.97 million, was distributed to Sukhumvit Asset Management Co.,Ltd.

Included in "Sundry Debtors and Assets" as at December 31, 2004 and 2003 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. which was included in the balances notified to the FIDF on August 15, 2002. (see Note 3.24.2)

3.10 Deposits

3.10.1 Classified by Product

(Million Baht)

	Consolidated Financial Statements		The Bank's Financial Statements	
	December 31, 2004	December 31, 2003	December 31, 2004	December 31, 2003
Demand deposits	61,579.57	29,884.83	61,582.34	29,888.22
Savings deposits	450,728.71	385,154.04	450,875.93	385,584.24
Time deposits				
- Less than 6 months	209,221.72	247,505.56	209,396.35	247,646.39
- 6 months - Less than 1 year	16,581.60	2.69	16,581.60	2.69
- 1 year and over	265,010.13	342,808.05	265,010.13	342,808.25
Total	1,003,121.73	1,005,355.17	1,003,446.35	1,005,929.79

3.10.2 Classified by Remaining Maturity

(Million Baht)

	Consolidated Financial Statements		The Bank's Financial Statements	
	December 31, 2004	December 31, 2003	December 31, 2004	December 31, 2003
Within 1 year	854,475.61	792,852.93	854,800.23	793,427.35
Over 1 year	148,646.12	212,502.24	148,646.12	212,502.44
Total	1,003,121.73	1,005,355.17	1,003,446.35	1,005,929.79

3.10.3 Classified by Currency and Residence of Depositors

(Million Baht)

	Consolidated Financial Statements					
	December 31, 2004			December 31, 2003		
	Domestic	Overseas	Total	Domestic	Overseas	Total
Thai Baht	988,610.59	10.95	988,621.54	990,632.52	12.31	990,644.83
US Dollar	13,410.57	664.62	14,075.19	13,236.92	1,095.37	14,332.29
Other Currencies	153.13	271.87	425.00	240.08	137.97	378.05
Total	1,002,174.29	947.44	1,003,121.73	1,004,109.52	1,245.65	1,005,355.17

(Million Baht)

	The Bank's Financial Statements					
	December 31, 2004			December 31, 2003		
	Domestic	Overseas	Total	Domestic	Overseas	Total
Thai Baht	988,935.21	10.95	988,946.16	991,207.14	12.31	991,219.45
US Dollar	13,410.57	664.62	14,075.19	13,236.92	1,095.37	14,332.29
Other Currencies	153.13	271.87	425.00	240.08	137.97	378.05
Total	1,002,498.91	947.44	1,003,446.35	1,004,684.14	1,245.65	1,005,929.79

3.11 Interbank and Money Market Items

3.11.1 Domestic items

(Million Baht)

	Consolidated Financial Statements					
	December 31, 2004			December 31, 2003		
	Demand	Time	Total	Demand	Time	Total
Bank of Thailand and Financial Institutions Development Fund	3.63	7,781.92	7,785.55	-	3,220.56	3,220.56
Commercial Banks	738.97	16,140.21	16,879.18	747.62	13,871.11	14,618.73
Other Banks	425.63	-	425.63	630.11	-	630.11
Finance Co., Finance & Securities Co., Securities Co., and Credit Foncier Co.	1,400.73	15.73	1,416.46	3,733.83	21.69	3,755.52
Other Financial Institutions	7,977.08	274.74	8,251.82	8,497.79	969.46	9,467.25
Total Domestic Items	10,546.04	24,212.60	34,758.64	13,609.35	18,082.82	31,692.17

3.11.2 Foreign items

(Million Baht)

	Consolidated Financial Statements					
	December 31, 2004			December 31, 2003		
	Demand	Time	Total	Demand	Time	Total
US Dollar	41.57	7,365.02	7,406.59	6.47	3,142.79	3,149.26
Japanese Yen	-	-	-	-	-	-
Deutsche Mark	-	-	-	-	-	-
Other Currencies	110.84	4.96	115.80	105.49	-	105.49
Total Foreign Items	152.41	7,369.98	7,522.39	111.96	3,142.79	3,254.75
Total Domestic & Foreign Items	10,698.45	31,582.58	42,281.03	13,721.31	21,225.61	34,946.92

3.11.1 Domestic items

(Million Baht)

	The Bank's Financial Statements					
	December 31, 2004			December 31, 2003		
	Demand	Time	Total	Demand	Time	Total
Bank of Thailand and Financial Institutions Development Fund	3.63	7,781.92	7,785.55	-	3,220.56	3,220.56
Commercial Banks	738.97	16,140.21	16,879.18	747.62	13,871.11	14,618.73
Other Banks	425.63	-	425.63	630.11	-	630.11
Finance Co., Finance & Securities Co., Securities Co., and Credit Foncier Co.	1,424.66	15.73	1,440.39	3,758.30	21.79	3,780.09
Other Financial Institutions	7,977.08	274.74	8,251.82	8,497.79	969.46	9,467.25
Total Domestic Items	10,569.97	24,212.60	34,782.57	13,633.82	18,082.92	31,716.74

3.11.2 Foreign items

US Dollar	41.57	7,365.02	7,406.59	6.47	3,142.79	3,149.26
Japanese Yen	-	-	-	-	-	-
Deutsche Mark	-	-	-	-	-	-
Other Currencies	110.84	4.96	115.80	105.49	-	105.49
Total Foreign Items	152.41	7,369.98	7,522.39	111.96	3,142.79	3,254.75
Total Domestic & Foreign Items	10,722.38	31,582.58	42,304.96	13,745.78	21,225.71	34,971.49

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

(Million Baht)

	Consolidated and the Bank's Financial Statements					
	December 31, 2004			December 31, 2003		
	Domestic	Overseas	Total	Domestic	Overseas	Total
Short-term borrowings						
-Ministry of Finance	1.17	-	1.17	1.17	-	1.17
Long-term borrowings						
-Subordinated Notes	10,000.00	-	10,000.00	-	-	-
Total	10,001.17	-	10,001.17	1.17	-	1.17

Short-term Borrowings from Ministry of Finance of Baht 1.17 million was due in 1998. The Bank issued the Baht 10,000 million of unsecured subordinated notes as long-term borrowings with a maturity of 10 years at Baht 1,000 par value, due on October 22, 2014. The Bank is eligible to exercise the call option when due in 5 years regularly upon the receipt of interest. The repayment of the principal bases on its par value at a coupon of 5.15% p.a. during year 1-5 and 6.70% p.a. during year 6-10, respectively. Such repayment is done on a 6-month basis on April 22 and October 22. The initial repayment dues on April 22, 2005. The subordinated notes were issued according to the resolution passed by the shareholders' extraordinary meeting No. 1/B.E. 2545 on September 24, 2002.

3.13 Other liabilities comprise the followings:

(Million Baht)

	Consolidated Financial Statements		The Bank's Financial Statements	
	December 31, 2004	December 31, 2003	December 31, 2004	December 31, 2003
Accrued Expenses Account	1,276.10	1,123.34	1,218.99	995.81
Inter - office Account	3,130.63	-	3,130.63	-
Suspense Account Creditors	2,508.39	3,077.95	2,245.15	2,489.81
Payable to Revenue Dept.-Withholding Tax	190.07	398.17	162.60	381.90
FBCB Account Payable	-	339.89	-	339.89
Deferred Income Account	1,500.79	149.48	1,500.79	-
Sundry Liabilities	(5.38)	835.47	508.04	1,067.79
Total	8,600.60	5,924.30	8,766.20	5,275.20

For the period ended 2004 the Bank's financial statement show an amount of Baht 2,351.94 million as deferred income arising from 2 cases of debt restructuring and recognized as income on a cash flow received. As on December 31, 2004, the Baht 851.15 million were recognized and the outstanding balances were Baht 1,500.79 million.

3.14 Share Capital

3.14.1 Warrants exercised for Ordinary Shares

The Bank has registered 11,912,250 ordinary shares 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 by 3 employees amounting to Baht 130,000.00.

On January 22, 2004 the Bank has registered the change in paid-up share capital with the Ministry of Commerce in associated with the exercise of right to purchase 13,000 ordinary shares of the warrants.

As on June 30, 2004 the warrants have been exercised by 21 employees, for 236,000 shares amounting to Baht 2.36 Million, whereas 24 employees have exercised their warrants for 249,000 shares amounting to Baht 2.49 million as on December 31, 2004.

3.14.2 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 when paid.

3.14.3 As at December 31, 2004 and December 31, 2003, the Bank's shareholders were as follows:

(Million Baht)

	The Bank's Financial Statements					
	December 31, 2004			December 31, 2003		
	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	-	56.38	6,306,635,967	-	56.39
Thailand Securities Depository Co.Ltd. for Thai Depositors	3,219,554,288	5,460,450	28.83	2,221,851,511	7,270	19.86
Thailand Securities Depository Co.Ltd. for Depositor	1,387,553,030	-	12.41	1,908,068,641	-	17.06
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. Supot Subtaweechaikul	2,000,000	-	0.02	-	-	-
Mr. Nopporn Wittyanitipongs	1,200,000	-	0.01	-	-	-
Ms. Nipa Maleenond	-	-	-	1,528,700	-	0.01
Ms. Suthee Jesadachet	1,000,000	-	0.01	1,500,000	-	0.01
Mrs. Saijit Wattanakarn	1,000,000	-	0.01	-	-	-
Mr. Therdsuk Weerawittyanukul	1,000,000	-	0.01	-	-	-
Ms. Kongsak Vongsakvanich	-	-	-	733,900	-	0.01
Mrs. Kittiya Srilertfar	-	-	-	700,000	-	0.01
Total	11,011,589,229	5,460,450		10,947,005,278	5,459,460	
Juristic entities						
Thais (74 entities in 2004)	4,372,280	240	0.04	7,804,280	240	0.07
Foreigners (2 entities in 2004)	12	-	-	12	-	-
Total	4,372,292	240		7,804,292	240	

(Million Baht)

	The Bank's Financial Statements					
	December 31, 2004			December 31, 2003		
	Ordinary Shares (No. of Shares)	Preferred Shares (No. of Shares)	Total (%)	Ordinary Shares (No. of Shares)	Preferred Shares (No. of Shares)	Total (%)
Individuals						
Thais (14,175 entities in 2004)	162,736,680	39,310	1.45	222,667,619	40,300	1.99
Foreigners (55 entities in 2004)	1,050,799	-	0.01	2,022,811	-	0.02
Total	163,787,479	39,310		224,690,430	40,300	
Grand Total	11,179,749,000	5,500,000	100.00	11,179,500,000	5,500,000	100.00

3.14.4 Statutory Capital Fund

(Million Baht)

	Consolidated and the Bank's Financial Statements	
	December 31, 2004	December 31, 2003
Tier 1 Capital	65,871.37	58,242.90
Tier 2 Capital	22,268.73	6,986.67
Total Capital Fund before less items	88,140.10	65,229.57
Less Revaluation deficit (net) on investments in available-for-sale equity securities	(908.35)	-
Total Capital Fund	87,231.75	65,229.57

The BOT's regulation requires that Commercial Bank registered in Thailand maintain a ratio of capital fund to assets and contingencies of not less than 8.5 percent and that tier 1 capital must not be less than 4.25 percent of such assets and contingencies. As at December 2004 and 2003 the Bank maintained a ratio of capital fund to assets and contingencies as prescribed by the BOT's regulation as follows :

	Rate (%)	
	December 31, 2004	December 31, 2003
Total Capital Fund	10.92	9.20
Tier 1 Capital	8.24	8.22

3.15 Net Income Appropriation for the year 2003 and Dividend Paid

Net income appropriation for the year 2003 has been approved by the shareholders' ordinary meeting no.11 on April 23, 2004 as follows :

	(Million Baht)
Legal Reserve	435.25
Dividend - Preferred shares (@ Baht 0.6245)	3.43
Dividend - Ordinary shares (@ Baht 0.47)	5,254.37
Directors' Bonuses	26.29
Unappropriated Retained Earnings	2,985.58
Total	8,704.92

Directors' bonuses in 2004 was Baht 21.56 million and charged to expenses according to the approval letter of BOT number KORCOR. 0811/19094 dated October 8,2004 regarding the rate of dividend paid at 0.41 percent.

3.16 Contingencies

(Million Baht)

	Consolidated and the Bank's Financial Statements					
	December 31, 2004			December 31, 2003		
	Thai Baht	Foreign Currencies	Total	Thai Baht	Foreign Currencies	Total
Aval and Guarantees						
Aval for bills	6,527.70	-	6,527.70	4,561.21	-	4,561.21
Guarantees for Loans	1,810.22	3,541.04	5,351.26	1,941.60	7,246.86	9,188.46
	8,337.92	3,541.04	11,878.96	6,502.81	7,246.86	13,749.67
Liability under unmaturred import bills	-	367.47	367.47	6.54	182.66	189.20
Letters of Credit	3,749.14	19,439.98	23,189.12	1,469.59	12,286.75	13,756.34
Other Contingencies						
Firm underwriting	20.56	-	20.56	52.61	-	52.61
Other guarantees	35,305.18	4,745.28	40,050.46	29,512.93	5,353.89	34,866.82
FX Forward/Swap Contracts						
- Bought	-	20,106.00	20,106.00	-	48,240.19	48,240.19
- Sold	-	59,063.65	59,063.65	-	74,803.26	74,803.26
Interest Rate Swap Contracts						
- Bought	2,021.40	898.52	2,919.92	647.00	1,505.64	2,152.64
- Sold	2,021.40	898.52	2,919.92	647.00	1,505.64	2,152.64
Undrawn Overdraft	86,495.48	144.37	86,639.85	77,546.96	111.46	77,658.42
Credit Linked Notes (CLN)	-	-	-	-	594.33	594.33
Others	-	256.16	256.16	-	66.06	66.06
Total	125,864.02	86,112.50	211,976.52	108,406.50	132,180.47	240,586.97
Grand Total	137,951.08	109,460.99	247,412.07	116,385.44	151,896.74	268,282.18

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

The Bank's other material contingent liabilities as at December 31, 2004 and 2003 were claims against the Bank of Baht 18,594.07 million and Baht 12,678.39 million, respectively.

3.17 Assets Pledged as Collateral

	(Million Baht)	
	Consolidated and the Bank's Financial Statements	
	December 31, 2004	December 31, 2003
Government and State Enterprise bonds pledged as collateral		
- at court	2.56	0.50
Total	2.56	0.50

3.18 Related-Party Transactions

3.18.1 Loans to the Bank's executives (Senior Vice President and above), as at December 31, 2004 and 2003 were Baht 199.87 million and Baht 158.44 million, respectively. The average outstanding balance of loans at month-end was Baht 176.48 million and Baht 104.97 million, respectively.

The loans outstanding as at December 31, 2004 and 2003 to family members of the Bank's executives as mentioned in the preceding paragraph were Baht 44.15 million and 28.12 million, respectively.

