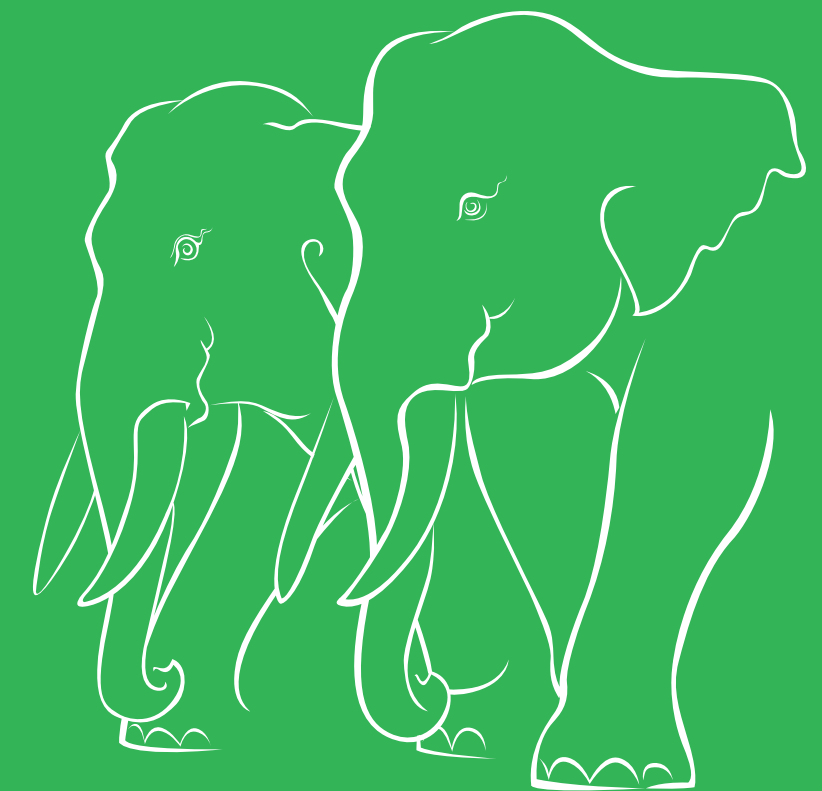
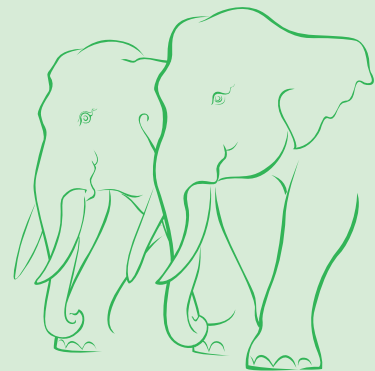




ธนาคารกสิกรไทย
THAI FARMERS BANK 泰华农民银行

Annual Report 2002





“Intellect” and “Charisma”

The pair of bronze elephants guarding the entrance of Thai Farmers Bank Headquarters Building exhibit the perfect form of the classic Thai elephant, regarded as a noble animal in Thailand.

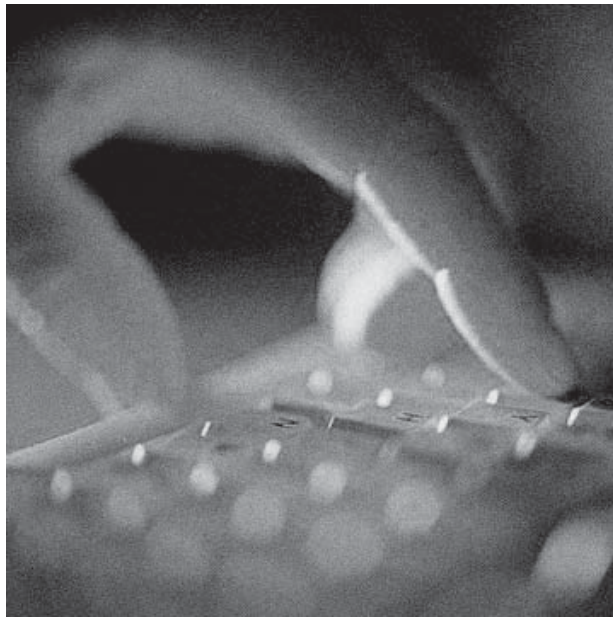
Named “Intellect” and “Charisma”, the robust young bull tuskers symbolize the dynamic progress achieved by the Bank’s management based on intellectual strength and charismatic leadership.

**Thai Farmers Bank
Public Company Limited**

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Selected Financial Data



As at December 31,

	<i>(Million Baht)</i>				
Consolidated	2002	2001	2000	1999	1998
Total assets	760,782	774,599	767,513	724,882	756,961
Total liabilities	725,337	747,159	741,693	703,602	705,063
Shareholders' equity	35,445	27,440	25,820	21,280	51,898
Interest and dividend income	35,909	39,002	40,927	45,237	77,602
Net income from interest and dividend	18,622	17,575	15,362	9,336	12,834
Non-interest income	7,995	8,178	7,003	7,003	9,579
Total income	43,904	47,180	47,930	52,240	87,181
Net income (loss)	6,684	1,008	1,265	(56,420)	(40,158)

	<i>(Percentage)</i>				
Financial Ratios	2002	2001	2000	1999	1998
Net income (loss) to total income	15.22	2.13	2.63	(108.00)	(46.06)
Return on average equity	21.51	3.83	5.43	(155.99)	(78.25)
Return on average assets	0.87	0.13	0.17	(7.61)	(5.31)
Basic earnings (loss) per share (Baht)	2.84	0.43	0.54	(30.10)	(24.54)
Dividend per share (Baht)	-	-	-	-	-
Book value per share (Baht)	14.91	11.50	10.87	8.93	43.64
Capital adequacy ratio	14.34	12.73	11.75	11.53	11.34



A code of good corporate governance has been formulated and put firmly into place. At the same time, close and cordial customer relationships continue to be focused upon.



The Thai economy in 2002 grew at an appreciable rate, through substantial increases in both domestic consumption and investment. In addition, exports also expanded above forecasts, significantly strengthening Thailand's foreign reserves. The economy attained stability, while inflation remained low. The improving economy was boosted by the Government's fiscal and economic policies to disperse public funds at the nation's economic grassroots to stimulate local economic growth. These policies have significantly increased the spending power of the people and contributed towards continued economic recovery.

Banking performance for the year has also been encouraging. Most banks have realized better results than those seen in 2001. While Thai Farmers Bank has enjoyed satisfactory performance in the past year with higher profits, nevertheless we have not been complacent. The Bank has laid down business strategies to address the rapidly changing market environment, and has improved organizational structure to enhance efficient management. Internal controls have also been strengthened for effective risk management to further complement sound financial management. Meanwhile, a code of good corporate governance has been formulated and put firmly into place. At the same time, close and cordial customer relationships continue to be focused upon. These ongoing initiatives are the driving forces that will propel the Bank forward to smooth and sustainable progress.

The operating results of the Thai Farmers Bank in 2002 shows our exceptional ability to overcome a multitude of adverse factors besetting the banking and financial sectors during the year. This has been made possible through the concerted efforts and dedication of our staff, and by the continued support of our shareholders, both domestic and foreign, as well as our customers and the general public. The Board of Directors of the Thai Farmers Bank therefore takes this opportunity to thank each and every one of you for your support and trust throughout 2002.

A handwritten signature in black ink, appearing to read 'Banyong Lamsam', written in a cursive style.

(Banyong Lamsam)
Chairman



1. Overview

1.1 Economic Overview and Regulatory Changes

● Outlook for the Thai Economy

• Thai Economy in 2002

In 2002, Thailand's GDP grew at 5.00 percent compared to 1.90 percent in the previous year. In addition to export growth of 5.85 percent, the country's economic expansion was sustained by domestic spending. While private consumption growth of 4.30 percent was driven by low interest rates and stimulus measures from the government, private investment growth of 12.80 percent resulted from recovery in construction activity, and the real estate and automobile sectors. The 11.00 percent growth in government spending in FY2002 was equally important in acting as a key stimulus. With the economy in the early stages of recovery, inflation in 2002 was mild at 0.70 percent, despite rising oil prices during the second half of the year.

• Outlook for 2003

As uncertainties regarding Iraqi-US tensions and terrorist attacks could shake confidence and weaken the recovery in global and regional economies, we maintain a cautious view on Thailand's 2003 outlook. The nation's GDP is expected to grow 3.50-4.50 percent in 2003, compared to 5.00 percent in 2002, due to a slowdown in both public and private spending. With the government determined to curb its budget deficit, public sector spending is expected to be less than in the previous fiscal year. Private sector spending is also forecast to grow at a slower pace than in 2002. As the Iraqi-US standoff developed into a war, hurting global and regional economies, Thai exports will be negatively impacted. We are forecasting export growth between 2.00-4.50 percent in 2003, compared to 5.85 percent in 2002. However, the country is expected to maintain a trade surplus of around USD3.30-3.50 billion, close to that of 2002, due to a likely slowdown in imports. Although oil prices will remain volatile in 2003, inflation should remain in check at an average rate of 1.50 percent, given the slowdown in both public and private expenditures.

With the prospect of an economic slowdown in 2003, commercial banks will remain cautious towards extending new loans and persistent high excess liquidity is expected to remain in the system.

	2003	2002	2001
GDP growth y-o-y %	3.50-4.50%	5.00%	1.90%
Export growth y-o-y % (in USD)	2.00-4.50%	5.85%	(6.90%)
Current accounts (% of GDP)	5.30-5.50%	6.10%	5.40%
CPI inflation y-o-y %	1.50%	0.70%	1.60%

Source: Thai Farmers Research Center

● Regulatory Changes

• Transfers of Assets to Thailand Asset Management Corporation (TAMC)

Economic recession during the last few years has significantly affected the debt-servicing ability of many credit customers of commercial banks, a percentage of whom have deteriorated into non-performing status. The government, in an attempt to resolve this problem, enforced on June 8, 2001 the Thailand Asset Management Corporation Emergency Decree (B.E.2544), and established the Thailand Asset Management Corporation (TAMC). This state-run agency accepts impaired assets from both public and private commercial banks and AMC companies for management. This is part of an ongoing effort to enable troubled borrowers to continue operating their businesses, while facilitating commercial banks in liquidating impaired assets, thus enhancing the stability of the domestic financial system and the economy.

Under the above Emergency Decree, state-owned banks may transfer all of their non-performing assets as of December 31, 2000, to TAMC, while private banks may transfer only non-performing assets meeting criteria set forth by law. Included in the list of non-performing assets eligible for transfer to TAMC are corporate debt, secured loans, and syndicated loans held by more than one financial institution or AMC, with total account debt in excess of five million Baht. The Bank has been transferring non-performing assets meeting these criteria to TAMC since year-end 2001, and this has helped reduce part of our troubled loan portfolio.

• Changes in Loan Classification Criteria

On February 18, 2002, the Bank of Thailand issued 2 directives concerning classified loans and non-performing loans (NPL). The first directive, reference No. BOT. FPG.(21) C.453/2545, focused on improving loan classification and provisioning criteria for commercial bank assets considered worthless or irrecoverable, as well as doubtful debt accounts that may be worthless or irrecoverable. Commercial banks are permitted to classify loans based on the merits of each individual account, without having to assign the same classification to debtors within the same group or to related debtors. To a certain extent, the BoT's directive has eased provisioning burden on classified loans at commercial banks. The directive also repealed the stipulation for financial institutions to write off doubtful debt that has been fully provisioned at 100 percent. Financial institutions, *if they wish*, may reverse any written off doubtful debt back on their books. The second directive, reference No. BOT. FPG. (22) C. 455/2545, stipulated that any such written back debt shall not be included in the banks' non performing loans and total outstanding loans, thus not affecting NPL ratios.

• Modification of the Definition of Non-Performing Loan

However, on January 16, 2003, the BoT issued directive reference No. BOT. FPG.(22) C.7/2546 modifying the definition of non-performing loans in an attempt to standardize NPL reported by commercial banks. Repealing the previous directive of February 18, 2002, reference No. BOT. FPG.(22) C.455/2545, commercial banks are now instructed to record written off doubtful debts that have been fully provisioned at 100 percent as non-performing loan. *In so doing, both the total amount of NPLs and the ratio of NPLs to total loans reported by commercial banks will be shown to increase.*

1.2 Direction of Business Operations

● Thai Farmers Bank in 2002 and Outlook in 2003

In 2002, the Bank improved business operations through aggressive initiatives as required by the fast changing economic, banking and financial environment. The quest for innovation has created new opportunities, enhancing the Bank's potential for growth. Based on the Bank's analysis of the market, competitors have been divided into several categories, including the larger private Thai banks, state-owned banks, foreign-owned banks, small-to-medium sized Thai banks and the non-banking financial companies. Specific strategies have been adopted for each different customer segments and competitive situation.

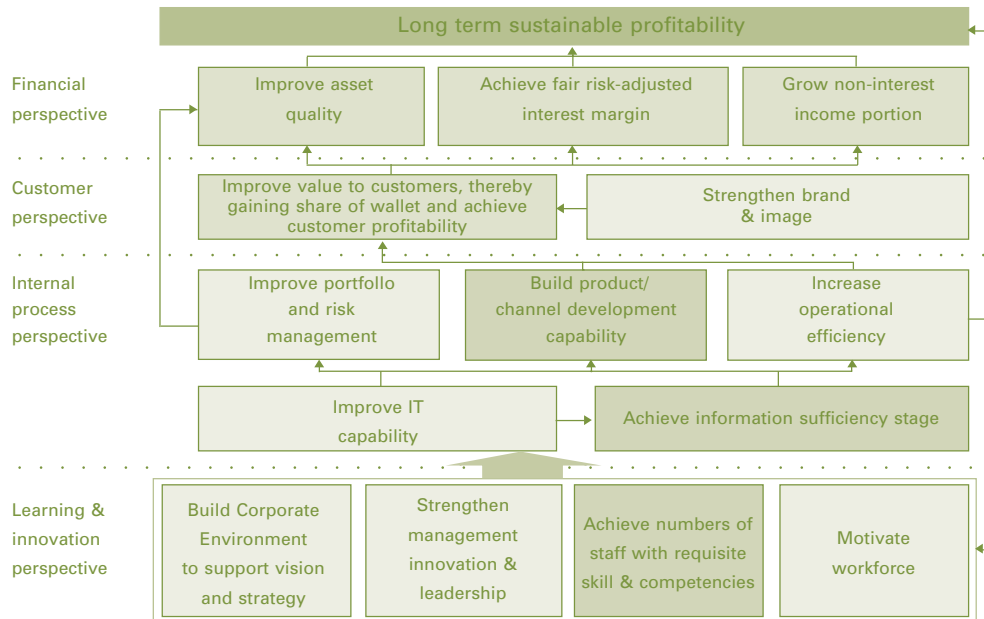
The Bank is implementing the Balanced Scorecard concept as a management tool to expedite the attainment of our vision and goals. This concept fosters the alignment of all units and employees to the Bank's goals and strategies. The framework looks at business strategy from 4 perspectives that are linked.

1. *Financial Perspective* for growth and long-term sustainable profitability to generate shareholder value.
2. *Customer Perspective* for creating value and differentiation to satisfy and attract customers.
3. *Internal Process Perspective* for developing and improving internal processes to drive customer satisfaction.
4. *Learning and Innovation Perspective* for creating a climate to support organizational learning, change and innovation.

In the midst of intensified rivalry and other external factors that have had adverse effects on business operations, strategies are continually reviewed. The Bank's main strategies, based on the Balanced Scorecard concept, are shown in the following chart:

• Thai Farmers Bank Strategy

Corporate Strategy



• Strategic Programs in Running a Modern Banking Business

Commercial banks in Thailand encountered significant operational and financial challenges after the economic crisis of 1997-1999. Despite some preemptive adjustments prior to the crisis, the Bank still had to extensively restructure many of our work processes in order to deal with unprecedented changes in the local banking business. Since 1999, the Bank has defined a new vision and mission, while restructuring the entire organization and reshaping our business strategies to facilitate the attainment of our goals. Later in 2000, the Bank developed eight strategic programs to restructure our operations for the higher efficiency and flexibility required for today's modern banking business.

Program 1: Customer Relationship Management (CRM) Development Program

This program is the development of marketing processes specific to sales and service deliveries through the customer relationship management system, to facilitate better ties between customers and the Bank. Key foci include establishing marketing and sales tactics targeted at specific segments, development of qualitative and quantitative customer relationship measurements, and the creation of an organizational culture to facilitate better sales and service. More diverse services will be offered, while reliable and complete databases and continuous training for employees will give the Bank the tools needed to maximize effectiveness and efficiency, and better respond to customers' needs.

Program 2: Credit Transformation (CT) Program

This is a process to create a new credit culture, and to develop sound underwriting standards and efficient and effective risk management. The Bank is developing tools and systems to maintain credit quality, minimize credit risk, while promoting solid new business development. Credit management is being transformed with streamlined work processes, the creation of new tools to facilitate credit approval, and the establishment of several new units to monitor credit portfolios and the approvals process. The Bank is also developing support systems for loan origination, collection and recovery to further enhance efficiency in credit processes.

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

The main objective of this program is to enhance the Bank's fee income generation and to increase market share through the Trade Finance Project (TF) and the Electronic Delivery System & Cash Management Project (EDCM). For TF operations, the Bank will clearly separate customer relationship management from operational units, as the latter will be relocated to Centralized Processing Centers, core units that will handle all business operations. Salesforce personnel will therefore be able to focus primarily on marketing and customer service. In the EDCM Project, the Bank has developed an online electronic banking system, operating 24-hours daily, comprising of cash management, trade finance and foreign exchange services.

Program 4: E-Approach Development (EAD) Project

This is an important step in preparing the Bank for efficient use of Internet technology, starting with improvements in the TFB web-site to achieve higher public recognition. In addition, the security system guarding the Bank transactions has been improved to increase the confidence of customers. Focus has been placed on swift implementation and broad categories of information to better respond to the needs of customers of all sizes, shareholders and the general public.

Program 5: Centralized Back Office (CBO) Reconfiguration Program

All operational units will be placed under the supervision of the Central Operations Department (CE) in order to improve efficiency and allow the branches to focus primarily on sales and customer service. The Bank is in the process of creating work processes compatible with centralized operations. Training courses are in place to enhance employee's skills in sales and service. In 2002, the Bank has completed the centralization of back office operations for all branches in Greater Bangkok.

Program 6: IT Infrastructure Development (ITD) Program

The Bank has placed great emphasis on the continuing development and transformation of its IT infrastructure, by creating an efficient, flexible and secure database through changes in its core computer platform to facilitate changing market demand and address new service requirements.

Program 7: Value-Based Management (VBM) Program

This is a strategic concept designed to foster the alignment of every unit and employee to the Bank's goals. The Balanced Scorecard concept has been adopted as a management tool to provide a framework for strategy using several linked perspectives. A Profitability Analysis (PA) system has also been developed for use in reviewing business groups, departments, products and customers. Currently, the rollout of the Bank's vision and strategies under the Balanced Scorecard concept to every operational level is underway. A new computerized system has been implemented to track results and ensure the alignment of individual actions to Bank goals.

Program 8: Human Resources Management Development (HRMD) Program

The Bank has targeted the development of effective human resources management that is comparable to international standards. Through various programs, the Bank will be able to attract and retain high-caliber personnel, and provide them with better opportunities to fully utilize their potential. The Bank will implement a system for performance evaluation and compensation (Performance-Based Compensation), together with a database for effective management and placement of key personnel.

● Corporate Governance

The Bank knows that good corporate governance is a key factor in sustainable growth in the performance of the Bank, and is central to achieving the Bank's primary objective of maximizing shareholder value. The corporate governance practices at the Bank provide a structure that enables this objective to be achieved, while also ensuring that the business affairs of the Bank are conducted under the highest ethical standards and in accordance with the law.

The core values of the Bank include:

- Customer satisfaction
- Belief in teamwork
- Dedication to professional and ethical conduct
- Commitment to discipline
- Proactiveness

The Bank is committed to its code of business conduct in its operations and requires all staff to strictly follow this code of conduct in the performance of their duties and responsibilities. The Board of Directors has established key principles of good corporate governance for all staff to follow, namely:

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

Board of Directors

The Board of Directors of the Bank is composed of individuals with sound knowledge, capabilities and broad experience in business. Each director is expected to participate in the governance of the Bank, independently and objectively, for the benefit of all shareholders and other stakeholders. The duties and responsibilities of directors are defined in the Board of Directors Charter. The Board is comprised of 9 independent directors so as to ensure quality judgements, free of bias, to all issues. Directors are initially appointed for 3 years, and may be reelected for further terms by shareholders. The role of the Board is to oversee the Bank's management, ensuring that management continually strives for superior performance, taking into account all possible risks.

The relationship between the Board and management is one of partnership. Whereas the President, as Chairman of the Management Board, is responsible to the Board for the day-to-day management of the Bank, the Board provides strategic overview, tactical input, plus the monitoring of implementation and results.

The Board of Directors has established 4 Board Committees to assist the Board in fulfilling its responsibilities, their purpose being to consider in greater depth than is practical at Board meetings, matters for which the Board retains responsibility. The type and composition of Board Committees shall be reviewed annually by the Board. The meeting minutes of Board Committees are circulated to all Directors for their information, and for formal recognition by the Board. This provides directors with an opportunity to seek additional information and/or to comment and express views on issues being addressed at Committee level.

Corporate Governance Committee

The Corporate Governance Committee is made up of 4 directors appointed by the Board. Its main responsibility is to oversee business practices and the conduct of the Board of Directors, Board committees, management and other employees to ensure compliance with the Statement of Corporate Governance Principles and Bank policies, laws and regulations, policies of government agencies and institutions supervising commercial banks.

To undertake these responsibilities, the Corporate Governance Committee has established and reviews the Bank's Code of Conduct, as prescribed in the Statement of Corporate Governance Principles. Other duties include review of policies, principles and guidelines for the Good Corporate Governance Practices, and making recommendations on ethics and the Code of Best Practices in business operations.

Audit Committee

The Audit Committee is composed of 4 independent directors. It oversees risk management, internal control systems, as well as financial reporting and audit processes to ensure they are in compliance with applicable laws and regulations, and the Bank's Code of Conduct. The external auditor and the head of Internal Audit may be invited to attend meetings of this Committee, and separate meetings are also held with each, without the presence of the management of the Bank, at least once annually. Management may be required to attend Audit Committee meetings. At least six Audit Committee meetings are held each year.

Ultimate responsibility, however, for the approval of the annual, semi-annual and quarterly financial statements rests with the Board.

Human Resources and Remuneration Committee

The Human Resources and Remuneration Committee is composed of 4 non-executive directors. It oversees the formulation of remuneration policy for the President and Executive Vice-Presidents, and recommending to the Board remuneration for Board members, including that of the Chairman. The Committee formulates the terms of employment, benefits and compensation, which are then embodied in the letter of appointment.

Risk Management Committee

Risk management is a critical focus in the management of a financial institution. The Board of Directors acts as the Risk Management Committee of the Bank. It oversees the operations of the Internal Risk Management Subcommittee and provides recommendations to the Subcommittee. The Subcommittee consists of the President, as Chairman, Executive Vice-Presidents and senior executives from the business groups, totaling 12 members. The Subcommittee is responsible for the establishment and maintenance of efficient risk management systems, including appropriate risk control systems for each transaction, as well as for aggregate risk levels, by identifying, evaluating, and managing the Bank's credit, market, liquidity, and operational risks.

In 2002, the Bank received recognition for excellence in corporate governance as follows:

1. *Finance Asia Magazine*, in its April 2002 issue, reported the results of a survey on companies with exceptional performance in good corporate governance. The poll used 300 investors and analysts in 10 Asian countries as respondents. Thai Farmers Bank was ranked third highest for Thailand, and first among Thai commercial banks.
2. *Euromoney Magazine*, in its July 2002 issue, reported on the results of a survey on corporate governance at 650 large, emerging-market companies. Only 183 companies from that group met their corporate governance standards and Thai Farmers Bank was ranked 8th among them, and 2nd for all financial institutions in the group. Within the group of financial institutions in Thailand, Thai Farmers Bank was ranked 1st in their corporate governance ratings.
3. *Asiamoney Magazine*, in its October 2002 issue, reported on the results of a survey on corporate governance in Asian countries (excluding Japan and Australia), totaling 200 companies. Thai Farmers Bank was ranked 4th in the banking category, and was ranked 1st for banks in Thailand.
4. *The Thai Rating and Information Services Company Limited (TRIS)* is the official corporate governance rating agency in Thailand, authorized and supported by the Securities and Exchange Commission (SEC) under the SEC corporate governance rating project. Thai Farmers Bank received a corporate governance rating by TRIS of 'good to very good', with a total score of 8.61 out of 10.

2. Operating Performance and Financial Position Analysis

2.1 Operating Performance 2002

The Bank's consolidated net income for 2002 totaled Baht 6,684 million, an increase of Baht 5,676 million over 2001. The difference was achieved primarily through decreasing non-interest expenses of Baht 3,654 million. In 2001 and 2002, the Bank booked allowances for impairment of properties foreclosed of Baht 2,918 million and Baht 558 million respectively. Full provisioning of Baht 1,400 million for our early retirement program was made in 2001, thereby having no impact this year. Results also include a realized profit of Baht 665 million on the sale of loans from Chanthaburi Asset Management Company.

● Net income from interest and dividend

The Bank's consolidated net income from interest and dividends in 2002 were Baht 18,622 million, increasing by Baht 1,047 million or 5.96 percent from the previous year. The net increase was due to lower domestic interest rates, resulting in decreased interest income of Baht 3,094 million and interest expenses of Baht 4,141 million.

● Normalized provisions

The Bank has targeted normalized provisioning of 0.50 percent of total loans, including both performing and non-performing loans. In 2002, the Bank set up normalized provisions of Baht 800 million.

● Non-interest income

The Bank's consolidated non-interest income for 2002 were Baht 7,995 million, decreasing from last year by Baht 183 million or 2.24 percent. The decrease was due to gains on exchange decreased by Baht 240 million and gains on investments decreased by Baht 200 million, while fees and service income increased by Baht 194 million.

Gains on exchange decreased by Baht 240 million due to the Bank realized profit Baht 330 million from closing foreign branches in 2001. Gains on investments decreased by Baht 200 million mainly due to the Bank's higher profit from sale of government bonds in 2001.

● Non-interest expenses

The Bank's consolidated non-interest expenses for 2002 were Baht 18,262 million, dropping by a total of Baht 3,654 million or 16.67 percent. The decrease was due to the Bank booking allowances for impairment of properties foreclose of Baht 2,918 million to absorb impairment costs, selling and holding expenses, and losses on sale, as well as allowances for the early retirement program of Baht 1,400 million in 2001. In 2002, the Bank booked allowances for impairment of properties foreclosed of Baht 558 million; no additional allowances were taken for the early retirement program since it was fully provisioned for in 2001.

2.2 Financial Position Analysis

● Assets

Total consolidated assets of the Bank, as of December 31, 2002 were Baht 760,782 million, decreasing from last year by Baht 13,817 million or 1.78 percent. The decrease in total assets resulted from a reduction of excess liquidity due to the issuance of government savings bonds with highlights as follows:

Interbank and money market items, as of December 31, 2002 totaled Baht 94,840 million, dropping from last year by Baht 70,265 million, or 42.56 percent. The decrease was due to the Bank's reduced deposits in foreign institutions and shifts to investment in securities purchased under resale agreements amounting to Baht 14,700 million and increased investments, mainly in government bonds, amounting to Baht 41,763 million.

Loans, as of December 31, 2002 stood at Baht 506,203 million, increasing from last year by Baht 29,716 million, or 6.24 percent. The increase was due to writing back of previously written off doubtful loans in accordance with BoT's regulation, totaling Baht 25,686 million.

● Liabilities and Shareholders' Equity

Total consolidated liabilities of the Bank, as of December 31, 2002 were Baht 725,337 million, decreasing from the previous year by Baht 21,822 million or 2.92 percent. The liabilities that changed significantly were deposits and interbank and money market items. Deposits dropped from last year by Baht 13,139 million or 1.98 percent due to higher withdrawals of deposits for investment in government savings bonds. Interbank and money market items dropped from last year by Baht 8,129 million or 58.81 percent mainly due to matured deposits from foreign financial institution.

Total shareholders' equity as of December 31, 2002 was Baht 35,445 million, increasing from last year by Baht 8,005 million or 29.17 percent which was caused by the decrease in retained losses of Baht 6,904 million and the increase in revaluation surplus on investments of Baht 1,248 million.

● Relationship between sources and uses of funds

As of December 31, 2002, the funding structure as shown in the Consolidated Financial Statement comprises Baht 725,337 million in liabilities and Baht 35,445 million in shareholders' equity resulting in a liability to shareholders' equity ratio of 20.46x. The major source of funds is deposits, accounting for 85.62 percent of the total. Other sources of funds include Interbank and money market items and borrowing, which accounted for 0.74 percent and 6.38 percent of the total, respectively.

The Bank and its subsidiaries' major use of funds is loans. As of December 31, 2002, loans amounted to Baht 506,203 million resulting in a loan-to-deposit ratio of 77.71 percent. For remaining liquidity, the Bank has invested in various liquid assets such as interbank and money market items, securities purchased under resale agreements and investment in securities.