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

	Pricing Policy for Loans and Contingencies	(Million Baht)			
		The Bank's Financial Statements			
		December 31, 2004		December 31, 2003	
		Loans	Contingencies	Loans	Contingencies
Vejthani Public Co., Ltd.	Normal Bank Policy	1,547.30	8.50	1,550.47	8.50
Thai Baroda Industries Limited	Normal Bank Policy	506.15	83.62	466.03	123.11
Cermas Co., Ltd	Normal Bank Policy	-	1.73	-	1.71
Thai Nam Plastic Public Co.,Ltd.	Normal Bank Policy	88.82	1.62	85.92	5.29
Bangkok Mass Transit System Co.,Ltd.	Normal Bank Policy	4,657.87	43.18	3,835.79	13.20
Dhipaya Insurance Public Co., Ltd.	Normal Bank Policy	-	29.55	-	4.14
Cotco Metal Works Co., Ltd.	Normal Bank Policy	510.14	53.56	508.30	22.74
Kiatpapha Co.,Ltd.	Normal Bank Policy	220.73	6.30	-	-

3.18.3 Transactions with Subsidiaries, Associated and Related Companies

(Million Baht)

	Pricing Policy for Loans and Contingencies	The Bank's Financial Statements			
		December 31, 2004		December 31, 2003	
		Loans	Contingencies	Loans	Contingencies
Loans to and Contingencies associated with subsidiaries and associated companies					
Subsidiaries					
Krung Thai General Business Services Co., Ltd.	Normal Bank Policy	-	0.05	-	0.05
Krung Thai Property Development Co.,Ltd.	Normal Bank Policy	-	14.84	-	-
Krung Thai Computer Services Co.,Ltd.	Normal Bank Policy	2,596.35	0.44	611.67	0.44
N.C. Associated Co.,Ltd.	Normal Bank Policy	-	-	-	0.05
Associated Companies					
Krung Thai Panich Insurance Co.,Ltd.	Normal Bank Policy	-	0.03	-	0.03
Krung Thai Auto Lease Co.,Ltd.	Normal Bank Policy	2,862.93	0.39	2,024.73	-
Krung Thai Charoensri Co.,Ltd.	Normal Bank Policy	78.51	-	93.91	-
Krung Thai IJB Leasing Co.,Ltd.	Normal Bank Policy	152.40	1.30	557.03	2.22
Krung Thai Card Public Co.,Ltd.	Normal Bank Policy	-	-	2,070.00	-
Lanna Agribusiness Co., Ltd.	Normal Bank Policy	53.46	31.77	99.76	-
Kamol Kit Co., Ltd.	Normal Bank Policy	474.94	20.95	527.64	-
Alphatech Electronics Public Co., Ltd.	Normal Bank Policy	5.28	-	11.88	-
Farm Kirikan Co., Ltd.	Normal Bank Policy	2.05	2.23	0.04	5.00
Amorn-Chai Co.,Ltd.	Normal Bank Policy	172.51	-	182.31	-
Loans to Related Companies (Common-Director)					
Thai Airways International Public Co.,Ltd.	Normal Bank Policy	-	0.01	-	0.59
Electricity Generating Public Co.,Ltd.	Normal Bank Policy	-	0.83	-	0.83
Export-Import Bank of Thailand	Normal Bank Policy	-	-	-	1.30
The Fiscal Policy Office	Normal Bank Policy	-	-	0.01	-

3.18.4 Intercompany Trading Transactions

Subsidiaries

1. As at December 31, 2003, the assets related to IT System were transferred at its net carrying value to Krung Thai Computer Services Co.,Ltd (KCS), a subsidiary amounting to Baht 506.01 million (at Cost value of Baht 3,127.57 million and Accumulated Amortization of Baht 2,621.56 million). The additional items of Baht 281.56 million were transferred on March 15, 2004, thus, bringing up the total assets transferred amounting to Baht 787.57 million. The total value of assets transferred as on December 31, 2004 has been declined to Baht 661.56 million due to asset revaluation, a net decrease of Baht 126.01 million. In one part was the return of office supplies used at the Bank amounting to Baht 30.24 million and the other part was Baht 95.77 million in which an allowance for asset impairment has been set aside accordingly.

KCS has been established mainly to provide information technology (IT) services to various work units in the Bank. Services offered consist of introducing IT to the Bank's business operation and modernizing the existing systems in line with the Bank's requirement, rendering system control and maintenance, offering preliminary consultancy service and organizing training in various application of IT and techniques. The Bank incurred two types of service charges as paying annually on a lump sum basis for the supportive facilities, starting from year 2005 onwards and paying on a transaction basis. As on December 31, 2004 and 2003, the Bank incurred Baht 1,239.99 and 551.95 million, respectively on a transaction basis.

In year 2003, the GFMS project Phase 2 was developed and implemented, on behalf of the Bank, by KCS. Advance payment according to the agree-upon contract was Baht 496.18 million and Baht 147.97 million as on December 31, 2004 and 2003, respectively.

2. In the 2nd quarter 2003, the 3 pieces of Bank's properties were sold to Krung Thai Property Development Co.,Ltd. at the total appraised value of Baht 542.27 million. Based on the appraised value, the Bank suffered a loss on disposal of Baht 32.31 million for 1 piece whereas generated a profit on disposal of Baht 295.75 million for another 2 pieces.

3 The Bank incurred service charges from its subsidiaries for the year ended December 31, 2004 and 2003 amounting to Baht 2,615.22 million and Baht 1,123.62 million, respectively at the agree-upon rate.

4. For the year ended December 31, 2003, the Bank received premises rental income from subsidiaries amounting to Baht 2.69 million at the agree-upon rate. The rental contract was cancelled during the year 2003.

5. Others

The Board of Executive Directors' meeting No. 50/B.E. 2547 (579) on December 28, 2004 passed a resolution of consent to wind up a business of Krung Thai Property Development Co.,Ltd. The proposal has been currently prepared to submit to the Board of Directors for consideration.

Intercompany Trading Transactions were based on the rate agree-upon in the contract, whereas, cost plus system has been applicable to some certain transactions.

The consolidated financial statements included the accounts of Subsidiaries after eliminating inter-office transactions and balances.

Associated Companies

1. For the year ended December 31, 2004 and 2003, the Bank received premises rental income from associated companies amounting to Baht 0.90 million and Baht 0.97 million, respectively at the agree-upon rate.

2. For the year ended December 31, 2004 and 2003, the Bank generated an income of Baht 54.67 and 46.96 million under the supportive service contract.

3.19 Overseas Branches

The Bank operates 7 branches - in Los Angeles, Phnom Penh, Kunming, Vientiane, Singapore, Mumbai and Siem Reap Province Sub-branch which 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, 2004 and 2003, were as follows:

	(Million Baht)	
	The Bank's Financial Statements	
	December 31, 2004	December 31, 2003
Assets	18,598.22	11,685.00
Ratio to total Assets	1.62	1.03
Liabilities	13,081.48	8,532.61
Ratio to total Liabilities	1.22	0.80

Included in the net income of Baht 293.03 million and 137.58 million as at December 31, 2004 and 2003 were gains from the foreign exchange translation of the financial statements of overseas branches totaling Baht (4.99) million and Baht 1.38 million, respectively.

Before the elimination of inter-branch items totaling Baht 5,369.26 million and Baht 3,062.36 million, the overseas branches' assets as at December 31, 2004 and 2003 totaling Baht 18,598.22 million and Baht 11,685.00 million, or 1.62 percent and 1.03 percent, respectively. Overseas branches' liabilities amounted to Baht 18,450.74 million and Baht 11,594.97 million, or 1.72 percent and 1.09 percent of total liabilities, respectively. Net income for the periods ended December 31, 2004 and 2003, were Baht 288.30 million and Baht 152.70 million, respectively.

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

3.20.1 Financial Position Classified by Business Segment

(Million Baht)

	Consolidated Financial Statements					
	December 31, 2004			December 31, 2003		
	Domestic Business Segment	International Business Segment	Total	Domestic Business Segment	International Business Segment	Total
Total Assets	1,135,674.44	18,598.22	1,154,272.66	1,125,878.73	11,685.00	1,137,563.73
Interbank and Money Market Items	46,408.75	3,812.09	50,220.84	33,695.71	2,734.31	36,430.02
Loans	921,962.01	13,241.50	935,203.51	972,333.50	6,038.99	978,372.49
Investments	68,084.30	1,610.72	69,695.02	79,960.96	2,784.58	82,745.54
Deposits	1,001,874.85	1,246.88	1,003,121.73	1,003,829.29	1,525.87	1,005,355.16
Interbank and Money Market Items	30,875.84	11,405.19	42,281.03	28,083.29	6,863.63	34,946.92
Borrowings	10,001.17	-	10,001.17	1.17	-	1.17
Contingencies	244,456.40	2,955.67	247,412.07	264,279.45	4,002.73	268,282.18

(Million Baht)

	The Bank's Financial Statements					
	December 31, 2004			December 31, 2003		
	Domestic Business Segment	International Business Segment	Total	Domestic Business Segment	International Business Segment	Total
Total Assets	1,136,187.88	18,598.22	1,154,786.10	1,125,828.04	11,685.00	1,137,513.04
Interbank and Money Market Items	46,397.34	3,812.09	50,209.43	33,641.79	2,734.31	36,376.10
Loans	924,562.33	13,241.50	937,803.83	972,986.65	6,038.99	979,025.64
Investments	70,183.35	1,610.72	71,794.07	82,132.32	2,784.58	84,916.90
Deposits	1,002,199.47	1,246.88	1,003,446.35	1,004,403.92	1,525.87	1,005,929.79
Interbank and Money Market Items	30,899.77	11,405.19	42,304.96	28,107.86	6,863.63	34,971.49
Borrowings	10,001.17	-	10,001.17	1.17	-	1.17
Contingencies	244,456.40	2,955.67	247,412.07	264,279.45	4,002.73	268,282.18

Total assets in the Bank's Financial Statements as at December 31, 2004 and 2003 of Baht 1,154,786.10 million and Baht 1,137,513.04 million, respectively, were stated before the elimination of inter-company items of Baht 5,369.26 million and Baht 3,062.36 million, respectively.

3.20.2 Operations Classified by Business Segment.

(Million Baht)

	Consolidated Financial Statements					
	December 31, 2004			December 31, 2003		
	Domestic Business Segment	International Business Segment	Total	Domestic Business Segment	International Business Segment	Total
Interest and Dividend Income	45,501.53	763.42	46,264.95	40,562.14	449.13	41,011.27
Interest Expenses	(13,266.58)	(397.04)	(13,663.62)	(17,209.37)	(241.75)	(17,451.12)
Net Interest Income	32,234.95	366.38	32,601.33	23,352.77	207.38	23,560.15
Non-Interest Income	8,974.44	290.87	9,265.31	7,795.18	102.31	7,897.49
Non-Interest Expense	(30,376.82)	(368.95)	(30,745.77)	(22,515.79)	(156.99)	(22,672.78)
Income before Income Tax and minority interests	10,832.57	288.30	11,120.87	8,632.16	152.70	8,784.86

(Million Baht)

	The Bank's Financial Statements					
	December 31, 2004			December 31, 2003		
	Domestic Business Segment	International Business Segment	Total	Domestic Business Segment	International Business Segment	Total
Interest and Dividend Income	45,596.06	763.42	46,359.48	40,562.32	449.13	41,011.45
Interest Expenses	(13,269.85)	(397.04)	(13,666.89)	(17,211.86)	(241.75)	(17,453.61)
Net Interest Income	32,326.21	366.38	32,692.59	23,350.46	207.38	23,557.84
Non-Interest Income	8,682.05	290.87	8,972.92	7,537.84	102.31	7,640.15
Non-Interest Expense	(30,202.61)	(368.95)	(30,571.56)	(22,336.09)	(156.99)	(22,493.08)
Income before Income Tax	10,805.65	288.30	11,093.95	8,552.21	152.70	8,704.91

Total interest and dividend income and total interest expense, in the Bank's financial statements as at December 31, 2004 and 2003 of Baht 46,359.48 million and Baht 13,666.89 million and Baht 41,011.45 million and Baht 17,453.61 million, respectively, were stated before the elimination of inter-company items of Baht 352.12 million and Baht 233.53 million, respectively.

Total interest and dividend income as at December 31, 2004 and 2003 included fee income and other income generated from loan extension amounting to Baht 924.27 and 924.17 million, respectively.

3.21 Net Foreign Exchange Position

The Bank's net foreign exchange position (USD equivalent) as at December 31, 2004 and 2003 was follows:

(Million USD)

	Consolidated and the Bank's Financial Statements					
	December 31, 2004			December 31, 2003		
	Domestic Business Segment	International Business Segment	Total	Domestic Business Segment	International Business Segment	Total
Spot	992.90	3.78	996.68	671.04	2.27	673.31
Forward						
Forward Contract	(38.36)	-	(38.36)	176.21	-	176.21
Swap Contract	(560.23)	-	(560.23)	(511.04)	-	(511.04)
CCS Contract	(359.12)	-	(359.12)	(307.89)	-	(307.89)
	35.19	3.78	38.97	28.32	2.27	30.59

3.22 Disclosure of Financial Instruments

The 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.

3.22.1 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 and maturity. The majority of the Bank's financial liabilities, include those saving deposit in the domestic money market which pay interest at floating rates and 3-mth, 6-mth and 12-mth time deposits which pay at short-term fixed interest rates.

Basic information relating to fixed and floating interest rates of loans as at December 31, 2004 and 2003 is as follows:

(Million Baht)

	Consolidated Financial Statements		The Bank's Financial Statements	
	December 31, 2004	December 31, 2003	December 31, 2004	December 31, 2003
Fixed interest rate	205,535.26	136,095.14	205,535.26	136,095.14
Floating interest rate	761,457.03	860,914.30	764,057.46	861,567.45
Total loans (Financial Institutions Included)	966,992.29	997,009.44	969,592.72	997,662.59

3.22.2 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 where no material concentration of credit risk. (see Note 3.5).

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 as well as KTB Index (KTBI) making available to the management for undertaking strategic planning and decision making associated to credit extension.
3. Establishing standard operation procedures (SOPs) related to credit extension/troubled debt restructuring.
4. Development tools for credit risk analysis based on clusters of customer as follows :
 - 4.1 Credit scoring for small clusters
 - 4.2 Credit risk rating with Probability of Default applicable for medium and wholesale clusters
5. Establishing and reviewing Delegated Lending Authorities (DLA) and Delegated Structuring Authorities (DRA) to assure the standardized practice and smooth operation regarding loan extension and restructuring. Standard operation procedures related to lending and restructuring have been regulated accordingly which formulated by the Committees comprising three person or more.
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 taking debt restructuring hand in hand with legal proceedings 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. Communications are required to ensure the Bank's resources to have a more risk sensitive together with realizing the importance of risk control. Development training of risk management encompassing credit risk, market risk and operational risk to have a better understanding of risk definition in line with New Basel II Accord.
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.
11. Establishment of taskforce accountable for studying and defining risk management under New Capital Accord called Basel II and joining hand in hand with the BOT to assess risk and the impact of the implication of Basel II when bringing into effect.

The Bank's credit risk arising from derivatives as at December 31, 2004 and 2003 is set out in the table below:

(Million Baht)

	Consolidated and the Bank's Financial Statements	
	December 31, 2004	December 31, 2003
Forward Contracts	21,465.26	65,379.94

3.2.2.3 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, 2004 and 2003

(Million Baht)

	Consolidated Financial Statements					
	December 31, 2004			December 31, 2003		
	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	64,366.04	860.81	1.34%	96,680.26	1,525.09	1.58%
Investments in securities	73,018.69	2,272.74	3.11%	56,117.83	1,221.86	2.18%
Loans	975,324.43	42,779.28	4.39%	935,080.16	37,106.61	3.97%
Total	1,112,709.16	45,912.83	4.13%	1,087,878.25	39,853.56	3.66%
Interest-bearing Financial Liabilities						
Deposits	1,015,870.83	12,525.46	1.23%	987,213.03	16,679.66	1.69%
Interbank and money market items	38,459.46	677.66	1.76%	30,634.48	538.33	1.76%
Long-term borrowings	2,500.88	108.38	4.33%	1.17	-	-
Total	1,056,831.17	13,311.50	1.26%	1,017,848.68	17,217.99	1.69%

(Million Baht)

	The Bank's Financial Statements					
	December 31, 2004			December 31, 2003		
	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	64,363.27	860.33	1.34%	96,648.74	1,524.85	1.58%
Investments in securities	73,543.46	2,272.74	3.09%	57,845.49	1,221.86	2.11%
Loans	975,974.51	42,874.29	4.39%	935,273.50	37,107.04	3.97%
Total	1,113,881.24	46,007.36	4.13%	1,089,767.73	39,853.75	3.66%
Interest-bearing Financial Liabilities						
Deposits	1,015,951.98	12,525.46	1.23%	988,011.35	16,679.66	1.69%
Interbank and money market items	38,465.44	680.93	1.77%	30,660.31	540.42	1.76%
Long-term borrowings	2,500.88	108.38	4.33%	1.17	-	-
Total	1,056,918.30	13,314.77	1.26%	1,018,672.83	17,220.08	1.69%

3.22.4 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, 2004 and 2003.

(Million Baht)

	December 31, 2004					Total
	Less than 1 month	1-3 months	Over 3 months upto 1 year	over 1 year	No Maturity	
Financial Assets						
Interbank and money market items	9,958.71	2,161.56	27,239.75	10,732.21	117.20	50,209.43
Securities purchased under resale agreement	56,200.00	-	-	-	-	56,200.00
Investments in securities	-	-	6,212.61	59,451.37	6,130.09	71,794.07
Loans	156,262.67	36,146.76	218,432.51	526,961.89	-	937,803.83
Total	222,421.38	38,308.32	251,884.87	597,145.47	6,247.29	1,116,007.33
Financial Liabilities						
Deposits	512,475.61	202,944.31	139,380.31	148,646.12	-	1,003,446.35
Interbank and money market items	10,705.04	282.49	11,289.38	20,028.05	-	42,304.96
Borrowings	-	-	1.17	10,000.00	-	10,001.17
Total	523,180.65	203,226.80	150,670.86	178,674.17	-	1,055,752.48

(Million Baht)

	December 31, 2003					Total
	Less than 1 month	1-3 months	Over 3 months upto 1 year	over 1 year	No Maturity	
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

3.22.5 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 3.21. 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, 2004 and 2003 were as follows:

	December 31, 2004			(Million Baht)
	Notional Amount			Fair Value
	Up to 1 year	Over 1 year	Total	
Forward Contract	72,980.97	12,028.51	85,009.48	86,585.14

	December 31, 2003			(Million Baht)
	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

The net income/(loss) as at December 31, 2004 and 2003 plus the contract or notional amounts, were used to determine the estimation of the financial instruments' fair value.

3.22.6 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.

(Million Baht)

	Consolidated Financial Statements			
	December 31, 2004		December 31, 2003	
	Outstanding Balance	Fair Value	Outstanding Balance	Fair Value
Financial Assets				
Cash	23,722.82	23,722.82	13,530.74	13,530.74
Interbank and money market items	50,220.84	50,220.84	36,430.02	36,430.02
Securities purchased under resale agreements	56,200.00	56,200.00	13,000.00	13,000.00
Investments in securities, net	69,695.02	69,766.13	82,745.54	82,895.02
Loans and accrued interest receivable, net	880,377.84	880,377.84	930,149.32	930,149.32
Customers' liabilities under acceptances	3,367.42	3,367.42	4,342.42	4,342.42
Other Debtor-SAM	5,561.68	5,561.68	5,099.36	5,099.36
Other assets	4,224.11	4,224.11	4,115.52	4,115.52
Financial Liabilities				
Deposits	1,003,121.73	1,003,121.73	1,005,355.17	1,005,355.17
Interbank and money market items	42,281.03	42,281.03	34,946.92	34,946.92
Liabilities payable on demand	2,905.19	2,905.19	5,321.13	5,321.13
Borrowings	10,001.17	10,001.17	1.17	1.17
Customers' liabilities under acceptances	3,367.42	3,367.42	4,342.42	4,342.42
Other Creditor, net -TAMC	35.81	35.81	67.95	67.95
Other liabilities	6,560.31	6,560.31	1,198.62	1,198.62
Off-Balance Sheet Items-Contingencies				
Aval to bills and guarantees of loans	11,878.96	11,878.96	13,749.67	13,749.67
Liability under unmatured import bills	367.47	367.47	189.20	189.20
Letters of Credit	23,189.12	23,189.12	13,756.34	13,756.34
Other contingencies	211,976.52	211,976.52	240,586.97	240,586.97

(Million Baht)

	The Bank's Financial Statements			
	December 31, 2004		December 31, 2003	
	Outstanding Balance	Fair Value	Outstanding Balance	Fair Value
Financial Assets				
Cash	23,722.37	23,722.37	13,530.40	13,530.40
Interbank and money market items	50,209.43	50,209.43	36,376.10	36,376.10
Securities purchased under resale agreement	56,200.00	56,200.00	13,000.00	13,000.00
Investments in securities, net	71,794.07	71,865.18	84,916.90	85,066.38
Loans and accrued interest receivable, net	882,978.16	882,978.16	930,802.47	930,802.47
Customers' liabilities under acceptances	3,367.42	3,367.42	4,342.42	4,342.42
Other Debtor-SAM	5,561.68	5,561.68	5,099.36	5,099.36
Other assets	3,415.11	3,415.11	4,115.52	4,115.52
Financial Liabilities				
Deposits	1,003,446.35	1,003,446.35	1,005,929.79	1,005,929.79
Interbank and money market items	42,304.96	42,304.96	34,971.49	34,971.49
Liabilities payable on demand	2,905.19	2,905.19	5,321.13	5,321.13
Borrowings	10,001.17	10,001.17	1.17	1.17
Customers' liabilities under acceptances	3,367.42	3,367.42	4,342.42	4,342.42
Other Creditor, net (TAMC)	35.81	35.81	67.95	67.95
Other liabilities	6,725.91	6,725.91	1,198.62	1,198.62
Off-Balance Sheet Items-Contingencies				
Aval to bills and guarantees of loans	11,878.96	11,878.96	13,749.67	13,749.67
Liability under unmatured import bills	367.47	367.47	189.20	189.20
Letters of Credit	23,189.12	23,189.12	13,756.34	13,756.34
Other contingencies	211,976.52	211,976.52	240,586.97	240,586.97

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 their fair value.

The quoted market values applicable to trading, available-for-sale and held to maturity debt securities determine their fair value or market prices for government bonds based on the most recent yield curve characteristics if available. Where such prices are not available, a yield curve lately published by Thai BDC is used to determine its fair value.

The net carrying amount of general investments approximates 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 their fair value.

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

3.23 Long-terms Leased Asset

(Million Baht)

Period	The Bank's Financial Statements			
	Leasing Amount			
	Land/Premises		Equipment	
	December 31, 2004	December 31,2003	December 31, 2004	December 31,2003
1 Jan - 31 Dec. 2004	-	58.67	-	501.18
1 Jan - 31 Dec. 2005	48.88	40.67	296.11	433.63
1 Jan - 31 Dec. 2006	33.98	19.27	274.31	343.88
1 Jan - 31 Dec. 2007	21.58	11.83	161.26	156.17
1 Jan 2008 onwards	65.94	48.17	88.54	72.06

3.24 The Acquisition of Assets and Liabilities

3.24.1 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 Bank, therefore, designated Sayam Bank Limited (Dhipyasin Co., Ltd.) as a debtor under non-interest earning accounts receivable as the transfer has been guaranteed by the Government. The excess of liabilities over assets as at December 31, 2004 and 2003 were Baht 874.00 and 1,369.00 million.

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



As at December 31, 2004, the Bank's outstanding balance of suspense account debtor comprised interest receivable since year 1998 amounting to Baht 816.44 million and the difference from the transfer, booked in other assets approximately Baht 139.57 million. 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.

On July 2, 2004, the Bank has consulted to the FIDF whether the accrued interest receivable of Baht 816.44 million and other assets of Baht 139.57 million under Financial Institution Rehabilitation Plan as on August 14, 1998 have been entitled to compensation borne by Ministry of Finance. It has yet to be considered by the Ministry of Finance, as informed on December 16, 2004.

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 which included accrued interest receivable amounting to Baht 816.48 million including the amount of Baht 139.57 million in Suspense account. The amount of repayment has yet unknown.

3.24.3 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 for the Bank to transfer delinquent loans of the FBCB to Sukhumvit Asset Management Co., (see Note 3.26).

As of September 21, 2004, FBCB account payable of Baht 339.88 million including interest according to the contract by Baht 78.41 million were transferred to deposit accounts of the FBCB as prescribed in the memorandum attached to the transferred contract on November 27, 1998, underlying any expenses incurred by the FBCB such as settlement of dividend paid by Bank cheque.

3.25 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 received at the 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. Upto September 30, 2004 the outstanding of NCDs remained at 20 holders amounting to Baht 61.25 million. At present, the FIDF has notified with consent to the Bank to wind up the KTB's 42 Fin' Project. The Bank has managed to return to the FIDF the unpaid fund to the PN holders.

3.26 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, the Baht 519,378.17 million and 198,126.15 million of non-performing assets (including those transferred from First Bangkok City Bank Public Co.,Ltd.) 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 avaled 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 to 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 would be subsequently adjustable over time. Collateral value has currently been reviewed by SAM for repricing. As specified in the contract, the Bank will be obliged to compensate any damage or expense incurred by SAM. A promissory note issued by SAM, avaled by the FIDF of Baht 108,000.00 million was paid to the Bank on September 21, 2000 to set off the written-back allowance and that was subsequently repaid to the FIDF by the same amount.

On September 14, 2001, SAM adjusted transfer prices by issuing a second P/N due in 4 years, avaled by FIDF, amounting to Baht 281,763.15 million in exchange for the former P/N, bearing interest calculated from the Bank's weighted average deposit rate. Partial payment of principal were made in the 3rd quarter 2003 amounting to Baht 43,000.00 million. Up to December 31, 2004 the total payment was Baht 156,000.00 million, thus, the remaining outstanding balance stood at Baht 82,763.15 million.

As of September 30, 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. There was no inter-adjustment item after September 30, 2003 upto December 31, 2004.

3.27 The Transfer of Non-performing Loans to Thai Asset Management Corporation (TAMC)

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 16,104.09 million and Baht 19,981.60 million (net of allowance for doubtful accounts amounting to Baht 12,507.68 million and Baht 12,075.71 million, respectively) were transferred to TAMC as on December 31, 2004 and 2003, respectively. A decline in outstanding balance as on December 31, 2004 due to transferred repricing in which 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 only 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 on December 31, 2004, an allowance for doubtful accounts amounting to Baht 2,415.61 million has been provided against losses arising from such assets transferred. Upto December 31, 2004, the Bank received 51 promissory notes issued by TAMC amounting to Baht 15,872.60 million as the partial payment for the transfer. Accrued interest receivable generated from such P/N was Baht 150.39 million.

The Bank was engaged to manage non-performing Assets transferred to TAMC without consideration according to the Memorandum of NPA management assignment dated July 4, 2003. The Bank was hired to manage NPAs transferred from other financial institutions as to the contract dated August 26, 2003 and September 30, 2003, respectively. The management fee would be charged 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 periods in a roll from the contract signing date by the TAMC's approval. In addition, the compensation was rendered to the Bank as to the hiring contract dated November 10, 2003 and July 6, 2004 for the handling of the contract and legal proceedings of such NPAs.

3.28 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 to "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 offered 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 on December 31, 2004 deposit taking accounted for Baht 4,368.16 million whereas financial aids and investments accounted for Baht 998.54 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, Chumphon, Choburi and Pathum Thani. As of December 31, 2004 the Bank has offered interest-free business through 18 branches and over-the-counter or window services in 16 more branches.

3.29 Government Fiscal Management Information System Project (GFMIS)

On July 3, 2003 the Steering Committees to the GFMIS, chaired by the Prime Minister, has passed the approval to authorize the Bank as the service provider to proceed with the designation, interfacing network development and implementation of the GFMIS Phase 1. The Cabinet has also passed a resolution on July 22, 2003 to approving the Bank to further to GFMIS Phase 2. The Bank has pre-invested the Baht 1,400.00 million on the project. The GFMIS would bring about significant changes in Planning & Budgeting System, Government Cash Position, National Accounting System, E-Payment and Settlement System, Auditing and Evaluation Monitoring System and Analytical Database System. The GFMIS would run on the online-real time basis. The Krung Thai Computer Services Co.,Ltd. has been subcontracted on behalf of the Bank. The advance payment as agree-upon contract of Baht 147.97 million was paid in 2003. In 2004, the Baht 348.21 million were paid for Hardware and Implementation Cost thus bringing up the total advance payment to Baht 496.18 million. Service charges incurred by Government Sector has been under feasibility study.

3.30 Cash Inventory Management Center

The Bank has organized Cash Inventory Management Center, as stipulated by the BOT, in 2004 accountable for the operation of the Bank's cash delivery, selecting/counting and custody as well as offering such services to the other bank. Insurance associated to such activities has been arranged for all Centers with insurable interest encompassing cash balances of other Banks in custody, commencing in October 2004.

3.31 Reclassification of Accounts

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

Audit Fee Paid to the Auditor for the Accounting Period Ending December 31, 2004

Audit Fee

Item No.	Fee paying company	Auditor's name	Audit Fee (Baht)	Other expense (Baht)
1	Krung Thai Bank PCL.	Office of Auditor General	4,000,000.00	395,425.00
2	Krungthai Legal Services Co.,Ltd.	Office of Auditor General	270,000.00	-
3	Krung Thai General Services Co., Ltd.	Office of Auditor General	350,000.00	-
4	Krung Thai Asset Management Co., Ltd.	Office of Auditor General	400,000.00	-
5	Krung Thai Property Development Co., Ltd.	Office of Auditor General	250,000.00	-
6	Krungthai Computer Services Co., Ltd.	Office of Auditor General	300,000.00	-
7	NC Associates Co., Ltd.	Office of Auditor General	70,000.00	-
Audit fee total			5,640,000.00	395,425.00
Audit fee grandtotal			6,035,425.00	

Non-Audit Fee

Item No.	Paying company	Non-audit service	Service provider	Non-audit fee	
				Amount paid during accounting period (Baht)	Amount to be paid in future (Baht)
8	Krung Thai Bank PCL.	Preparation of special report	Office of Auditor General	-	300,000.00
9	Krung Thai Bank PCL.	Preparation of report on foreign exchange profit	Office of Auditor General	-	100,000.00
Non-audit fee total					400,000.00

The above information

- is correct and complete. I hereby confirm that there was no information on other service providing which the Company and its subsidiaries had given to me, the audit office to which I am attached and individual or business related to me and the audit office to which I am attached that I have known, and that there was no disclosure of information above.
- is incorrect, incomplete, that is

Upon revision of the above information (if any), I here by confirm that all the information in this Form has shown the audit fee and non-audit fee that the Company and its subsidiaries had paid to me, the audit office to which I am attached and individual or business related to me and the aforementioned audit office were correct and complete.

Vilailak Aunyamaneerat
(Ms. Vilailak Aunyamaneerat)
Director of Audit Office No.1
Office of the Auditor General
Auditor of Krung Thai Bank PCL.



Business Operation Targets in 2005

In 2005, the Bank still aims at building its business operating potential to successfully achieve the targets and thrive to continual and sustainable growth in line with its vision of becoming a “Convenience Bank with Niche Processing”. This will be accomplished by presenting a wide variety of financial products and services to reach the target customer segment or niche in a speedy and precise manner at competitive prices with its network branches covering all regions by adhering to the principles of good corporate governance. The Bank has set its major business operation targets as follows :

Quality Asset Management

The Bank has been following the policy to maintain its growth rates and create steady and continual income from its assets by attaching importance to the existing customer bases in boosting the volume of financial transactions already used or increasing their use of transactions of other types. Meanwhile the Bank will expand the small/retail and medium customer bases in the private sector. In addition, the Bank pursues the policy on improving the management of substandard debts aiming for rapid reduction of such debts while the debtors still retain business operation potential. The Bank plans to finish the debt restructuring and closely monitor the results in order to prevent such debtors from becoming substandard debtors again. Concerning the borrowers whose debts are unable to be restructured, the Bank will expedite the cases under legal proceedings. In connection with the foreclosed properties management, the Bank will take the offensive action through direct sales of such properties to the interested people and let the Bank employees participate in the sales.

Boosting Fee-Based Income

The Bank plans to broaden its sources of fee-based income and increase the market share by developing and offering new products and services that will satisfy the customer needs, providing finance management service and payment service to the government agencies, state enterprises and small and medium enterprises (SMEs), expanding cross-selling products to the depositors and existing loan customers, as well as cooperating with the business alliances and networks in increasing channels for distribution of services so that the Bank can move towards being a processing bank.

Cautious Risk Management and Control

The Bank has prepared for readiness in setting up its risk management system covering all aspects of risk in order to accommodate the risk management under the New Capital Accord (or so-called “Basel II”) by means of developing standardized tools for risk management, creating Real Time Monitoring system with Check and Balance as well as emphasizing risk-based check in offensive manner and establishing regulatory compliance system to be up to international standards.