The major sources and uses of funds mentioned above in 2002 are depicted according to contractual maturity periods in the following table:

Major Sources and Uses of Funds for the Bank and its Subsidiaries

<i>(Million Baht)</i>				
Period	Deposits	%	Loans	%
≤ 1 year	638,654	98.04	337,304	66.63
> 1 year	12,739	1.96	168,899	33.37
Total	651,393	100.00	506,203	100.00

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

The Bank and its subsidiaries' deposits with remaining maturities of less than and equal to 1 year in 2002 and 2001 totaled Baht 638,654 and 657,987 million, respectively, representing a decrease of Baht 19,333 million or 2.94 percent over the year. On the other hand, the deposits with remaining maturities over 1 year in 2002 and 2001 totaled Baht 12,739 and 6,545 million, respectively, representing an increase of Baht 6,194 million or 94.64 percent.

The Bank and its subsidiaries' loans with remaining maturities of less than and equal to 1 year in 2002 and 2001 were Baht 337,304 and 302,773 million, respectively, representing an increase of Baht 34,531 million or 11.40 percent over the year. The loans with remaining maturities over 1 year in 2002 and 2001 were Baht 168,899 and 173,714 million, respectively, representing a decrease of Baht 4,815 million or 2.77 percent.

From the above table, it can be seen that as of December 31, 2002, the amount of deposits with remaining maturities of less than and equal to 1 year is higher than the amount of loans with remaining maturities of less than and equal to 1 year. This is considered normal for commercial banks in Thailand, as they fund their lending or investments in long-term assets through short-term liabilities. However, it is likely that deposits will remain with the Bank longer than their stated contractual maturity, as most depositors normally renew the deposit when its maturity comes due. Therefore, the Bank can use these funds to support its lending business.

● **Investment**

The Bank and its subsidiaries have net investment in securities consisting mainly of available for sale, debt instruments held to maturity and investment in subsidiaries and associated companies. An impairment review for investments is carried out when there is a factor indicating that investment might be impaired. As of December 31, 2002, investments in securities classified by type are as follows:

(Million Baht)

Type of Investments	Dec 31, 2002	%	Dec 31, 2001	%
Debt Instruments	148,145	89.86%	100,752	81.84%
Government and State Enterprise Securities				
• Trading Investments	6,988	4.24%	2,529	2.05%
• Available-for-sale Investments	55,787	33.84%	39,857	32.38%
• Held-to-maturity Investments	45,881	27.83%	31,673	25.73%
Private Enterprise Debt Instruments				
• Trading Investments	-	-	-	-
• Available-for-sale Investments	5,862	3.56%	3,744	3.04%
• Held-to-maturity Investments	425	0.26%	337	0.27%
Foreign Debt Instruments				
• Trading Investments	19,175	11.63%	12,080	9.81%
• Held-to-maturity Investments	14,027	8.51%	10,532	8.56%
Equity Securities	16,719	10.14%	22,349	18.16%
• Available-for-sale Investments	2,033	1.23%	3,447	2.80%
• General Investments	13,406	8.13%	17,475	14.20%
Investments in Subsidiary and Associated Companies	1,280	0.78%	1,427	1.16%
Total Investments - Net	164,864	100.00%	123,101	100.00%

● Capital Investments

In 2002, most capital investments were for investments in information technology (IT), totaling Baht 1,299 million, which were undertaken as part of the Bank's strategic plans to improve its database and migrate to a new IT platform. These improvements will facilitate better service to customers. Aside from this, other capital investments were made amounting to Baht 1,757 million mostly for increasing service channels to customers and for the opening of outlets in retail trade centers, malls, and department stores.

● Liquidity

Cash and cash equivalents, according to the Bank's sole financial statement at the end of 2002 totaled Baht 9,764 million, decreased by Baht 2,378 million due to the following activities:

- Net Cash from operating activities totaled Baht 37,846 million as a result of changes in key operating assets and liabilities, i.e., interbank and money market items showing a drop of Baht 69,823 million. Securities purchased under resale agreements went up Baht 14,700 million, and trading investment increased by Baht 4,504 million. Deposits, on the other hand, recorded a drop of Baht 12,845 million.

- Net Cash used in investment activities totaled Baht 40,225 million, consisting of cash spent on available-for-sale investments of Baht 80,339 million, purchase of securities held until maturity of Baht 41,811 million and purchase of land, premises and equipment of Baht 1,483 million. In addition, cash received from disposal of available for sale investment totaled Baht 58,367 million, while redemption of held to maturity debt instruments totaled Baht 25,620 million.

Cash and Cash equivalents, according to the Bank's consolidated financial statement at the end of 2002 totaled Baht 9,764 million, down by Baht 2,378 million due to the following activities:

- Net Cash from operating activities totaled Baht 35,720 million, as a result of changes in key operating assets and liabilities, i.e., interbank and money market items decreasing by Baht 70,265 million. Securities purchased under resale agreements went up Baht 14,700 million, and loans increased by Baht 8,305 million. Deposits, on the other hand, showed a drop of Baht 13,139 million.

- Net Cash used in investment activities totaled Baht 38,073 million, comprising cash spent on available-for-sale investments of Baht 80,339 million and purchase of securities held until maturity of Baht 43,191 million. In addition, cash received from disposal of available for sale investment totaled Baht 58,406 million, while redemption of debt instruments held to maturity totaled Baht 26,490 million.

- Net Cash used in financial activities totaled Baht 25 million, resulting from dividend paid to minority interest.

2.3 Capital Requirements

● Capital Funds

As of December 31, 2002, the Bank and its subsidiaries had a capital base of Baht 73,031 million, comprising of tier-1 capital totaling Baht 42,970 million and tier-2 capital totaling Baht 30,061 million. The capital adequacy ratio of the Bank and its asset management companies equaled 14.34 percent, above the minimum Bank of Thailand's requirement of 8.50 percent. Details are as follows:

Capital Adequacy Ratios					
	Dec 31, 02	Sep 30, 02	Jun 30, 02	Mar 31, 02	Dec 31, 01
Tier-1 Capital	8.44%	8.48%	8.32%	7.56%	7.43%
Tier-2 Capital	5.90%	5.84%	5.77%	5.64%	5.54%
Total Capital Requirements	14.34%	14.32%	14.09%	13.20%	12.97%

● Maintenance of Ratios

The Bank maintains liquid assets, on average, of at least 6.00 percent of deposits and borrowings, which complies with the Bank of Thailand's requirements. As of December 31, 2002, the Bank had cash, on deposit at the Bank of Thailand, and eligible securities, totaling Baht 132,743 million.

3. Operations of Business Groups

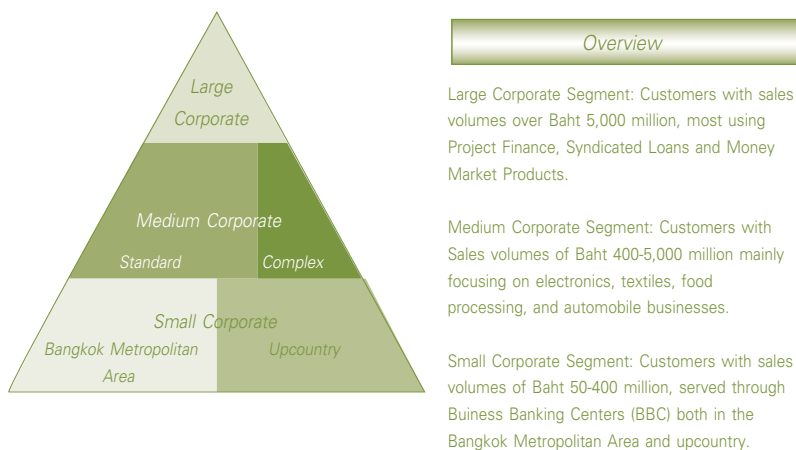
3.1 Business Overview

Thai Farmers Bank's operations are divided into three main groups:

1. **Corporate Business Group** is responsible for overseeing customer relationships with corporate and SME customers. The main products of the group include loans, trade finance, cash management services, foreign exchange, corporate finance and securities services.
2. **Retail Business Group** is responsible for supervising customer relationships with retail business and individual customers. Products include retail business loans, consumer loans and credit cards. This group also manages related sales channels and provides service to customers through a direct sales team, a call center and other electronic channels.
3. **Treasury Group** is responsible for managing the assets and liabilities of the Bank, including trading securities, foreign exchange and derivatives.

3.2 Corporate Business Group

The Corporate Business Group provides services to customers with sales volumes over Baht 50 million. The Corporate Business Group covers 3 customer segments, delineated by sales volume, in order to emphasize efficient financial service and optimize customer satisfaction.

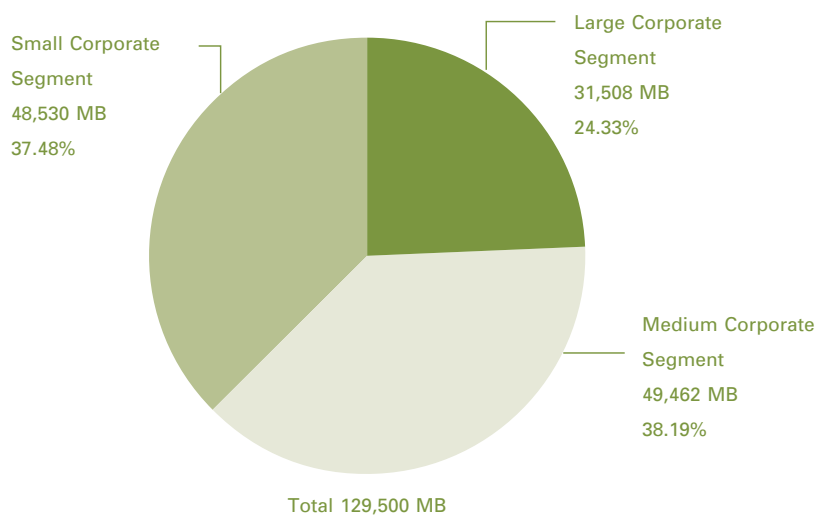


● Customer Segment

Loans, presented after writing back previously written off doubtful loans and classified by customer segment, as of December 31, 2002, include:

Loans Composition Classified by Customer Segment

As of December 31, 2002



Note: MB = Million Baht

• Large Corporate Segment

Overview

This unit provides sophisticated financial products and services for large corporate and investment project customers, focusing on telecommunications, power generation and the petrochemical industries.

Capital Financing Services include end-to-end financial offerings such as Loan Arrangement services, Financial Advisories, Debt Capital Market Product Underwriting and a complete range of products such as Working Capital Financing, Trade Finance, Tailor-made Loans, Project Finance Lending and Syndicated Loans.

Other Financial Services include Advisory Services, Cash Management, and Foreign Exchange.

Goals and Operating Environment

Given relatively weak credit demand from corporate customers, the Large Corporate Segment will focus on increasing non-interest income from fee based products such as corporate finance, cash management and foreign exchange, while continuing to provide innovative and competitively priced credit products.

Fierce competition for large corporate customers in 2002 necessitated a major reorganization of operations to improve competitiveness and efficiency. The Bank has established ongoing professional development for our relationship managers (RMs) in order to improve sales skills, customer relationship management, industry specific expertise, credit evaluation and product knowledge. These courses develop and prepare our RMs to be true professional advisors to our customers.

In addition, the Bank has implemented the Risk-adjusted Return on Capital (RAROC) system (based on our required rate of return, and risks incurred from the financial services provided) in order to standardize measurement of benefit derived from the Bank's investments and lending activities.

• Medium Corporate Segment

Overview

This unit provides a full range of financial products and services to corporations with sales volumes of Baht 400-5,000 million, focusing on electronics, textiles, food processing and automobiles. **Capital Financing Services** include financial products, such as Working Capital Financing, Capital Expenditure Loans, Project Finance Loans, and Trade Finance. **Other Financial Services** include Cash Management, Foreign Exchange and Advisory Services.

Goals and Operating Environment

To support the government policy on foreign trade (import-export), the Medium Corporate Segment places special emphasis increased credit through trade finance. Additionally, it focuses on increasing non-interest income through cross-selling fee-based products, such as trade finance, cash management and foreign exchange.

Due to limited new loan demand in the market, most banks compete for better-quality customers by employing the strategy of competitive pricing and by emphasizing customer service. In order to retain and gain new customers, the Bank also focuses on creating and improving lasting relationships with customers, offering a greater variety in both generic and customized products, as well as promoting the Bank image.

• Small Corporate Segment

Overview

This unit provides financial services to corporations with sales volumes of Baht 50-400 million in the Bangkok Metropolitan Area and upcountry. Corporate Relationship Managers deliver a full range of domestic credit, trade finance, and cash management products to meet the needs of this growing segment.

Goals and Operating Environment

The Small Corporate Segment focuses on increasing credit from domestic credit and trade finance, as well as fee-based products such as trade finance, cash management and foreign exchange.

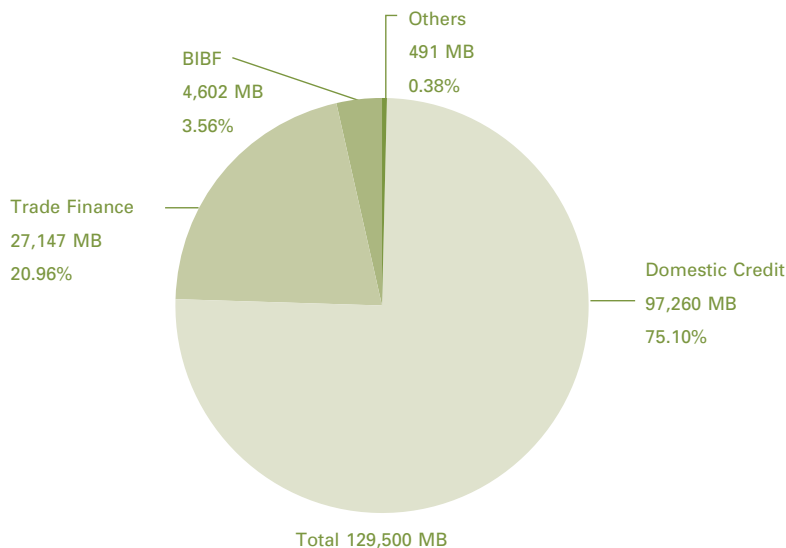
As SMEs play an important role in the country's economic development, the Bank, as have most financial institutions, has increased resources devoted to this sector. The Bank is an important participant in this market given the large number of SMEs in our customer base. We have already customized sale and service for this segment and new initiatives are underway to provide more variety and a complete range of services.

● Product Group

To ensure that products and services focus on demand and opportunities in all customer segments, the Corporate Business Group has 7 product groups.

Loans Composition Classified by Product Group

As of December 31, 2002



Note: MB = Million Baht

• Domestic Credit Products

Overview

There are 2 main Domestic Credit products: **Working Capital Finance** (Overdrafts and Promissory Notes), and **Investment & Capital Financing** (Several Types of Loans). The Bank also offers several contingent **Bank Guarantee** products, such as Letters of Indemnity, Avals and Financial Statement letters.

Goals and Operating Environment

Domestic Credit emphasizes expansion of credit volume to customers with growing businesses and positive impact on the economy, and good credit records. For 2003, the Bank has targeted domestic credit growth at 3.20 percent, which will be managed within our established risk parameters.

Due to the global and domestic economic slowdown, private investment is weak and we are experiencing lower new credit demand. Accordingly, most banks have to compete aggressively by employing competitive pricing as a tool. The Bank, however, has a large market share in this competitive environment and aims to retain and acquire new customers by maintaining better relationships, offering a diverse array of products, and providing high levels of customer service.

• Trade Finance

Overview

Trade Finance offers for import businesses many types of **Letters of Credit** such as L/Cs at sight, Term L/Cs, Trust Receipts, and Bills for Collection (B/C), and for export businesses several services, such as Export Bills for Collection under Letters of Credit and Export Bills for Collection.

Goals and Operating Environment

Trade Finance is focusing on expansion of all products with existing and new customers, especially in industries with sustainable growth. Currently, trade finance products face heightened competition from Thai and foreign commercial banks, since it is one of the few business segment that has potential for growth. Competitive credit products and pricing are still critical factors to remaining competitive in this market. Trade Finance plans are to:

- Exploit our up-to-date technology to improve efficiency, achieving faster service times and lower operating costs by shortening operational processes.
- Build relationships with customer, such as by arranging seminars on techniques in trade finance, relevant business topics and the world economic situation.
- Provide customers with Trade Relationship Officers (TRO) who act as business consultants for customers in the area of document preparation and handling of problems related to international business.
- Cooperate with correspondent bank alliances and emphasize product development.

- **BIBF (Bangkok International Banking Facilities)**

Overview

BIBF is an international lending service for both domestic and foreign customers. These services include the lending of Thai Baht and foreign currency loans to foreign commercial banks. The Bank provides the following services: Lending to entities outside Thailand (Out-Out), Lending to domestic entities (Out-In) and other services including foreign exchange, avals, capital financing, and international loan syndicated arranged in both Thai Baht and foreign currencies.

Goals and Operating Environment

BIBF emphasizes maintaining our existing customer base as domestic interest rates are low and customers want to reduce their foreign exchange rate risk. As a result, BIBF demand is limited. However, customers whose business incomes are in foreign currencies and meet with BoT criteria are still being served. Currently, competition in this market is limited since current domestic interest rates are low, resulting in lower demand for foreign currency loans.

- **Corporate Finance**

Overview

There are 2 major services provided by Corporate Finance. **Financial Advisory Services** provides a full range of financial advisory services such as fund-raising services, debt restructuring, mergers and acquisitions, bond issuance advisory, and customer rating advisory. **Corporate Finance Services** provides end-to-end services including developing, marketing and distributing financial products for fund-raising. These services are also offered through Bank facilities such as syndicated loans and project finance lending, and through debt capital market products, of which the Bank is the broker-dealer and underwriter. For secondary market trading, the Bank is a bond-trading broker for the debt capital market. In addition, Corporate Finance is a distributor of state enterprise bonds and is responsible for researching the debt capital market, the economy, foreign exchange market and capital market, providing information to issuers and investors.

Goals and Operating Environment

Corporate Finance stresses maintaining its current market share in both the equity and debt instrument markets. For underwriting and state-enterprise bidding this year, the Bank will expand its corporate finance services and will work to develop business with the Medium and Small Corporate segment, in addition to the traditional Large Corporate segment. Corporate finance products face aggressive competition, as both Thai and foreign commercial banks have taken on much greater roles in this market. The Bank has retained a large market share in the growing debt capital markets since we have been selected as a debt capital broker-dealer by many governmental and private institutions.

- **Foreign Exchange Service**

Overview

Foreign Exchange Services and products for international trade include spot transactions and hedging instruments such as forward contracts and other financial derivatives.

Goals and Operating Environment

Foreign Exchange focuses on retaining our existing customer base as well as expanding to new customers by emphasizing customer service and offering products specific to the needs of each market segment. Foreign exchange trading services face aggressive competition. Derivative products are a critical element to remaining competitive in this market, in order to attract new and retain existing customers.

• Cash Management

Overview

Cash Management Services provide an efficient, effective, end-to-end solution in cash management, enabling more control on company costs of funding, interest paid, liquidity, and time expended. There are 3 key services provided under Cash Management. **Collection Management Services** help companies manage check collection and/or cash from payments made by their customers. **Payment Management Services** facilitate payable management for companies by arranging scheduled payments to their account payables or other beneficiaries. These services also help companies improve their payment management efficiency in terms of document preparation and turnaround time. **Liquidity Management Services** manage companies' account receivables, account payables, plus other payments and collections to minimize interest paid.

Goals and Operating Environment

Cash Management stresses increasing cash in-out flow efficiency, providing up-to-date financial information through electronic channels to reduce operational costs and offering convenient customer services without the need to visit branches. Most Thai commercial banks have turned their attention to cash management services and are attempting to develop more product variety. Foreign commercial banks, however, remain the leaders in this market, holding significant market share in the large and multi-national corporate sector.

During the past three years, the Bank has further developed its cash management services and products. Currently, we have a complete range of services and employ up-to-date technology to shorten operational processes and improve efficiency.

• Securities Services

Overview

Securities Services consist of **Custodial Services** for retirement funds, private funds, and other mutual funds, and **Registrar Services** for bonds, securities, and mutual funds. The Bank also provide support service to syndicated loans such as being the **Security Agent** for collateral control, and **Facility Agent** for coordinating and controlling lenders and their borrowers to comply with agreements.

Goals and Operating Environment

Securities Services focuses on increasing services to existing and new customers, especially in the area custodial services for mutual and property funds. Acting as Registrar and Facility Agent, the Bank offers a product package coordinated with corporate finance services. In addition, as Security Agent we offers syndicated loans and project finance to provide a full range of services to customers.

Most securities service providers compete through competitive pricing. The Bank, however, emphasizes services such as value pricing (value-added services) to serve and satisfy customers' needs, including the TFB e-Custodian service which was fully operational in 2002. In addition, the Bank has continuously improved its operational processes to increase efficiency and reduce operating costs. Staffs are being trained and developed to obtain professional certification from regulatory institutions and associations.

- **Business Banking Center : BBC**

The Corporate Business Group established Business Banking Centers to maximize value to customers in services, products and relationship management. BBC provide a full range of end-to-end services and products, ranging from standard banking transactions, such as commercial loans, to more sophisticated product, such as cash management and customized trade finance.

3.3 Retail Business Group

The Retail Business Group develops and manages relationships with small business enterprise customers and individual households, with products and services to meet the financial needs of these targeted segments. It also manages the Bank's delivery channels and develops new consumer and small business focused financial products.

- **Sales and Service Channels**

In order to reach retail banking customers, multiple service and sales channels are provided.

- **Branch Service**

This remains the primary channel for customers to conduct financial transactions with the Bank. To enhance efficiency, branches are classified into 3 groups, based upon their internal and external potential to facilitate sales and service to customers efficiently.

Upcountry

- **Full Branches** are located in areas with good business traffic potential and serve a complete range of financial needs (commercial and personal), including complex loan transactions and loan closures.
- **Retail Branches** provide financial services to customers in all segments, coordinate with Direct Sales Units to sell credit products to targeted customers as well as maintain customer relationships.
- **In-store Branches** aim to serve *transactor* and middle-income customers during non-traditional banking hours at locations such as malls, stores, offices, and urban areas.
- **Transaction Outlets** focuses primarily on providing and maintaining transaction services for customers, selling non-credit products, providing advice on Bank's products and encouraging credit and financial service cross sales.

Urban Areas: Branch Clusters

Branches in the major metropolitan areas are arranged in clusters and supported by centralized units and sales teams. They comprise of Retail Branches, In-store Branches, Transaction Outlets and Direct Sales Unit Hubs.

Single Full Branches

Branches located in many upcountry areas still do not lend themselves to being in clusters. Often they are located far away from city centers where they would otherwise not be convenient for customers. Their existing model is therefore maintained and managed as a single unit.

- **Direct Sales Force**

Sales efforts take place via Direct Sales Force and in the branches. Outside the branches, the following units focus on credit sales: Specialized Services Unit, Product Based Sales Forces (Housing Loan Unit, and Consumer Loans & Credit Card Unit), Business and Professional Unit and Platinum Signature Unit.

- **Alliance Partners**

Companies or organizations taking part in joint activities such as co-branded credit cards.

- **Direct Marketing**

This includes cross selling to the Bank's existing customers with other products such as deposit services.

- **TFB e-ATM**

In 2002, the Bank installed 100 additional ATM machines, bringing the total number to 1,100, enhancing the network's convenience and our ability to meet the needs of an increasing number of ATM/debit card customers and visitors to Thailand. Moreover, ATM efficiency improved with extensive upgrades in both hardware and software and the addition of new features such as personal income tax payment and tutorial institution enrollment.

- **TFB e-Phone**

This unit's purpose is to develop telephone services to support the telebanking needs of customers. The number of access ports were increased from 120 to 300 port connections between the phone line system and our customer database, permitting more rapid response to customer queries. The year 2002 also saw improved automated payment and purchasing services, as well as increased revenue from transaction fees (including the ordering of checkbooks, purchase of internet-hours, and purchase of prepaid mobile telephone time for all communication networks). New services include tax payments to the Revenue Department of Thailand, inquiries about Value Choice rewards program, and user-set limits for the TFB Flex-C and TFB e-Cash Cards.

- **TFB e-Internet Banking**

In 2002, the Bank began the implementation of a new platform to support our growing customer base (both individual and business), and a rapid increase in banking transactions. It is expected to be online in the first quarter of 2003. Several services were launched in 2002, such as personal income tax payments, prepaid mobile phone refill purchases with AIS (One-2-call!) and DTAC (Dprompt). Currently, around 10,000 customers utilize our cyber banking.

- **TFB e-Mobile Phone Banking**

In March 2002, the Bank launched the e-mobile Phone Banking STK (Sim-Tool-Kit) with AIS, and enhanced features such as fixed deposit inquiries, loan, mutual fund and credit card accounts, and balance transfers to other accounts.

- **TFB e-Commerce Services**

Presently, more than 50 merchants use TFB e-Commerce service. Business transactions average 100 transactions per month, such as booking movie tickets (Major Cineplex) via AIS mobile phones. The Bank will expand the number of merchants using e-commerce services.

- **TFB e-Banking Centers**

There are currently 6 centers available on BTS stations, 3 centers in office buildings and one center at Tesco Lotus, Chaeng Wattana branch.

- **Cash Deposit Machines**

Currently, there are 37 Cash Deposit Machines installed at branches, with plans to install more every year.

- **Customer Segment**

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

- **Owner-Operator**

These are entrepreneurs and professionals who operate small businesses with turnovers of up to Baht 50 million. Such customers mainly need local currency for working capital funds. The Bank will focus on reducing the cost of delivery to this sector and offering improved products and services to induce customers to make us their main bank.

- **Platinum Customer**

These are customers with monthly incomes exceeding 100,000 Baht. Many with savings accounts, loans and credit cards. The Bank plans to create a separate premium banking channel, the Platinum Signature Unit, with highly skilled Platinum Customer Managers to give these high net worth customers personal financial advice. This initiative will be implemented during the second quarter of 2003.

- **Middle Income**

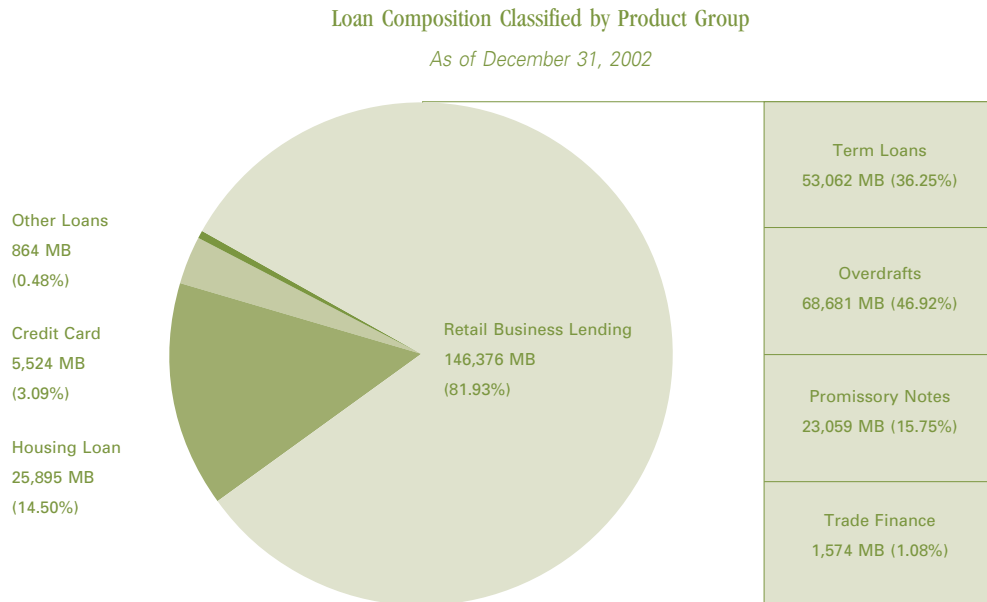
These customers are wage earners with salaries ranging from 15,000-100,000 Baht, many of whom have the Bank's credit cards and housing mortgages. The Bank's Direct Sales units together with its in-store branches, operating 7 days a week will continue to offer a broad menu of financial products and services to this segment.

- **Transactor**

These are customers with incomes of less than 15,000 Baht, many of whom maintain only small balances savings accounts but frequently visit branches for cash related transactions. The credit needs of this segment will be met through our partnership with Cetelem and through the development of debit card activated personal lines of credit.

● **Product Group**

To be able to offer the right products and services to each customer group, the Retail Business Group promotes the following product groups with results as of December 31, 2002 as follows (loans are presented after writing back previously written off doubtful loans):



● **Retail Business Lending**

Overview

Retail Business Lending involves secured credit facilities to businesses, entrepreneurs and professionals for short-term and long-term commercial purposes. Financial products and services provided include **Overdrafts** (commercial and agricultural), **Promissory Notes** (commercial, agricultural and industrial) and **Term Loans** (commercial and agricultural). The Bank also provides bills of exchange, letters of indemnity and bills of exchange acceptances to meet the financial requirements of business customers.

As part of the Credit Transformation Program, new credit processes were introduced in Bangkok to standardize decision-making and boost process efficiency. Some of the salient features of the transformation are the establishment of Formula Lending for customers with outstanding credit less than Baht 10 million, standards for underwriting, controlling risk and managing operations, and extensive training for both sales and service personnel.