Increasing Operational Efficiency

The Bank has attached importance to an improvement of operational processes for higher efficiency by centralizing its credit operation, financial operation and banking operation. Moreover, it has acquired the management system that suits its business operation and introduced the customer relations management system for satisfying the customer requirements. It also plans to enhance the quality of information and data by linking the information from all the system applications with the Core Banking System (CBS) as well as creating the information system to enable the Bank employees who provide the customers with services to use the information in business decision-making in a timely manner to meet the customer needs. Besides, the Bank has a plan to develop the format of financial transactions handling to be automatic system by having started using it at the Nana Nua Office as a pilot branch with the plan to further expand such system to cover the branches in major communities and places.

Personnel Development with Focus on Sales of Products and Services

The Bank has its policy on building the organizational culture that is ready for good service-providing and sales to the customers by means of developing the Bank employees to have competency in selling financial products and services with quality to the clients in order to boost fee-based income for the Bank. A plan is also laid to develop the employees to boost their competency in performing jobs so that they can learn and use the information in thinking and analysis for creating their own task to be performed as well as disseminating business knowledge to the employees for developing and enhancing the work process to have greater efficiency.

General Information

The Bank's Head Office is located at No 35 Sukhumvit Road, Klongtoey Nua Sub-district, Wattana District, Bangkok 10110, telephone : +66(0)2255-2222, fax : +66(0)2255-9391-6, home page : <http://www.ktb.co.th>, registration number : Bor Mor Jor. 335

References

1. Registrar
Thailand Securities Depository Co., Ltd.
62 Stock Exchange of Thailand Building, 4th , 7th Floor
Ratchadapisek Road, Klongtoey Sub-district, Klongtoey District
Bangkok 10110
Tel. +66(0)2229-2800, 2000
2. Auditor
The office of the Auditor General
Rama VI Road, Sam Sen Nai, Phaya Thai
Bangkok 10400
Tel. +66(0)2273-9674-91
3. Legal Consultant
Krungthai Legal Services Co., Ltd.
191/50-53 CTI Tower, 19th Floor
Ratchadapisek Road, Klongtoey
Bangkok 10110
Tel. +66(0)2261-3739-41

Nature of Business Operation

Business Operation

Krung Thai Bank PCL conducts commercial banking business under the license issued by the Ministry of Finance and government agencies concerned. Its main business covers acceptance of deposits and lending money which refer to acceptance of deposits from the general individuals and various juristic entities, both government and private sectors ; as well as borrowings from respective sources of fund, both domestic and foreign, to be used for income earning from making loans to customers. Other businesses include income earning from various types of service providing such as domestic and international funds transfer, foreign exchange business, giving aval of bills and guarantee, business operation as non-life insurance broker and life insurance broker and dissemination of financial and general economic news and information.

As at December 31, 2004, the Bank's issued and paid-up capital stood at Baht 57,604,032,350.00 consisting of 5,500,000 preference shares at par value of Baht 5.15 per share and 11,179,749,000 ordinary shares at par value of Baht 5.15 per share.

Income Structure

The Bank's income structure consists of two parts i.e. interest income and dividends, and non-interest income with the following details :

Income Structure	December 31, 2004		December 31, 2003		December 31, 2002	
	Million Baht	%	Million Baht	%	Million Baht	%
Interest income and dividends						
Loans	42,874.3	91.94	38,031.2	84.75	32,523.3	72.44
Interbank and money market items	860.3	1.84	1,524.8	3.40	5,874.4	13.09
Investments	2,272.7	4.87	1,221.9	2.72	1,403.7	3.13
Total interest income and dividends	46,007.3	98.66	40,777.9	90.87	39,801.4	88.66
Bad debt and doubtful accounts	8,338.7	17.88	2,982.5	6.65	1,811.3	4.03
Loss from debt restructuring	10.5	0.02	559.2	1.25	203.5	0.45
Interest income and dividends after deducting bad debt and doubtful accounts and debt restructuring	37,658.1	80.76	37,236.2	82.98	37,786.6	84.17
Non-interest income						
Profit (Loss) on investments	301.9	0.65	217.9	0.49	(412.5)	(0.92)
Share of profit (Loss) on equity	354.8	0.76	203.4	0.45	(88.4)	(0.20)
Fees and services :						
Acceptance, aval of bills and guarantee	810.9	1.74	766.5	1.71	682.1	1.52
Other Services	4,054.3	8.69	3,724.9	8.30	5,610.8	12.50
Profit (Loss) on foreign exchange	694.0	1.49	895.4	2.00	897.4	2.00
Conversion of loss from foreclosed property impairment	0.0	0.00	759.7	1.69	0.0	0.00
Conversion of loss from land impairment	1,204.0	2.58	8.8	0.02	0.0	0.00
Other income	1,553.0	3.33	1,063.6	2.37	418.0	0.93
Total non-interest income	8,972.9	19.24	7,640.2	17.02	7,107.4	15.83
Total income	46,631.0	100.00	44,876.4	100.00	44,894.0	100.00

Income Structure from Operation of Affiliated and Associated Companies In 2004 and 2003

Managed by	Products/Services	Percentage of KTB's shareholding (%)	Type of income	2004 (unaudited)		2003	
				Income (Mil.Baht)	%	Income (Mil.Baht)	%
1. Krungthai Legal Services Co.,Ltd.	Legal services to KTB and its subsidiaries	99.99	Service fees	133.76	95.35	124.45	99.77
			Other income	6.52	4.65	0.29	0.23
			Total	140.28	100.00	124.74	100.00
2. Krung Thai General Business Services Co.,Ltd.	General services to KTB and its subsidiaries	99.99	Service fees	494.66	99.92	476.16	99.94
			Other income	0.38	0.08	0.28	0.06
			Total	495.04	100.00	476.44	100.00
3. Krung Thai Asset Management PCL.	Asset management	99.99	Service fees	222.82	99.72	181.20	99.55
			Income from investment	0.62	0.28	0.24	0.13
			Other income	0.01	0.00	0.59	0.32
			Total	223.45	100.00	182.03	100.00
4. Krungthai Computer Services Co.,Ltd.	IT services (computer & communications)	99.99	Service fees	2,118.13	99.93	581.72	99.76
			Other income	1.39	0.07	1.41	0.24
			Total	2,119.52	100.00	583.13	100.00
5. Krung Thai Property Development Co.,Ltd.	Project management consultant, construction supervision, land appraisal	99.99	Service fees	6.66	52.40	39.50	57.96
			Other income	6.05	47.60	28.65	42.04
			Total	12.71	100.00	68.15	100.00
6. N.C. Associates Co.,Ltd.	Rubberwood products sales agent	54.39	Service fees	0.08	61.54	181.70	99.11
			Other income	0.05	38.46	1.63	0.89
			Total	0.13	100.00	183.33	100.00
7. Krungthai AXA Life Insurance Co.,Ltd.	Life insurance business	50.00	Service fees	1,402.73	96.90	1,057.48	97.95
			Income from investment	41.26	2.85	20.08	1.86
			Other income	3.58	0.25	2.01	0.19
			Total	1,447.57	100.00	1,079.57	100.00
8. Krung Thai Card PCL.	Credit card and debit card management business	48.32	Service fees	1,713.30	41.52	1,124.59	43.24
			Other income	2,413.54	58.48	1,476.10	56.76
			Total	4,126.84	100.00	2,600.69	100.00
9. Krung Thai Panich Insurance Co.,Ltd.	Non-life insurance business	40.00	Service fees	804.97	81.64	706.48	79.44
			Other income	180.97	18.36	182.88	20.56
			Total	985.94	100.00	889.36	100.00
10. Krung Thai IBJ Leasing Co.,Ltd.	Hire-purchase business	39.99	Service fees	196.13	97.11	184.81	97.91
			Other income	5.83	2.89	3.94	2.09
			Total	201.96	100.00	188.75	100.00
11. Krung Thai Auto Lease Co.,Ltd.	Hire-purchase business of cars & motorcycles	35.00	Service fees	423.68	95.18	281.25	86.12
			Other income	21.45	4.82	45.34	13.88
			Total	445.13	100.00	326.59	100.00
12. Krung Thai Charoensre Co.,Ltd.	Hire-purchase business of cars & motorcycles	35.00	Service fees	2.84	100.00	1.89	10.34
			Other income	-	-	16.35	89.66
			Total	2.84	100.00	18.24	100.00

Shareholding in KTB of the Board of Directors and Executive Officers

(as at December 31, 2004)

No	Shareholder's name	Position title	Number of shares
1.	General (Ret.)Mongkon Ampornpisit	Chairman	-
2.	Mr.Suparut Kawatkul	Vice Chairman	-
3.	Lt.Suchai Jaovisidha	Vice Chairman	-
4.	Mr.Apisak Tantivorawong	President	-
5.	Mr.Chaiyawat Wibulswasdi	Director	-
6.	Mr.Machima Kunjara Na Ayudhya	Director	220
7.	Mr.Uttama Savanayana	Director	-
8.	Mr.Chainarong Indharameesup	Director	-
9.	Mr.Chai-Anan Samudavanija	Director	-
10.	Mr.Rutt Phanijphand	Director	-
11.	Mr.Charnchai Musignisarkorn	Director	-
12.	Mr.Rawat Chamchalerm	Director	-
	Mrs.Apinan Chamchalerm (spouse)	-	31,567
13.	Mr.Prasit Damrongchai	Director	-
14.	Mr.Pongsathorn Siriyodhin	First Senior Executive Vice President	-
15.	Mr.Sahas Treetipbut	Senior Executive Vice President	91,000
16.	Mr.Suwit Udomsab	Senior Executive Vice President	-
17.	Mr.Dusit Tengniyom	Senior Executive Vice President	-
18.	Mr.Somanat Chutima	Senior Executive Vice President	-
19.	Mr.Wanchai Thanittiraporn	Senior Executive Vice President	-
20.	Ms.Kittiya Todhanakasem	Senior Executive Vice President	-
21.	Mr.Chaichan Kangwanpong	Senior Executive Vice President	-
22.	Mr.Sthit Chupatanakul	Senior Executive Vice President	50,000
23.	Mr.Sayan Satangmongkol	Senior Executive Vice President	-
24.	Mr.Ithinant Punyanitya	First Executive Vice President (Planning and Finance)	-
25.	Ms.Yaovaluk Rerksantivong	Accounting Department SVP & Manager (Planning and Finance)	-



Organization Structure (as at February 1, 2005)

Organization Restructuring

With an emphasis on the Bank's efficient operation, costs cutting and higher income, the Bank thus restructured its organization by downsizing the organization of the duplicating or overlapping business units, clearly segregating the duty and responsibility and attaching more importance to risk control. All this was to strengthen the stability of the Bank's business operation in the future and to create the check and balance both within the business group and between the business groups.

The Bank's new organization consists of 19 business groups. Each business group is divided into sectors, departments or offices, business office and centers respectively as follows :

Office of Internal Audit

The Office reports directly to the Audit Committee and the President. Its objective is to audit and examine each and every activity of the Bank by focusing on the examination and assessment of risk in each transaction of the Bank, the reliability or credibility of financial reports, the operational efficiency and effectiveness and the adequacy of internal control. The Office gives its observations/notices and recommendations that will be useful to the Bank's operational processes.

Policy and Compliance Group (Office of General Counsel)

The Group (or Office) is responsible for supervising/overseeing the business operation of the bank so that it will be in compliance with the prevailing laws, related rules and regulations and business code of conduct or business ethics. This will be carried out by setting the standard operating procedures for various aspects of operation. The Group also acts as a center for answering inquiries or problems about the Bank's regulatory difficulties, giving legal advice/consultancy as well as performing secretarial work to provide coordination for the Board of Directors, the Board of Executive Directors, the Advisors to the Board of Directors and the shareholders.

Credit Group and Branches

The eight Credit Groups include the Upper Northern Region & Bangkok Metropolis Group, Lower Northern Region & Bangkok Metropolis Group, Central Region & Bangkok Metropolis Group, Eastern Region & Bangkok Metropolis Group, Upper Northeastern Region & Bangkok Metropolis Group, Lower Northeastern Region & Bangkok Metropolis Group, Upper Southern Region & Bangkok Metropolis Group, and Lower Southern Region & Bangkok Metropolis Group. All these Credit Groups perform their duty of supervising or overseeing the operation in the corporate credit departments, business offices and branches by classifying credit functions by business size into corporate credit sector and small and medium credit sector responsible for the jobs of marketing, risk analysis, credit extension, debt collection and compromise. Respective branches have the duty of providing financial transaction services and other types of service of the Bank such as deposits and loans to respond to the customer requirements and enable the Bank to gain optimum profit. Their functions include resolving debt problems and preliminary debt restructuring.

Products Management and Special Project Group

The Group's duty and responsibility are to conduct research and development and perform the jobs to promote sales and marketing for financial products, credit products and electronic products. Moreover, it is responsible for coordination and service providing to the SMEs in financial aspects, and other activities such as formulation of policy, strategy/tactic and marketing plan as well as offering financial consultancy service, supporting credit extension under the policies of the Bank and the government, and developing a wide variety of marketing channels for the customers. The Group also acts as a center for providing services in relation to deposits, loans and other services to the government agencies and state enterprises as well as rendering financial services to supplement and promote income and community development.

Shariah Banking Group

The Group performs the duty of providing financial products under the Shariah principles or Islamic guidelines as well as performing the jobs of business management, formulation of business strategy/tactic and expansion of full-scale service providing to all the customers.



International Business and Financial Markets Group

The Group is responsible for providing services of international trade transactions and other transactions relating to foreign exchange and payment in foreign currencies. It conducts business with various correspondent banks and financial institutions both domestic and overseas, gives support to the business operation of the Bank's overseas branches and offices. Besides, it provides the service of issuing and distributing debt instruments and acts as stock selling agent as well as managing investment in debt instruments and capital instruments.

Banking Operations Group

The Group performs the jobs on behalf of the branches regarding cheque clearing, cheques for collection, cash management and keeping or safeguarding, funds transfer for the public and private sectors, and branch support functions in various aspects. Apart from this, its duty and responsibility include support given to the credit functions relating to risk control, preparation of legal contracts/agreements, guarantees, recording of debt obligations, collateral appraisal, and acting as the registrar or keeper of loan agreements and collateral as well as the center for cash disbursement of various business units of the Head Office and also the center for storing information on the Bank's expenses.

Debts Management Group

The Group handles the jobs of legal management in relation to loans expedition, non-mortgage property investigation for legal proceeding with the debtors and guarantors, and case expedition under court judgment/sentence and in bankruptcy cases as well as the management and disposition of the Bank's foreclosed property. Besides, it acts as the center for coordination of the management of substandard debts of the Bank and Sukhumvit Asset Management Co.,Ltd. (SAM) that were transferred to Thai Asset Management Corporation Ltd.

Risk Management Group

The Group is responsible for the jobs of financial risk control i.e. interest rate risk, liquidity risk and market risk by analyzing such risk both in overview and specific risk in the product groups in order to formulate the policy and strategy in risk control for the Bank as well as proposing credit policy and strategy in credit management to the Bank based on key business and financial information.

Planning and Finance Group

The Group's duty is to determine the Bank's direction in conducting business, prepare the strategic plan and budget, oversee and manage the Bank's liquidity, and invest in the money markets and capital markets for the Bank. It is also responsible for the Bank's accounting and finance as well as taxes. Moreover, it acts as the center for acquiring and handling the management information system (MIS), compiling credit information and supporting the function relating to information on the Bank's securities or ordinary shares. The Group has set up its Investor Relations Sector to be in compliance with the principle of good business supervision stipulated by the Stock Exchange of Thailand and the principles of good corporate governance that is up to international standards.

Human Resources and Corporate Support Group

The Group is responsible for managing the Bank's human resources relating to discipline, welfare/welfare assistance, creating personnel development in various aspects such as knowledge, skills and competency or capability in working, promoting work discipline and formulate preventive measures for misconduct while promoting personnel health. It acts as a business unit in support of the operations of all business groups by providing services concerning office premises, property and security in order to enable the Bank to conduct the business smoothly and effectively.

Information Technology Group

The Group is responsible for the preparation of technology structure and plan for specifying IT targets and strategy. Its duty includes the analysis and support given to the Bank's respective business units in relation to information technology (IT) system applications and also to the subsidiaries that have to use KTB applications such as system training, system installation, development and enhancement of various systems, monitoring and assessment of system use so that the business units concerned will be able to efficiently use the system. The Group also specifies security standards for having access to the Bank's IT network which is regarded as a measure for risk control.

Apart from the aforementioned groups, there are two business units reporting directly to the President in order to work in response to the Bank policies with greater effectiveness i.e. the Office of the President and the Office of Corporate Communications with the follow details :



Office of the President

The Office reports directly to the President by functioning as the center for supporting the President's task, overseeing and coordinating work in various aspects for the Bank's executive officers so that the business operation will achieve the specified objectives, targets and policies.

Office of the Corporate Communications

The Office has its duty to specify the Bank's direction and strategy or tactic of communications and public relations in all aspects such as the image and identity management, corporate advertising and public relations, mass publicity, social activities and information promotion in order to retain and promote the Bank's image in the eyes of the general public.



DIRECTORY as at March 1, 2005

President

Mr. APISAK TANTIVORAWONG

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

Head office Audit Department -

Business Group

SVP, Manager

Mr. CHAIRAT

BUCHITRATANAKHUN

Branch Audit Department - Central,

Eastern and Southern Regions

SVP, Manager

Mr. KIJJAR ONLAMAI

Head office Audit Department -

Corporate Support Group

SVP, Manager

Ms. TIPARATANA NILLKAN

Branch Audit Department - Northern

and North-eastern Regions

FVP, Manager

Mr. PRACHA PONGTONGCHAROEN

Information Technology Audit

Department

FVP, Manager

Mr. SAROJ CHANTAWATCHAI

Credit Examination Department

Office of General Counsel

FEVP

Mr. SOMGIAT SANGSURANE

Policy & Procedures Office

-

Office of the Board of Directors & Shareholders

SVP, Manager

Mr. SUCHART DEJITTIRUT

Legal Advisory Office

SVP, Manager

Mr. SOMCHAI NGOWWATANA

Office of Compliance

SVP, Manager

Mr. SUTHEE TRIPORNCHAIKSAK

Upper Northern Region & Bangkok Metropolis Group

FEVP

Mr. PAIROJ RATANASOPA

Construction & Real Estate Financing

Department

SVP, Manager

Ms. SIRIWAN CHINISSARAYOS

Construction & Real Estate Financing

Analysis Department

FVP, Manager

Mr. PRAVITH ADITTO

Upper Northern Region Financing

Department

FVP, Manager

Mr. ALONGKORN TASABAMROONG

Metropolitan Financing Department

(Saphankhao)

SVP, Manager

Mr. WINIT SANGAROON

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

FVP, Manager

Mr. AMPHOL WORAWUTTHIKUNCHAI

Metropolitan Financing Department

(Paknam)

EVP, Manager

Mr. CHINOROT SUNTARAT

Upper Northeastern Region & Bangkok Metropolis Group

FEVP

Mr. BOONLERS SRICHAREON

Agricultural Financing Department

SVP, Manager

Mr. PRASIT WASUPATH

Agricultural Financing Analysis

Department

FVP, Manager

Mr. WEERACHAI SUPAVIRATBUNCHA

Upper Northeastern Region Financing

Department

SVP, Manager

Mr. PRASIT AMPORN

Metropolitan Financing Department

(Saphanmai)

FVP, Manager

Mr. PRAYUT POONSURAPUN

Lower Northeastern Region & Bangkok Metropolis Group

FEVP

Mr. PRASERT SOPHAN

Lower Northeastern Region Financing

Department

FVP, Manager

Mr. KHOMSON THONGPRASERT

**Metropolitan Financing Department
(Charoennakhon)**

SVP, Manager

Mr. WARIN CHUB-UPPAKARN

**Upper Southern Region &
Bangkok Metropolis Group**

SEVP

Mr. DUSIT TENGNİYOM

● **Business Sector Executive**

EVP,

Mr. KANOKSAK

SOONTORNKITPRAPAI

Project Financing Department

-

Project Financing Analysis Department

EVP,

Ms. ARISARA DHARAMADHAJ

Upper Southern Region Financing

Department

FVP, Manager

Mr. MITREE KOR-UDOM

Metropolitan Financing Department

(New Phetchaburi Phatthanakarn)

EVP, Manager

Ms. YAOVALUK LIKITWATTANANURAK

**Lower Southern Region &
Bangkok Metropolis Group**

FEVP

Mr. PREECHA PHUKAM

Lower Southern Region Financing

Department

FVP, Manager

Mr. KORAKOT RATANAPITAYAPORN

Metropolitan Financing Department

(Surawongse)

FVP, Manager

Mr. SUWAT TEERASETTAMRONG

**Central Region & Bangkok
Metropolis Group**

SEVP

Mr. WANCHAI THANITTIRAPORN

● **Business Sector Executive**

EVP

Ms. VANNEE CHAREONTHONG

Commercial Financing Department

FVP, Manager

Mr. SANPHET PRUETLAPAKORN

Commercial Financing Analysis

Department

FVP, Manager

Mr. MONGKOL PIRIYANONTHAKUL

Central Region Financing Department

SVP, Manager

Mr. WIWAT ENGSUWAN

Mr. WEIDT NUCHJALEARN

Metropolitan Financing Department

(Suanmali Omnoi)

EVP, Manager

Mr. BUNJOB THONGVICHIT

**Eastern Region & Bangkok
Metropolis Group**

SEVP

Ms. NONGNUTCH THIENPAITON

Industrial Financing Department

EVP, Manager

Ms. SOMPIS CHAROENKIATIKUL

Industrial Financing Analysis

Department

EVP, Manager

Mr. PRASERT THIRANAKANAT

Eastern Region Financing Department

SVP, Manager

Mr. WISIT TREESUVANNA

**Metropolitan Financing Department
(Rajawongse)**

SVP, Manager

Ms. DUANGJAI SUNTHORNKARN

**International Business &
Financial Markets Group**

SEVP

Mr. SUWIT UDOMSAB

● **Financial Markets & Institutions Sector**

EVP

Ms. PANNIPA APICHATABUTRA

Capital Markets Department

FVP, Manager

Mr. GRIDSN NUENGSIGKAPIAN

Custodian & Registrar Services

Department

FVP, Manager

Mr. NARONG RUGFUGFON

Financial Institution & Overseas

Offices Department

FVP, Manager

Mr. SANTI PARIVISUTT

● **International Business Operation Sector**

EVP

Mr. PICHAJ KOJAMITR

International Trade Services Department

FVP, Manager

L.t. SURAT NAWEERA

Foreign Exchange Business Department

SVP, Manager

Ms. SUWANNEE SUKHAVACHANA

International Payment & Settlement

Operations Office

VP, Manager

Mr. CHAINARONG NISAMANEEWONG

Products Management & Special Projects Group

SEVP

Mr. SAHAS TREETIPBUT

● Products & Marketing Sector

EVP

Mr. TEERAPOL PUSSADET

Products & Marketing Management

Department

FVP, Manager

Mr. PRAPAT NOONPUKDEE

Financial Products Development

Department

SVP, Manager

Mr. WALLOP LIPIPHUN

Electronic Products Development

Department

FVP, Manager

Mr. VACHARA KANCHANABUNDHU

Government Products Development

Department

FVP, Manager

Mr. CHAROENSIL PAKANAN

● Small and Medium Enterprises & Community Business Sector

EVP

Mr. ANANTAPHOL PUNPENG

SMEs Financing Department

FVP, Manager

Mr. THIRIN TAOTHONG

SMEs Promotion & Development

Department

FVP, Manager

Mr. TINNAKORM BOONYAKALIN

Community Bank

FVP, Manager

Ms. NISANART YOTHASMUT

● Public Sector

EVP

Ms. SUPANG PATTAMADILOK

Government Relations Department

SVP, Manager

Ms. SRIPRABHA PRINGPONG

State Enterprise Relations Department

FVP, Manager

Mr. DHANIT LAKSANAPHUK

Government Project Management

Department

FVP, Manager

Mr. CHAIANUN SIRAVANICHKARN

Banking Operations Group

FSEVP

Mr. PONGSATHORN SIRIYODHIN

● Branch Support Sector

FSEVP

Mr. PONGSATHORN SIRIYODHIN

Branch Support Function Department

EVP, Manager

Ms. SUPATTRA HIRANRAS

Electronic Banking & Contact Center

SVP, Manager

Act. Sub-Lt. PAIROJ DEERAKSA

● Credit Support Sector

FEVP

Ms. CHUJIT NIYAMOSOT

Credit Operation Department

FVP, Manager

Ms. SUPIN HONGSIRIPONG

Collateral Function Department

SVP, Manager

Mr. SANTI ANTARASENA

Custody Department

FVP, Manager

Ms. RUNGLUK DARUNAITHORN

Cashier Department

FVP, Manager

Mr. KAN PIMOLKIAT

Nana Nua Office

FVP, Manager

Ms. MAYURASIRI PONGTARANONT

Mr. BOONRAT TANGCHIVINSATIEN

Substandard Debts Management Group

SEVP

Mr. SOMANAT CHUTIMA

● Legal Administration Sector

EVP

Mr. ASSANEE SUBVANICH

Loan Collection Expedition Department

FVP, Manager

Ms. SUVAPA KESUNGKUL

Legal Administration Department

FVP, Manager

Mr. SMART NOOSUETRONG

Mr. UKRIT THANAPATPAIBOON

● Properties Management Sector

EVP

Mr. ASSANEE SUBVANICH

Properties Disposition Management

Department

FVP, Manager

Mr. KASEM SWASDEE

TAMC / SAM Management Department

SVP, Manager

Ms. PLERNPID THANVARACHORN

Shariah Banking Group

FEVP, Managing Director

Mr. SUWAN DAMNERNTHONG

Human Resource Development & Procurement Department

SVP, Manager

Mr. THANEE DEROJAVAN

Greater & Bangkok Business

Development Department

SVP, Manager

Mr. GORGIAT WONG-AREE

**Upper & Lower Southern Business
Development Department**

FVP, Manager

Mr. METHEE MEKHARAT

Accounting Department

FVP, Manager

Mr. SOMSAK LIKITKRANCHANAKUL

Risk Management Group

SEVP

Ms. KITTIYA TODHANAKASEM

EVP

Mr. TANACHAI ARUNTAT

● **Risk Management Sector**

SEVP

Ms. KITTIYA TODHANAKASEM

Financial Risk Management Department

FVP, Manager

Mr. JAKKRIT PRASATTHAI

Credit Policy Department

SVP, Manager

Ms. TAYPEE SRISUKH

Credit Examination Department

FVP, Manager

Mr. ROONGJIT PUNNAHITANANDA

Business Research Office

FVP, Act. VP

Ms. ORAPIN SUTHUM

Information Technology Group

SEVP

Mr. CHAICHAN KANGWANPONG

● **Information Technology Sector**

SEVP

Mr. CHAICHAN KANGWANPONG

IT Budgeting & Procurement Department

SVP, Manager

Mr. DUMRONG KAEWPRASITH (Acting)

IT Research & Planning Department

FVP, Manager

Mr. THAMRONGSAK

LEUNANONCHAI

IT Development & Process Department

FVP, Manager

Mr. THAMRONGSAK

LEUNANONCHAI (Acting)

**IT Operation Control & Monitor
Department**

Mr. DUMRONG KAEWPRASITH

**IT Risk & Security Management
Department**

FVP, Manager

Mr. THAMRONGSAK

LEUNANONCHAI (Acting)

Finance Group

FSEVP

Mr. PONGSATHORN SIRIYODHIN

● **Finance and Planning Sector**

FEVP

Mr. ITHINANT PUNYANITYA

Planning & Budgeting Department

EVP, Manager

Ms. PATCHARASIRI KIATKUMJAI

Treasury Department

SVP, Manager

Mr. TAWAN PUNTAWONG

Accounting Department

SVP, Manager

Ms. YAOVALUK LERKSANTIVONG

Management Information Department

SVP, Manager

Mr. VIRUCH WONGNIRUND

Credit Information Department

SVP, Manager

Ms. KULNAREE KETTONG

● **Investor Relations Sector**

FEVP

Mr. ITHINANT PUNYANITYA (Acting)

**Information Back up & Analysis
Department**

-

Investor Contact Department

-

**Analyst & Fund Manager Relation
Department**

-

**Human Resources & Corporate
Support Group**

FEVP

Ms. SUMANA VONGGAPAN

● **Human Resource Sector**

Personnel Department

SVP, Manager

Ms. MALINEE BODHISUNDARA

Discipline & Welfare Department

SVP, Manager

Mr. MONGKOL KRICHTITAYAWUTH

Medical Department

EVP, Manager

Dr. SOMKIAT GERATIKORNSUPUK

**Personnel & Organization Development
Department**

EVP

Mr. THIRAVATNA

VATHANATHORN (Acting)

● **Corporate Support Sector**

EVP

Mr. THIRAVATNA VATHANATHORN

Premises & Property Department

SVP, Manager

Mr. PHISEK PHONAKORN

Security Department

FVP, Manager

Mr. JINTAWAT JANGSRI

Domestic Branches, as at March 1,2005

BANGKOK (144 Branches)