The Bank has also put in place marketing strategies to support the Distribution Network in order to maintain and increase qualified credit customers. Programs include relationship pricing, dealer financing and incentives for non-active customers to utilize approved credit lines.

Goals and Operating Environment

Retail Business Lending is continually developing new products to serve the credit needs of small business enterprises and increase customer credit line utilization. Pricing models are being developed as tools to analyze customer transactions and profit by type of relationship and will be used for pricing strategy. Marketing campaigns will be launched for the purpose of reducing customer attrition rates and to strengthen current relationships. At the same time, credit processes will be improved to promote greater efficiency and transparency.

Although the growth of retail business lending has been modest due to sluggish economic growth, there is nevertheless loan demand, unlike many other sectors. The lower credit demand from the corporate sector has led many Thai commercial banks to seek increases in market share and profits in retail business lending. Moreover, retail business lending is considered by the government and Bank of Thailand as a tool to stimulate the growth of small business enterprises. As a result, the Retail Business Group has faced increasingly fierce competition. To compete in this market, the Bank has introduced one-stop services to businesses by forming a product sales force for each customer segment group, and a new credit process, initially in Bangkok to boost process efficiency and standardize credit decision-making.

• Consumer Loans

Overview

Consumer Loans offers a variety of products to serve the changing needs of individuals and household. **Housing Finance**, with various rates and installment options is available to individual consumers who want to own property for residential purposes. Optional features often attached to housing loans are the **Pitaksin Loans** and **Multi-Purpose Loans**. Pitaksin is a loan for customers who wish to have life insurance with the Muang Thai Life Assurance Company to cover their mortgage, while Multi-Purpose Loans are a refinancing product offered to existing customers with a regular 3 year payments history.

Through our partnership with Cetelem, small unsecured installment loans are made available to customers, and the Bank has also begun offering an unsecured revolving credit product, **TFB Privilege**, for emergency financial assistance at credit limits of up to 3.5 times monthly income, or a maximum of 1.5 Million Baht.

In addition, other consumer loans, such as **Provident Fund Loans**, **Loans for Executive MBA Study**, and **Vehicle Loans** are offered to meet the various financial needs of a broad range of individual households.

Goals and Operating Environment

The broad menu of products and services plays a major role in serving the changing needs of various groups of customers. New products, especially unsecured personal lines of credit, will be developed to attract our customers in the Transactor segment. Product based salesforce personnel will be used to serve different groups of customers, while turnaround time will be shortened through the transformation of credit processes.

After the economic crisis, many financial institutions turned their attention to consumer lending because of weak demand in the corporate market. Government policies, such as tax benefits and low interest rates have helped to stimulate the property market, and boost mortgage loan demand. The Bank is committed to expanding our market share in the mortgage loan market, and well as building a strong consumer loan portfolio by developing and launching a variety of consumer products for each customer segment.

• **Credit Cards**

Overview

To ensure the highest satisfaction of customers, the Bank has continuously developed and improved its credit card services and programs, as well as upgraded its network of almost 45,000 card-accepting stores throughout Thailand. A broad array of products and services are offered: **Services Classified by Card Usage** (Individual and Corporate Cards - Silver, Gold, Platinum) and **Services Classified by Card Issuer** (TFB Card, TFB-VISA Card, VISA Card, TFB-MasterCard and MasterCard Card).

In 2002, the Bank launched a loyalty program, offering discounts at participating stores nationwide and other privileges for cardholders. **TFB Value Choice** is a domestic point premium program that provides “freedom of choice” in redeeming accumulated points. **TFB-Cuisine** offers cardholders discounts at selected leading restaurants. Numerous marketing campaigns have been organized in cooperation with leading department stores and filling stations, offering customers special programs at selected times of the year.

Goals and Operating Environment

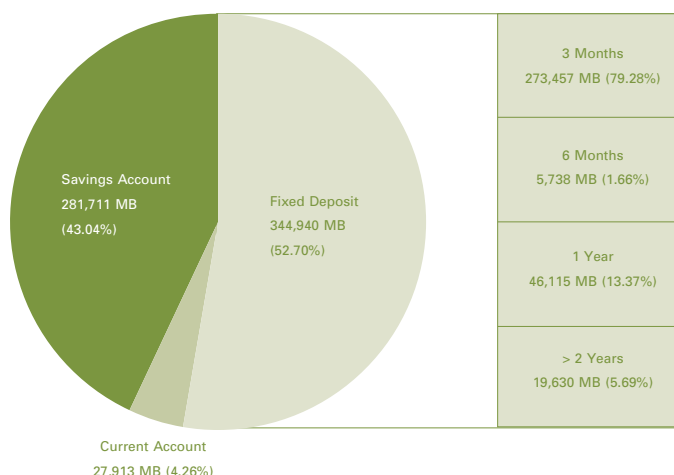
The primary goal has been to expand the credit card customer base by cross selling to deposit customers, especially those with average balances of greater than 300,000 Baht. The credit card approval process is also being adjusted for more flexibility. Customer attrition rates will continue to be reduced while the use of promotions and the TFB Value Choice loyalty program will help boost customer spending and build brand awareness. In addition to improving the card-issuing business, the Bank will also continue to improve and upgrade the EDC network to better differentiate its merchant services.

During the past year, the credit card market expanded significantly for Thai and foreign commercial banks, as well as other non-bank issuers. All have competed in the market by launching new products, cutting prices and adding benefits to attract customers. The Bank took advantage of its well-known image and nationwide network of participating stores to launch new products and services to sustain its existing customer base and gain new cardholders. Sales promotions were used to reduce the customer attrition rate and encourage higher card utilization. An emphasis on service and higher benefits for customers, together with the implementation of relationship pricing, has helped offset the market glut in card products.

• **Deposit and Fee-Based Income**

Deposits Composition

As of December 31, 2002



Overview

The Bank continues to enhance the variety of its deposit products in order to satisfy the needs of customers in different segments. A wide range of deposit and card access products are offered including **Savings Accounts, Fixed Deposits, Current Accounts, Taweessup Special Fixed Deposit accounts, ATM Cards, Global ATM Cards, TFB e-Cash Card and TFB Visa Electron Cards.**

Recent product introductions include: **TFB e-Savings Accounts** that does not require a passbook and allow all transactions to be made electronically through ATMs with a debit card; **TFB Flex-C**, a Visa Electron debit card that can be issued instantly at all branches and allow cardholders to set spending limits on purchases through EDC machines located locally and abroad; **TFB e-Cash Card**, a customized debit card that can serve as an identification card, as well as a debit card; **TFB e-Web Shopping Card**, a virtual debit card designed specifically for purchases over the internet, that is linked to either a savings account or a TFB e-Savings Account and also with TFB e-Internet Banking services.

As for domestic fund transfer and payment services, the Bank has continued to improve its service to fulfill customer needs using new technology and various electronic payment channels, such as the **TFB e-ATM, TFB e-Phone, TFB e-Mobile Phone Banking, and TFB e-Internet Banking systems.** There are numerous examples of new services being offered including domestic fund transfers through ATMs to any receiver who holds a bank account anywhere, bill payment services for mobile phones, credit cards, and cable TV, and tax payment service through the Bank's electronic channels.

Goals and Operating Environment

The Bank encourages customers to switch from the use of branch counters, which accounts for the majority of transactions, to electronic channels. Customers will benefit from faster and more convenient service, while operating costs per transaction will be reduced. New products that encourage the use of low-cost channels will be developed and introduced to customers.

The excess liquidity in the system, despite continued reduction in deposit interest rates and the issuance of government bonds, has kept the Bank's deposit base high. On the fee income side, the Bank has been able to boost income following a business expansion in retail sectors such as credit cards, personal loans and mobile phone services. This expansion, coupled with the Bank's initiation of a new debit card, the **TFB Flex-C** and marketing campaigns to stimulate bill payments through electronic channels has resulted in higher fee based income.

3.4 Treasury Group

● Overview

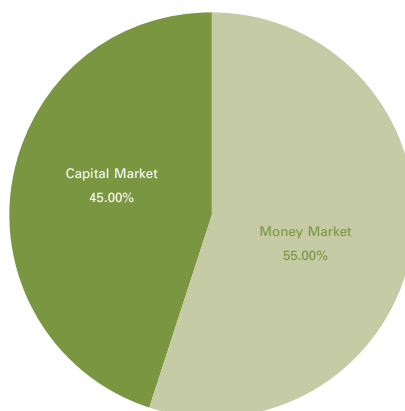
The Treasury Group is comprised of 3 main operating units: Trading, Treasury Business Analysis and Development, and Assets-Liabilities Management. Trading businesses includes foreign currency, money market, bond and equity trading. The types of investments undertaken can be classified according to their objectives as follows:

- **Investments for Banking Purposes** are carried out with the primary objective of achieving maximum benefit within appropriate risk levels, and in line with the Bank's policies, as well as rules and regulations of governing authorities. As such, the Bank has diversified this portfolio across money and capital markets.

- **Investments for Trading Purposes** involve short-term investments to enhance the Bank's profitability and to hedge risk efficiently within specified guidelines. This trading comprises of foreign currency exchange transactions with the objective of providing service to customers (importers and exporters), and domestic capital market transactions, primarily involving fixed-income instruments.

The proportion of investment in money and capital markets as of December 31, 2002 is shown below.

Proportion of Investment in Money and Capital Markets



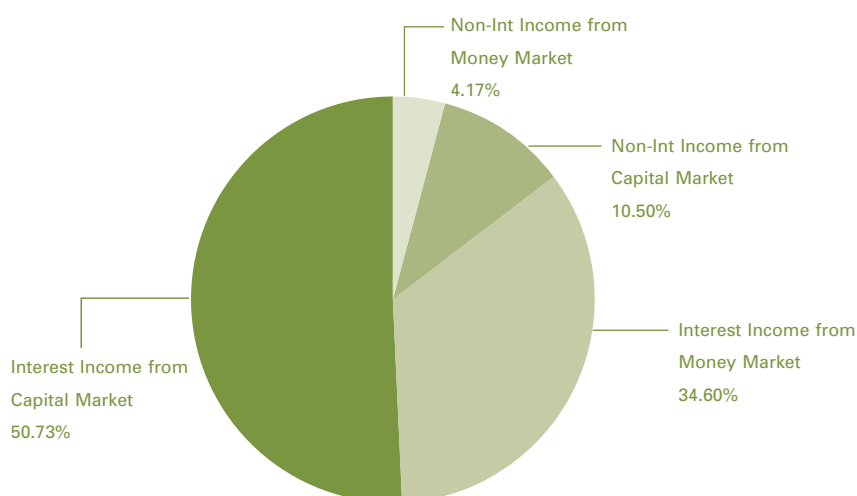
● Operating Performance

In 2002, the total investment of the Treasury Group stood at Baht 282,361 million. During the year 2002, investment has generated Baht 8,287 million of interest and dividend income and Baht 1,425 million of non-interest income. This total income of Baht 9,712 million can be further divided into types of transactions, as follows:

(Million Baht)

Type of Transaction	Interest Income	Non-interest Income	Total Income
Money Market	3,360	405	3,765
Capital Market	4,927	1,020	5,947
Total	8,287	1,425	9,712

Proportion of Income by Source



Interest Income is primarily generated from foreign currency deposits and investments in the capital market. Foreign currency deposits have a low level of both counter-party and market risks, and market size is large enough for the Bank's investments. Protection against exchange rate fluctuation on foreign currency deposits is accomplished through forward contracts. Investments in the domestic capital market normally give a higher yield due to higher market risk. However, the Bank has developed risk management tools to measure and monitor these risks.

Non-Interest Income arose from activity in the domestic capital market, Baht 247 million and Baht 773 million from fixed income securities and equity securities respectively.

● Goals and Strategy

The Treasury Group's goal is to manage investment portfolios and to provide a full range of services relating to domestic money and capital markets. It also emphasizes management of interest rates, currency, price, and liquidity risk for the benefit of the Bank and in compliance with Bank policies. In 2003, the Treasury Group aims to enhance profitability in non-interest income through new and more efficient treasury products with acceptable risk levels. The Bank's strategy is not to expand our investment in equity securities, but instead to focus on investing in higher yield alternative treasury products.

The Bank has invested extensively in information technology to monitor market movements closely, since treasury transactions are strongly correlated to market conditions and are highly sensitive to market information. In addition, we have invested in treasury dealing information gathering and management accounting systems so that transactions can be tracked, verified and analyzed. This allows the Bank to closely monitor and control our portfolios, and appropriately adapt investment strategies to reflect current market situation.

4. Risk Management and Risk Factors

4.1 Overall Risk Management

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

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

- **The Audit Committee** is responsible for reviewing the effectiveness and adequacy of the Bank's risk management procedures and internal risk control system.

Furthermore, the Board of Directors has assigned the following Subcommittees to assist in managing various risks for the Bank.

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

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

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

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

4.2 Risk Management Principles

The Bank adheres to the following Risk Management principles:

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

4.3 Risk Management

● Credit Risk Management

Credit Risk Management Overview

The Bank's credit organizational structure is based on separation of credit decisions and centralization of credit processes, aimed chiefly at maintaining sound credit quality and enhancing efficiency in credit operations, with strong monitoring and control. Clear roles and responsibilities have been defined and disseminated to the individual staff level. Credit management tools, including a credit policy manual, decision support models, financial and credit risk ratings, have been developed, and staff have received credit skills training based on internationally recognized curricula. In addition, the Bank intends to strengthen our credit culture by providing clear guiding principles, goals that increase value in credit operations and a common credit language.

Credit Policies and Credit Risk Management Tools

The Bank has established business strategies based on acceptable risk levels in order to define clearer operational targets for staff. These business strategies are translated into a consistent set of credit policies and action plans that cover all customer segments and the Bank's entire product lines. Minimum qualifications for credit eligibility are established within these policies and guidelines, which comply with the rules and regulations of the Bank of Thailand. Credit policies are regularly reviewed and updated to ensure that they are in line with guiding principles and rationale and are always available for staff through the Bank's on line information system.

The Bank believes that credit risk management tools are essential to estimating the credit risk of customers and of the credit portfolio. We have developed customer and industry risk rating tools, and have implemented automated credit evaluation systems. In order to set an appropriate price for each customer, we have adopted an international-standard risk-based pricing framework to measure the risk-adjusted return on capital (RAROC). When calculating the RAROC, the Bank not only takes into account the cost of funds and related operating expenses, but also the expected loss component from taking on the credit risk. Portfolio management tools have also been implemented to ensure that we capitalize on growth opportunities, while at the same time maintain an acceptable level of diversification.

Credit Underwriting and Approval Procedures

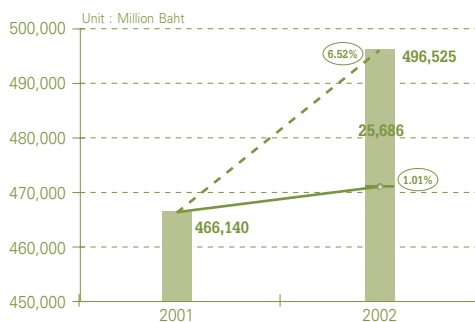
Credit underwriting and approval procedures have been designed to effectively serve customers, whose needs and characteristics are multi-dimensional. For Corporate Business Group customers, credit requests are underwritten centrally, where personnel responsible for credit applications and approval must base their decisions on credit policies and rigorous credit analysis. For Retail Business Group customers, the Bank has adopted Formula Lending, an automated credit evaluation system and other tools such as customer and behavioral scoring to assist decision making.

Post Credit Approval Operations

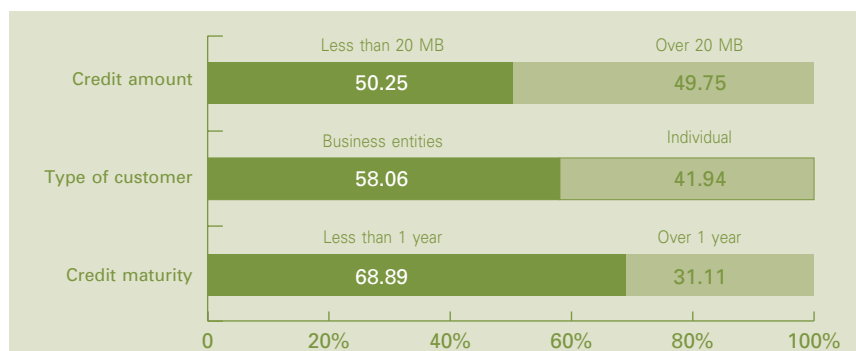
The Bank has centralized all post credit approval operations in order to create standards of efficiency in processing and to take advantage of scale economies. The responsibility of this centralized unit is to consolidate all required contracts, setup credit lines, as well as maintain lending agreements and collateral documents.

• **Outstanding Loans**

As of the end of 2002 and 2001, the Bank's outstanding loans were Baht 496,525 million and 466,140 million respectively. In 2002, the write-back on doubtful loans, previously written off under BoT Regulations, increased total loan amount by Baht 25,686 million. Excluding the write-back of doubtful loans, the Bank's loans outstanding expanded by 1.01 percent.

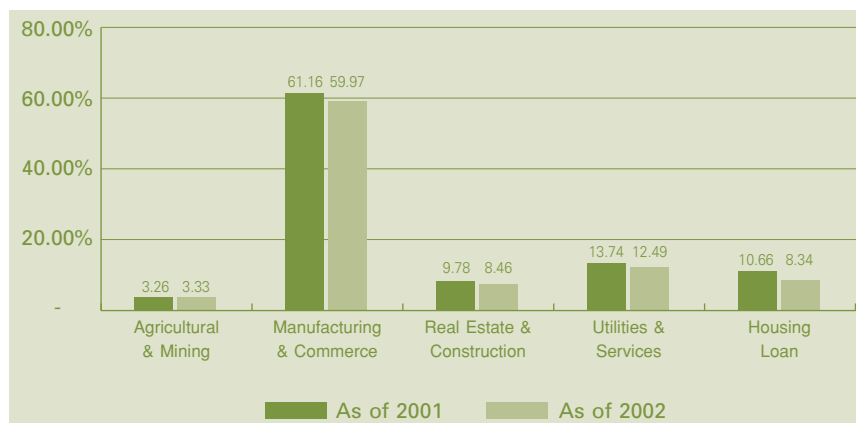


As of 2002, 50.25 percent of the Bank's outstanding loans to customer were less than Baht 20 million. Credits extended to the top 20 largest borrowers, excluding Thonburi Asset Management Company and Chanthaburi Asset Management Company, accounted for Baht 32,093 million or 6.46 percent of the Bank's total loans portfolio. Business entities accounted for Baht 288,307 million or 58.06 percent of outstanding loans while individual borrowing accounted for the remaining 41.94 percent. In terms of maturity date, credit aging less than 1 year accounted for 68.89 percent of the Bank's total loans.



The Bank's consolidated lending portfolio by sector for 2001 and 2002 were as follows:

Consolidated Lending Portfolio



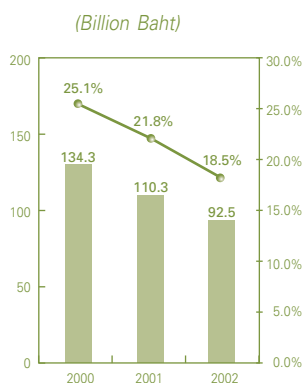
The Bank monitors overall loan performance on a monthly basis by Business Group. The Corporate and Retail Business Groups closely and continuously monitor their lending activity. Normally, the Bank revises lending targets during the end of June, to reflect changes in economic circumstances, the Bank's credit strategy and the Bank of Thailand's regulations.

• **Non-performing Loans**

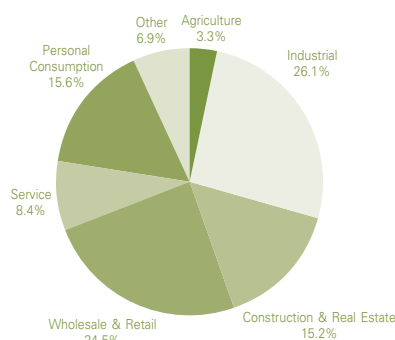
On January 16, 2003, the Bank of Thailand issued a directive, changing the definition of Non-performing Loans effective the end of December 2002, to represent principal outstanding loans classified as 'sub-standard', 'doubtful', 'doubtful loss', and 'loss' in accordance with the BoT's loan classification guidelines. NPLs according to the old definition referred to loans for which principal and/or interest repayment have been delinquent for more than 3 months (excluding the portion of loans classified as 'doubtful loss' that have been fully provisioned) and loans that have been restructured but not yet eligible to be reclassified as normal loans.

As of December 31, 2002, the Bank's NPLs stood at Baht 92,482 million, accounting for 18.46 percent of the total outstanding credit. The Bank's NPLs over time (with historical NPLs restated in accordance with the BoT's new definition for comparison purposes) and NPLs categorized by sector, classification, and litigation status are shown below.

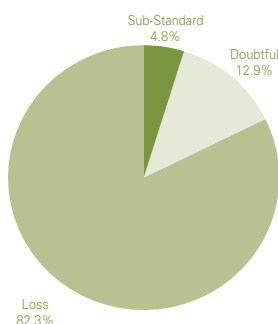
Percent NPL over the last 3 years



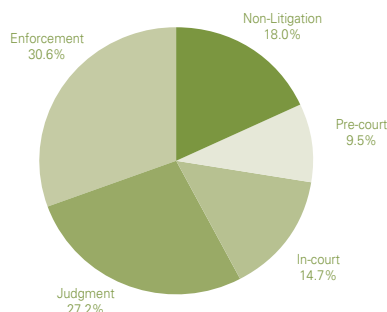
NPL by sector



NPL by classification

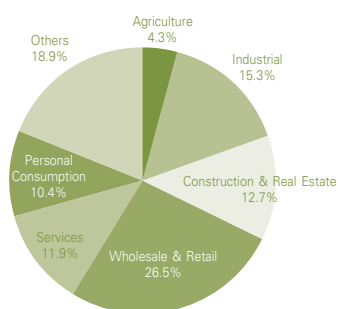


NPL by litigation status

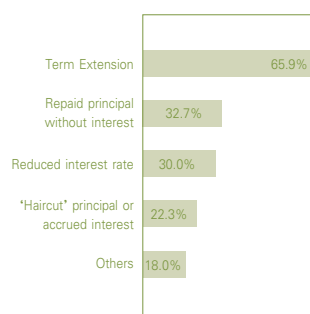


In 2002, Baht 7,121 million or 2.39 percent of average outstanding of performing non-restructured loans became NPLs, less than the corresponding amount of Baht 8,492 million or 2.83 percent for 2001. The rate of performing restructured loans reverting to NPL status also declined from Baht 29,781 million or 27.99 percent of average outstanding of performing restructured loans in 2001 to Baht 21,020 million or 22.31 percent in 2002. For the entire year, the Bank entered into debt restructuring agreements with borrowers totaling to Baht 54,038 million of prewritten-off outstanding credit. Debt restructuring activities by sector and strategy and the type of assets acquired through the restructuring process in 2002 are shown below.

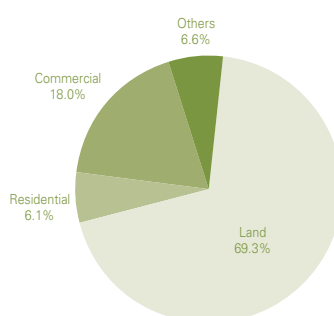
Debt restructuring by sector in 2002



Frequency of resolutions applied to restructuring debt in 2002



Assets owned through debt restructuring in 2002



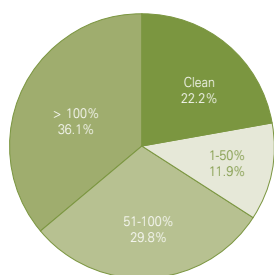
• Allowance for Doubtful Accounts

As of December 31, 2002, the Bank's allowances for doubtful accounts (including financial institutions) stood at Baht 59,013 million or 11.78% of total outstanding credit, exceeded the level required by the BoT by 153.97 percent. Current allowances are believed to be adequate to absorb potential losses from debt restructuring, relapses of performing restructured loans, depreciation in collateral value, as well as losses on debt restructuring on borrowers whose accounts the Bank has transferred to the Thai Asset Management Corporation.

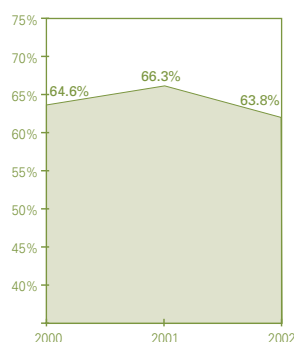
In addition, the Bank has set aside normalized provisions above the current level of allowance for doubtful accounts to accommodate unforeseen losses. Normalized provisions are targeted at approximately 0.50 percent of all performing and non-performing loans and will be gradually accumulated on a quarterly basis starting from the quarter ending June 30, 2002.

As per BoT regulations, the Bank is allowed to deduct the value of collateral from the outstanding debt in order to determine the required allowances for doubtful accounts. To qualify for such deductions, the Bank appraises all collateral in compliance with BoT guidelines, including engaging independent appraisers to annually appraise collateral in non-performing loans with outstanding balances exceeding Baht 50 million. As of December 31, 2002, in the calculation of allowances, the value of collateral eligible for deduction from outstanding NPLs amounted to 68.18 percent of the value of outstanding NPLs. The percentage of allowances for doubtful accounts to outstanding NPLs stood at 63.81 percent.

NPL by percent of collateral value of loan outstanding



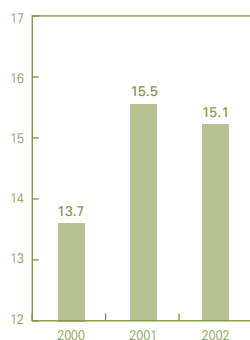
Percent Allowance for doubtful accounts to non-collateralized/unsecured portion of NPL



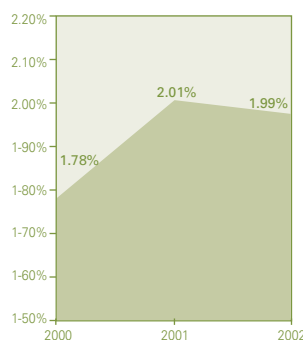
• Properties Foreclosed

According to BoT regulations, the Bank is required to dispose of properties acquired through debt restructuring or foreclosure between January 1, 1997 to December 31, 2002 within 10 years after the acquisition and has to begin liquidation by the fifth year at the latest. As of December 31, 2002, the Bank holds 2,505 items of foreclosed properties amounting to a book value of Baht 15,103 million (98.76 percent of the appraised value by independent appraisers), accounting for 1.99 percent of the Bank's total assets. The Bank's foreclosed properties over the last 3 years and the composition of our portfolio are shown below.

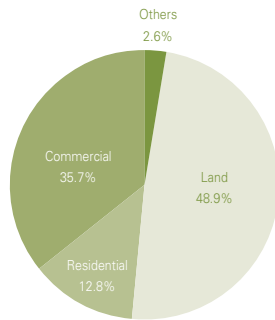
Quantity of foreclosed properties (Billion Baht)



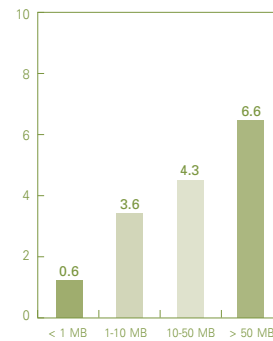
Percent foreclosed Properties to total assets



**Foreclosed properties
by type of properties**

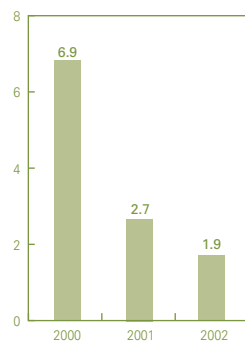


**Foreclosed properties by book value
(Billion Baht)**

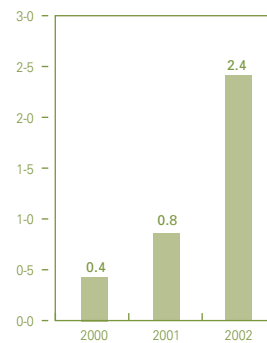


As of December 31, 2002, allowances for impairment of foreclosed properties stood at Baht 4,034 million (26.71 percent of the book value of foreclosed properties), sufficient to cover holding, maintenance and disposal expenses, as well as losses on the liquidation foreclosed properties. In 2002, the Bank acquired 733 foreclosed properties at Baht 1,934 million and sold 557 foreclosed properties with a total book value of Baht 2,375 million, incurring losses on these sales totaling to Baht 352 million (14.80 percent of book value).

**Foreclosed properties acquired
(at book value) (Billion Baht)**



**Foreclosed properties sold
(at book value) (Billion Baht)**



• Thonburi Asset Management Company Limited, and Chanthaburi Asset Management Company Limited

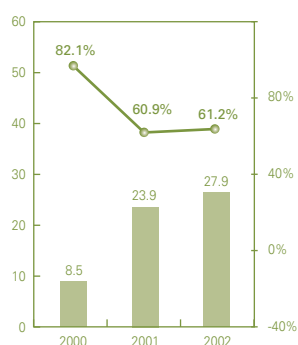
In 1999, the Bank founded Thonburi AMC, (later renamed Phethai AMC), to acquire and manage a portion of the Bank's NPL amounting to Baht 64,481 million at a discount to the net book value⁽¹⁾, and Chanthaburi AMC, (later renamed Ploy AMC), to acquire and manage Phatra Thanakij Finance Public Company Limited's NPL, amounting to Baht 41,191 million at net book value. To compensate the Financial Institution Development Fund (FIDF) for its financial assistance amounting to Baht 4,396 million to Phatra Thanakij Finance PCL for repayment to the finance company's depositors and creditors, the Bank agreed to apportion two-thirds of Chanthaburi AMC's profit to FIDF at the end of five years. In the year 2004 any assets remaining within Chanthaburi AMC will be appraised by independent appraisers and deemed liquidated at such appraised value for the purpose of profit determination.