ASOK BRANCH	+66 (0) 2664-1600-5	KLONG TOEY BRANCH	+66 (0) 2229-4237-9	PRACHANIWET BRANCH	+66 (0) 2591-1742
ASOK-DINDANG ROAD BRANCH	+66 (0) 2246-0735-7	KRASRUANG SUEKSATHIKAN BRANCH	+66 (0) 2282-5457-8, 0-2282-6481	PRACHARAJ ROAD BRANCH	+66 (0) 2911-4022
BANG BON BRANCH	+66 (0) 2416-0090-3	KRUNGKASEM BRANCH	+66 (0) 2223-2430-2	PRACHAUTIT BRANCH	+66 (0) 2934-7418-20
BANG CHAN BRANCH	+66 (0) 2517-1223-5	LADPLAKAO BRANCH	+66 (0) 2570-7116-7	PRADIPAT BRANCH	+66 (0) 2618-4855-60
BANG JARK BRANCH	+66 (0) 2311-4710	LADPRAO BRANCH	+66 (0) 2511-3316	PRADIPAT A. BRANCH	+66 (0) 2278-1612-3
BANG KAE BRANCH	+66 (0) 2454-3737-8	LADPRAO 130/1 SUB-BRANCH	+66 (0) 2731-3123-4	PRAKANONG BRANCH	+66 (0) 2391-0429
BANG KAE NUA BRANCH	+66 (0) 2421-9753-5	LAT KRABANG BRANCH	+66 (0) 2326-0545-6	PRANNOK SUB-BRANCH	+66 (0) 2411-5589-92
BANG KHUN NON BRANCH	+66 (0) 2435-1893-5	MAHANAK BRANCH	+66 (0) 2225-5611-4	PRATUNAM BRANCH	+66 (0) 2252-9472-3
BANG KHUN THIAN BRANCH	+66 (0) 2416-3315-6	MEENBURI BRANCH	+66 (0) 2918-8880-4	PRAWET SUB-BRANCH	+66 (0) 2322-8549-50
BANGKOK AIRPORT SUB-BRANCH	+66 (0) 2535-2468-9	METROPOLITAN WATERWORKS SUB-BRANCH	+66 (0) 2503-9474	PROVINCIAL ELECTRICITY AUTHORITY SUB-BRANCH	+66 (0) 2591-6314
BANGKOK METROPOLITAN A DMINISTRATION SUB-BRANCH	+66 (0) 2226-3879	MINISTRY OF FINANCE SUB-BRANCH	+66 (0) 2273-9665-6	RACHADAPISEK- HUAIKHWANG BRANCH	+66 (0) 2276-0096-9
BANG LAMPU BRANCH	+66 (0) 2282-8436	MINISTRY OF LABOUR AND SOCIAL WELFARE SUB-BRANCH	+66 (0) 2247-7949; 7763	RAJADAMNOEN BRANCH	+66 (0) 2281-6950-2
BANG PLAD SUB-BRANCH	+66 (0) 2424-9028	NANA NUA OFFICE	+66 (0) 2255-2222	RAJATHEVI BRANCH	+66 (0) 2215-8080-3
BANGYIKHAN SUB-BRANCH	+66 (0) 2434-7157	NANGLINGEE ROAD BRANCH	+66 (0) 2678-8411-3	RAJAWONGSE BRANCH	+66 (0) 2222-2171-8
CENTRAL BANGNA TOWER BRANCH	+66 (0) 2361-0993-4	NATIONAL ASSEMBLY	+66 (0) 2243-6117	RAJAWONGSE A. BRANCH	+66 (0) 2221-8666-7
CHAN ROAD BRANCH	+66 (0) 2286-2095-7	NATIONAL HOUSING AUTHORITY SUB-BRANCH	+66 (0) 2374-1383	RAJAWONGSE B. BRANCH	+66 (0) 2221-1193-4
CHANG WATTANA BRANCH	+66 (0) 2574-4197-8	NAWAMIN ROAD BRANCH	+66 (0) 2375-2844	RAMA 2 ROAD BRANCH	+66 (0) 2468-4959
CHARANSANIT WONGSE 13 BRANCH	+66 (0) 2411-1211	NEW PHETCHABURI A. BRANCH	+66 (0) 2314-5580-7	RAMA 4 ROAD BRANCH	+66 (0) 2249-3316
CHAROENNAKHON ROAD BRANCH	+66 (0) 2438-9551-3	NONG KHAEM BRANCH	+66 (0) 2444-2783-5	RAMA 9 ROAD BRANCH	+66 (0) 2717-0121-4
CHOKCHAI 4 BRANCH	+66 (0) 2530-2571-2	ON NUCH BRANCH	+66 (0) 2322-8932-4	RAMINTHRA BRANCH	+66 (0) 2971-6167
COMMUNICATION AUTHORITY OF THAILAND SUB-BRANCH	+66 (0) 2506-4024ñ5	PAKKLONG TALAD BRANCH	+66 (6) 2221-4000	RAMINTHRA KM. 4 BRANCH	+66 (0) 2510-6630-1
C.T.I. TOWER SUB-BRANCH	+66 (0) 2261-5274	PATHUM WAN BRANCH	+66 (0) 2215-0050-4	RAMINTHRA KM. 10 BRANCH	+66 (0) 2518-1112-5
DINDANG SUB-BRANCH	+66 (0) 2692-6351-3	PETROLEUM AUTHORITY BRANCH	+66 (0) 2537-2047-8	REVENUE DEPARTMENT SUB-BRANCH	+66 (0) 2617-2565-7
EKAMAI BRANCH	+66 (0) 2381-4052-4	PHASI CHAROEN BRANCH	+66 (0) 2458-0778	SAINT LOUIS SOI 3 BRANCH	+66 (0) 2212-3379
EXIM BUILDING SUB-BRANCH	+66 (0) 2278-1786-7	PHATTHANA KARN BRANCH	+66 (0) 2319-3910-1	SAMYAEK KASET BRANCH	+66 (0) 2561-4849
GOVERNMENT HOUSE SUB-BRANCH	+66 (0) 2282-0478	PHETKASEM 35-37 BRANCH	+66 (0) 2454-8085-8	SAM YAN BRANCH	+66 (0) 2215-4007-8
GOVERNMENT PHARMACEUTICAL ORGANIZATION SUB-BRANCH	+66 (0) 2247-8588, +66 (0) 2248-4128	PHRAPINKLAO BRANCH	+66 (0) 2884-9000-6	SAMYOD BRANCH	+66 (0) 2222-1171-4
HAPPY LAND ROAD BRANCH	+66 (0) 2375-6058	PHRAPINKLAO A. BRANCH	+66 (0) 2435-3413	SANPHAWUT ROAD BRANCH	+66 (0) 2361-1765-8
HUAI KHWANG BRANCH	+66 (0) 2275-2554	PLOENCHIT METROPOLITAN ELECTRICITY AUTHORITY SUB-BRANCH	+66 (0) 2251-9114-6	SAO CHING CHA BRANCH	+66 (0) 2221-1832
HUATAKHE BRANCH	+66 (0) 2739-1575-6	PORT AUTHORITY OF THAILAND SUB-BRANCH	+66 (0) 2350-2389-90	SAPHAN KASATSUEK	+66 (0) 2214-4147
KAOSAN ROAD BRANCH	+66 (0) 2282-8507-8			BRANCH	+66 (0) 2282-5007-8
KLONG CHAOKHUNSING BRANCH	+66 (0) 2530-4243			SAPHAN MAI BRANCH	+66 (0) 2551-0545-7
				SATHORN ROAD BRANCH	+66 (0) 2670-1700-3

SATHUPRADIT BRANCH +66 (0) 2295-4921-3
 SERMMIT TOWER SUB-BRANCH +66 (0) 2260-2697-8
 SI AYUTTHAYA ROAD BRANCH +66 (0) 2246-7774-9
 SIAM SQUARE BRANCH +66 (0) 2252-7294
 SILOM BRANCH +66 (0) 2233-2383-4
 SI NAKARIN BRANCH +66 (0) 2385-8167
 SI NAKARIN KM.9 BRANCH +66 (0) 2721-8010-3
 SIYAEK BANKHAEK BRANCH +66 (0) 2466-1650
 SIYAEK PRAYA SRI BRANCH +66 (0) 2221-9611
 SIYAEK SAPHAN KRUNGTHON BRANCH +66 (0) 2423-0530-1
 SOI ARLEE BRANCH +66 (0) 2271-2570-3
 SONGWAD BRANCH +66 (0) 2221-1284
 SRIYAN BRANCH +66 (0) 2243-3738-40
 SRONG PRAPA SUB-BRANCH +66 (0) 2566-1755
 SUANMALI BRANCH +66 (0) 2621-6500-9
 SUANPLU SUB-BRANCH +66 (0) 2287-1525
 SUKHAPHIBAN 2 BRANCH +66 (0) 2375-1653
 SUKHAPHIBAN 3 ROAD BRANCH +66 (0) 2729-5523-6
 SUKHUMVIT BRANCH +66 (0) 2258-0624
 SUKHUMVIT 71 BRANCH +66 (0) 2381-2603-5
 SUKHUMVIT 77 SUB-BRANCH +66 (0) 2311-6702
 SUKHUMVIT 93 BRANCH +66 (0) 2311-4216
 SURAWONGSE BRANCH +66 (0) 2234-7837-8
 SUTTHISAN WINITCHAI BRANCH +66 (0) 2276-9352-3
 TAKSIN ROAD BRANCH +66 (0) 2438-0023-4
 TALAD MO CHIT BRANCH +66 (0) 2272-0910-3
 TALAD NOI BRANCH +66 (0) 2236-4866-7
 TALAD PLU BRANCH +66 (0) 2465-1087
 TAO POON BRANCH +66 (0) 2585-1312
 TELEPHONE ORGANIZATION OF THAILAND SUB-BRANCH +66 (0) 2574-1289; 9410
 TOURISM AUTHORITY OF THAILAND SUB-BRANCH +66 (0) 2250-1504
 THADINDAENG BRANCH +66 (0) 2437-2979
 THAI AIRWAYS INTERNATIONAL SUB-BRANCH +66 (0) 2512-215
 THANON SUKSA WAT BRANCH +66 (0) 2468-6860-1
 THAPRA BRANCH +66 (0) 2868-2330-1
 THATIEN BRANCH +66 (0) 2222-0198-9
 THE CUSTOMS DEPARTMENT BRANCH +66 (0) 2249-9310-1

THE WET SUB-BRANCH +66 (0) 2281-2005
 THONBURI-PAKTHO BRANCH +66 (0) 2428-6362-3
 THONG LO SUB-BRANCH +66 (0) 2381-3508
 UDOMSUK BRANCH +66 (0) 2399-1169
 VAT TUKE BRANCH +66 (0) 2222-9444
 VICTORY MONUMENT BRANCH +66 (0) 2298-0016-20
 VIPHAVADI RANGSIT ROAD BRANCH +66 (0) 2272-2210-6
 VORACHAK BRANCH +66 (0) 2225-4928
 WISUT KASAT ROAD BRANCH +66 (0) 2282-2629
 WONG SAWANG BRANCH +66 (0) 2913-2347-50
 YAN NAWA BRANCH +66 (0) 2211-0156
 YAOWARAJ BRANCH +66 (0) 2222-0131-41

BANGKOK PERIMETER AND CENTRAL REGION (94 Branches)

● **NAKHON PATHOM (9 Branches)**
 BANG LEN BRANCH +66 (0) 3439-1032-3
 KAMPHAENG SAEN BRANCH +66 (0) 3435-1434-6
 NAKHON CHAISI BRANCH +66 (0) 3433-1113-6
 NAKHON PATHOM BRANCH +66 (0) 3425-0770-2
 OM YAI BRANCH +66 (0) 2420-4980-1
 PHRAPRATONE BRANCH +66 (0) 3429-3052-3
 PRAPATOMJEDEE BRANCH +66 (0) 3425-4297-8
 SAM PHRAN BRANCH +66 (0) 3432-2900-2
 SIYAEKSANAMCHAN BRANCH +66 (0) 3425-4533-5

● **NONTHABURI (12 Branches)**
 BANG BUA THONG BRANCH +66 (0) 2924-1031-2
 BANG KRUI BRANCH +66 (0) 2447-0652-4
 BANG KRUI ELECTRICITY GENERATING AUTHORITY SUB-BRANCH +66 (0) 2436-1563; 4094
 MINISTRY OF COMMERCE SUB-BRANCH +66 (0) 2547-5941-3
 MINISTRY OF PUBLIC HEALTH-TIWANON SUB-BRANCH +66 (0) 2580-7000
 MUANG THONG THANI BRANCH +66 (0) 2503-4893-4
 NGAMWONGWAN BRANCH +66 (0) 2591-6180-1
 NONTHABURI BRANCH +66 (0) 2525-0447
 PAK KRET BRANCH +66 (0) 2583-8616-7
 RATANATHIBET BRANCH +66 (0) 2591-3598-9
 SUAN YAI BRANCH +66 (0) 2525-0913
 TIWANON BRANCH +66 (0) 2591-5525-7

● **PATHUM THANI (8 Branches)**
 AMPHOE SAM KHOK BRANCH +66 (0) 2593-1381-3
 KLONGLUANG BRANCH +66 (0) 2516-3901-3
 LAT LUM KAEO BRANCH +66 (0) 2599-1086-9
 PATHUM THANI BRANCH +66 (0) 2581-2245-6
 PHITHAKSANTI BRANCH +66 (0) 2581-6331-3
 RUNG SIT BRANCH +66 (0) 2567-1001-5
 RUNG SIT-NAKHON NAYOK KLONG 4 SUB-BRANCH +66 (0) 2990-9939-42
 TALAD SIMUMMUENG BRANCH +66 (0) 2531-5111-3

● **PHA NAKHON SI AYUTTHAYA (9 Branches)**
 AYUTTHAYA BRANCH +66 (0) 3521-1483-4
 BANG PA-IN SUB-BRANCH +66 (0) 3522-1025-7
 PHACHI BRANCH +66 (0) 3531-1089
 PRATUNAM PHRA IN BRANCH +66 (0) 3536-1334-6
 PHAK HAI BRANCH +66 (0) 3539-1458-9
 ROJANA BRANCH +66 (0) 3524-3489
 SENA BRANCH +66 (0) 3520-1777
 TALAD HUA RAW BRANCH +66 (0) 3525-2365-6
 THA RUA BRANCH +66 (0) 3534-1089

● **SAMUT PRAKAN (11 Branches)**
 BANG KRU BRANCH +66 (0) 2462-7860-2
 BANG POO BRANCH +66 (0) 2703-8092-3
 BANGPHLI BRANCH +66 (0) 2316-1935-7
 PAK NAM BRANCH +66 (0) 2389-0993-7
 PHRA PRADAENG BRANCH +66 (0) 2462-5000
 PUCHAO SAMINGPHRAI ROAD BRANCH +66 (0) 2384-2757-9
 SAMRONG BRANCH +66 (0) 2384-4974
 SAMUT PRAKAN BRANCH +66 (0) 2389-1161
 SINAKARIN KM.14 BRANCH +66 (0) 2385-8138
 SRISAMUT ROAD BRANCH +66 (0) 2702-8208
 TEPHARAK BRANCH +66 (0) 2394-6839

● **SAMUT SAKHON (5 Branches)**
 BAN PHEO BRANCH +66 (0) 3485-0685
 KRATHUM BAEN BRANCH +66 (0) 3447-1926-7
 MAHA CHAI SUB-BRANCH +66 (0) 3481-0257-8
 OM NOI BRANCH +66 (0) 2420-5454-5
 SAMUT SAKHON BRANCH +66 (0) 3442-3017

● **ANG THONG (4 Branch)**
 ANG THONG BRANCH +66 (0) 3561-1720-1
 PA MOK BRANCH +66 (0) 3566-1329
 PHO THONG BRANCH +66 (0) 3569-1352-3
 WISET CHAI CHAN BRANCH +66 (0) 3563-1740-3

● **KANCHANABURI (7 Branch)**

BOPLOI BRANCH	+66 (0) 3462-8492-4
KANCHANABURI BRANCH	+66 (0) 3451-2289-90
SAENGCHUTO ROAD BRANCH	+66 (0) 3451-6769-71
SAI YOK BRANCH	+66 (0) 3463-4263-5
THA MAKA BRANCH	+66 (0) 3454-2307
	+66 (0) 3464-0681
THA MUANG BRANCH	+66 (0) 3461-1441
THONG PHA PHUM BRANCH	+66 (0) 3459-9065-6

● **LOP BURI (9 Branch)**

BAN MI BRANCH	+66 (0) 3647-1992
KHAO PHRANGAM SUB-BRANCH	+66 (0) 3648-6615
KHOK SAMRONG BRANCH	+66 (0) 3644-1239
LAMNARAI BRANCH	+66 (0) 3646-1760
LOP BURI BRANCH	+66 (0) 3641-1204-5
PHATTANANIKHOM BRANCH	+66 (0) 3663-9313-4
THA WUNG BRANCH	+66 (0) 3662-2038-9
VICHAYEN ROAD BRANCH	+66 (0) 3661-7953-4
WONG WIEN SRAKAEW BRANCH	+66 (0) 3641-3678

● **SAMUT SONGKHRAM (2 Branch)**

MAEKLONG SUB-BRANCH	+66 (0) 3471-6352-4
SAMUT SONGKHRAM BRANCH	+66 (0) 3471-1166; 1186

● **SARABURI (8 Branch)**

HIN GONG BRANCH	+66 (0) 3633-3793-4
NA PHRA LAN BRANCH	+66 (0) 3635-1192-3
NONG KHAE BRANCH	+66 (0) 3637-1319
NONG SAENG BRANCH	+66 (0) 3639-9238-40
PAKPREAW BRANCH	+66 (0) 3622-2337
SAO HAI BRANCH	+66 (0) 3639-1219
SARABURI BRANCH	+66 (0) 3622-2093-9
THALAN BRANCH	+66 (0) 3628-1427-8

● **SING BURI (2 Branch)**

INBURI BRANCH	+66 (0) 3658-1476-8
SING BURI BRANCH	+66 (0) 3651-1115

● **SUPHAN BURI (8 Branch)**

DAN CHANG BRANCH	+66 (0) 3550-9503-7
DON CHEDI BRANCH	+66 (0) 3559-1301-3
PHRAPHANVASA ROAD BRANCH	+66 (0) 3552-3475
SAM CHUK BRANCH	+66 (0) 3557-1011
SONG PHI NONG BRANCH	+66 (0) 3553-1452
SUPHAN BURI BRANCH	+66 (0) 3552-5202-5
SUPHAN BURI GOVERNMENT CENTRE BRANCH	+66 (0) 3553-5060-3
U-THONG BRANCH	+66 (0) 3555-1927-8

NORTHERN REGION (104 Branches)