⁽¹⁾ Net book value is the book value of NPLs netted with allowance for doubtful accounts determined in accordance with the regulations of the Bank of Thailand

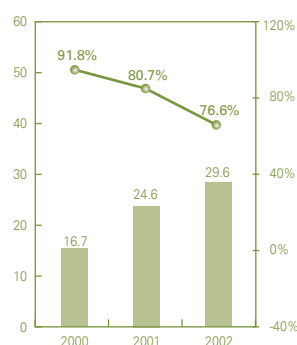
The Bank engaged a servicing company, being a joint venture of certain reputable financial firms with extensive experience in managing bad debts in many countries to manage Thonburi AMC's assets, as well as a portion of Chanthaburi AMC's assets. When this servicing agreement expired in October 2002, the Bank extended the contract for one more year to allow the joint venture to continue managing NPL in litigation and foreclosure status.

By the end of 2002, Thonburi AMC had resolved and/or restructured NPLs with initial unpaid principal balances amounting to Baht 27,873 million (43.04 percent of the total initial unpaid principal balances) at an expected recovery rate of 61.21 percent. Chanthaburi AMC had resolved and/or restructured NPLs with initial unpaid principal balances totaling Baht 29,566 million (72.07 percent of the total initial unpaid principal balances) at an expecting recovery rate of 76.56 percent.

Thonburi AMC's
cumulative loans resolved/
restructured and cumulative
recovery rate (Billion Baht)



Chanthaburi AMC's
cumulative loans resolved/
restructured and cumulative
recovery rate (Billion Baht)



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

In 2001 and 2002, the Bank transferred sub-quality debts of 261 borrowers, classified sub-quality as of December 31, 2000, and had all the characteristics as stipulated in the Emergency Decree on the Thai Asset Management Corporation (B.E. 2544) and the Asset Transfer Agreement, to TAMC. Benchmarked to the value of collateral appraised in accordance with the regulations of the Bank of Thailand, total transferred assets with aggregate gross book value of Baht 14,386 million as of their dates of transfer, were priced at Baht 10,136 million or 70.46 percent of gross book value.

(Million Baht)

Year	Number of Borrowers	Gross Book Value as of Transferred Date	Transferred Price
2001	216	12,171	9,339
2002	45	2,215	797
Total	261	14,386	10,136

In exchange for the transferred assets, TAMC issued the Bank a 10-year, non-transferable, callable note, guaranteed by the Financial Institution Development Fund (FIDF). The note yields an annual coupon, reset quarterly, at the weighted average of deposit rates of 5 major Thai commercial banks, paid in kind with 1-year, extendable, non-transferable, FIDF-guaranteed note. In 2002, the Bank recorded interest on the 10-year note amounting to Baht 194 million, equivalent to yield of 1.82 percent.

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

● Market Risk Management

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

Core Banking business that is exposed to market risk can be divided into 2 major groups: Asset-Liability Management Activities and Trading Activities.

Market Risk in Asset-Liability Management Activities

• Interest Rate Risk Management

Structure and Management Policy: The Bank has set up an Asset-Liability Management Sub Committee (ALCO) which is responsible for monitoring and controlling interest rate risk, stemming from mismatches between the asset and liability structures of the Bank. ALCO's purpose is to generate the highest return to the Bank while maintaining risk within acceptable levels. These risk limits are approved by the Internal Risk Sub-Committee and Board of Directors.

Interest Rate Risk Management Approaches: The Bank's approach to evaluating its interest rate risk is through analysis of repricing periods of Bank's assets and liabilities. Mismatches in asset and liability repricing periods indicate the interest rate risk level taken by the Bank. The Bank has developed several model assumptions regarding behavioral characteristics of assets and liabilities to be used in Sensitivity Analyses. The Sensitivity Analyses are used to analyze the effect of changes in net interest income over the next 12 months and the resultant economic value if rates such as deposit rate, lending rate, money market rate and capital market rate shift.

Moreover, the Bank has implemented the Value at Risk (VaR) concept. VaR is a statistical tool that attempts to quantify risk in terms of probability and sensitivity by using historical standard deviations, and correlations of securities prices to derive risk which is quantifiable in monetary units. VaR indicates the potential maximum loss to the Bank under normal conditions based on historical price movement.

Analysis of financial assets and liabilities based on contractual repricing periods, as of December 31, 2002 and 2001 are shown below:

Consolidated Financial Statement 2002								
	Immediate	Less than	6 months	1 year to	More than	Non-	Stop	Total
	Repricing	6 months	to 1 year	5 years	5 years	interest	accrued	
						bearing		
Financial Assets								
Cash	-	-	-	-	-	9,764.2	-	9,764.2
Interbank and money								
market items	3,758.4	54,607.8	31,134.7	129.8	-	4,850.4	1,003.0	95,484.1
Securities purchased under								
resale agreements	-	18,400.0	-	-	-	-	-	18,400.0
Investments	15,240.5	38,054.8	4,487.8	69,689.7	16,631.8	8,501.5	15,582.9	168,189.0
Loans	286,080.6	33,039.2	548.8	127.7	-	1,797.3	184,609.3	506,202.9
Accrued interest receivables	-	-	-	-	-	3,410.1	-	3,410.1
Customers' liability								
under acceptances	-	-	-	-	-	597.1	-	597.1
Accrued income receivables	-	-	-	-	-	1,949.5	-	1,949.5
Other assets	-	-	-	-	-	138.1	-	138.1
Total	305,079.5	144,101.8	36,171.3	69,947.2	16,631.8	31,008.2	201,195.2	804,135.0
Financial Liabilities								
Deposits	282,026.3	304,025.4	26,170.9	12,738.7	-	26,431.8	-	651,393.1
Interbank and money								
market items	1,521.9	174.0	2,023.2	-	-	1,974.3	-	5,693.4
Demand liabilities	-	-	-	-	-	3,422.9	-	3,422.9
Borrowing	-	-	-	20,000.0	28,556.0	-	-	48,556.0
Bank's liability								
under acceptances	-	-	-	-	-	597.1	-	597.1
Accrued interest payables	-	-	-	-	-	3,030.0	-	3,030.0
Other liabilities	-	-	-	-	-	883.9	-	883.9
Total	283,548.2	304,199.4	28,194.1	32,738.7	28,556.0	36,340.0	-	713,576.4
Repricing Gap	21,531.3	(160,097.6)	7,977.2	37,208.5	(11,924.2)	(5,331.8)	201,195.2	90,558.6

Consolidated Financial Statement 2001

	Immediate Repricing	Less than 6 months	6 months to 1 year	1 year to 5 years	More than 5 years	Non- interest bearing	Stop accrued	Total
Financial Assets								
Cash	-	-	-	-	-	12,142.5	-	12,142.5
Interbank and money								
market items	1,063.3	159,333.5	221.1	412.6	-	4,090.4	-	165,120.9
Securities purchased under								
resale agreements	-	3,700.0	-	-	-	-	-	3,700.0
Investments	531.9	22,354.9	3,016.0	49,623.5	23,696.0	8,975.2	19,636.6	127,834.1
Loans	275,124.1	15,039.0	2,862.9	1,318.1	21.4	1,473.8	180,647.5	476,486.8
Accrued interest receivables	-	-	-	-	-	4,072.5	-	4,072.5
Customers' liability								
under acceptances	-	-	-	-	-	611.5	-	611.5
Accrued income receivables	-	-	-	-	-	1,855.7	-	1,855.7
Other assets	-	-	-	-	-	112.8	-	112.8
Total	276,719.3	200,427.4	6,100.0	51,354.2	23,717.4	33,334.4	200,284.1	791,936.8
Financial Liabilities								
Deposits	242,020.3	362,772.4	31,317.4	6,544.8	-	21,876.8	-	664,531.7
Interbank and money								
market items	1,038.6	5,117.6	6,113.3	-	-	1,553.1	-	13,822.6
Demand liabilities	-	-	-	-	-	3,455.5	-	3,455.5
Borrowing	-	-	-	20,000.0	28,747.6	-	-	48,747.6
Bank's liability								
under acceptances	-	-	-	-	-	611.5	-	611.5
Accrued interest payables	-	-	-	-	-	3,685.2	-	3,685.2
Other liabilities	-	-	-	-	-	598.9	-	598.9
Total	243,058.9	367,890.0	37,430.7	26,544.8	28,747.6	31,781.0	-	735,453.0
Repricing Gap	33,660.4	(167,462.6)	(31,330.7)	24,809.4	(5,030.2)	1,553.4	200,284.1	56,483.8

• **Foreign Exchange Risk Management**

Currency risk stems from changes in foreign exchange rates that can affect the Bank's Profit and Loss, and economic value of its assets and liabilities. The Treasury Department carries out daily purchases and sales of foreign currency, which can create exchange rate risk. To maintain this risk at a low level, the Bank has set limits for foreign currency positions in accordance with the Bank's business and requirements of the Bank of Thailand. These limits are under the close supervision of the Internal Risk Management Department and Asset-Liability Management Sub-Committee.

In addition, the Value at Risk (VaR) method is implemented in managing the foreign exchange risk.

• Equity Risk Management

Equity Risk stems from changes in share prices, which can affect the Bank's Profit and Loss and economic value of assets of the Bank. The Bank plans to reduce the size of equity investments that are unrelated to our core financial services business. In this endeavor, we will analyze relevant information and timing to ensure maximum benefit to the Bank.

Market Risk in Trading Activities

At present, trading activities mainly involve the purchase and sale of fixed income securities and the purchase and sale of major currencies. Market risk of these transactions are managed by the Treasury Department under the close supervision of Internal Risk Management Department so that risk inherent in the Balance Sheet is within limits. Furthermore, VaR limits are used for monitoring purposes.

● Liquidity Risk Management

Liquidity Risk management focuses on the Bank's ability to meet our obligations when they come due.

Structure and Management Policy : The Bank has established a prudent liquidity management approach to ensure that we will be able to find sufficient funds to meet our commitments under normal and liquidity crisis situations. The Treasury Department has responsibility for managing the Bank's liquidity in order to meet the cash needs of the Head Office and branches by managing highly liquid Baht and foreign currency assets and balancing short-term and long-term funding alternatives. The Asset-Liability Management Sub Committee (ALCO) is responsible for setting policy and procedures for managing liquidity, which must comply with liquidity risk standards approved by the Internal Risk Sub Committee and Board of Directors.

Liquidity Risk Management Approaches : In managing liquidity risk, the Bank has established appropriate levels of liquid assets that should be maintained to sufficiently meet cash needs when demand arises, and to be in line with Bank of Thailand guidelines. As of December 31, 2002, liquid assets held by the Bank and its subsidiaries consist of Baht 9,764 million in cash, Baht 94,840 million in interbank and money market items, Baht 18,400 million in securities purchased under resale agreements, and Baht 117,493 million in investments in securities (net of foreign securities and general investments). Total liquid assets stood at Baht 240,497 million, which was down by Baht 22,014 million from the level at December 31, 2001.

Liquidity ratios are an initial step for the Bank to measure its liquidity position. An important liquidity ratio is the Loan to Deposit Ratio. As of December 31, 2002, the Loan to Deposit ratio was 77.71 percent compared to 71.70 percent as of December 31, 2001. The increase in the ratio reflects decline in the Bank's liquidity, resulting from the withdrawal of deposits to purchase government saving bonds.

Designing an appropriate liability structure is another important approach to liquidity risk management. To reduce risk, the Bank obtains funds from various sources, and manages the proportion of short-term and long-term funding at appropriate levels. The Bank also assesses its future liquidity requirements by estimating its expected cash inflows and outflows based on the current environment, and on the liquidity situation. In estimating future cash flows, both contractual maturities and behavioral factors of assets, liabilities and various commitments are taken into account. In addition, the Bank has established a contingency funding plan that outlines processes for dealing with liquidity shortages and identifies sources of funds during crisis.

Financial assets and liabilities as of December 31, 2002 and 2001, based on their contractual maturity are shown below:

Consolidated Financial Statement 2002

	At call	Less than 6 months	6 months to 1 year	1 year to 5 years	More than 5 years	Non- maturity Items	Total
Financial Assets							
Cash	-	-	-	-	-	9,764.2	9,764.2
Interbank and money							
market items	8,280.0	55,450.3	31,134.7	251.2	197.6	170.3	95,484.1
Securities purchased under							
resale agreements	-	18,400.0	-	-	-	-	18,400.0
Investments	10,084.9	40,798.5	5,536.3	72,833.0	31,030.1	7,906.2	168,189.0
Loans	211,370.4	120,455.6	5,477.5	74,384.4	94,515.0	-	506,202.9
Accrued interest receivables	-	3,410.1	-	-	-	-	3,410.1
Customers' liability under acceptances	-	597.1	-	-	-	-	597.1
Accrued income receivables	-	1,949.5	-	-	-	-	1,949.5
Other assets	-	-	-	-	-	138.1	138.1
Total	229,735.3	241,061.1	42,148.5	147,468.6	125,742.7	17,978.8	804,135.0
Financial Liabilities							
Deposits	308,458.1	304,025.4	26,170.9	12,738.7	-	-	651,393.1
Interbank and money							
market items	3,496.2	174.0	2,023.2	-	-	-	5,693.4
Demand liabilities	3,422.9	-	-	-	-	-	3,422.9
Borrowing	-	-	-	20,000.0	8,588.9	19,967.1	48,556.0
Bank's liability under acceptances	-	597.1	-	-	-	-	597.1
Accrued interest payables	-	2,640.4	197.3	192.3	-	-	3,030.0
Other liabilities	-	-	-	-	-	883.9	883.9
Total	315,377.2	307,436.9	28,391.4	32,931.0	8,588.9	20,851.0	713,576.4
Maturity Gap	(85,641.9)	(66,375.8)	13,757.1	114,537.6	117,153.8	(2,872.2)	90,558.6

Consolidated Financial Statement 2001

	At call	Less than 6 months	6 months to 1 year	1 year to 5 years	More than 5 years	Non- maturity Items	Total
Financial Assets							
Cash	-	-	-	-	-	12,142.5	12,142.5
Interbank and money							
market items	4,714.8	159,389.1	221.1	412.6	-	383.3	165,120.9
Securities purchased under							
resale agreements	-	3,700.0	-	-	-	-	3,700.0
Investments	11,764.5	18,989.8	5,974.1	52,849.4	29,333.6	8,922.7	127,834.1
Loans	192,501.6	101,196.2	9,074.9	73,515.2	100,198.9	-	476,486.8
Accrued interest receivables	-	4,072.5	-	-	-	-	4,072.5
Customers' liability under acceptances	-	611.5	-	-	-	-	611.5
Accrued income receivables	-	1,855.7	-	-	-	-	1,855.7
Other assets	-	-	-	-	-	112.8	112.8
Total	208,980.9	289,814.8	15,270.1	126,777.2	129,532.5	21,561.3	791,936.8
Financial Liabilities							
Deposits	263,897.1	362,772.4	31,317.4	6,544.8	-	-	664,531.7
Interbank and money							
market items	2,591.7	5,117.6	6,113.3	-	-	-	13,822.6
Demand liabilities	3,455.5	-	-	-	-	-	3,455.5
Borrowing	-	-	-	20,000.0	8,780.5	19,967.1	48,747.6
Bank's liability under acceptances	-	611.5	-	-	-	-	611.5
Accrued interest payables	-	3,257.4	332.8	95.0	-	-	3,685.2
Other liabilities	-	-	-	-	-	598.9	598.9
Total	269,944.3	371,758.9	37,763.5	26,639.8	8,780.5	20,566.0	735,453.0
Maturity Gap	(60,963.4)	(81,944.1)	(22,493.4)	100,137.4	120,752.0	995.3	56,483.8

● **Operational Risk Management**

Operational Risk is defined as risk of loss resulting from inadequate or faulty internal processes, people, systems or due to external events. The resulting losses may be financial or non-financial in nature, such as the loss of reputation or regulatory standing, which may directly or indirectly impact the Bank's revenue and/or capital.

At present, leading-edge banks give much attention to operational risk management but, compared to credit risk or market risk, measurement and assessment of operational risk are still in the standard-setting and developmental stage. Nevertheless, the Bank is giving high priority to the development of a new operational risk management methodology. Under the Bank's integrated risk management policy that governs the management of operational risk, Internal Risk Management Subcommittee has the responsibility of managing operational risk through Internal Risk Management Department which is in charge of developing effective management tools and processes. The Bank's independent Internal Audit Department also plays an important role in the governance process for integrity and transparency.

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

The Bank is currently developing a new performance measurement framework called the Risk-adjusted Return on Capital (RAROC) and Economic Profit, which measures net profit after adjusting both the risk charge and the cost of capital. This framework is aimed at a better and more complete performance measurement that reflects the true risk and return profile of the Bank. It will be used as a tool for determining business strategies to achieve return at appropriate risk levels, to help in capital adequacy management, and to efficiently support capital allocation to all business units. The ultimate objective is to build sustainable profit for the Bank's shareholders through a standardized framework, which has been widely implemented by many foreign financial institutions.

In order to achieve the aforementioned objective, the Bank has developed many advanced models and tools to estimate and quantify risks in terms of capital. In addition, we have prepared ourselves by initiating plans and processes to establish a full risk-based performance measurement framework in the future.

● Other Risk Factors

• Risks Associated with Foreclosing Procedures

Most of the Bank's loans are secured by collateral, but the current Bankruptcy Law and asset foreclosing process have not been developed to international standards. Under the financial support agreement of the International Monetary Fund (IMF), Thailand is liable to amend its bankruptcy laws and foreclosure laws in order to speed up legal execution of these processes at commercial banks. Although some amendments have been ratified, the legal execution and foreclosure process have yet to be significantly accelerated. The Bank has nevertheless, set guidelines to closely monitor all foreclosure-related work.

• Risks from Guarantees and Avals

Certain transactions with customers are in the form of guarantees on borrowing or performance, letters of credit, and avals on notes. Such transactions are considered by the Bank a way of rendering Bank credit, which also typically includes claims on collateral. With regard to risk controls in this area, the Bank uses the same criteria as those used for the Bank's normal credit approval process. At the end of December 2002, the Bank's contingent obligations were Baht 44 billion.

• Risks Incurred from Contractual Obligations of Derivative Instruments

The Bank acts as an intermediary in foreign exchange and derivative instrument markets by making various forward exchange and derivative instrument trading contracts with financial institutions domestically and abroad, as part of the Bank's risk hedging services. The Bank's policy provides that we do not enter into foreign exchange contracts or derivative transactions for speculation, that is without a customer's direct underlying transaction. As of December 31, 2002, the Bank had foreign exchange contracts on the purchase side of Baht 48,819 million, with Baht 172,535 million on the sales side. In addition, the Bank had interest rate contracts on the purchase side of Baht 11,559 million and Baht 11,559 million on the sales side.

- **Risks Related to Capital Adequacy**

As of December 31, 2002, the Bank had a capital adequacy ratio, including the risk assets of Thonburi and Chanthaburi AMCs, equal to 14.34 percent. This is significantly above the Bank of Thailand's requirement of 8.50 percent. The Bank closely follows impacts on capital, which is reported with our operational results.

5. Functional Groups

5.1 Human Resources

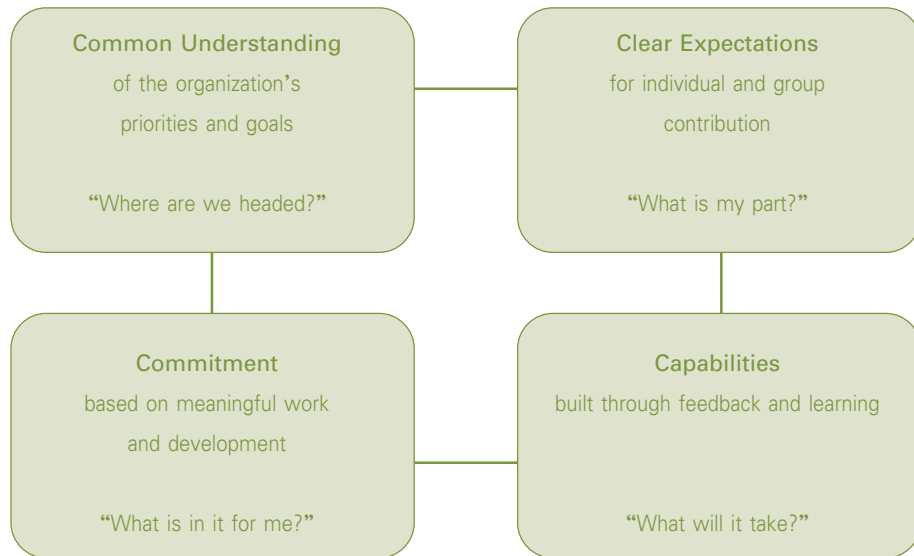
- **Building for Higher Performance-based Effectiveness**

Performance Based Organizational Management is a systematic approach to performance improvements through an ongoing process of establishing strategic objectives which measure, collect, analyze, and review performance-based data, and use that data to drive improvements throughout the organization. The Bank is putting significant effort into making our organization more effective through the establishment of our **PRO** project. **P** stands for the **P**erformance of each employee which is directly tied to the success of the Bank; **R** for the **R**eward and recognition for each employee which includes not only salary and benefits, but also training, development; and **O** for the **O**pportunity for each employee to advance and prosper in his or her career path. In this project we are developing and implementing a performance management system that has already been accepted by many leading business organizations, because it has been proven to drive organizations to higher performance levels.

To implement a performance-based management system, the Bank is in the process of developing a foundation in PRO-related systems.

- **Competency-based organization** which utilizes a competency framework to align strategic objectives with key HR business processes, including developing competencies to support and enable performance, and linking individual competence-level gaps to training and development.
- **Competency development guides** to establish guidelines and procedures for development of each competency.
- **Job redefinition** to adjust roles and responsibilities, and compensation by benchmarking them against international and regional standards.
- **Career management and succession plan** to support and inform employees about their career path.
- **Systematic training program** in the new performance-based management system for senior management, assessors, advisors and other staff.
- **Communication program** that continuously inform employees about changes through various TFB communication channels.

The critical elements required to build an effective performance-based management system are:



In the Bank's performance-based management system, the employee and his/her assessor must set goals which are aligned at the individual level up to departmental, business unit and organizational levels. There are 4 steps in the performance-based management process:

- **Performance-based Planning:** set goals for each employee, which are aligned with the Bank's business goals. These goals must be mutually agreed upon between employees and their assessors, and must be done within a set period. Performance-based measurement can be divided into 2 parts: The "what", which is the measurement of result-based goals; and, the "how", which are developmental goals focusing on developing competencies. Employees and assessors help each other by planning developmental activities, both formal and informal, to increase employee knowledge and potential, thereby the supporting the employees' career aspiration and growth.

- **Coaching and Feedback:** assessors and employees formally and informally discuss the progress of work, results and effectiveness of work, including what is going well and what could be improved throughout the year. Ongoing coaching and feedback from supervisors provides employees not only feedback on work performance, but also input on their developmental progress.

- **Performance-based Review:** employees and assessors review and discuss results versus expectations on an ongoing basis and formally at the end of the year. Moreover, the Performance Review provides input to the employee's assessment of their performance, potential, stage of development and career progression, and to further revision of their career planning.

- **Opportunities and Rewards:** the results of performance-based reviews are used to identify development needs, determine readiness for career advancement and fair and market-competitive compensation.

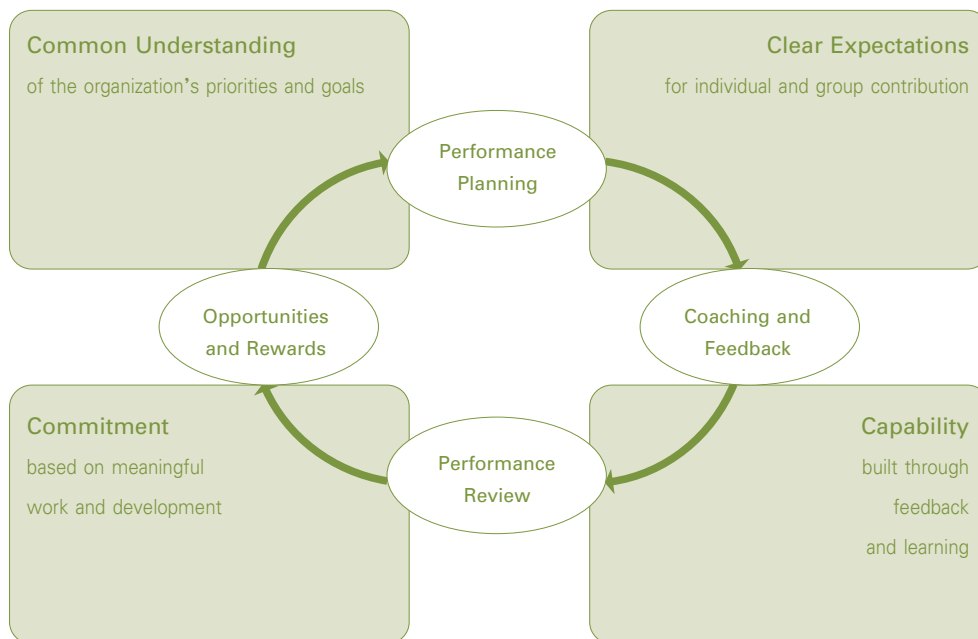
The steps in the performance-based management process are aligned with factors required for building an efficient performance-based organization in the following ways.

- **Common Understanding:** Every employee must know the organizational direction and goals in order to carry out their own duties effectively. This is aligned with the performance-based planning phase, where employees set goals aligned with departmental and organization goals.

- **Clear Expectations:** All employees must know how each individual can contribute to achieving organizational targets. This is aligned with the steps of performance-based planning and coaching/feedback. Employees know what the Bank expects of them. Moreover, giving feedback on the area that employees should focus on and improve upon, is an important step in communicating to employees on how they can maximize their effectiveness.

- **Capability:** Every employee must know what competencies they need to perform their job successfully. This is aligned coaching/feedback and opportunities and rewards. One way to increase their knowledge and competence is to receive coaching and feedback from others, both assessors and colleagues. Increased competence will make employees better able to perform and achieve the goals that finally link back to greater job opportunities and rewards.

- **Commitment:** This is related to the step of performance-based review, as with opportunities and rewards. When employees are able to perform and achieve their goals, they will receive rewards according to their contribution to the organization, which will drive their commitment to further achievement of goals. Moreover, it also supports the career advancement of employees.



We strongly believe that implementing a performance-based management system will bring benefits to both the Bank and its employees. For the Bank we can ensure that every employee will work towards the same goals. There is transparency and fairness in the organization, which drives employees to perform at their best. The Bank will have a database detailing the capabilities of employees, which will help management make strategic decisions regarding how to allocate manpower to take on more responsibility. This system will also drive other HR processes such as capacity planning, training and development, career/succession planning, and compensation and benefits in the same strategic direction.

For Employees, individuals will have a clearer understanding of their goals and expectations. They will be able to objectively assess their competency level, and specify target areas for professional development and set plans in motion to develop for the next career advancement. Employees can identify their accomplishments and results objectively with the rewards for each individual being dependent on performance.

5.2 Back Office Reconfiguration

● Centralized Back Office Reconfiguration Project

The centralized back office project is focused on our branches, as well as some operations such as the Clearing process, Cash Management and Deposit & Payment processes at the head office. Three processing hubs, located at Ratburana, Phaholyothin and Ramkamhaeng centers, were setup to monitor all 206 Bangkok branches in the first phase. The next phase will focus on provinces with high growth potential and where implementation is feasible in terms of the quantity of business transactions and cost-savings. All expansion must receive approval from the Bank of Thailand.

The centralized back office program was initially implemented on June 4, 2001. Later, on June 25, 2001, 15 pilot branches were added. The system was then debugged, and more branches were added to the system on August 20. By May 7, 2002, all 206 branches in Bangkok have been successfully implemented. Centralized back office operations benefited the Bank through site staff reductions of 339 persons (38.00 percent) while service levels have also become more efficient and standardized.

● Credit Services Unit & Centralized Lending Services Project: CSU/CLS

The Credit Services Unit & Centralized Lending Services, under the Credit Transformation Project (CT), have been in implementation since 2002 with the concept of centralizing all post-approval processes in order to increase standardization, credit service quality levels and resources utilization levels. The contract document preparation process and the account setup process at branches have been centralized in order to improve efficiency in sales and service at branches. Over 200 branches in Bangkok and the Metropolitan Area have implemented CT in the first phase.

Since July 1, 2002, the accuracy and speed of the contract document preparation process has improved. Contract & Collateral records for corporate banking customers previously stored at branches and other departments are currently being transferred to storage at the Centralized Lending Service Unit. The Bank can now easily check all documents and record data in the system for Loan Portfolio Management. As a result, the Bank saved significant manpower with only a Baht 33.97 million in capital investment.

At present, the procedure for working with non-standardized contractual documents is being developed with the expectation of saving time and reducing the complexity of documents. With new innovations for records keeping, such as digital imaging systems, the record and documentation system has been much improved.

In 2003, the scope of CT will expand with all back office operations, such as syndicated loans, BIBFs and bad bank operations at branches being centralized to the head office.

5.3 Information Technology (IT)

● IT Security Policy and Implementation

Information has intrinsic value to an enterprise no matter where it resides or what form it takes. Everyone associated with the Bank has a role in securing this valuable asset. The Bank's success depends on our ability to offer all of our services with a high level of customer satisfaction, while also maintaining the confidentiality of information. By clearly defining our information security policy and applying security safeguards in accordance with the policy, the Bank is doing its utmost to ensure that proper and efficient protection of information is achieved. The Bank has focused on security improvements in 3 areas:

- **Employee Awareness Development**

The Bank has conducted an information security awareness training program for employees in both the supporting and business units. Over 1,500 employees are part of this security awareness-raising program. Moreover, information security topics have been published in internal newsletters to expedite security awareness among employees at all levels.

- **Process and Procedure Improvement**

The Bank, together with PriceWaterHouse Coopers, has developed an information security policy and procedure, based on the world-recognized British Standard 7799 (BS7799) which the International Standard Organization recently adapted and made into its ISO17799 standard. One of the results of implementing this standard is the establishment of the Information Security Department with the mission of developing and maintaining an information security policy and procedures that reflect risk level, and developing and presenting an information security awareness program.

- **Technology Procurement**

The Bank has initiated an Information Security Infrastructure project to set up a security management and control system to protect information from both internal and external intrusion. The objectives are to upgrade and secure network infrastructure, operating systems and database from attempts to penetrate the Bank's information system, and to support and reinforce information security measures of today and future electronic commerce business at both Internet and extranet levels.

● IT Outsourcing

In today's banking business, information technology is playing a key role for the Bank in achieving its success, especially in the current highly competitive environment that includes global players with higher capabilities in information technology.

As a result, the Bank has studied the possibility of outsourcing its IT operations to a world-class provider. The Bank will benefit from process improvements and greater efficiency as a result of implementing new methodologies, as well as improve cost control and budgetary management. This will also allow the organization to concentrate on its core business, and not be distracted by non-core activities.

The Board of Directors has approved a contract with a service provider that has the proper qualifications to provide 10 years of outsourcing services in the areas of:

- Application Management Services
- Network and Workstation Management Services
- Data Center Services

The Bank has also determined certain other necessary qualifications for an outsourced IT service provider, listed below:

- Experience with globally-prominent financial institutions in the scope of service required by the Bank
- Presence in the Thai market
- Reliability and the capability to deliver good service to the Bank

From these criteria, the Bank has selected IBM (Thailand) Company Limited to provide outsourced IT services to achieve the Bank's IT goals. In addition, the Bank has elaborated on a governance model, as well as the need for evaluation and monitoring the service provider's operations, to ensure that the Bank's goals and targets will be met. Throughout the service period, the Bank will ensure that operational risk management will be in compliance with the Bank's policy and the Bank of Thailand's rules and regulations, and will have proper contingency plans ready in case of problems.

6. TFB's Investments in Subsidiary and Associated Companies

TFB's Investment Policy

Thai Farmers Bank's policy is to invest in businesses that are in line with, and can be beneficial to the Bank's main business, from strategic and supportive viewpoints. The Bank applies different investment criteria to target companies, depending on their type of their business. Strategic investment criteria are applied to associated companies, while supportive investment criteria are applied to subsidiary companies.

● Subsidiary and Associated Companies

Subsidiary Companies refer to companies where the Bank has the authority to stipulate their financial and operating policies in order to benefit the Bank, and the Bank has invested in more than 50 percent of the fully paid equity of the company.

Associated Companies refer to companies where the Bank has the authority to make decisions with regard to the financial and operating policies, and the Bank has invested in more than 20 percent of the fully paid equity of the company.

● Investment Policy

• Strategic Investments

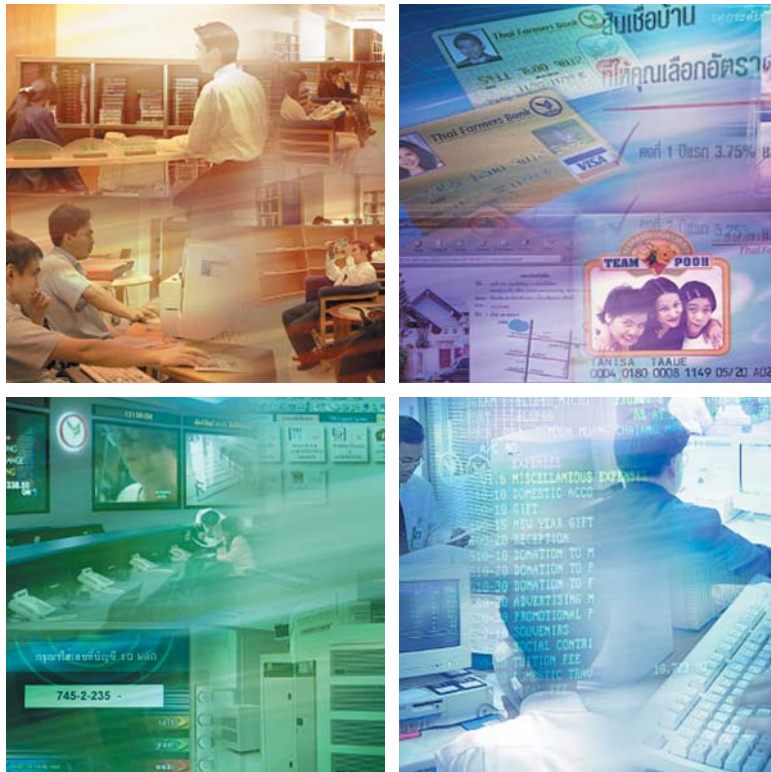
The Bank invests in businesses that benefit the Bank strategically. The Bank and associated companies collaborate in reviewing business plans of these companies and find ways to integrate them into the Bank's business. One objective is to employ the resources, equipment, tools and other existing channels of the Bank to create maximum efficiency without causing operating redundancies.

• Supportive Investments

The Bank invests in companies that provide support to the Bank's core business. These are companies providing services to supplement other operating units that are not the core business of the Bank and would cause inefficiency in the Bank's operations if they remained as part of the Bank. We appoint executives to co-manage these companies in order to create efficiency, effectiveness and define standards for providing services to the Bank.

Details of Investments

Company Name	Place	Type of Business	No. of Shares Issued	No. of Shares Held	Percentage Held (%)	Type of Shares	2002 Operating Performance (Baht)
Investment in Assets Management Company							
1.Thonburi Asset Management Co., Ltd. Tel. 0 2470 2836 Fax. 0 2470 2841	Bangkok	Service	800,000,000	799,999,993	99.99	Ordinary	(626,515,198)
2. Chanthaburi Asset Management Co., Ltd. Tel. 0 2693 2020 Fax. 0 2693 2359	Bangkok	Service	500,000,000	499,999,993	99.99	Ordinary	(114,002,509)
Investment in Strategic and Supportive Company							
1. Kanpai Co., Ltd. Tel. 0 2273 3898 Fax. 0 2270 1261	Bangkok	Service	200,000	199,993	100.00	Ordinary	12,740,945
2. Progress Plus Co., Ltd. Tel. 0 2273 2840 Fax. 0 2270 1272	Bangkok	Service	230,000	229,993	100.00	Ordinary	7,560,583
3 Progress Land and Buildings Co., Ltd. Tel. 0 2273 3884 Fax. 0 2273 3883	Bangkok	Property Development	20,000,000	19,999,992	99.99	Ordinary	(88,940,221)
4.Thai Farmers Research Center Co., Ltd. Tel. 0 2273 1874 Fax. 0 2270 1569	Bangkok	Service	100,000	99,993	99.99	Ordinary	367,447
5.Progress Facilities Management Co., Ltd. Tel. 0 2273 3289 Fax. 0 2273 3292	Bangkok	Service	50,000	49,993	99.99	Ordinary	1,430,532
6. Progress Services Co., Ltd. Tel. 0 2273 3293-4 Fax. 0 2273 3292	Bangkok	Service	20,000	19,993	99.97	Ordinary	519,675
7. Progress Management Co., Ltd. Tel. 0 2273 2499 Fax. 0 2270 2600-1	Bangkok	Service	60,000	59,958	99.93	Ordinary	1,320,213
8. Progress Storage Co., Ltd. Tel. 0 2273 3267 Fax. 0 2278 5035	Bangkok	Service	30,000	29,993	99.98	Ordinary	1,112,590
9. Progress Appraisal Co., Ltd. Tel. 0 2273 3264 Fax. 0 2270 1052-3	Bangkok	Service	5,000	4,992	99.84	Ordinary	13,834,767
10. Thai Farmers Asset Management Co., Ltd. Tel. 0 2693 2300 Fax. 0 2693 2320	Bangkok	Mutual Fund	27,154,274	19,394,156	71.42	Ordinary	80,178,271
11. Progress Software Co., Ltd. Tel. 0 2273 3829 Fax. 0 2270 1197	Bangkok	Service	100,000	60,000	60.00	Ordinary	11,892,870
12. Thai Administration Services Co., Ltd. Tel. 0 2636 1885 Fax. 0 2636 1885	Bangkok	Service	10,000,000	5,099,997	51.00	Ordinary	19,308,138
13. Merrill Lynch Phatra Securities Co., Ltd. Tel. 0 2265 1321 Fax. 0 2275 3666	Bangkok	Financial Institution	250,000,000	122,499,993	49.00	Ordinary	(20,509,564)
14. Processing Center Co., Ltd. Tel. 0 2237 6330-4 Fax. 0 2237 6340	Bangkok	Service	100,000	30,000	30.00	Ordinary	13,431,796



The operating results of the Thai Farmers Bank in 2002 shows our exceptional ability to overcome a multitude of adverse factors besetting the banking and financial sectors during the year.



To the Shareholders of Thai Farmers Bank Public Company Limited:

I have audited the consolidated balance sheet of Thai Farmers Bank Public Company Limited and subsidiaries as at December 31, 2002 and the consolidated statements of income, changes in shareholders' equity and cash flows for the year then ended and the separate financial statements of Thai Farmers Bank Public Company Limited for the same period. The Bank's management is responsible for the correctness and completeness of the information presented in these financial statements. My responsibility is to express an opinion on these financial statements based on my audit. The consolidated financial statements of Thai Farmers Bank Public Company Limited and subsidiaries and the separate financial statements of Thai Farmers Bank Public Company Limited for the year ended December 31, 2001 were audited by another auditor in the same office, whose report dated February 12, 2002, expressed an unqualified opinion on those statements.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Thai Farmers Bank Public Company Limited and subsidiaries as at December 31, 2002 and the consolidated results of their operations and cash flows for the year then ended and the separate financial position and the results of its operations and cash flows of Thai Farmers Bank Public Company Limited for the same period, in conformity with generally accepted accounting principles.

Without qualifying my opinion, I draw attention to Note 2.3 to the financial statements. The operations of Thai Farmers Bank Public Company Limited and its subsidiaries may continue to be affected by the economic conditions in Thailand and the Asia Pacific Region in general.

D. Dimphasant

(Supot Singhasaneh)

Certified Public Accountant

Registration Number 2826



KPMG Audit (Thailand) Limited
Bangkok, February 12, 2003



Thai Farmers Bank Public Company Limited and Subsidiaries

Balance Sheets

As of December 31, 2002 and 2001

	Consolidated		The Bank	
	2002 Baht	2001 Baht	2002 Baht	2001 Baht
Assets				
Cash	9,764,205,922.40	12,142,514,381.88	9,764,122,407.65	12,142,412,381.88
Interbank and money market items (Note 4.2)				
Domestic items				
Interest bearing	3,457,672,904.15	894,582,240.37	3,385,334,109.66	384,741,067.08
Non-interest bearing	4,489,524,681.61	3,294,828,518.77	4,494,663,469.16	3,295,628,283.39
Foreign items				
Interest bearing	86,532,213,914.44	160,119,894,180.23	86,532,213,914.44	160,119,894,180.23
Non-interest bearing	360,919,334.47	795,575,901.47	360,919,334.47	795,575,901.47
Total interbank and money market items - net	94,840,330,834.67	165,104,880,840.84	94,773,130,827.73	164,595,839,432.17
Securities purchased under resale agreements (Note 4.3)	18,400,000,000.00	3,700,000,000.00	18,400,000,000.00	3,700,000,000.00
Investments (Notes 3.4, 4.2 and 4.25)				
Current investments - net	72,699,392,489.00	28,348,351,515.23	72,310,121,353.72	28,348,351,515.23
Long-term investments - net	90,884,228,616.39	93,325,287,653.71	79,212,635,426.62	76,939,249,759.26
Investments in subsidiaries and associated companies - net	1,280,376,526.26	1,427,040,248.88	7,245,945,739.47	8,177,701,409.57
Total investments - net	164,863,997,631.65	123,100,679,417.82	158,768,702,519.81	113,465,302,684.06
Loans and accrued interest receivables (Note 4.5)				
Loans (Notes 3.5, 3.7 and 4.6)	506,202,917,373.38	476,486,785,486.16	496,525,046,750.68	466,139,990,926.36
Accrued interest receivables	3,410,052,280.14	4,072,508,087.87	1,934,392,812.56	2,102,811,356.90
Total loans and accrued interest receivables	509,612,969,653.52	480,559,293,574.03	498,459,439,563.24	468,242,802,283.26
Less Allowance for doubtful accounts (Notes 3.6 and 4.7)	(76,949,724,803.14)	(51,325,609,745.87)	(54,919,951,503.47)	(25,000,767,287.90)
Less Revaluation allowance for debt restructuring (Notes 3.7 and 4.8)	(2,755,014,099.15)	(3,781,442,526.14)	(2,647,233,500.35)	(3,699,383,728.95)
Less Normalized provisioning (Notes 3.8 and 4.9)	(800,000,000.00)	-	(800,000,000.00)	-
Total loans and accrued interest receivables - net	429,108,230,751.23	425,452,241,302.02	440,092,254,559.42	439,542,651,266.41
Foreclosed properties - net (Notes 3.9 and 4.10)	15,086,828,304.41	14,852,450,152.14	11,068,607,580.17	11,634,406,639.66
Customers' liability under acceptances	597,096,484.15	611,508,834.65	597,096,484.15	611,508,834.65
Premises and equipment - net (Notes 3.10 and 4.12)	22,394,500,475.36	22,773,350,414.02	21,801,037,447.84	22,173,325,797.06
Deferred tax assets (Notes 3.11 and 4.13)	14,338,255.38	15,146,312.33	-	-
Accrued income receivables	1,949,493,102.31	1,855,689,941.26	1,883,698,623.95	1,792,916,047.32
Forward exchange contract revaluation	745,642,924.52	1,893,942,551.54	745,642,924.52	1,893,942,551.54
Other assets - net (Note 3.16)	3,017,408,434.22	3,096,570,669.97	2,807,958,299.29	2,833,088,908.13
Total Assets	760,782,073,120.30	774,598,974,818.47	760,702,251,674.53	774,385,394,542.88

Pol. Gen. Pow Sarasin

(Pol. Gen. Pow Sarasin)

Vice Chairman

Banthoon Lamsam

(Banthoon Lamsam)

President

See notes to financial statements

Thai Farmers Bank Public Company Limited and Subsidiaries



Balance Sheets

As of December 31, 2002 and 2001

	Consolidated		The Bank	
	2002 Baht	2001 Baht	2002 Baht	2001 Baht
Liabilities and Shareholders' Equity				
Deposits (Note 4.14)				
Deposits in baht	649,141,061,291.00	660,609,489,513.55	649,748,041,872.97	660,923,281,920.61
Deposits in foreign currencies	2,252,107,008.63	3,922,242,010.82	2,252,107,008.63	3,922,242,010.82
Total deposits	651,393,168,299.63	664,531,731,524.37	652,000,148,881.60	664,845,523,931.43
Interbank and money market items (Note 4.15)				
Domestic items				
Interest bearing	3,461,073,197.37	4,234,769,969.99	3,461,073,197.37	4,243,512,217.37
Non-interest bearing	1,788,470,188.12	1,373,841,745.94	1,788,470,188.12	1,373,841,745.94
Foreign items				
Interest bearing	258,049,516.38	8,034,680,034.75	258,049,516.38	8,034,680,034.75
Non-interest bearing	185,799,515.82	179,307,683.26	185,799,515.82	179,307,683.26
Total interbank and money market items	5,693,392,417.69	13,822,599,433.94	5,693,392,417.69	13,831,341,681.32
Liability payable on demand	3,422,940,128.54	3,455,518,602.37	3,422,940,128.54	3,455,518,602.37
Borrowing				
Long-term borrowing (Notes 4.16, 4.17 and 4.18)	48,555,994,109.78	48,747,607,946.39	48,555,994,109.78	48,747,607,946.39
Total borrowing	48,555,994,109.78	48,747,607,946.39	48,555,994,109.78	48,747,607,946.39
Bank's liability under acceptances	597,096,484.15	611,508,834.65	597,096,484.15	611,508,834.65
Deferred tax liabilities (Notes 3.11 and 4.13)	4,062,196,492.70	3,738,463,537.34	4,062,196,492.70	3,738,463,537.34
Forward exchange contract revaluation	1,625,905,192.44	351,274,404.98	1,625,905,192.44	351,274,404.98
Accrued interest payables	3,030,042,472.47	3,685,151,716.33	3,030,042,472.47	3,685,151,716.33
Other liabilities	6,955,923,241.78	8,214,886,716.06	6,639,519,926.19	8,047,460,752.80
Total liabilities	725,336,658,839.18	747,158,742,716.43	725,627,236,105.56	747,313,851,407.61
Shareholders' equity				
Share capital				
Authorized share capital				
547,345 class A preferred shares, Baht 10 par value	5,473,450.00	5,473,450.00	5,473,450.00	5,473,450.00
2,689,547,345 ordinary shares, Baht 10 par value	26,895,473,450.00	26,895,473,450.00	26,895,473,450.00	26,895,473,450.00
Issued and fully paid-up share capital				
547,345 class A preferred shares, Baht 10 par value	5,473,450.00	5,473,450.00	5,473,450.00	5,473,450.00
2,352,547,372 ordinary shares, Baht 10 par value	23,525,473,720.00	23,525,473,720.00	23,525,473,720.00	23,525,473,720.00
Warrants and premium on warrants (Note 4.17)	-	2,520,432,919.21	-	2,520,432,919.21
Premium on expired warrants (Note 4.17)	5,520,432,199.21	2,999,999,280.00	5,520,432,199.21	2,999,999,280.00
Premium on share capital				
Premium on preferred shares (Note 4.18)	27,367,250.00	27,367,250.00	27,367,250.00	27,367,250.00
Premium on ordinary shares	49,478,139,190.49	49,478,139,190.49	49,478,139,190.49	49,478,139,190.49
Appraisal surplus (Notes 3.10 and 4.12)	6,367,116,972.81	6,515,961,788.31	6,367,116,972.81	6,515,961,788.31
Revaluation surplus (deficit) on investments (Notes 3.4 and 4.4)	2,773,163,461.91	1,524,876,722.23	2,773,163,461.91	1,524,876,722.23
Retained earnings (deficit)				
Appropriated				
Legal reserve (Note 4.20)	800,000,000.00	800,000,000.00	800,000,000.00	800,000,000.00
Other reserves (Note 4.21)	26,675,300,000.00	26,675,300,000.00	26,675,300,000.00	26,675,300,000.00
Unappropriated (deficit)	(80,097,450,675.45)	(87,001,481,184.97)	(80,097,450,675.45)	(87,001,481,184.97)
Total retained earnings (deficit)	35,075,015,568.97	27,071,543,135.27	35,075,015,568.97	27,071,543,135.27
Minority interests	370,398,712.15	368,688,966.77	-	-
Total shareholders' equity	35,445,414,281.12	27,440,232,102.04	35,075,015,568.97	27,071,543,135.27
Total Liabilities and Shareholders' Equity	760,782,073,120.30	774,598,974,818.47	760,702,251,674.53	774,385,394,542.88
Off-balance sheet items - contingencies (Note 4.26)				
Aval to bills and guarantees of loans	6,591,460,563.44	9,088,207,059.49	6,591,460,563.44	9,088,207,059.49
Liability under unmatured import bills	2,632,020,016.26	2,780,944,889.20	2,632,020,016.26	2,780,944,889.20
Letters of credit	8,875,631,993.17	6,529,421,619.69	8,875,631,993.17	6,529,421,619.69
Other contingencies	380,115,619,709.60	367,471,433,655.06	380,115,619,709.60	367,471,433,655.06

See notes to financial statements



Thai Farmers Bank Public Company Limited and Subsidiaries

Statements of Income

For the Years Ended December 31, 2002 and 2001

	Consolidated		The Bank	
	2002 Baht	2001 Baht	2002 Baht	2001 Baht
Interest and dividend income (Notes 3.2 and 3.4)				
Loans	25,900,395,644.00	28,237,729,269.72	25,006,666,326.54	27,956,310,559.83
Interbank and money market items	3,577,886,090.84	5,255,063,778.55	3,575,109,741.23	5,246,856,306.24
Investments	6,430,280,792.02	5,509,678,453.93	4,756,086,614.10	4,615,121,613.66
Total interest and dividend income	35,908,562,526.86	39,002,471,502.20	33,337,862,681.87	37,818,288,479.73
Interest expense (Note 3.3)				
Deposits	11,812,429,201.55	14,619,533,276.95	11,812,429,201.55	14,619,533,276.95
Interbank and money market items	310,711,951.61	1,033,353,213.79	310,711,951.61	1,033,353,213.79
Short-term borrowing	-	576,267,123.39	-	576,267,123.39
Long-term borrowing	5,163,071,118.01	5,197,841,688.23	5,163,071,118.01	5,197,841,688.23
Total interest expense	17,286,212,271.17	21,426,995,302.36	17,286,212,271.17	21,426,995,302.36
Net income from interest and dividends	18,622,350,255.69	17,575,476,199.84	16,051,650,410.70	16,391,293,177.37
Bad debt and doubtful accounts (reversal) (Notes 3.6 and 4.22)	(3,303,664,035.33)	(821,785,692.75)	(3,548,870,068.43)	(1,100,702,460.34)
Loss on debt restructuring (Notes 3.7 and 4.23)	4,226,605,282.22	2,979,592,809.76	3,548,870,068.43	2,390,702,460.34
Normalized provisions (Notes 3.8 and 4.9)	800,000,000.00	-	800,000,000.00	-
Net income from interest and dividend after bad debt and doubtful accounts, loss on debt restructuring and normalized provisions	16,899,409,008.80	15,417,669,082.83	15,251,650,410.70	15,101,293,177.37
Non-interest income				
Gain (loss) on investments (Notes 3.4 and 4.4)	(34,605,861.78)	164,959,604.71	1,180,225,468.97	1,133,643,526.15
Share of profit (loss) from investments on equity method (Note 3.4)	56,809,166.68	(39,214,351.33)	(668,149,717.46)	(1,994,629,303.13)
Fees and service income				
Acceptances, aval and guarantees	567,948,150.83	813,527,629.63	567,948,150.83	813,527,629.63
Others	5,829,175,203.91	5,389,739,649.89	5,370,034,588.05	5,227,604,523.20
Gain on exchanges (Note 3.12)	984,688,579.81	1,224,280,920.68	984,688,579.81	1,224,280,920.68
Other income	591,332,705.07	624,981,136.86	554,077,018.59	598,858,624.05
Total non-interest income	7,995,347,944.52	8,178,274,590.44	7,988,824,088.79	7,003,285,920.58
Non-interest expenses				
Personnel expenses	5,300,393,568.57	7,320,902,663.07	5,120,935,132.90	7,146,371,241.11
Premises and equipment expenses (Notes 3.10 and 4.12)	3,425,042,839.77	3,409,058,076.00	3,350,715,148.43	3,334,889,658.64
Taxes and duties	1,600,399,054.86	1,530,314,001.23	1,557,938,965.95	1,484,653,412.72
Fees and service expenses	2,221,374,072.37	2,216,104,576.46	1,432,312,226.32	1,501,470,944.01
Directors' remuneration	48,764,299.72	33,430,929.58	42,341,799.72	27,069,404.99
Loss on impairment of foreclosed properties (Note 3.9)	758,866,767.72	3,029,605,506.29	557,872,623.46	2,918,359,120.77
Contributions to Financial Institutions Development Fund	2,732,417,102.88	2,667,251,373.31	2,732,417,102.88	2,667,251,373.31
Other expenses	2,175,038,936.54	1,709,952,314.05	1,876,307,413.02	1,391,989,477.59
Total non-interest expenses	18,262,296,642.43	21,916,619,439.99	16,670,840,412.68	20,472,054,633.14
Income before income tax	6,632,460,310.89	1,679,324,233.28	6,569,634,086.81	1,632,524,464.81
Income tax expense (Notes 3.11 and 4.24)	(75,019,067.43)	661,193,962.83	(114,749,799.08)	624,074,200.32
Net income before minority interests	6,707,479,378.32	1,018,130,270.45	6,684,383,885.89	1,008,450,264.49
Minority interests in net income	(23,095,492.43)	(9,680,005.96)	-	-
Net Income	6,684,383,885.89	1,008,450,264.49	6,684,383,885.89	1,008,450,264.49
Basic earnings per share (Note 3.17)	2.84	0.43	2.84	0.43
Number of the weighted average number of ordinary shares (shares)	2,352,547,372.00	2,352,547,372.00	2,352,547,372.00	2,352,547,372.00

Pol. Gen. Pow Sarasin

(Pol. Gen. Pow Sarasin)
Vice Chairman

Banthoon Lamsam

(Banthoon Lamsam)
President

See notes to financial statements



Statements of Changes in Shareholders' Equity

For the Years Ended December 31, 2002 and 2001

Consolidated

	Issued and Fully Paid-up Share Capital Baht	Warrants Baht	Premium on Share Capital Baht	Appraisal Surplus Baht	Revaluation Surplus (Deficit) on Investments Baht	Deficit Baht	Minority Interests Baht	Total Baht
Beginning balance as of December 31, 2000	23,530,947,170.00	5,520,432,199.21	49,505,506,440.49	6,630,468,050.42	1,090,619,354.98	(60,698,211,823.92)	240,267,304.29	25,820,028,695.47
Appraisal surplus	-	-	-	(114,506,262.11)	-	163,580,374.46	-	49,074,112.35
Revaluation surplus (deficit) on investments	-	-	-	-	434,257,367.25	-	-	434,257,367.25
Net gain (loss) not recognised in the statement of income	-	-	-	(114,506,262.11)	434,257,367.25	163,580,374.46	-	483,331,479.60
Net income	-	-	-	-	-	1,008,450,264.49	-	1,008,450,264.49
Minority interests	-	-	-	-	-	-	128,421,662.48	128,421,662.48
Ending balance as of December 31, 2001	23,530,947,170.00	5,520,432,199.21	49,505,506,440.49	6,515,961,788.31	1,524,876,722.23	(59,526,181,184.97)	368,688,966.77	27,440,232,102.04
Beginning balance as of December 31, 2001	23,530,947,170.00	5,520,432,199.21	49,505,506,440.49	6,515,961,788.31	1,524,876,722.23	(59,526,181,184.97)	368,688,966.77	27,440,232,102.04
Appraisal surplus	-	-	-	(148,844,815.50)	-	219,646,623.63	-	70,801,808.13
Revaluation surplus (deficit) on investments	-	-	-	-	1,248,286,739.68	-	-	1,248,286,739.68
Net gain (loss) not recognised in the statement of income	-	-	-	(148,844,815.50)	1,248,286,739.68	219,646,623.63	-	1,319,088,547.81
Net income	-	-	-	-	-	6,684,383,885.89	-	6,684,383,885.89
Minority interests	-	-	-	-	-	-	1,709,745.38	1,709,745.38
Ending balance as of December 31, 2002	23,530,947,170.00	5,520,432,199.21	49,505,506,440.49	6,367,116,972.81	2,773,163,461.91	(52,622,150,675.45)	370,398,712.15	35,445,414,281.12

The Bank

	Issued and Fully Paid-up Share Capital Baht	Warrants Baht	Premium on Share Capital Baht	Appraisal Surplus Baht	Revaluation Surplus (Deficit) on Investments Baht	Deficit Baht	Total Baht
Beginning balance as of December 31, 2000	23,530,947,170.00	5,520,432,199.21	49,505,506,440.49	6,630,468,050.42	1,090,619,354.98	(60,698,211,823.92)	25,579,761,391.18
Appraisal surplus	-	-	-	(114,506,262.11)	-	163,580,374.46	49,074,112.35
Revaluation surplus (deficit) on investments	-	-	-	-	434,257,367.25	-	434,257,367.25
Net gain (loss) not recognised in the statement of income	-	-	-	(114,506,262.11)	434,257,367.25	163,580,374.46	483,331,479.60
Net income	-	-	-	-	-	1,008,450,264.49	1,008,450,264.49
Ending balance as of December 31, 2001	23,530,947,170.00	5,520,432,199.21	49,505,506,440.49	6,515,961,788.31	1,524,876,722.23	(59,526,181,184.97)	27,071,543,135.27
Beginning balance as of December 31, 2001	23,530,947,170.00	5,520,432,199.21	49,505,506,440.49	6,515,961,788.31	1,524,876,722.23	(59,526,181,184.97)	27,071,543,135.27
Appraisal surplus	-	-	-	(148,844,815.50)	-	219,646,623.63	70,801,808.13
Revaluation surplus (deficit) on investments	-	-	-	-	1,248,286,739.68	-	1,248,286,739.68
Net gain (loss) not recognised in the statement of income	-	-	-	(148,844,815.50)	1,248,286,739.68	219,646,623.63	1,319,088,547.81
Net income	-	-	-	-	-	6,684,383,885.89	6,684,383,885.89
Ending balance as of December 31, 2002	23,530,947,170.00	5,520,432,199.21	49,505,506,440.49	6,367,116,972.81	2,773,163,461.91	(52,622,150,675.45)	35,075,015,568.97