● **CHAI NAT (3 Branches)**

CHAI NAT BRANCH	+66 (0) 5641-2406
HANKHA BRANCH	+66 (0) 5645-1099-100
SANKHABURI BRANCH	+66 (0) 5648-1061-2

● **CHIANG MAI (21 Branches)**

BO SANG SUB-BRANCH	+66 (0) 5333-8289
CHAI PRAKARN BRANCH	+66 (0) 5345-7002-3
CHANGKLAN ROAD BRANCH	+66 (0) 5327-2093-5
CHIANG DAO BRANCH	+66 (0) 5345-5237-9
CHIANG MAI BRANCH	+66 (0) 5324-5250-1
CHOM THONG BRANCH	+66 (0) 5334-1351-2
FANG BRANCH	+66 (0) 5345-1481-3
HANG DONG BRANCH	+66 (0) 5344-1097-8
HUAI KAEW ROAD SUB-BRANCH	+66 (0) 5322-5808-9
KHUANGSING BRANCH	+66 (0) 5340-9545-7
MAE JOE BRANCH	+66 (0) 5335-3431-4
MAE RIM BRANCH	+66 (0) 5329-7221-3
PHRASING BRANCH	+66 (0) 5328-3270-1
SAN KUMPHAENG BRANCH	+66 (0) 5333-2628
SAN PA KHOI BRANCH	+66 (0) 5324-1110
SANPATONG BRANCH	+66 (0) 5331-1519-20
SIYAEK SANAMBIN BRANCH	+66 (0) 5328-0965-7
CHIANG MAI BRANCH	+66 (0) 5328-3270-1
SRI NAKORN PINK BRANCH	+66 (0) 5323-4395
SUTHEP ROAD BRANCH	+66 (0) 5327-8087
TALAD NONG HOY SUB-BRANCH	+66 (0) 5380-0475-6
THA PAE BRANCH	+66 (0) 5325-2801-5

● **CHIANG RAI (7 Branches)**

CHIANG RAI BRANCH	+66 (0) 5374-4282-3
CHIANG SAEN BRANCH	+66 (0) 5365-0696-7
HAYA EK PHOKHUN MENGRAI BRANCH	+66 (0) 5371-7740-3
MAE CHAN BRANCH	+66 (0) 5377-1940-1
MAE SAI BRANCH	+66 (0) 5373-1624-5
PHAN BRANCH	+66 (0) 5372-1370-1
TALAD PAKO BRANCH	+66 (0) 5375-6666-7

● **KAMPHAENG PHET (6 Branches)**

CHAKANGRAO BRANCH	+66 (0) 5571-3365
KAMPHAENG PHET BRANCH	+66 (0) 5571-1117
KHANU	+66 (0) 5572-5024
WORALAKSABURI BRANCH	+66 (0) 5578-1112
KLONG KHLUNG BRANCH	+66 (0) 5578-1112

LAN KRABU BRANCH	+66 (0) 5576-9117
SALOKBAT BRANCH	+66 (0) 5577-1200

● **LAM PANG (7 Branches)**

LAM PANG BRANCH	+66 (0) 5422-1276
MAE MO BRANCH	+66 (0) 5426-6004
MAE THA BRANCH	+66 (0) 5428-9155
NAKUAM BRANCH	+66 (0) 5423-0193-5
PRATUCHAI BRANCH	+66 (0) 5422-3638
THOEN BRANCH	+66 (0) 5429-1333
WANG NUA BRANCH	+66 (0) 5427-9118-9

● **LAMPHUN (4 Branches)**

BAN HONG BRANCH	+66 (0) 5359-1111
LAMPHUN BRANCH	+66 (0) 5351-2109-10
LAMPHUN INDUSTRIAL ESTATE SUB-BRANCH	+66 (0) 5358-1442; 1544
MAE THAR BRANCH	+66 (0) 5357-4322-5

● **MAE HONG SON (4 Branches)**

KHUN YUAM BRANCH	+66 (0) 5369-1023
MAE HONG SON BRANCH	+66 (0) 5361-2399
MAE SARIANG BRANCH	+66 (0) 5368-1111
PAI BRANCH	+66 (0) 5369-9028-9

● **NAKORN SAWAN (11 Branches)**

BANPHOT PHISAI BRANCH	+66 (0) 5627-9034
CHUMSAENG BRANCH	+66 (0) 5628-2103
KOSEE ROAD BRANCH	+66 (0) 5622-1053
LAT YAO BRANCH	+66 (0) 5627-1267
MATULI ROAD BRANCH	+66 (0) 5622-9904
NAKHON SAWAN BRANCH	+66 (0) 5621-6281-3
PAK NAM PHO BRANCH	+66 (0) 5622-7597
PHAYUHA KHIRI BRANCH	+66 (0) 5634-1502-3
SAWANVITI ROAD BRANCH	+66 (0) 5622-1628
TAK FA BRANCH	+66 (0) 5624-1177-8
TAKHLI BRANCH	+66 (0) 5626-1557

● **NAN (1 Branches)**

NAN BRANCH	+66 (0) 5477-2543-4
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● **PHAYAO (4 Branches)**

CHIANG KHAM BRANCH	+66 (0) 5445-1800
DOK KHAM TAI BRANCH	+66 (0) 5449-1477-9
PHAYAO BRANCH	+66 (0) 5443-1032
PONG BRANCH	+66 (0) 5449-7038

● **PHETCHABUN (6 Branches)**

CHON DAEN BRANCH	+66 (0) 5676-1275-6
LOM SAK BRANCH	+66 (0) 5670-1675
NONGPHAI BRANCH	+66 (0) 5678-1886-8
PHETCHABUN BRANCH	+66 (0) 5671-1344

PHETCHAROEN +66 (0) 5671-1644-7
ROAD SUB-BRANCH
WICHIAN BURI +66 (0) 5679-1316-9
BRANCH

● **PHICHIT (7 Branches)**

BANG MUN NAK +66 (0) 5663-1830
BRANCH
PHICHIT BRANCH +66 (0) 5661-1376
PHO THALE +66 (0) 5668-1022
BRANCH
RAJKASEMUTIT +66 (0) 5665-1393-5
BRANCH
SAK LEG BRANCH +66 (0) 5669-9127-9
TAPHAN HIN +66 (0) 5662-1179
BRANCH
TAP KLO BRANCH +66 (0) 5664-1334

● **PHITSANULOK (7 Branches)**

BANG RAKAM +66 (0) 5537-1228-9
BRANCH
HAYAEEK +66 (0) 5524-5457-8
KHOKMATOOM
BRANCH
NAKHON THAI +66 (0) 5538-9091
BRANCH
PHITSANULOK +66 (0) 5523-0371-5
BRANCH
PHROM PHIRAM +66 (0) 5536-9111-2
BRANCH
SINGHAWAT ROAD +66 (0) 5523-0721
BRANCH
WANG THONG +66 (0) 5531-1314
BRANCH

● **PHRAE (2 Branches)**

LONG BRANCH +66 (0) 5458-1666
PHRAE BRANCH +66 (0) 5452-2941-2

● **SUKHOTHAI (5 Branches)**

KONG KRAILAT +66 (0) 5569-1130-3
BRANCH
SAWANKHALOK +66 (0) 5564-1060
BRANCH
SI NAKHON BRANCH +66 (0) 5565-2636
SI SAMRONG +66 (0) 5568-1366
BRANCH
SUKHOTHAI +66 (0) 5561-1383
BRANCH

● **TAK (2 Branches)**

MAE SOT BRANCH +66 (0) 5553-1006
TAK BRANCH +66 (0) 5551-1423

● **UTTARADIT (5 Branches)**

NAM PAT BRANCH +66 (0) 5548-1011
PHICHAI BRANCH +66 (0) 5542-1037
SI UTRA ROAD +66 (0) 5541-3860
BRANCH
TRON BRANCH +66 (0) 5549-1013
UTTARADIT BRANCH +66 (0) 5544-4345-6

● **UTHAI THANI (2 Branches)**

SAWANG AROM +66 (0) 5654-4126-8
BRANCH
UTHAI THANI +66 (0) 5651-1027
BRANCH

**NORTHEASTERN REGION
(105 Branches)**

● **AMNAT CHAROEN (1 Branches)**

AMNAT CHAROEN +66 (0) 4551-1058
BRANCH

● **BURI RAM (9 Branches)**

BURI RAM BRANCH +66 (0) 4461-3558-9
KRASANG BRANCH +66 (0) 4469-1020
KUMUENG +66 (0) 4469-9001
SUB-BRANCH
LAM PLAI MAT +66 (0) 4466-1310
BRANCH
NANGRONG +66 (0) 4463-2105-8
BRANCH
PHUTTHAISONG +66 (0) 4468-9202-3
BRANCH
PRAKHON CHAI +66 (0) 4467-1117
BRANCH
SATUK BRANCH +66 (0) 4462-7415
THANI ROAD +66 (0) 4461-1560
BRANCH

● **CHAIYAPHUM (6 Branches)**

BANTANT +66 (0) 4488-7109
SUB-BRANCH
BUMNET NARONG +66 (0) 4485-9221-2
BRANCH
CHAIYAPHUM +66 (0) 4482-1323
BRANCH
HARUETHAI ROAD +66 (0) 4482-1799
SUB-BRANCH
NONG BUA RAWE +66 (0) 4489-7225-6
SUB-BRANCH
PU KEAW BRANCH +66 (0) 4486-1411

● **KALASIN (3 Branches)**

KALASIN BRANCH +66 (0) 4381-4880
KUCHINARAI +66 (0) 4385-1312-4
BRANCH
NONG KUNG SI +66 (0) 4388-1123-4
BRANCH

● **KHON KAEN (12 Branches)**

BAN PHAI BRANCH +66 (0) 4327-2116
CHUM PHAE +66 (0) 4331-2016
BRANCH
KHON KAEN +66 (0) 4324-6837-40
BRANCH
KHON KAEN +66 (0) 4324-4461
UNIVERSITY
SUB-BRANCH
KLANG MUANG +66 (0) 4332-1647-8
ROAD BRANCH
KRANUAN BRANCH +66 (0) 4325-1700-2
MALIWAL ROAD +66 (0) 4324-1605-6
BRANCH
MUANG PHON +66 (0) 4341-4273
BRANCH
NONG RUA BRANCH +66 (0) 4329-4117
PRATUMUANG +66 (0) 4332-2278-80
BRANCH
TALAD CHUMPHAE +66 (0) 4331-2018-9
SUB-BRANCH
UBOL RATANA +66 (0) 4344-6001-4
BRANCH

● **LOEI (2 Branches)**

DAN SAI BRANCH +66 (0) 4289-1322
LOEI BRANCH +66 (0) 4281-1185

● **MAHA SARAKHAM (4 Branches)**

BORABU BRANCH +66 (0) 4377-1451-2
KOSUM PHISAI +66 (0) 4376-1845-6
BRANCH
MAHA SARAKHAM +66 (0) 4372-3133
BRANCH
PHAYAKKAPHUM +66 (0) 4379-1400-2
PHISAI BRANCH

● **MUKDAHAN (3 Branches)**

KHAMCHA-I +66 (0) 4269-1144
BRANCH
MUKDAHAN +66 (0) 4261-1507
BRANCH
NIKHOM KHAM +66 (0) 4263-8311-2
SOI BRANCH

● **NAKHON PHANOM (3 Branches)**

NAKAE BRANCH +66 (0) 4257-1123
NAKHON PHANOM +66 (0) 4251-3993-4
BRANCH
RANU NAKHON +66 (0) 4257-9125-7
BRANCH

● **NAKHON RATCHASIMA
(15 Branches)**

BUA YAI BRANCH +66 (0) 4446-1030-1
CHOKCHAI BRANCH +66 (0) 4449-1700-3
DAN KHUN THOT +66 (0) 4438-9428-9
BRANCH
JUA HUA BRANCH +66 (0) 4437-1405
KLANG DONG +66 (0) 4436-1686-7
BRANCH
MAHA RAT +66 (0) 4425-7198,
NAKHONRATCHA- +66 (0) 4424-3300
SIMA HOSPITAL
SUB-BRANCH
MITRAPHAP ROAD +66 (0) 4425-7470-3
BRANCH
NAKHON +66 (0) 4425-5759
RATCHASIMA
BRANCH
PAK CHONG BRANCH +66 (0) 4431-1095
PAK THONG CHAI +66 (0) 4444-1090
BRANCH
PHOKLANG ROAD +66 (0) 4424-4222
BRANCH
PRATHAI BRANCH +66 (0) 4447-9465-6
SAM YAK PAK +66 (0) 4422-2121
THONG CHAI
BRANCH
SIKHIU BRANCH +66 (0) 4441-1666
WANG NUM KHIEO +66 (0) 4422-8035-7
SUB-BRANCH

● **NONG BUA LUM PHU
(1 Branches)**

NONG BUA LUM +66 (0) 4231-2027-9
PHU BRANCH

● **NONG KHAI (6 Branches)**

BUNG KAN BRANCH +66 (0) 4249-1756
NONG KHAI BRANCH +66 (0) 4242-0065-7
SEKA BRANCH +66 (0) 4248-9097
SI CHIANG MAI +66 (0) 4245-1541
BRANCH
THA BO BRANCH +66 (0) 4243-1793-4
THASADEJ BRANCH +66 (0) 4246-0024-7

● **ROI ET (6 Branches)**

BUNGPLANCHAI SUB-BRANCH	+66 (0) 4352-0488-90
NONG PHOK BRANCH	+66 (0) 4357-9179-80
ROI ET BRANCH	+66 (0) 4351-5135
SELAPHUM BRANCH	+66 (0) 4355-1251
SUWANNAPHUM BRANCH	+66 (0) 4358-1251-2
TALAD HAI SOKE BRANCH	+66 (0) 4352-2165-9

● **SAKON NAKHON (5 Branches)**

AKAT AMNUAI BRANCH	+66 (0) 4279-9251
CHAROEN MUANG SUB-BRANCH	+66 (0) 4271-5089
PHANG KHON BRANCH	+66 (0) 4277-1121-3
SAKON NAKHON BRANCH	+66 (0) 4271-1024
SAWANG DAEN DIN BRANCH	+66 (0) 4272-1680-1

● **SI SA KET (5 Branches)**

KANTHARALAK BRANCH	+66 (0) 4566-1005
KHUN HAN BRANCH	+66 (0) 4567-9042-3
SI SA KET BRANCH	+66 (0) 4561-2537
TEPHA ROAD SUB-BRANCH	+66 (0) 4562-2870-2
UTHUMPHON PHISAI BRANCH	+66 (0) 4569-1119

● **SURIN (5 Branches)**

CHOM PHRA BRANCH	+66 (0) 4458-1188-9
LUKMUANG BRANCH	+66 (0) 4451-9416-8
PRASAT BRANCH	+66 (0) 4455-1308
SIKHORAPHUM BRANCH	+66 (0) 4456-1321-4
SURIN BRANCH	+66 (0) 4451-4568

● **UBON RATCHATHANI (9 Branches)**

AUPPARAJ ROAD SUB-BRANCH	+66 (0) 4524-0381-3
BUNTHARIK BRANCH	+66 (0) 4537-6005-6
CHAYANGKUL ROAD BRANCH	+66 (0) 4528-0157-9
DET UDOM BRANCH	+66 (0) 4536-1058-9
KHONG CHIAM BRANCH	+66 (0) 4535-1124-5
SAPPASIT ROAD BRANCH	+66 (0) 4524-4848-9
SI YAK KILO 0 BRANCH	+66 (0) 4524-4790-4
UBON RATCHATHANI BRANCH	+66 (0) 4531-4931-4
WARIN CHAMRAP BRANCH	+66 (0) 4532-2841-3

● **UDON THANI (7 Branches)**

BAN PHU BRANCH	+66 (0) 4228-1281-2
CHAROENSRI COMPLEX BRANCH	+66 (0) 4224-9210-2
KUMPHAWAPI BRANCH	+66 (0) 4233-1055

MARKKAENG ROAD BRANCH	+66 (0) 4224-9701-3
TALAD NONGBUA BRANCH	+66 (0) 4224-4035-6
UDON THANI BRANCH	+66 (0) 4224-7755
UDONDUSADEE ROAD BRANCH	+66 (0) 4222-1472

● **YASOTHON (3 Branches)**

KUT CHUM BRANCH	+66 (0) 4578-9416-7
LOENG NOKTHA BRANCH	+66 (0) 4578-1171-2
YASOTHON BRANCH	+66 (0) 4572-0801-2

EASTERN REGION (50 Branches)