See notes to financial statements



Thai Farmers Bank Public Company Limited and Subsidiaries

Statements of Cash Flows

For the Years Ended December 31, 2002 and 2001

	Consolidated		The Bank	
	2002 Baht	2001 Baht	2002 Baht	2001 Baht
Cash Flows from Operating Activities				
Net income	6,684,383,885.89	1,008,450,264.49	6,684,383,885.89	1,008,450,264.49
Add (Less) Adjustments to reconcile net income to net cash from operating activities				
Depreciation and amortization	1,682,954,896.15	1,667,429,589.36	1,649,549,513.54	1,634,956,100.66
Bad debt and doubtful accounts (reversal)	(3,303,664,035.33)	(821,785,692.75)	(3,548,870,068.43)	(1,100,702,460.34)
Loss on debt restructuring	4,226,605,282.22	2,979,592,809.76	3,548,870,068.43	2,390,702,460.34
Normalized provisions	800,000,000.00	-	800,000,000.00	-
Interest income from amortization of revaluation allowance for debt restructuring	(633,156,381.19)	(1,136,291,559.07)	(426,737,089.31)	(1,083,530,097.31)
Interest income from amortization of revaluation allowance for investments in receivables	(148,622,051.68)	(19,076,002.69)	-	-
Loss on revaluation of investments	6,512,743.41	47,337,437.24	6,512,743.41	47,337,437.24
Loss (reversal) on impairment of investments	1,528,678,910.31	96,263,766.46	(365,131,384.17)	(876,895,691.49)
Amortization of excess of fair value of assets acquired over cost of investment in subsidiary	(12,536,993.07)	(12,536,993.07)	-	-
Gain on disposal of securities for investments	(1,433,481,785.05)	(216,355,653.43)	(754,502,821.32)	(211,880,116.92)
Amortization of premium and discount on debt instruments	828,438,041.83	(155,070,168.35)	827,289,759.73	(155,149,839.64)
Loss on impairment of foreclosed properties	758,866,767.72	3,029,605,506.29	557,872,623.46	2,918,359,120.77
Loss (reversal) on impairment of other assets	(22,435,982.88)	127,029,934.37	(137,327,612.35)	46,175,665.00
Gain on disposal of premises and equipment	(2,869,318.92)	(10,479,665.88)	(5,153,569.48)	(10,480,736.98)
Reversal on allowance for impairment of premises and equipment	(6,300,827.35)	(4,185,695.02)	(3,749,221.72)	(1,249,290.14)
Share of (profit) loss from investments on equity method	(56,809,166.68)	39,214,351.33	668,149,717.46	1,994,629,303.13
Dividend income from subsidiaries and associated companies	68,463,246.36	193,529,989.08	131,882,136.47	224,560,638.68
Deferred income tax	(113,941,742.13)	628,706,394.08	(114,749,799.08)	624,074,200.32
Amortization of discount on debentures	4,311,878.57	4,460,790.57	4,311,878.57	4,460,790.57
Decrease in accrued interest receivables	662,455,807.73	397,836,403.96	168,418,544.34	127,706,963.50
(Increase) decrease in other accrued income	(93,803,161.05)	476,395,233.94	(90,782,576.63)	506,089,354.93
Decrease in accrued interest payables	(655,109,243.86)	(468,424,478.36)	(655,109,243.86)	(468,424,478.36)
(Decrease) increase in other accrued expenses	(245,921,825.38)	722,607,707.26	(376,165,124.75)	692,099,103.46
Increase (decrease) in other reserves	39,172,445.00	(66,560,345.00)	39,172,445.00	(66,560,345.00)
Minority interests in net income	23,095,492.43	9,680,005.96	-	-
Net income from operations before changes in operating assets and liabilities	10,585,286,883.05	8,517,373,930.53	8,608,134,805.20	8,244,728,346.91
(Increase) decrease in operating assets				
Interbank and money market items (assets)	70,264,550,006.17	6,951,943,116.99	69,822,708,604.44	7,466,004,826.44
Securities purchased under resale agreements	(14,700,000,000.00)	(3,500,000,000.00)	(14,700,000,000.00)	(3,500,000,000.00)
Investment for trading	(4,504,363,107.86)	(1,662,181,290.99)	(4,504,363,107.86)	(1,662,181,290.99)
Loans	(8,305,359,021.12)	13,106,956,787.87	(3,409,541,205.82)	15,543,589,105.84
Foreclosed properties	2,490,171,747.21	1,428,096,945.15	1,829,120,533.62	762,520,370.06
Other assets	1,168,689,848.98	(1,615,869,946.75)	1,213,023,019.90	(1,327,172,719.38)

See notes to financial statements



Statements of Cash Flows

For the Years Ended December 31, 2002 and 2001

	Consolidated		The Bank	
	2002 Baht	2001 Baht	2002 Baht	2001 Baht
Increase (decrease) in operating liabilities				
Deposits	(13,138,563,224.74)	17,535,017,582.63	(12,845,375,049.83)	17,511,930,651.41
Interbank and money market items (liabilities)	(8,129,207,016.25)	(2,415,218,327.16)	(8,137,949,263.63)	(2,993,907,550.67)
Liabilities payable on demand	(32,578,473.83)	1,204,712,215.02	(32,578,473.83)	1,204,712,215.02
Securities sold under repurchase agreements	-	(10,000,000.00)	-	(10,000,000.00)
Other liabilities	21,323,249.18	(3,490,596,215.71)	3,133,271.24	(3,508,098,508.02)
Net cash provided by operating activities	35,719,950,890.79	36,050,234,797.58	37,846,313,133.43	37,732,125,446.62
Cash Flows from Investing Activities				
Proceeds from disposal of available for sale investments	58,406,367,553.37	32,087,484,932.96	58,366,667,893.46	32,058,081,828.95
Proceeds from redemption of held to maturity debt instruments	26,490,498,362.17	20,104,515,983.27	25,620,498,362.17	20,104,515,983.27
Proceeds from disposal of general investments	2,960,734,150.83	1,989,704,367.92	311,996,727.37	693,438,759.86
Purchase of available for sale investments	(80,338,610,955.93)	(52,042,040,552.52)	(80,338,610,955.93)	(52,042,040,552.52)
Purchase of held to maturity debt instruments	(43,190,849,998.91)	(28,889,299,529.90)	(41,810,610,594.62)	(28,820,874,687.94)
Purchase of general investments	(909,508,353.82)	(191,218,618.32)	(909,508,353.82)	(550,432,522.31)
Proceeds from disposal of premises and equipment	18,686,154.04	31,847,590.85	17,601,533.04	31,699,561.09
Purchase of premises and equipment	(1,510,200,676.16)	(1,543,218,367.92)	(1,482,637,719.33)	(1,523,194,904.61)
Net cash used in investing activities	(38,072,883,764.41)	(28,452,224,193.66)	(40,224,603,107.66)	(30,048,806,534.21)
Cash Flows from Financing Activities				
Payments on redemption of subordinated debentures	-	(7,500,000,000.00)	-	(7,500,000,000.00)
Issue of shares to minority interests	-	97,772,502.04	-	-
Dividend paid to minority interests	(25,375,585.86)	(12,416,188.80)	-	-
Net cash used in financing activities	(25,375,585.86)	(7,414,643,686.76)	-	(7,500,000,000.00)
Net (decrease) increase in cash and cash equivalent	(2,378,308,459.48)	183,366,917.16	(2,378,289,974.23)	183,318,912.41
Cash and cash equivalents at beginning of the year (Notes 3.1 and 4.1)	12,142,514,381.88	11,959,147,464.72	12,142,412,381.88	11,959,093,469.47
Cash and cash equivalents at end of the year (Notes 3.1 and 4.1)	9,764,205,922.40	12,142,514,381.88	9,764,122,407.65	12,142,412,381.88
Supplemental Disclosures of Cash Flows Information				
Cash paid during the year				
Interest expense	17,941,321,515.03	21,895,419,780.72	17,941,321,515.03	21,895,419,780.72
Income tax	168,240,555.36	124,576,092.89	127,798,373.29	76,563,592.61

See notes to financial statements



Thai Farmers Bank Public Company Limited and Subsidiaries

Notes to Financial Statements

December 31, 2002 and 2001

1 General Information

Thai Farmers Bank Public Company Limited (“the Bank”) is a public company registered in the Kingdom of Thailand with its head office located at 1 Thai Farmers Lane, Ratburana Road, Bangkok. The Bank’s main business is commercial banking and the Bank conducts its businesses through a network of branches covering all parts of Thailand and some major parts of the world. As of December 31, 2002 and 2001, the Bank had total staffing of 9,664 persons and 10,472 persons, respectively.

2 Basis of Financial Statement Presentation and Economic Environment

2.1 The consolidated and Bank-only financial statements are prepared in accordance with the regulations of the Stock Exchange of Thailand (SET), dated November 22, 1999, regarding the “Preparation and Filing of Financial Statements and Reports Concerning the Financial Status and Results of Business Operations of Listed Companies” (B.E. 2542), and with the Bank of Thailand (BoT) directive dated May 10, 2001, prescribing the forms for balance sheets and the profit and loss accounts for commercial banks; and in conformity with generally accepted accounting principles in Thailand.

As required by Thai law and specific regulatory requirements, the Bank’s financial statements have been prepared in the Thai language. They have been translated into English here for the convenience of the reader.

2.2 The Consolidated financial statements consist of Thai Farmers Bank Public Company Limited’s financial statements and the following subsidiaries’ financial statements:

	% Shareholding	
	2002	2001
Thonburi Asset Management Co., Ltd. (“Thonburi-AMC”)	99.99	99.99
Chanthaburi Asset Management Co., Ltd. (“Chanthaburi-AMC”)	99.99	99.99
Progress Land and Buildings Co., Ltd. (“PLB”)	99.99	99.99
Thai Farmers Asset Management Co., Ltd. (“TFAM”)	71.42	71.42

Thonburi Asset Management Company Limited (the company’s name changed to “Phethai Asset Management Company Limited” on January 20, 2003), a company registered in the Kingdom of Thailand on September 24, 1999, was approved by BoT on October 13, 1999 to also register as an asset management company under the Ministerial Regulation (B.E. 2541) issued with regard to the provisions of the Asset Management Company Act (B.E. 2541). The Company is located at 252/6 Muang Thai - Phatra Office Tower 1, Floor 14, Ratchadaphisek Road, Huaykwang, Bangkok and was established with the objective of managing substandard assets transferred from the Bank.

Chanthaburi Asset Management Company Limited (the company’s name changed to “Ploy Asset Management Company Limited” on January 20, 2003), a company registered in the Kingdom of Thailand on September 30, 1999, was approved by the BoT on October 13, 1999 to also register as an asset management company under the Ministerial Regulation (B.E. 2541) issued with regard to the provisions of the Asset Management Company Act (B.E. 2541). The Company is located at 252/6 Muang Thai-Phatra Office Tower 1, Floor 5, Ratchadaphisek Road, Huaykwang, Bangkok and was established with the objective of managing substandard assets purchased or transferred from Phatra Thanakit Public Company Limited under the Memorandum of Understanding (MOU) between the Financial Institution Development Fund (FIDF), Thai Farmers Bank Public Company Limited and Phatra Thanakit Public Company Limited dated September 29, 1999. Under this MOU, the management of substandard assets must be completed by December 31, 2004 and the resulting profit or loss is thereafter to be shared among the aforementioned companies and the FIDF, in accordance with the conditions set forth in the MOU.

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

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

Significant inter-company transactions and accounts are eliminated from the consolidated financial statements.

The consolidated financial statements exclude the financial statements of the overseas finance subsidiary, Thai Farmers International Finance Limited, which was closed in 2001. The consolidated financial statements also exclude the financial statements of subsidiaries whose financial statements are not material to the Bank. The financial position and results of operations of subsidiaries, which are not included in the consolidated financial statements, are presented as supplementary information in the accompanying Note 4.4 to these financial statements.

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

2.3 The operations of the Bank and its subsidiaries may continue to be affected for the foreseeable future by economic conditions in Thailand and the Asia Pacific Region in general. The accompanying consolidated and the Bank-only financial statements reflect the management's current assessment of the impact of current economic conditions on the financial position of the Bank and its subsidiaries. However, the actual impact may differ from the management estimates.

3 Summary of Significant Accounting Policies

3.1 Cash and Cash Equivalents

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

3.2 Recognition of Interest Income

Interest and discount income on loans are recognized on an accrual basis, except when interest payments are in arrears for more than three months where, regardless of whether the loans are fully collateralized or not, a cash basis is then adopted.

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

The Bank reverses accrued interest receivables on loans for which repayments are in arrears for more than 3 months, in compliance with BoT regulations.

The asset management subsidiaries recognize interest on investments in receivables by the effective interest yield method, calculating the net present value of expected future cash collections in conformity with the directive on Accounting Guidelines for Transfers of Financial Assets of The Institute of Certified Accountants and Auditors of Thailand.

The other subsidiaries recognize Income on an accrual basis.

3.3 Recognition of Interest Expense

Interest expense is recognized on an accrual basis.

3.4 Investments

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

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

Investments in debt instruments classified as held-to-maturity investments are stated at their amortized cost, after deduction of any allowance for impairment. Premiums and discounts are amortized by the straight-line method over the term of the debt instruments to which they apply.

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

Investments in receivables, which represent investments in receivables of Chanthaburi Asset Management Company Limited are stated at cost, after deduction of allowance for impairment.

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

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

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

Interest income from investments is recognized on an accrual basis. Dividends are recognized as income on a cash basis. Gains or losses on sales of securities are recognized in the statement of income upon disposal.

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

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

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

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

3.5 Loans

Loans represent only principal amounts, except in cases of loans effected through overdraft agreements. Unearned discounts received in advance are presented as deductions from loans.

3.6 Allowance for Doubtful Accounts

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

In accordance with the regulations of the BoT, the Bank and its asset management companies categorize their loan portfolios into six categories and set minimum reserves based on these categories (Note 4.7). The period that a loan is past due is the principal criteria used in classifying a loan. The maximum collateral value used in calculating the required allowance for doubtful accounts is based on the type of collateral and the date of the most recent valuation. Allowance for normal and special mention loans are provided for based on the outstanding debt before deduction of collateral value.

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

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

3.7 Restructuring of Troubled Debt

Foreclosed assets acquired from troubled debt restructuring are recorded at fair value. Where restructuring a loan involves modification of its terms, the present value of the expected future cash collections is calculated by using discount rates equivalent to the market rates of interest at the time of restructuring. The difference between the present value of the future cash flows expected to be received and the outstanding balances of investment in the loans is recorded in the revaluation allowance for debt restructuring. This revaluation allowance for debt restructuring is amortized to the statement of income according to the amounts received over the remaining period of the debt-restructuring contracts.

3.8 Normalized Provisioning

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

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

3.9 Foreclosed Properties

Foreclosed properties are stated at the lower of cost or market value. The market value is estimated by using the latest appraisal value after deduction of estimated disposal expenses and holding costs.

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

3.10 Premises and Equipment and Depreciation

Land is stated at revalued cost. Buildings are stated at revalued cost less accumulated depreciation. The revaluation surplus of land and buildings is shown as a component of shareholders' equity. When surpluses arising from the revaluation of fixed assets are realized, the Bank transfers these directly to retained earnings.

Equipment is stated at cost less accumulated depreciation.

Depreciation on buildings acquired before July 1996 is computed using the declining-balance method at the annual rate of 4 - 5% on cost. Depreciation on buildings acquired after July 1996 is computed using the straight-line method on the acquisition cost at an annual rate of 3.33%.

Depreciation on the revalued incremental cost of buildings is computed using the same method and the same rate as for acquisition cost.

Depreciation on equipment is computed using the straight-line method on the acquisition cost at an annual rate of 12.5 - 20.0%.

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

3.11 Income Tax and Deferred Income Tax

Tax expense comprises current tax expense and deferred tax expense.

Current tax expense is the amount of income tax payable on the annual taxable profit.

Income tax recoverable in the future resulting from temporary differences between the carrying amount of an asset or liability and its tax base value is recorded as a deferred tax asset only to the extent of the amount expected to be realized in the future.

All income tax payable in the future resulting from temporary differences between the carrying amount of an asset or liability and its tax base is recorded as a deferred tax liability.

3.12 Translation of Foreign Currencies

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

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

3.13 Derivatives

Forward Exchange Contracts

The difference between the forward rate and the spot rate on the date of a forward exchange contract is amortized to the statement of income over the period of the contract.

Cross Currency Swaps and Interest Rate Swaps

The accounting for these derivative transactions depends on their purpose:

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

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

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

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

2. Trading

Mark-to-market accounting is applied to trading transactions. Hence, traded derivative transactions are carried at their fair value. Gains or losses resulting from changes in fair values are included in revenue and expenses.

3.14 Staff Retirement Fund

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

3.15 Provident Fund

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

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

3.16 Excess in Fair Value of Assets Acquired over the Cost of Investment in Subsidiaries

Excess in fair value of assets acquired over the cost of investment in TFAM at the time of acquisition in 1998 presented net of other assets in the consolidated financial statement is recognized as income over a period of ten years.

3.17 Basic Earnings per Share

Basic earnings per share is computed by dividing net income by the number of ordinary shares outstanding at the end of the year.

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

3.18 Use of Accounting Estimates

Preparation of financial statements in conformity with generally accepted accounting principles requires the Bank and its subsidiaries to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent assets and liabilities. Actual results may differ from those estimates.

4 Supplementary Information

4.1 Supplementary Information Related to Cash Flows

4.1.1 Non-cash items are as follows:

The Bank and its subsidiaries have provided for revaluation surpluses (deficits) on investments presented as a deduction in shareholders' equity for the years ended December 31, as follows:

	<i>(Million Baht)</i>	
	<u>Consolidated and The Bank</u>	
	<u>2002</u>	<u>2001</u>
Revaluation surplus (deficit) on investments	1,248.3	434.3

For the years ending December 31, 2002 and 2001, the Bank recorded the realized portion of appraised surplus on building depreciation and retirement of assets amounting to Baht 219.6 million and Baht 163.6 million, respectively, by transferring these entries directly to retained earnings.

For the years ending December 31, 2002 and 2001, the Bank and its subsidiaries received properties foreclosed transferred from debt settlement amounting to Baht 3,179.3 million and Baht 4,544.0 million respectively on a consolidated basis and Baht 1,519.8 million and Baht 2,645.2 million respectively for the Bank-only.

For the years ending December 31, 2002 and 2001, the Bank transferred sub-quality assets to Thai Assets Management Corporation (TAMC) and has the right to receive non-transferable promissory notes from TAMC, which has been included in investments as held-to-maturity debt instruments amounting to Baht 797.0 million and Baht 9,339.0 million respectively. (Note 4.5)

4.2 Interbank and Money Market Items (Assets)

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

(Million Baht)

	Consolidated					
	2002			2001		
	At Call	Term	Total	At Call	Term	Total
1. Domestic						
The BoT and Financial						
Institutions Development Fund	4,331.9	-	4,331.9	3,241.0	-	3,241.0
Commercial banks	2,029.1	739.7	2,768.8	168.1	652.6	820.7
Other banks	5.5	864.8	870.3	2.2	-	2.2
Finance, finance and securities, securities and credit						
foncier companies	80.2	531.6	611.8	-	-	-
Other financial institutions	0.7	-	0.7	74.4	55.4	129.8
Total Domestic	6,447.4	2,136.1	8,583.5	3,485.7	708.0	4,193.7
Add Accrued interest receivables	-	-	-	-	-	-
Less Allowance for doubtful accounts	(91.3)	(545.0)	(636.3)	(3.7)	(0.6)	(4.3)
Total	6,356.1	1,591.1	7,947.2	3,482.0	707.4	4,189.4
2. Foreign						
US Dollars	1,736.8	85,063.0	86,799.8	1,409.9	159,159.9	160,569.8
Japanese Yen	0.3	-	0.3	9.3	-	9.3
Deutsche Marks	-	-	-	0.4	-	0.4
Other currencies	95.5	5.0	100.5	192.8	154.9	347.7
Total Foreign	1,832.6	85,068.0	86,900.6	1,612.4	159,314.8	160,927.2
Add Accrued interest receivables	-	1.6	1.6	-	112.9	112.9
Less Allowance for doubtful accounts	(7.8)	(1.3)	(9.1)	(3.1)	(121.5)	(124.6)
Total	1,824.8	85,068.3	86,893.1	1,609.3	159,306.2	160,915.5
Total Domestic and Foreign	8,180.9	86,659.4	94,840.3	5,091.3	160,013.6	165,104.9

	The Bank					
	2002			2001		
	At Call	Term	Total	At Call	Term	Total
1. Domestic						
The BoT and Financial						
Institutions Development Fund	4,331.9	-	4,331.9	3,241.0	-	3,241.0
Commercial banks	1,961.9	739.7	2,701.6	53.8	257.8	311.6
Other banks	5.5	864.8	870.3	2.2	-	2.2
Finance, finance and securities, securities and credit foncier companies	80.2	531.6	611.8	-	-	-
Other financial institutions	0.7	-	0.7	74.4	55.4	129.8
Total Domestic	6,380.2	2,136.1	8,516.3	3,371.4	313.2	3,684.6
Add Accrued interest receivables	-	-	-	-	-	-
Less Allowance for doubtful accounts	(91.3)	(545.0)	(636.3)	(3.7)	(0.6)	(4.3)
Total	6,288.9	1,591.1	7,880.0	3,367.7	312.6	3,680.3
2. Foreign						
US Dollars	1,736.8	85,063.0	86,799.8	1,409.9	159,159.9	160,569.8
Japanese Yen	0.3	-	0.3	9.3	-	9.3
Deutsche Marks	-	-	-	0.4	-	0.4
Other currencies	95.5	5.0	100.5	192.8	154.9	347.7
Total Foreign	1,832.6	85,068.0	86,900.6	1,612.4	159,314.8	160,927.2
Add Accrued interest receivables	-	1.6	1.6	-	112.9	112.9
Less Allowance for doubtful accounts	(7.8)	(1.3)	(9.1)	(3.1)	(121.5)	(124.6)
Total	1,824.8	85,068.3	86,893.1	1,609.3	159,306.2	160,915.5
Total Domestic and Foreign	8,113.7	86,659.4	94,773.1	4,977.0	159,618.8	164,595.8

4.3 Securities Purchased Under Resale Agreements

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

(Million Baht)

	Consolidated and The Bank	
	2002	2001
Government Bonds and BoT Bonds	17,400.0	3,700.0
State enterprises Bonds	1,000.0	-
Total	18,400.0	3,700.0

4.4 Investments

Investments as of December 31, consisted of:

(Million Baht)

	Consolidated			
	2002			
	Cost Value/ Amortized Cost Value	Unrealized Gain	Unrealized Loss	Fair Value
1. Current investments				
1.1 Trading investments				
1.1.1 Government and state enterprises securities	6,978.4	10.1	(0.1)	6,988.4
1.1.2 Private enterprises debt instruments	-	-	-	-
Total	6,978.4	10.1	(0.1)	6,988.4
Add Allowance for revaluation	10.0			-
Total	6,988.4			6,988.4
1.2 Available-for-sale investments				
1.2.1 Government and state enterprises securities	22,982.4	1,685.7	(0.6)	24,667.5
1.2.2 Private enterprises debt instruments	2,955.6	29.0	-	2,984.6
1.2.3 Foreign debt instruments	3,297.8	145.5	(303.7)	3,139.6
1.2.4 Marketable equity securities - domestic	1,165.9	514.2	(477.5)	1,202.6
1.2.5 Others	213.5	7.0	(70.0)	150.5
Total	30,615.2	2,381.4	(851.8)	32,144.8
Add Allowance for revaluation	2,060.2			-
Less Allowance for impairment	(530.6)			-
Total	32,144.8			32,144.8
1.3 Held-to-maturity debt instruments				
1.3.1 Government and state enterprises securities	22,521.6	88.8	(1.3)	22,609.1
1.3.2 Foreign debt instruments	11,044.6	21.0	-	11,065.6
Total	33,566.2	109.8	(1.3)	33,674.7
Less Allowance for impairment	-			-
Total	33,566.2			33,674.7
Total Current Investments - net	72,699.4			72,807.9

	Consolidated			
	2002			
	Cost Value/ Amortized Cost Value	Unrealized Gain	Unrealized Loss	Fair Value
2. Long-term investments				
2.1 Available-for-sale investments				
2.1.1 Government and state enterprises securities	30,207.9	911.2	-	31,119.1
2.1.2 Private enterprises debt instruments	2,777.9	104.2	(5.1)	2,877.0
2.1.3 Foreign debt instruments	15,286.8	754.6	(6.2)	16,035.2
2.1.4 Marketable equity securities - domestic	546.9	295.0	(162.3)	679.6
Total	48,819.5	2,065.0	(173.6)	50,710.9
Add Allowance for revaluation	2,046.2			-
Less Allowance for impairment	(154.8)			-
Total	50,710.9			50,710.9
2.2 Held-to-maturity debt instruments				
2.2.1 Government and state enterprises securities	23,359.7	1,042.5	-	24,402.2
2.2.2 Private enterprises debt instruments	1,604.7	1.0	(1,179.5)	426.2
2.2.3 Foreign debt instruments	3,055.6	86.5	(79.9)	3,062.2
Total	28,020.0	1,130.0	(1,259.4)	27,890.6
Less Allowance for impairment	(1,252.6)			-
Total	26,767.4			27,890.6
2.3 General investments				
2.3.1 Non-marketable equity securities - domestic	3,422.5	-	(1,381.5)	2,041.0
2.3.2 Non-marketable equity securities - overseas	419.0	-	(323.0)	96.0
2.3.3 Investments in receivables	14,209.8	-	(2,940.9)	11,268.9
Total	18,051.3	-	(4,645.4)	13,405.9
Less Allowance for impairment	(4,645.4)			-
Total	13,405.9			13,405.9
Total Long-term Investments - net	90,884.2			92,007.4

	Consolidated			
	2001			
	Cost Value/ Amortized Cost Value	Unrealized Gain	Unrealized Loss	Fair Value
1. Current investments				
1.1 Trading investments				
1.1.1 Government and state enterprises securities	2,512.7	15.9	-	2,528.6
1.1.2 Private enterprises debt instruments	-	-	-	-
Total	2,512.7	15.9	-	2,528.6
Add Allowance for revaluation	15.9			-
Total	2,528.6			2,528.6
1.2 Available-for-sale investments				
1.2.1 Government and state enterprises securities	7,008.7	94.9	-	7,103.6
1.2.2 Private enterprises debt instruments	147.1	2.5	-	149.6
1.2.3 Foreign debt instruments	3,265.9	35.5	(9.1)	3,292.3
1.2.4 Marketable equity securities - domestic	840.4	663.1	(133.7)	1,369.8
1.2.5 Others	69.3	-	(0.3)	69.0
Total	11,331.4	796.0	(143.1)	11,984.3
Add Allowance for revaluation	785.1			-
Less Allowance for impairment	(132.2)			-
Total	11,984.3			11,984.3
1.3 Held-to-maturity debt instruments				
1.3.1 Government and state enterprises securities	5,429.6	177.2	-	5,606.8
1.3.2 Foreign debt instruments	8,411.5	75.0	(5.6)	8,480.9
Total	13,841.1	252.2	(5.6)	14,087.7
Less Allowance for impairment	(5.6)			-
Total	13,835.5			14,087.7
Total Current Investments - net	28,348.4			28,600.6

	Consolidated			
	2001			
	Cost Value/ Amortized Cost Value	Unrealized Gain	Unrealized Loss	Fair Value
2. Long-term investments				
2.1 Available-for-sale investments				
2.1.1 Government and state enterprises securities	31,421.9	1,334.5	(2.5)	32,753.9
2.1.2 Private enterprises debt instruments	3,558.5	46.0	(10.3)	3,594.2
2.1.3 Foreign debt instruments	8,727.2	139.2	(78.6)	8,787.8
2.1.4 Marketable equity securities - domestic	1,959.4	479.9	(759.9)	1,679.4
2.1.5 Others	623.0	2.0	(296.0)	329.0
Others	46,290.0	2,001.6	(1,147.3)	47,144.3
Add Allowance for revaluation	1,574.7			-
Less Allowance for impairment	(720.4)			-
Total	47,144.3			47,144.3
2.2 Held-to-maturity debt instruments				
2.2.1 Government and state enterprises securities	26,243.5	878.2	-	27,121.7
2.2.2 Private enterprises debt instruments	1,642.0	0.3	(1,305.5)	336.8
2.2.3 Foreign debt instruments	2,230.6	79.8	(116.6)	2,193.8
Total	30,116.1	958.3	(1,422.1)	29,652.3
Less Allowance for impairment	(1,410.0)			-
Total	28,706.1			29,652.3
2.3 General investments				
2.3.1 Non-marketable equity securities - domestic	2,638.2	-	(1,384.4)	1,253.8
2.3.2 Non-marketable equity securities - overseas	419.0	-	(323.0)	96.0
2.3.3 Investments in receivables	18,312.2	-	(2,187.1)	16,125.1
Total	21,369.4	-	(3,894.5)	17,474.9
Less Allowance for impairment	(3,894.5)			-
Total	17,474.9			17,474.9
Total Long-term Investments - net	93,325.3			94,271.5

	The Bank			
	2002			
	Cost Value/ Amortized Cost Value	Unrealized Gain	Unrealized Loss	Fair Value
1. Current investments				
1.1 Trading investments				
1.1.1 Government and state enterprises securities	6,978.4	10.1	(0.1)	6,988.4
1.1.2 Private enterprises debt instruments	-	-	-	-
Total	6,978.4	10.1	(0.1)	6,988.4
Add Allowance for revaluation	10.0			-
Total	6,988.4			6,988.4
1.2 Available-for-sale investments				
1.2.1 Government and state enterprises securities	22,982.4	1,685.7	(0.6)	24,667.5
1.2.2 Private enterprises debt instruments	2,955.6	29.0	-	2,984.6
1.2.3 Foreign debt instruments	3,297.8	145.5	(303.7)	3,139.6
1.2.4 Marketable equity securities - domestic	1,165.9	514.2	(477.5)	1,202.6
1.2.5 Others	213.5	7.0	(70.0)	150.5
Total	30,615.2	2,381.4	(851.8)	32,144.8
Add Allowance for revaluation	2,060.2			-
Less Allowance for impairment	(530.6)			-
Total	32,144.8			32,144.8
1.3 Held-to-maturity debt instruments				
1.3.1 Government and state enterprises securities	22,132.3	88.7	(1.3)	22,219.7
1.3.2 Foreign debt instruments	11,044.6	21.0	-	11,065.6
Total	33,176.9	109.7	(1.3)	33,285.3
Less Allowance for impairment	-			-
Total	33,176.9			33,285.3
Total Current Investments - net	72,310.1			72,418.5

		The Bank		
		2002		
		Cost Value/ Amortized		
		Cost Value	Unrealized Gain	Unrealized Loss
				Fair Value
2. Long-term investments				
2.1 Available-for-sale investments				
2.1.1 Government and				
state enterprises securities	30,207.9	911.2	-	31,119.1
2.1.2 Private enterprises debt instruments	2,777.9	104.2	(5.1)	2,877.0
2.1.3 Foreign debt instruments	15,286.8	754.6	(6.2)	16,035.2
2.1.4 Marketable equity securities - domestic	537.4	293.2	(156.8)	673.8
Total	48,810.0	2,063.2	(168.1)	50,705.1
Add Allowance for revaluation	2,049.9			-
Less Allowance for impairment	(154.8)			-
Total	50,705.1			50,705.1
2.2 Held-to-maturity debt instruments				
2.2.1 Government and				
state enterprises securities	23,171.5	1,036.9	-	24,208.4
2.2.2 Private enterprises debt instruments	1,489.0	1.0	(1,121.7)	368.3
2.2.3 Foreign debt instruments	3,055.6	86.5	(79.9)	3,062.2
Total	27,716.1	1,124.4	(1,201.6)	27,638.9
Less Allowance for impairment	(1,194.8)			-
Total	26,521.3			27,638.9
2.3 General investments				
2.3.1 Non-marketable equity				
securities - domestic	3,161.6	-	(1,271.4)	1,890.2
2.3.2 Non-marketable equity				
securities - overseas	419.0	-	(323.0)	96.0
Total	3,580.6	-	(1,594.4)	1,986.2
Less Allowance for impairment	(1,594.4)			-
Total	1,986.2			1,986.2
Total Long-term Investments - net	79,212.6			80,330.2

	The Bank			
	2001			
	Cost Value/ Amortized Cost Value	Unrealized Gain	Unrealized Loss	Fair Value
1. Current investments				
1.1 Trading investments				
1.1.1 Government and state enterprises securities	2,512.7	15.9	-	2,528.6
1.1.2 Private enterprises debt instruments	-	-	-	-
Total	2,512.7	15.9	-	2,528.6
Add Allowance for revaluation	15.9			-
Total	2,528.6			2,528.6
1.2 Available-for-sale investments				
1.2.1 Government and state enterprises securities	7,008.7	94.9	-	7,103.6
1.2.2 Private enterprises debt instruments	147.1	2.5	-	149.6
1.2.3 Foreign debt instruments	3,265.9	35.5	(9.1)	3,292.3
1.2.4 Marketable equity securities domestic	840.4	663.1	(133.7)	1,369.8
1.2.5 Others	69.3	-	(0.3)	69.0
Total	11,331.4	796.0	(143.1)	11,984.3
Add Allowance for revaluation	785.1			-
Less Allowance for impairment	(132.2)			-
Total	11,984.3			11,984.3
1.3 Held-to-maturity debt instruments				
1.3.1 Government and state enterprises securities	5,429.6	177.2	-	5,606.8
1.3.2 Foreign debt instruments	8,411.5	75.0	(5.6)	8,480.9
Total	13,841.1	252.2	(5.6)	14,087.7
Less Allowance for impairment	(5.6)			-
Total	13,835.5			14,087.7
Total Current Investments - net	28,348.4			28,600.6

	The Bank			
	2001			
	Cost Value/ Amortized Cost Value	Unrealized Gain	Unrealized Loss	Fair Value
2. Long-term investments				
2.1 Available-for-sale investments				
2.1.1 Government and state enterprises securities	31,421.9	1,334.5	(2.5)	32,753.9
2.1.2 Private enterprises debt instruments	3,558.5	46.0	(10.3)	3,594.2
2.1.3 Foreign debt instruments	8,727.2	139.2	(78.6)	8,787.8
2.1.4 Marketable equity securities - domestic	1,918.6	472.7	(747.9)	1,643.4
2.1.5 Others	622.6	2.0	(296.0)	328.6
Total	46,248.8	1,994.4	(1,135.3)	47,107.9
Add Allowance for revaluation	1,579.5			-
Less Allowance for impairment	(720.4)			-
Total	47,107.9			47,107.9
2.2 Held-to-maturity debt instruments				
2.2.1 Government and state enterprises securities	26,175.2	878.1	-	27,053.3
2.2.2 Private enterprises debt instruments	1,526.3	0.3	(1,189.8)	336.8
2.2.3 Foreign debt instruments	2,230.6	79.8	(116.6)	2,193.8
Total	29,932.1	958.2	(1,306.4)	29,583.9
Less Allowance for impairment	(1,294.3)			-
Total	28,637.8			29,583.9
2.3 General investments				
2.3.1 Non-marketable equity securities - domestic	2,377.3	-	(1,279.8)	1,097.5
2.3.2 Non-marketable equity securities - overseas	419.0	-	(323.0)	96.0
Total	2,796.3	-	(1,602.8)	1,193.5
Less Allowance for impairment	(1,602.8)			-
Total	1,193.5			1,193.5
Total Long-term Investments - net	76,939.2			77,885.3

As of December 31, 2002, investments in held-to-maturity debt instruments, which are government or state enterprises securities, include promissory notes from TAMC and the right to receive promissory notes from TAMC of Baht 9,619.2 million and Baht 516.8 million, respectively. As of December 31, 2001, such investments include the right to receive promissory notes from TAMC of Baht 9,337.5 million.

Gains (losses) on investments presented in the statement of income for the years ending December 31, consist of:

(Million Baht)

	Consolidated		The Bank	
	2002	2001	2002	2001
Gains on disposal of investments				
Held for trading investments	197.1	298.4	197.1	298.4
Available-for-sale investments	1,561.4	953.6	1,553.2	949.0
Held-to-maturity debt instruments	-	73.0	-	73.0
General investments	72.5	-	68.9	-
Investments in receivables	667.2	50.3	-	50.3
Total	2,498.2	1,375.3	1,819.2	1,370.7
Losses on disposal of investments				
Held for trading investments	(131.2)	(206.1)	(131.2)	(206.1)
Available-for-sale investments	(621.6)	(39.9)	(621.6)	(39.9)
Held-to-maturity debt instruments	(45.4)	(0.1)	(45.4)	(0.1)
General investments	(200.6)	(820.6)	(200.6)	(820.6)
Total	(998.8)	(1,066.7)	(998.8)	(1,066.7)
Losses from revaluation	(5.3)	(47.3)	(5.3)	(47.3)
(Losses) reversal on impairment	(1,528.7)	(96.3)	365.1	876.9
Total Gains (Losses) on Investments	(34.6)	165.0	1,180.2	1,133.6

Revaluation surpluses (deficits) on investments as of December 31, consisted of:

(Million Baht)

	Consolidated		The Bank	
	2002	2001	2002	2001
Revaluation surplus (deficit) on investments				
Debt instruments	3,324.9	1,562.7	3,324.9	1,562.7
Equity securities	781.5	797.1	785.2	801.9
Share of revaluation surplus (deficit) in subsidiaries and associated companies using the equity method	0.2	(3.8)	(3.5)	(8.6)
Less Deferred tax liabilities	(1,333.4)	(831.1)	(1,333.4)	(831.1)
Total	2,773.2	1,524.9	2,773.2	1,524.9

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

(Million Baht)

	Consolidated							
	2002				2001			
	Maturity				Maturity			
	1 year	Over 1 year to 5 years	Over 5 years	Total	1 year	Over 1 year to 5 years	Over 5 years	Total
1. Available-for-sale investments								
1.1 Government and state enterprises securities	2,598.4	36,134.7	14,457.2	53,190.3	6,576.6	21,915.8	9,938.2	38,430.6
1.2 Private enterprises debt instruments	2,705.6	3,027.9	-	5,733.5	147.1	3,558.5	-	3,705.6
1.3 Foreign debt instruments	2,331.7	14,555.7	1,697.2	18,584.6	3,051.6	6,970.9	1,970.6	11,993.1
Total	7,635.7	53,718.3	16,154.4	77,508.4	9,775.3	32,445.2	11,908.8	54,129.3
(Less) add Allowance for revaluation	(149.7)	2,138.0	1,336.6	3,324.9	70.0	897.7	594.9	1,562.6
Less Allowance for impairment	(10.3)	-	-	(10.3)	-	(10.5)	-	(10.5)
Total	7,475.7	55,856.3	17,491.0	80,823.0	9,845.3	33,332.4	12,503.7	55,681.4
2. Held-to-maturity debt instruments								
2.1 Government and state enterprises securities	22,521.6	13,223.7	10,136.0	45,881.3	5,429.6	15,906.0	10,337.5	31,673.1
2.2 Private enterprises debt instruments	583.0	21.7	1,000.0	1,604.7	651.1	5.9	985.0	1,642.0
2.3 Foreign debt instruments	11,044.6	3,055.6	-	14,100.2	8,411.5	2,219.5	11.1	10,642.1
Total	34,149.2	16,301.0	11,136.0	61,586.2	14,492.2	18,131.4	11,333.6	43,957.2
Less Allowance for impairment	(583.0)	(77.2)	(592.4)	(1,252.6)	(656.7)	(108.6)	(650.3)	(1,415.6)
Total	33,566.2	16,223.8	10,543.6	60,333.6	13,835.5	18,022.8	10,683.3	42,541.6
Total Debt Instruments	41,041.9	72,080.1	28,034.6	141,156.6	23,680.8	51,355.2	23,187.0	98,223.0

(Million Baht)

	The Bank							
	2002				2001			
	Maturity				Maturity			
	1 year	Over 1 year to 5 years	Over 5 years	Total	1 year	Over 1 year to 5 years	Over 5 years	Total
1. Available-for-sale investments								
1.1 Government and state enterprises securities	2,598.4	36,134.7	14,457.2	53,190.3	6,576.6	21,915.8	9,938.2	38,430.6
1.2 Private enterprises debt instruments	2,705.6	3,027.9	-	5,733.5	147.1	3,558.5	-	3,705.6
1.3 Foreign debt instruments	2,331.7	14,555.7	1,697.2	18,584.6	3,051.6	6,970.9	1,970.6	11,993.1
Total	7,635.7	53,718.3	16,154.4	77,508.4	9,775.3	32,445.2	11,908.8	54,129.3
(Less) add Allowance for revaluation	(149.7)	2,138.0	1,336.6	3,324.9	70.0	897.7	594.9	1,562.6
Less Allowance for impairment	(10.3)	-	-	(10.3)	-	(10.5)	-	(10.5)
Total	7,475.7	55,856.3	17,491.0	80,823.0	9,845.3	33,332.4	12,503.7	55,681.4
2. Held-to-maturity debt instruments								
2.1 Government and state enterprises securities	22,132.3	13,035.5	10,136.0	45,303.8	5,429.6	15,837.7	10,337.5	31,604.8
2.2 Private enterprises debt instruments	583.0	21.7	884.3	1,489.0	651.1	5.9	869.3	1,526.3
2.3 Foreign debt instruments	11,044.6	3,055.6	-	14,100.2	8,411.5	2,219.5	11.1	10,642.1
Total	33,759.9	16,112.8	11,020.3	60,893.0	14,492.2	18,063.1	11,217.9	43,773.2
Less Allowance for impairment	(583.0)	(77.2)	(534.6)	(1,194.8)	(656.7)	(108.6)	(534.6)	(1,299.9)
Total	33,176.9	16,035.6	10,485.7	59,698.2	13,835.5	17,954.5	10,683.3	42,473.3
Total Debt Instruments	40,652.6	71,891.9	27,976.7	140,521.2	23,680.8	51,286.9	23,187.0	98,154.7

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

(Million Baht)

	Consolidated						
	2002						
	Cost Value / Book Value			Fair Value			Allowance for Impairment
	Investments in Receivables	Equity Securities	Debt Instruments	Investments in Receivables	Equity Securities	Debt Instruments	
1. Closed financial institutions	-	1.0	130.5	-	-	-	(131.5)
2. Listed companies which meet SET's criteria for delisting, and are in default on debt instruments	19.9	96.1	672.3	19.7	8.2	15.7	(744.7)
3. Companies whose ability to continue as a going concern is uncertain, or unlisted companies whose financial position and operating results are the same as companies which meet SET's criteria for delisting	-	1,199.0	784.9	-	34.6	392.4	(1,556.9)
Total	19.9	1,296.1	1,587.7	19.7	42.8	408.1	(2,433.1)

(Million Baht)

	Consolidated						
	2001						
	Cost Value / Book Value			Fair Value			Allowance for Impairment
	Investments in Receivables	Equity Securities	Debt Instruments	Investments in Receivables	Equity Securities	Debt Instruments	
1. Closed financial institutions	-	-	130.5	-	-	-	(130.5)
2. Listed companies which meet SET's criteria for delisting and are in default on debt instruments	56.5	55.3	724.7	38.4	18.0	-	(780.1)
3. Companies whose ability to continue as a going concern is uncertain, or unlisted companies whose financial position and operating results are the same as companies which meet SET's criteria for delisting	-	1,330.0	784.9	-	89.5	334.6	(1,690.8)
Total	56.5	1,385.3	1,640.1	38.4	107.5	334.6	(2,601.4)

(Million Baht)

	The Bank				
	2002				
	Cost Value / Book Value		Fair Value		Allowance for Impairment
	Equity Securities	Debt Instruments	Equity Securities	Debt Instruments	
1. Closed financial institutions	1.0	130.5	-	-	(131.5)
2. Listed companies which meet SET's criteria for delisting and are in default on debt instruments	96.1	672.3	8.2	15.7	(744.5)
3. Companies whose ability to continue as a going concern is uncertain, or unlisted companies whose financial position and operating results are the same as companies which meet SET's criteria for delisting	1,199.0	669.2	34.6	334.6	(1,499.0)
Total	1,296.1	1,472.0	42.8	350.3	(2,375.0)

(Million Baht)

	The Bank				
	2001				
	Cost Value / Book Value		Fair Value		Allowance for Impairment
	Equity Securities	Debt Instruments	Equity Securities	Debt Instruments	
1. Closed financial institutions	-	130.5	-	-	(130.5)
2. Listed companies which meet SET's criteria for delisting and are in default on debt instruments	41.6	724.7	2.7	-	(763.6)
3. Companies whose ability to continue as a going concern is uncertain, or unlisted companies whose financial position and operating results are the same as companies which meet SET's criteria for delisting	1,330.0	669.2	89.5	334.6	(1,575.1)
Total	1,371.6	1,524.4	92.2	334.6	(2,469.2)

The Bank has provided an allowance for impairment in value of these investments and this is reflected in the statement of income.

Investments in debt instruments of closed financial institutions with total carrying value of Baht 137.5 million were exchanged for certificates of deposit with total face value of Baht 139.0 million issued by Krung Thai Bank Public Company Limited on behalf of the Financial Institutions Development Fund. The maturity date of these certificates of deposit is five years and interest is payable annually at a fixed rate of 2% per annum. The fair value of the certificates of deposit on the date of exchange amounted to Baht 91.0 million.

Investments in ordinary shares of subsidiaries and associated companies as of December 31 are as follows:

(Million Baht)

Type of Business	Consolidated						The Bank					
	% Shareholding			Investments			Investments			Investments		
	2002	2001		2002	2001	Equity Method	2002	2001	Equity Method	2002	2001	Equity Method
Thonburi Asset Management Co., Ltd.	99.99%	99.99%	-	-	-	-	5,998.3	5,998.3	1,961.4	1,961.4	2,587.9	2,587.9
Chanthaburi Asset Management Co., Ltd.	99.99%	99.99%	-	-	-	-	4,999.9	4,999.9	1,998.5	1,998.5	2,111.5	2,111.5
Thai Farmers Research Center Co., Ltd.	99.99%	99.99%	2.5	2.5	35.1	34.7	2.5	2.5	35.1	35.1	34.7	34.7
Progress Land and Buildings Co., Ltd.	99.99%	99.99%	-	-	-	-	1,700.0	1,700.0	1,357.8	1,357.8	1,446.7	1,446.7
Kanpai Co., Ltd.	99.99%	99.99%	21.3	21.3	47.8	35.1	21.3	21.3	47.8	47.8	35.1	35.1
Progress Plus Co., Ltd.	99.99%	99.99%	3.6	3.6	11.3	3.7	3.6	3.6	11.3	11.3	3.7	3.7
Progress Facilities Management Co., Ltd.	99.98%	99.98%	5.0	5.0	9.0	7.6	5.0	5.0	9.0	9.0	7.6	7.6
Progress Services Co., Ltd.	99.97%	99.97%	2.0	2.0	5.2	4.6	2.0	2.0	5.2	5.2	4.6	4.6
Progress Management Co., Ltd.	99.93%	99.93%	6.0	6.0	9.7	8.4	6.0	6.0	9.7	9.7	8.4	8.4
Progress Storage Co., Ltd.	99.92%	99.92%	3.0	3.0	4.1	0.2	3.0	3.0	4.1	4.1	0.2	0.2
Progress Appraisal Co., Ltd.	99.84%	99.84%	5.0	5.0	48.0	34.2	5.0	5.0	48.0	48.0	34.2	34.2
Thai Farmers Asset Management Co., Ltd.	71.42%	71.42%	-	-	-	-	683.3	683.3	647.9	647.9	604.6	604.6
Progress Software Co., Ltd.	60.00%	60.00%	6.0	6.0	29.5	19.4	6.0	6.0	29.5	29.5	19.4	19.4
Thai Administration Services Co., Ltd.	51.00%	51.00%	51.0	38.6	60.9	29.2	51.0	38.6	60.9	60.9	29.2	29.2
Merrill Lynch Phatra Securities Co., Ltd.	49.00%	49.00%	1,935.5	2,149.9	1,476.4	1,775.0	1,935.5	2,149.9	1,476.4	1,476.4	1,775.0	1,775.0
Business Venture Promotion Co., Ltd.	-	32.50%	-	39.0	-	26.2	-	39.0	-	-	26.2	26.2
Processing Center Co., Ltd.	30.00%	30.00%	3.0	3.0	127.0	116.5	3.0	3.0	127.0	127.0	116.5	116.5
N.C. Associate Co., Ltd.	28.23%	28.23%	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Rural Capital Partners Co., Ltd.	27.50%	27.50%	2.3	2.3	2.7	2.3	2.3	2.3	2.7	2.7	2.3	2.3
Progress Information Co., Ltd.	20.00%	20.00%	14.5	14.5	4.6	5.8	14.5	14.5	4.6	4.6	5.8	5.8
Thai Farmers Heller Factoring Co., Ltd.	20.00%	20.00%	24.6	24.6	52.5	37.4	24.6	24.6	52.5	52.5	37.4	37.4
M. Grand Hotel Co., Ltd.	20.00%	20.00%	355.1	355.1	203.3	221.8	355.1	355.1	203.3	203.3	221.8	221.8
E.S. Industries Co., Ltd.												
(allowance for diminution in value has been fully provided)			11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0
Total	20.00%	20.00%	2,451.7	2,689.9	2,138.4	2,373.4	15,833.2	16,071.4	8,104.0	8,104.0	9,124.1	9,124.1
Less Allowance for impairment Investments in subsidiaries and associated companies - net			(1,442.8)	(1,463.1)	(858.0)	(946.4)	(4,394.6)	(4,415.0)	(858.0)	(858.0)	(946.4)	(946.4)
			1,008.9	1,226.8	1,280.4	1,427.0	11,438.6	11,656.4	7,246.0	7,246.0	8,177.7	8,177.7

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

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

	<i>(Million Baht)</i>			
	Consolidated		The Bank	
	2002	2001	2002	2001
Manufacturing and commerce	316.9	884.3	316.9	884.3
Property development and construction	1,093.9	674.7	1,093.9	674.7
Infrastructure and services	6.8	14.8	1.3	9.3
Others	570.5	922.5	570.5	922.5
Total	1,988.1	2,496.3	1,982.6	2,490.8

The financial position and results of operations of its subsidiaries, which were audited, in the consolidated financial statement are set out below:

Thonburi Asset Management Company Limited
Condensed Balance Sheets

As of December 31, 2002 and 2001

	<i>(Amounts in Thousand Baht)</i>	
	2002	2001
Assets		
Cash	5	5
Interbank and money market items	317,358	118,213
Investments - net	-	347
Investments in receivables - net	18,320,106	22,961,602
Properties foreclosed - net	383,867	168,819
Equipment - net	21,404	1,551
Other assets - net	13,370	42,457
Total Assets	19,056,110	23,292,994
Liabilities and Shareholders' Equity		
Liabilities		
Interbank and money market items	16,850,000	20,600,000
Other liabilities	244,727	105,072
Shareholders' Equity	1,961,383	2,587,922
Total Liabilities and Shareholders' Equity	19,056,110	23,292,994

Thonburi Asset Management Company Limited

Condensed Statements of Income

For the Years Ending December 31, 2002 and 2001

(Amounts in Thousand Baht Except for Loss per Share)

	2002	2001
Interest income	1,586,366	1,309,936
Interest expense	390,514	568,284
Net income from interest	1,195,852	741,652
Loss on impairment of investments in receivables	245,206	278,917
Loss on debt restructuring of investments in receivables	677,735	588,890
Net income (expense) from interest after loss on impairment and loss on debt restructuring of investments in receivables	272,911	(126,155)
Non-interest income	75,342	44,508
Non-interest expense	974,768	828,073
Net Loss	(626,515)	(909,720)
Loss per share (Baht)	(1.04)	(1.52)

Thonburi Asset Management Company Limited

Statements of Cash Flows

For the Years Ending December 31, 2002 and 2001

(Amounts in Thousand Baht)

	2002	2001
Cash Flows from Operating Activities		
Net loss	(626,515)	(909,720)
Add (less) Adjustments to reconcile net loss to net cash		
from operating activities		
Loss on impairment of investments in receivables	245,206	278,917
Loss on debt restructuring of investments in receivables	677,735	588,890
Interest income from amortization of revaluation allowance		
for debt restructuring	(206,419)	(52,761)
Loss on impairment of foreclosed properties	42,672	7,330
Depreciation	1,406	357
Amortization of deferred charges	31,776	31,776
Loss on impairment of other assets	122,727	79,688
Gain from investments in securities	(141)	-
Increase (decrease) in accrued interest payables	10,413	(2,217)
Increase in other accrued expenses	102,010	34,600
Income from operations before changes in operating		
assets and liabilities	400,870	56,860
Decrease (increase) in operating assets		
Investments in receivables	3,345,673	2,359,696
Foreclosed properties	321,582	-
Other assets	(125,416)	(11,738)
Operating liabilities		
Increase (decrease) in other liabilities	27,231	(8,873)
Net Cash Provided by Operating Activities	3,969,940	2,395,945
Cash Flows from Investing Activities		
Purchases of equipment	(21,259)	(620)
Proceeds from disposal of long-term investments in securities	464	-
Net Cash Used in Investing Activities	(20,795)	(620)
Cash Flows from Financing Activities		
Decrease in borrowing from bank	(3,750,000)	(2,418,487)
Net Cash Used in Financing Activities	(3,750,000)	(2,418,487)
Net increase (decrease) in cash and cash equivalents	199,145	(23,162)
Cash and cash equivalents at beginning of the year	118,218	141,380
Cash and cash equivalents at the end of the year	317,363	118,218
Supplemental Disclosures of Cash Flows Information		
Cash paid during the year		
Interest expense	380,100	570,501
Income tax	1,863	108

Chanthaburi Asset Management Company Limited

Condensed Balance Sheets

As of December 31, 2002 and 2001

(Amounts in Thousand Baht)

	2002	2001
Assets		
Cash	7	7
Interbank and money market items	153,056	105,147
Investments - net	207,002	184,837
Investments in receivables - net	11,268,894	16,125,133
Foreclosed properties - net	2,780,831	2,081,563
Leasehold improvements and equipment - net	4,881	7,258
Other assets - net	19,887	24,962
Total Assets	14,434,558	18,528,907
Liabilities and Shareholders' Equity		
Liabilities		
Interbank and money market items	12,370,000	16,380,000
Other liabilities	66,037	37,487
Shareholders' Equity	1,998,521	2,111,420
Total Liabilities and Shareholders' Equity	14,434,558	18,528,907

Chanthaburi Asset Management Company Limited

Condensed Statements of Income

For the Years Ending December 31, 2002 and 2001

(Amounts in Thousand Baht except for Loss per Share)

	2002	2001
Interest income	1,664,096	894,556
Interest expense	302,123	460,233
Net income from interest	1,361,973	434,323
Loss on impairment of investments in receivables (reversal)	639,673	(39,483)
Loss on debt restructuring of investments in receivables	1,306,582	959,227
Net expense from interest after loss on impairment and loss on debt restructuring of investments in receivables	(584,282)	(485,421)
Non-interest income	776,029	(12,304)
Non-interest expense	305,749	315,609
Net Loss	(114,002)	(813,334)
Loss per share (Baht)	(0.23)	(1.63)

Chanthaburi Asset Management Company Limited

Statements of Cash Flows

For the Years Ending December 31, 2002 and 2001

(Amounts in Thousand Baht)

	2002	2001
Cash Flows from Operating Activities		
Net loss	(114,002)	(813,334)
Add (less) Adjustments to reconcile net loss to net cash from operating activities		
Loss on impairment of investments in securities	-	52,061
Gain on disposal of available-for-sale investments	-	(4,475)
Gain from investments in securities	(63,984)	-
Amortization of premiums on bonds	16	4
Loss on impairment of investments in receivables (reversal)	639,673	(39,483)
Loss on debt restructuring of investments in receivables	1,306,582	959,227
Interest income from amortization of revaluation allowance for debt restructuring	(148,622)	(19,076)
Loss on impairment of foreclosed properties	70,191	26,079
Depreciation	2,099	2,118
Gain on disposal of premises and equipment	(556)	(1)
Increase in accrued interest receivables	-	(6)
Amortization of deferred charges	4,038	4,038
Loss on impairment of other assets (reversal)	(5,284)	1,166
Increase (decrease) in accrued interest payables	1,704	(121,121)
Increase in other accrued expenses	20,307	14,120
Income from operations before changes in operating assets and liabilities	1,712,162	61,317
Decrease (increase) in operating assets		
Investments in receivables	1,977,905	1,296,265
Foreclosed properties	311,238	586,186
Other assets	6,321	(15,773)
Increase (decrease) operating liabilities		
Other liabilities	6,539	(1,886)
Net Cash Provided by Operating Activities	4,014,165	1,926,109
Cash Flows from Investing Activities		
Proceeds from disposal of available-for-sale investments	-	29,403
Purchases of available-for-sale investments	-	(372)
Proceeds from disposal of long-term investments	42,910	-
Proceeds from disposal of equipment	1,043	3
Purchases of equipment	(209)	(158)
Net Cash Provided by Investing Activities	43,744	28,876
Cash Flows from Financing Activities		
Decrease in loans from bank	(4,010,000)	(1,986,010)
Net Cash Used in Financing Activities	(4,010,000)	(1,986,010)
Net increase (decrease) in cash and cash equivalents	47,909	(31,025)
Cash and cash equivalents at beginning of the year	105,154	136,179
Cash and cash equivalents at the end of the year	153,063	105,154
Supplemental Disclosures of Cash Flows Information		
Cash paid during the year		
Interest expense	300,419	581,355
Income tax	3,323	7,008

Progress Land and Buildings Company Limited
Condensed Balance Sheets

As of December 31, 2002 and 2001

(Amounts in Thousand Baht)