● **CHACHOENGSAO (9 Branches)**

BANG KHLA BRANCH	+66 (0) 3854-1014
BANG NAM PRIEO BRANCH	+66 (0) 3858-1215-7
BANG PAKONG BRANCH	+66 (0) 3853-1211-2
BANGPAKONG THERMAL PLANT SUB-BRANCH	+66 (0) 3857-3574-5
CHACHOENGSAO BRANCH	+66 (0) 3851-6606-11
MAHACHAKAPAD ROAD BRANCH	+66 (0) 3851-2700-1
PANICH ROAD BRANCH	+66 (0) 3851-6691-3
PHANOM SARAKHAM BRANCH	+66 (0) 3855-1836
SANAM CHAI KHET BRANCH	+66 (0) 3859-7068

● **CHANTHABURI (8 Branches)**

CHANTHABURI BRANCH	+66 (0) 3931-1507
KHLUNG BRANCH	+66 (0) 3944-1239-40
NA YAI AM BRANCH	+66 (0) 3937-1236-8
PLEAW BRANCH	+66 (0) 3939-7221-5
PONG NAM RON BRANCH	+66 (0) 3938-7106-7
SOY DAW BRANCH	+66 (0) 3938-1301
SRIRONGMUENG ROAD BRANCH	+66 (0) 3932-2116-7
TRIRATANA BRANCH	+66 (0) 3932-5930-2

● **CHONBURI (15 Branches)**

AO UDOM BRANCH	+66 (0) 3835-1357
BAN BUNG BRANCH	+66 (0) 3844-3006
BANGPLASOI BRANCH	+66 (0) 3827-4093-5
CHONBURI BRANCH	+66 (0) 3827-3584-7
HUAI KAPI BRANCH	+66 (0) 3827-2471-4
JADJAMNONG ROAD BRANCH	+66 (0) 3828-3457-8
LAEMCHABANG BRANCH	+66 (0) 3849-4320-3
NONGMON BRANCH	+66 (0) 3839-2059-60
NONG YAI BRANCH	+66 (0) 3821-9472-3
PATTHAYA BRANCH	+66 (0) 3842-9275-6
PATTHAYAKLANG ROAD BRANCH	+66 (0) 3842-8436
PHANAT NIKHOM BRANCH	+66 (0) 3847-3034

PLUTALUANG BRANCH	+66 (0) 3824-5057-8
SATTAHIP BRANCH	+66 (0) 3843-8042-8
SI RACHA BRANCH	+66 (0) 3831-2002

● **NAKHON NAYOK (2 Branches)**

BAN NA BRANCH	+66 (0) 3738-1228-30
NAKHON NAYOK BRANCH	+66 (0) 3731-1475-6

● **PRACHIN BURI (2 Branches)**

KABIN BURI BRANCH	+66 (0) 3728-1635-6
PRACHIN BURI BRANCH	+66 (0) 3721-2022

● **RAYONG (7 Branches)**

BAN CHANG BRANCH	+66 (0) 3860-2684
BAN PHE BRANCH	+66 (0) 3865-1542-3
KLAENG BRANCH	+66 (0) 3867-1765
MABTAPUD BRANCH	+66 (0) 3860-7995-9
RAYONG BRANCH	+66 (0) 3861-3965-6
THAPRADU BRANCH	+66 (0) 3861-5180
WANG CHAN BRANCH	+66 (0) 3888-8254-5

● **SRA KAEW (4 Branches)**

ARANYAPRATHET BRANCH	+66 (0) 3723-2576-7
SRA KAEW BRANCH	+66 (0) 3724-2693
TA PHRAYA BRANCH	+66 (0) 3726-9113-5
WATTHANA NAKHON BRANCH	+66 (0) 3726-1021

● **TRAD (3 Branches)**

KHLONG YAI BRANCH	+66 (0) 3958-1245-6
SAENTUNG BRANCH	+66 (0) 3959-9121-3
TRAD BRANCH	+66 (0) 3952-0542-4

SOUTHERN REGION (103 Branches)

● **CHUMPHON (4 Branches)**

CHUMPHON BRANCH	+66 (0) 7751-1158
LUNG SUAN BRANCH	+66 (0) 7754-1091
PATHOMPORN BRANCH	+66 (0) 7750-2926-8
SAWI BRANCH	+66 (0) 7753-1500

● **KRABI (4 Branches)**

AO LUK BRANCH	+66 (0) 7568-1112
KHLONG THOM BRANCH	+66 (0) 7569-9038
KRABI BRANCH	+66 (0) 7561-1193-4
NUA KHLONG BRANCH	+66 (0) 7569-1114

● **NAKHON SI THAMMARAT (13 Branches)**

CHAN DI BRANCH	+66 (0) 7548-6272
CHA UAT BRANCH	+66 (0) 7538-1344-5
CHAWANG BRANCH	+66 (0) 7548-1171
CHIAN YAI BRANCH	+66 (0) 7536-2484-6
KHANOM BRANCH	+66 (0) 7552-9441-2
MAHARAT NAKHON SI THAMMARAT HOSPITAL SUB-BRANCH	+66 (0) 7534-2011

NAKHON SI THAMMARAT BRANCH +66 (0) 7535-6919
 PAK PHANANG BRANCH +66 (0) 7551-7120-1
 TALAD HUA IT BRANCH +66 (0) 7531-6319
 TALAD KASET BRANCH +66 (0) 7541-1311
 THA SALA BRANCH +66 (0) 7552-1453
 THA WANG BRANCH +66 (0) 7534-7334-7
 THUNG SONG BRANCH +66 (0) 7541-1200

● **NARATHIWAT (4 Branches)**

NARATHIWAT BRANCH +66 (0) 7351-1004
 SUNGAI KOLOK BRANCH +66 (0) 7361-2000-1
 TAK BAI BRANCH +66 (0) 7358-1261-3
 TANYONGMAS BRANCH +66 (0) 7367-1113

● **PATTANI (3 Branches)**

CHAROEN PRADIT BRANCH +66 (0) 7333-1033
 PATTANI BRANCH +66 (0) 7333-3024
 YARANG BRANCH +66 (0) 7335-2277

● **PHANGNGA (4 Branches)**

KHOK KLOI BRANCH +66 (0) 7658-1109
 KHURA BURI BRANCH +66 (0) 7649-1392-3
 PHANGNGA BRANCH +66 (0) 7641-1565-6
 TAKUA PA BRANCH +66 (0) 7642-1888

● **PHATTHALUNG (4 Branches)**

KHAO CHAISON BRANCH +66 (0) 7469-1123-4
 MAE KHRI BRANCH +66 (0) 7469-5138-9
 PAK PHAYUN BRANCH +66 (0) 7469-9037-8
 PHATTHALUNG BRANCH +66 (0) 7461-3192

● **PHETCHABURI (4 Branches)**

CHA-AM BRANCH +66 (0) 3247-1600
 PHETCHABURI BRANCH +66 (0) 3242-5501
 PHRA NAKHONKIRI BRANCH +66 (0) 3242-7100
 THA YANG BRANCH +66 (0) 3246-1551-3

● **PHUKET (5 Branches)**

PATONG BRANCH +66 (0) 7634-4302
 PHUKET AIRPORT BRANCH +66 (0) 7632-7438
 PHUKET BRANCH +66 (0) 7621-1351
 RUSDA ROAD BRANCH +66 (0) 7621-2397,
 +66 (0) 7622-5691
 THEPKRASATTRI ROAD BRANCH +66 (0) 7635-5284-7

● **PRACHUAP KHIRI KHAN (5 Branches)**

BANG SAPHAN BRANCH +66 (0) 3269-2254-5
 HUA HIN BRANCH +66 (0) 3251-1812
 KUI BURI BRANCH +66 (0) 3268-1585
 PRACHUAP KHIRI KHAN BRANCH +66 (0) 3261-1371-2

PRAN BURI BRANCH +66 (0) 3262-1664

● **RANONG (2 Branches)**

RANONG BRANCH +66 (0) 7782-3039
 RUENGRAJ ROAD BRANCH +66 (0) 7781-1716

● **RATCHABURI (11 Branches)**

BAN PONG BRANCH +66 (0) 3221-1044;
 1414
 CHOM BUNG BRANCH +66 (0) 3236-2351-2
 DAMNOEN SADUAK BRANCH +66 (0) 3224-1500-2
 KRAIPHET ROAD BRANCH +66 (0) 3232-2049,
 +66 (0) 3233-6013
 PAK THO BRANCH +66 (0) 3228-1479
 POTHARAM BRANCH +66 (0) 3223-1926
 RATCHABURI BRANCH +66 (0) 3233-7146,
 +66 (0) 3231-5803
 RATCHABURI CITY HALL SUB-BRANCH +66 (0) 3232-5947
 RATCHABURI HOSPITAL SUB-BRANCH +66 (0) 3232-5948
 SISURIYAWONG BRANCH +66 (0) 3232-3394-5
 SUAN PHUNG BRANCH +66 (0) 3236-4262-4

● **SATUN (2 Branches)**

KHUAN KA LONG BRANCH +66 (0) 7479-7020-1
 SATUN BRANCH +66 (0) 7472-1339-41

● **SONGKHLA (14 Branches)**

HAT YAI BRANCH +66 (0) 7423-0622-3
 HAT YAI HOSPITAL SUB-BRANCH +66 (0) 7424-5388-9
 HAT YAI NAI BRANCH +66 (0) 7423-0917-8
 NA THAWI BRANCH +66 (0) 7437-1545-7
 NIPHAT UTIT 2 BRANCH +66 (0) 7423-9088-9
 PADANG BESAR BRANCH +66 (0) 7452-1616-7
 PHETKASEM ROAD BRANCH +66 (0) 7424-5854,
 +66 (0) 7423-9087
 RAJYINDEE BRANCH +66 (0) 7423-0481-2
 SADAO BRANCH +66 (0) 7441-1007
 SATHING PHRA BRANCH +66 (0) 7439-7115-6
 SINGHA NAKHON BRANCH +66 (0) 7433-1276-7
 SONGKHLA BRANCH +66 (0) 7431-1585
 THANON NAKHON NOK BRANCH +66 (0) 7431-5236-7
 THUNGLUNG SUB-BRANCH +66 (0) 7447-1254-5

● **SURAT THANI (10 Branches)**

DON SAK BRANCH +66 (0) 7737-1097
 KHIRI RATTHANIKHOM BRANCH +66 (0) 7739-1075
 KO PHANGAN SUB-BRANCH +66 (0) 7737-7184
 KO SAMUI BRANCH +66 (0) 7742-1504-5
 PHUNPHIN BRANCH +66 (0) 7731-1016

SRIVICHAI ROAD BRANCH +66 (0) 7728-6002-3

SURAT THANI BRANCH +66 (0) 7728-2071,
 +66 (0) 7727-2039
 SURAT THANI† COOPERATIVE SUB-BRANCH +66 (0) 7744-1089;
 1091

TALAD MAI ROAD BRANCH +66 (0) 7727-3967,
 +66 (0) 7728-5364
 THA CHANG BRANCH +66 (0) 7738-9053-4

● **TRANG (8 Branches)**

KANTANG BRANCH +66 (0) 7525-2898-9
 KAPANG BRANCH +66 (0) 7528-6251-2
 NAYONG BRANCH +66 (0) 7524-2464-5
 SIKAO BRANCH +66 (0) 7529-1035
 TALAD MUENGTRANG BRANCH +66 (0) 7521-9871-2
 THABTHIANG BRANCH +66 (0) 7521-1483-4
 TRANG BRANCH +66 (0) 7521-4034
 YAN TA KHAO BRANCH +66 (0) 7528-1194

● **YALA (7 Branches)**

BAN NANG SATA BRANCH +66 (0) 7328-9422
 BETONG BRANCH +66 (0) 7324-5301-2
 RAMAN BRANCH +66 (0) 7329-5101-2
 SIROROS BRANCH +66 (0) 7321-1750-1
 SUKYANG ROAD BRANCH +66 (0) 7323-0024
 YAHA BRANCH +66 (0) 7329-1034,
 +66 (0) 7325-0358
 YALA BRANCH +66 (0) 7321-2105,
 +66 (0) 7324-1521

SHARIAH BANKING SERVICES (ISLAMIC PRINCIPLE)

1252 Phattanakarn road, Suanluang, Bangkok 10250 Tel. +66 (0) 2713 7346-51 Fax. +66 (0) 2713 7292

Service Branch: 18 Branches

BANGKOK BRANCH

MEENBURI MADANI BRANCH	+66 (0) 2517-9655-7
PATHUM THANI DARUL SA-ADAH SUB-BRANCH	+66 (0) 2593-4070-2
PHATTHANAKARN DARUL AMANAN OFFICE	+66 (0) 2713-7481-87

NORTHERN BRANCH

CHIANG MAI DARUL HUSNA BRANCH	+66 (0) 5328-3265-6
CHIANG RAI DARUL MUBIN BRANCH	+66 (0) 5374-8883-5
LAMPANG DARUL IKHLAS BRANCH	+66 (0) 5422-2996, 2054
PHITSANULOK DARUL YAGIN BRANCH	+66 (0) 5524-2712-3

EASTERN BRANCH

PATHAYA DARUL AMAN SUB-BRANCH	+66 (0) 3848-8414-6
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NORTHEASTERN BRANCH

KHON KAEN DARUL HUDA SUB-BRANCH	+66 (0) 4324-6824-6
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SOUTHERN BRANCH

CHA NA DARUL RAHMAH SUB-BRANCH	+66 (0) 7439- 4032-5
CHUMPHON DARUL ADIL BRANCH	+66 (0) 7750-2889; 3395-6
HAT YAI DARUL MUSTAGIM SUB-BRANCH	+66 (0) 7423-7958; 7392
NARATHIWAT DARUS SALAM BRANCH	+66 (0) 7351-1117; 1437
PATTANI DARUL SALAM BRANCH	+66 (0) 7331-1908; 1820-23
PHETCHABURI DARUL AMIN BRANCH	+66 (0) 3241-4090-2
SONGKHLA DARUS SALIM BRANCH	+66 (0) 7455-8259-61
SATUN BHUKET BU - NGA SUB-BRANCH	+66 (0) 7472-5039-42
YALA DARUL AMAN BRANCH	+66 (0) 7324-7140-3

Shariah Banking Services 16 Counter

FANG BRANCH COUNTER	+66 (0) 5345-1481-3
MAE SAI BRANCH COUNTER	+66 (0) 5373-1624-5
BAN NANG SATA BRANCH COUNTER	+66 (0) 7328-9422
KHUAN KA LONG BRANCH COUNTER	+66 (0) 7479-7020-1
NA THAWI BRANCH COUNTER	+66 (0) 7437-1545-8
PADANG BESAR BRANCH COUNTER	+66 (0) 7452-1616-7
RAMAN BRANCH COUNTER	+66 (0) 7329-5101-2, 5295
SADAO BRANCH COUNTER	+66 (0) 7441-1007, 1206, 1955-6
SATHING PHRA BRANCH COUNTER	+66 (0) 7439-7114-6
SINGHA NAKHON BRANCH COUNTER	+66 (0) 7433-1276-7
SUKYANG BRANCH COUNTER	+66 (0) 7323-0023, 1208
SUNGAI KOLOK BRANCH COUNTER	+66 (0) 7361-2000-2, 5478
TAK BAI BRANCH COUNTER	+66 (0) 7352-4375
TANYONGMAS BRANCH COUNTER	+66 (0) 7367-1113
YAHA BRANCH COUNTER	+66 (0) 7329-1034, 0-7325-0358
YARANG BRANCH COUNTER	+66 (0) 7343-9049-50

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Telex : RS24120 KTBSIN
SWIFT : KRTH SG SG
E-Mail : ktbs@pacific.net.sg

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650051
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Telex : 64190 KTB KM
E-Mail : ktbkmcn@public.km.yn.cn

Mumbai Branch

AVP & General Manager : Mr. Soonthorn Pipake
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(91-22) 2287-5458
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SWIFT : KRTH IN BB
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(855-23) 882-959
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Fax. : (855-23) 428-737
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People's Democratic Republic
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Siem Reap Province Sub - Branch

Acting Branch Manager : Mr. Prasit Jaroensri
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Khum Svay Dangkom
Siem Reap District
Siem Reap Province
Cambodia
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E-Mail : ktbsrp@camintel.com