	2002	2001
Assets		
Assets		
Cash on hand and at bank	127,937	90,209
Other current assets	6,203	5,118
Foreclosed properties - net	854,701	968,941
Premises and equipment - net	381,363	394,169
Other assets	129	150
Total Assets	1,370,333	1,458,587
Liabilities and Shareholders' Equity		
Liabilities	10,002	9,674
Shareholders' equity	1,360,331	1,448,913
Total Liabilities and Shareholders' Equity	1,370,333	1,458,587

Progress Land and Buildings Company Limited
Condensed Statements of Income

For the Years Ending December 31, 2002 and 2001

(Amounts in Thousand Baht Except for Loss per Share)

	2002	2001
Revenues	40,607	37,770
Expenses	129,189	116,982
Net Loss	(88,582)	(79,212)
Loss per share (Baht)	(4.43)	(3.96)

Thai Farmers Asset Management Company Limited
Condensed Balance Sheets

As of December 31, 2002 and 2001

(Amounts in Thousand Baht)

Assets	2002	2001
Assets		
Cash on hand and at bank	75,900	516,913
Investments - net	584,648	75,720
Fees receivable	62,748	60,149
Foreclosed properties - net	1,373	1,373
Premises and equipment - net	185,614	197,145
Other assets	453,683	514,027
Total Assets	1,363,966	1,365,327
Liabilities and Shareholders' Equity		
Liabilities	67,205	71,131
Shareholders' Equity	1,296,761	1,294,196
Total Liabilities and Shareholders' Equity	1,363,966	1,365,327

Thai Farmers Asset Management Company Limited
Condensed Statements of Income

For the Years Ending December 31, 2002 and 2001

(Amounts in Thousand Baht Except for Earnings per Share)

	2002	2001
Revenues	430,057	424,650
Expenses	338,699	335,810
Net Income	91,358	88,840
Earnings per share (Baht)	3.36	3.31

Summaries of financial position and results of operations of Bank subsidiaries which are not included in the consolidated financial statements are as follows:

(Million Baht)

	Balance Sheets					
	December 31, 2002			December 31, 2001		
	(Reviewed)			(Audited)		
	Total Assets	Total Liabilities	Shareholders' Equity	Total Assets	Total Liabilities	Shareholders' Equity
Thai Farmers Research Center Co., Ltd.	36.4	1.3	35.1	35.8	1.1	34.7
Kanpai Co., Ltd.	81.9	33.1	48.8	66.1	30.2	35.9
Progress Plus Co., Ltd.	45.5	33.7	11.8	36.4	32.3	4.1
Progress Facilities Management Co., Ltd.	11.4	2.4	9.0	10.5	2.9	7.6
Progress Services Co., Ltd.	6.7	1.6	5.1	5.8	1.2	4.6
Progress Management Co., Ltd.	14.1	4.4	9.7	11.4	2.9	8.5
Progress Storage Co., Ltd.	4.6	0.5	4.1	0.2	-	0.2
Progress Appraisal Co., Ltd.	54.7	6.6	48.1	40.9	6.9	34.0
Progress Software Co., Ltd.	58.2	7.7	50.5	39.4	5.5	33.9
Thai Administration Services Co., Ltd.	150.6	31.1	119.5	90.0	32.8	57.2
	464.1	122.4	341.7	336.5	115.8	220.7

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

	Statements of Income							
	For the Years Ended December 31, 2002 and 2001							
	2002				2001			
	(Reviewed)				(Audited)			
Revenues	Expenses	Net Income	Earnings per Share (Baht)	Revenues	Expenses	Net Income (loss)	Earnings (Loss) per Share (Baht)	
Thai Farmers Research Center Co., Ltd.	40.7	40.3	0.4	3.72	39.9	36.9	3.0	30.12
Kanpai Co., Ltd.	120.1	107.2	12.9	64.50	100.2	92.5	7.7	38.55
Progress Plus Co., Ltd.	215.3	207.6	7.7	33.31	140.4	137.7	2.7	11.59
Progress Facilities Management Co., Ltd.	180.1	178.7	1.4	28.87	136.5	135.7	0.8	16.08
Progress Services Co., Ltd.	95.1	94.6	0.5	26.26	80.5	79.2	1.3	65.96
Progress Management Co., Ltd.	24.6	23.3	1.3	20.80	20.7	19.4	1.3	22.48
Progress Storage Co., Ltd.	5.4	4.3	1.1	37.43	-	0.1	(0.1)	(4.87)
Progress Appraisal Co., Ltd.	91.3	77.2	14.1	2,817.04	84.6	67.1	17.5	3,506.57
Progress Software Co., Ltd.	88.4	68.8	19.6	196.23	63.9	52.9	11.0	109.53
Thai Administration Services Co., Ltd.	96.5	58.6	37.9	3.79	0.7	16.1	(15.4)	(2.83)
	957.5	860.6	96.9		667.4	637.6	29.8	

4.5 Loans and Accrued Interest Receivables

Prior to 2002, the Bank wrote off the portion of loans classified as loss that exceeded their collateral value, in accordance with the BoT directive dated September 21, 1999.

In 2002, the BoT cancelled that directive and allowed commercial banks to reverse loans which were previously written off in accordance with the BoT regulation dated February 18, 2002. Following that directive as of December 31, 2002 the Bank reversed loans classified as loss and related allowances for doubtful accounts which were previously written off, but did not restate the comparative data in the financial statements of 31 December 2001. The effects on the consolidated and the Bank only financial statements of December 31, 2002 are summarized as follows:

	<i>(Million Baht)</i>
	2002
Increase in loans	25,685.7
Increase in allowance for doubtful accounts	25,685.7

If the Bank restated the financial statements for 2001, presented for comparative purposes, the effects on the consolidated and the Bank-only financial statements as of December 31, 2001, are summarized as follows:

	<i>(Million Baht)</i>
	2001
Increase in loans	34,051.3
Increase in allowances for doubtful accounts	34,051.3

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

1. Classified by Type of Loans

	<i>(Million Baht)</i>			
	Consolidated		The Bank	
	2002	2001	2002	2001
Overdrafts	137,991.8	136,145.1	127,773.0	123,219.4
Loans	232,578.7	230,297.9	219,011.2	214,284.1
Bills	121,638.6	93,701.2	136,767.0	118,311.6
Others	13,993.8	16,342.6	12,973.8	10,324.9
Total	506,202.9	476,486.8	496,525.0	466,140.0
Add Accrued interest receivables	3,410.1	4,072.5	1,934.4	2,102.8
Less Allowance for doubtful accounts	(76,949.7)	(51,325.6)	(54,919.9)	(25,000.8)
Less Revaluation allowance				
for debt restructuring	(2,755.0)	(3,781.4)	(2,647.2)	(3,699.4)
Less Normalized provisioning	(800.0)	-	(800.0)	-
Total	429,108.3	425,452.3	440,092.3	439,542.6

2. Classified by Maturity of Contracts

(Million Baht)

	Consolidated		The Bank	
	2002	2001	2002	2001
Within 1 year	340,254.3	306,845.2	343,385.8	306,829.3
Over 1 year	169,358.7	173,714.1	155,073.6	161,413.5
Total	509,613.0	480,559.3	498,459.4	468,242.8

3. Classified by Currencies and Residency of Borrowers

(Million Baht)

	Consolidated					
	2002			2001		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	488,149.7	726.3	488,876.0	462,330.0	14.7	462,344.7
US Dollars	17,028.1	1,778.3	18,806.4	14,587.8	2,439.4	17,027.2
Other currencies	1,806.4	124.2	1,930.6	1,014.2	173.2	1,187.4
Total	506,984.2	2,628.8	509,613.0	477,932.0	2,627.3	480,559.3

(Million Baht)

	The Bank					
	2002			2001		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	476,996.1	726.3	477,722.4	450,013.5	14.7	450,028.2
US Dollars	17,028.1	1,778.3	18,806.4	14,587.8	2,439.4	17,027.2
Other currencies	1,806.4	124.2	1,930.6	1,014.2	173.2	1,187.4
Total	495,830.6	2,628.8	498,459.4	465,615.5	2,627.3	468,242.8

4. Classified by Type of Business and Account Status

(Million Baht)

	Consolidated					
	2002					
	Normal	Special Mention	Sub- Standard	Doubtful	Loss	Total
Agricultural and mining	12,427.9	462.0	207.6	448.9	3,434.3	16,980.7
Manufacturing and commerce	229,115.2	7,271.1	2,524.9	7,187.3	59,611.0	305,709.5
Property development and construction	22,620.1	1,488.5	442.3	1,480.9	17,085.0	43,116.8
Infrastructure and services	50,308.3	1,270.8	609.7	1,565.5	9,916.0	63,670.3
Housing loans	26,586.4	1,357.3	547.8	1,022.6	12,995.6	42,509.7
Others	31,157.7	565.4	166.0	326.6	5,585.0	37,800.7
	372,215.6	12,415.1	4,498.3	12,031.8	108,626.9	509,787.7
Unearned discounts received in advance						(174.7)
Total						509,613.0

(Million Baht)

	Consolidated					
	2001					
	Normal	Special Mention	Sub- Standard	Doubtful	Loss	Total
Agricultural and mining	11,493.3	513.4	451.8	551.1	2,664.2	15,673.8
Manufacturing and commerce	228,425.5	6,302.7	6,360.7	9,681.2	43,227.4	293,997.5
Property development and construction	27,538.4	1,061.6	1,501.6	2,482.3	14,439.9	47,023.8
Infrastructure and services	51,578.6	1,529.9	2,158.9	2,401.0	8,367.6	66,036.0
Housing loans	35,147.6	1,419.4	1,181.6	1,017.7	12,467.2	51,233.5
Others	2,058.7	342.1	273.5	1,548.2	2,540.8	6,763.3
	356,242.1	11,169.1	11,928.1	17,681.5	83,707.1	480,727.9
Unearned discounts received in advance						(168.6)
Total						480,559.3

(Million Baht)

	The Bank					
	2002					
	Normal	Special Mention	Sub- Standard	Doubtful	Loss	Total
Agricultural and mining	12,375.8	456.5	207.6	448.9	2,929.3	16,418.1
Manufacturing and commerce	227,099.3	6,858.8	2,524.9	7,187.3	39,253.2	282,923.5
Property development and construction	22,062.3	1,354.8	442.3	1,480.9	12,261.7	37,602.0
Infrastructure and services	49,112.5	1,141.2	609.7	1,565.5	7,430.1	59,859.0
Housing loans	25,758.1	1,238.5	547.8	1,022.6	9,224.6	37,791.6
Others	58,661.4	406.4	166.0	326.6	4,479.5	64,039.9
	395,069.4	11,456.2	4,498.3	12,031.8	75,578.4	498,634.1
Unearned discounts received in advance						(174.7)
Total						498,459.4

(Million Baht)

The Bank						
2001						
	Normal	Special Mention	Sub- Standard	Doubtful	Loss	Total
Agricultural and mining	11,354.2	513.4	446.9	551.1	2,205.5	15,071.1
Manufacturing and commerce	224,460.3	5,953.1	6,022.8	9,672.2	19,424.6	265,533.0
Property development and construction	26,152.8	906.8	1,438.5	2,477.4	8,720.9	39,696.4
Infrastructure and services	49,823.5	1,205.1	2,106.9	2,401.0	5,533.1	61,069.6
Housing loans	32,966.9	1,303.3	1,163.1	1,016.8	8,851.2	45,301.3
Others	38,048.2	321.9	248.9	1,543.3	1,577.7	41,740.0
	382,805.9	10,203.6	11,427.1	17,661.8	46,313.0	468,411.4
Unearned discounts received in advance						(168.6)
Total						468,242.8

5. Classified by Account Status

(Million Baht)

Consolidated				
2002				
	Loans and Accrued Interest Receivables	Outstanding Debt after Deduction of Collateral Value	% Used for Providing the Provision	Providing Amounts
Normal	372,215.6	97,039.8	1	3,722.2
Special Mention	12,415.1	1,776.0	2	248.3
Sub-Standard	4,498.3	1,272.3	20	254.5
Doubtful	12,031.8	3,988.1	50	1,994.1
Loss	108,626.9	43,983.0	100	43,983.0
Allowance established in excess of BoT regulations	-	-		26,747.6
	509,787.7	148,059.2		76,949.7
Unearned discounts received in advance	(174.7)	(174.7)		
Total	519,603.0	147,884.5		

(Million Baht)

	Consolidated			
	2001			
	Loans and Accrued Interest Receivables	Outstanding Debt after Deduction of Collateral Value	% Used for Providing the Provision	Providing Amounts
Normal	356,242.1	119,917.2	1	3,562.4
Special Mention	11,169.1	1,764.9	2	223.4
Sub-Standard	11,928.1	3,423.2	20	684.6
Doubtful	17,681.5	6,821.7	50	3,410.9
Loss	83,707.1	17,797.9	100	17,797.9
Allowance established in excess of BoT regulations	-	-		25,646.4
	480,727.9	149,724.9		51,325.6
Unearned discounts received in advance	(168.6)	(168.6)		
Total	480,559.3	149,556.3		

(Million Baht)

	The Bank			
	2002			
	Loans and Accrued Interest Receivables	Outstanding Debt after Deduction of Collateral Value	% Used for Providing the Provision	Providing Amounts
Normal	395,069.4	124,640.2	1	3,950.7
Special Mention	11,456.2	1,667.1	2	229.1
Sub-Standard	4,498.3	1,272.3	20	254.5
Doubtful	12,031.8	3,988.1	50	1,994.0
Loss	75,578.4	28,605.6	100	28,605.6
Allowance established in excess of BoT regulations	-	-		19,886.0
	498,634.1	160,173.3		54,919.9
Unearned discounts received in advance	(174.7)	(174.7)		
Total	498,459.4	159,998.6		

	The Bank			
	2001			
	Loans and Accrued Interest Receivables	Outstanding Debt after Deduction of Collateral Value	% Used for Providing the Provision	Providing Amounts
Normal	382,805.9	155,028.9	1	3,828.1
Special Mention	10,203.6	1,671.2	2	204.1
Sub-Standard	11,427.1	3,233.1	20	646.6
Doubtful	17,661.8	6,820.6	50	3,410.3
Loss	46,313.0	-	100	-
Allowance established in excess of BoT regulations	-	-		16,911.7
	468,411.4	166,753.8		25,000.8
Unearned discounts received in advance	(168.6)	(168.6)		
Total	468,242.8	166,585.2		

6. The following information has been prepared to present the details of loans and accrued interest receivables in respect of which the Bank recorded reversals on loans classified as loss and allowances for doubtful accounts which were previously written off under BoT regulations amounting to Baht 34,051.3 million in the balance sheet as of December 31, 2001.

6.1 Classified by Type of Loans

	2001	
	Consolidated	The Bank
	Overdrafts	145,416.8
Loans	246,576.6	230,562.8
Bills	101,409.0	126,019.4
Others	17,135.7	11,118.0
Total	510,538.1	500,191.3
Add Accrued interest receivables	4,072.5	2,102.8
Less Allowance for doubtful accounts	(85,376.9)	(59,052.1)
Less Revaluation allowance for debt restructuring	(3,781.4)	(3,699.4)
Total	425,452.3	439,542.6

6.2 Classified by Maturity of Contracts

	2001	
	Consolidated	The Bank
	Within 1 year	340,896.5
Over 1 year	173,714.1	161,413.5
Total	514,610.6	502,294.1

6.3 Classified by Currencies and Residency of Borrowers

(Million Baht)

	2001					
	Consolidated			The Bank		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	495,192.7	729.0	495,921.7	482,876.2	729.0	483,605.2
US Dollars	14,587.8	2,880.1	17,467.9	14,587.8	2,880.1	17,467.9
Other currencies	1,014.2	206.8	1,221.0	1,014.2	206.8	1,221.0
Total	510,794.7	3,815.9	514,610.6	498,478.2	3,815.9	502,294.1

6.4 Classified by Type of Business and Account Status

(Million Baht)

	Consolidated					
	2001					
	Normal	Special Mention	Sub- Standard	Doubtful	Loss	Total
Agricultural and mining	11,493.3	513.4	451.8	551.1	3,341.0	16,350.6
Manufacturing and commerce	228,425.5	6,302.7	6,360.7	9,681.2	53,438.9	304,209.0
Property development and construction	27,538.4	1,061.6	1,501.6	2,482.3	18,886.3	51,470.2
Infrastructure and services	51,578.6	1,529.9	2,158.9	2,401.0	9,769.0	67,437.4
Housing loans	35,147.6	1,419.4	1,181.6	1,017.7	14,388.8	53,155.1
Others	2,058.7	342.1	273.5	1,548.2	17,934.4	22,156.9
	356,242.1	11,169.1	11,928.1	17,681.5	117,758.4	514,779.2
Unearned discounts received in advance						(168.6)
Total						514,610.6

(Million Baht)

	The Bank					
	2001					
	Normal	Special Mention	Sub- Standard	Doubtful	Loss	Total
Agricultural and mining	11,354.2	513.4	446.9	551.1	2,882.3	15,747.9
Manufacturing and commerce	224,460.3	5,953.1	6,022.8	9,672.2	29,636.1	275,744.5
Property development and construction	26,152.8	906.8	1,438.5	2,477.4	13,167.3	44,142.8
Infrastructure and services	49,823.5	1,205.1	2,106.9	2,401.0	6,934.5	62,471.0
Housing loans	32,966.9	1,303.3	1,163.1	1,016.8	10,772.9	47,223.0
Others	38,048.2	321.9	248.9	1,543.3	16,971.2	57,133.5
	382,805.9	10,203.6	11,427.1	17,661.8	80,364.3	502,462.7
Unearned discounts received in advance						(168.6)
Total						502,294.1

6.5 Classified by Account Status

(Million Baht)

	Consolidated			
	2001			
	Loans and Accrued Interest Receivables	Outstanding Debt after Deduction of Collateral Value	% Used for Providing the Provision	Providing Amounts
Normal	356,242.1	119,917.2	1	3,562.4
Special Mention	11,169.1	1,764.9	2	223.4
Sub-Standard	11,928.1	3,423.2	20	684.6
Doubtful	17,681.5	6,821.7	50	3,410.9
Loss	117,758.4	51,849.2	100	51,849.2
Allowance established in excess of BoT regulations	-	-		25,646.4
	514,779.2	183,776.2		85,376.9
Unearned discounts received in advance	(168.6)	(168.6)		
Total	514,610.6	183,607.6		

(Million Baht)

	The Bank			
	2001			
	Loans and Accrued Interest Receivables	Outstanding Debt after Deduction of Collateral Value	% Used for Providing the Provision	Providing Amounts
Normal	382,805.9	155,028.9	1	3,828.1
Special Mention	10,203.6	1,671.2	2	204.1
Sub-Standard	11,427.1	3,233.1	20	646.6
Doubtful	17,661.8	6,820.6	50	3,410.3
Loss	80,364.3	34,051.3	100	34,051.3
Allowance established in excess of BoT regulations	-	-		16,911.7
	502,462.7	200,805.1		59,052.1
Unearned discounts received in advance	(168.6)	(168.6)		
Total	502,294.1	200,636.5		

7. Non-performing loans (NPLs)

According to the BoT's directive dated January 16, 2003, non-performing loans (NPLs) are redefined as sub-quality loans, being outstanding loans of sub-standard, doubtful and loss loan categories in accordance with the BoT's guidelines including fully-provisioned loss loans which were previously written - off; this was effective for the financial statements ending December 31, 2002.

As of December 31, non-performing loans (including financial institutions) based on the above directive are summarized as follows:

(Million Baht)

	2002		
	The Bank	Thonburi - AMC	The Bank and
		(Original principal)	Thonburi - AMC
Non-performing loans	92,482.0	31,581.1	124,063.1
Total loans used for NPLs ratio calculation ⁽¹⁾	500,890.1	38,897.9	510,568.0
Percentage of total loans	18.46	81.19	24.30

As of December 31, 2001, non-performing loans including financial institutions which were defined at that time based on the BoT directive dated September 22, 1999 as loan accounts for which interest or principal has been in arrears for more than three months from the due date are summarized as follows:

(Million Baht)

	2001		
	The Bank	Thonburi - AMC (Original principal)	The Bank and Thonburi - AMC
Non-performing loans	62,722.9	36,018.4	98,741.3
Total loans used for NPLs ratio calculation ⁽¹⁾	478,787.0	47,326.8	489,133.8
Percentage of total loans	13.10	76.11	20.19

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

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

(Million Baht)

	2002		
	The Bank	Thonburi - AMC (Original principal)	The Bank and Thonburi - AMC
Non-accrual loans	146,714.4	38,897.9	185,612.3
Percentage of total loans	29.29	100.00	36.35

(Million Baht)

	2001		
	The Bank	Thonburi - AMC (Original principal)	The Bank and Thonburi - AMC
Non-accrual loans	133,320.7	47,326.8	180,647.5
Percentage of total loans	27.85	100.00	36.93

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

(Million Baht)

	Consolidated					
	2002			2001		
	Loans and Accrued Interest Receivables	Collateral Value	Allowance for Doubtful Accounts	Loans and Accrued Interest Receivables	Collateral Value	Allowance for Doubtful Accounts
Listed companies which meet SET's criteria for delisting	1,874.7	1,173.6	503.8	2,330.3	1,661.5	123.1

(Million Baht)

	The Bank					
	2002			2001		
	Loans and Accrued Interest Receivables	Collateral Value	Allowance for Doubtful Accounts	Loans and Accrued Interest Receivables	Collateral Value	Allowance for Doubtful Accounts
Listed companies which meet SET's criteria for delisting	1,833.8	1,073.3	483.5	2,106.1	1,526.7	20.2

As of December 31, the outstanding balances of loans to the Bank's wholly owned asset management companies were as follows:

(Million Baht)

	2002			
	Type of loans	Maturity	Interest	Amount
Thonburi Asset Management Co., Ltd.	Bills	3 Months	3-Month Fixed Deposit	16,850.0
Chanthaburi Asset Management Co., Ltd.	Bills	3 Months	3-Month Fixed Deposit	12,370.0

(Million Baht)

	2001			
	Type of loans	Maturity	Interest	Amount
Thonburi Asset Management Co., Ltd.	Bills	3 Months	3-Month Fixed Deposit	20,600.0
Chanthaburi Asset Management Co., Ltd.	Bills	3 Months	3-Month Fixed Deposit	16,380.0

8. Transfer of Sub-standard quality Asset to Thai Asset Management Corporation (TAMC)

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

In accordance with the Emergency Decree on the Thai Asset Management Corporation, (B.E.2544), and the Asset Transfer Agreement, TAMC and the Bank will share jointly the profits and responsibility for any losses on transferred assets, which are payable on the fifth and the tenth anniversaries of the transfers, starting from July 1, 2001. In the case of losses, the Bank will first be responsible for any loss not exceeding 20% of the transfer price. The second portion of losses, again not exceeding 20% of the transfer price, will be equally shared by TAMC and the Bank. Any remaining loss would then be absorbed by TAMC. In addition, the expenses of TAMC are included in the calculation of gain or loss sharing. In the case of profit, the first portion of profit up to 20% of the transfer price is to be shared equally by TAMC and the Bank. Should there be any profit over and above this, the Bank is entitled to the remainder up to the gross book value of the assets, less the transfer price and the Bank's share in the first portion of the profits.

For the years 2002 and 2001, the Bank transferred to TAMC sub-quality assets relating to 45 large borrowers and 216 other borrowers (after adjustment) with gross book values (as of their transfer dates) of Baht 2,215.2 million and Baht 12,171.1 million (after adjustment), respectively (totaling Baht 14,386.2 million). The estimated total transfer prices were Baht 797.0 million and Baht 9,339.0 million (after adjustment) (totaling Baht 10,136.0 million). As of December 31, 2002, the Bank received promissory notes from TAMC totaling Baht 9,619.2 million and TAMC is examining the remaining assets of Baht 516.8 million and will confirm the transfer price in order to issue promissory notes to the Bank within the aforementioned timeframe. In anticipation of any potential losses on asset transfers, the Bank set aside additional allowance for doubtful accounts amounting to Baht 1,290.0 million in the third quarter of 2001.

4.6 Troubled Debt Restructuring

During the years ending December 31, 2002 and 2001, the Bank and its subsidiaries (Thonburi - AMC and Chanthaburi - AMC) engaged in debt restructuring contracts as follows:

(Million Baht)

	Consolidated				The Bank			
	2002		2001		2002		2001	
	Total		Total		Total		Total	
	Outstanding		Outstanding		Outstanding		Outstanding	
Debt Before		Debt After		Debt Before		Debt After		
Cases	Restructuring	Cases	Restructuring	Cases	Restructuring	Cases	Restructuring	
Debt restructuring contracts								
that incurred losses	4,259	20,436.0	1,334	18,556.8	3,643	13,321.5	890	12,070.8
Debt restructuring contracts								
that incurred no losses	23,037	49,023.7	33,033	58,694.0	20,440	40,716.6	30,142	50,259.4
Total	27,296	69,459.7	34,367	77,250.8	24,083	54,038.1	31,032	62,330.2

The following are debtors that resulted in losses on debt restructuring for the years ending December 31, 2002 and 2001.

(Million Baht)

	Consolidated						
	2002						
	Types of Restructuring	Cases	The Outstanding Debt		Transferred Assets		Loss on Debt Restructuring
			Before Restructuring	After Restructuring	Types	Fair Value	
Transfers of assets	3,655	9,998.1	-	Cash, land, premises and investments	6,228.3	3,769.8	
Changes of repayment conditions	510	5,535.6	5,029.5	-	-	1,200.6	
Debt restructuring in various forms	94	4,902.3	2,503.7	Cash, land, premises and investments	1,380.4	1,654.8	
Total	4,259	20,436.0	7,533.2		7,608.7	6,625.2	

(Million Baht)

Consolidated						
2001						
Types of Restructuring	Cases	The Outstanding Debt		Transferred Assets		Loss on Debt Restructuring
		Before Restructuring	After Restructuring	Types	Fair Value	
Transfers of assets	835	4,236.2	-	Cash, land, premises and investments	3,108.5	1,127.7
Changes of repayment conditions	470	8,610.5	7,937.2	-	-	1,593.3
Debt restructuring in various forms	29	5,710.1	4,541.2	Cash, land, premises and investments	1,080.8	1,770.9
Total	1,334	18,556.8	12,478.4		4,189.3	4,491.9

(Million Baht)

The Bank						
2002						
Types of Restructuring	Cases	The Outstanding Debt		Transferred Assets		Loss on Debt Restructuring
		Before Restructuring	After Restructuring	Types	Fair Value	
Transfers of assets	3,369	8,576.4	-	Cash, land, premises and investments	5,137.5	3,438.9
Changes of repayment conditions	220	2,330.7	2,275.3	-	-	325.0
Debt restructuring in various forms	54	2,414.4	1,381.0	Cash, land, premises and investments	721.7	877.0
Total	3,643	13,321.5	3,656.3		5,859.2	4,640.9

(Million Baht)

Types of Restructuring	The Bank					
	2001					
	Cases	The Outstanding Debt		Transferred Assets		Loss on Debt Restructuring
		Before Restructuring	After Restructuring	Types	Fair Value	
Transfers of assets	636	1,908.2	-	Cash, land, premises and investments	1,357.3	550.9
Changes in repayment conditions	232	4,839.8	4,831.1	-	-	690.6
Debt restructuring in various forms	22	5,322.8	4,334.6	Cash, land, premises and investments	968.7	1,702.3
Total	890	12,070.8	9,165.7		2,326.0	2,943.8

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

Terms of debt restructuring agreements of debtors which restructured by changing repayment conditions and restructured in various forms that resulted in losses on debt restructuring during the year are as follows:

(Million Baht)

Terms of Debt Restructuring Agreements	The Bank							
	2002				2001			
	Cases	The Outstanding Debt			Cases	The Outstanding Debt		
		Before Restructuring	After Restructuring	End of Year		Before Restructuring	After Restructuring	End of Year
Less than 5 years	203	1,788.5	834.4	556.2	125	1,215.2	1,037.8	746.5
5 to 10 years	37	624.2	609.6	526.6	88	6,638.3	5,818.8	5,676.6
Over 10 years	34	2,332.4	2,212.3	2,152.7	41	2,309.1	2,309.1	2,271.9
Total	274	4,745.1	3,656.3	3,235.5	254	10,162.6	9,165.7	8,695.0

(Million Baht)

Terms of Debt Restructuring Agreements	2002							
	Thonburi-AMC				Chanthaburi-AMC			
	Cases	The Outstanding Debt			Cases	The Outstanding Debt		
		Before Restructuring	After Restructuring	End of Year		Before Restructuring	After Restructuring	End of Year
Less than 5 years	133	1,127.4	806.7	306.0	34	1,979.3	1,269.6	889.4
5 to 10 years	58	911.7	621.7	399.6	11	1,140.8	672.3	505.5
Over 10 years	87	366.2	343.0	229.4	7	167.4	165.6	145.9
Total	278	2,405.4	1,771.4	935.0	52	3,287.5	2,106.5	1,540.8

The Bank and its subsidiaries recognized interest income from debt restructuring for the years shown ending December 31, as follows:

(Million Baht)

	Consolidated		The Bank	
	2002	2001	2002	2001
Debt restructuring contracts that incurred losses	1,481.4	1,944.6	986.3	1,745.6

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

(Million Baht)

	Consolidated and The Bank	
	2002	2001
Debt restructuring contracts that incurred losses	108.8	155.8

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

(Million Baht)

	Consolidated		The Bank	
	2002	2001	2002	2001
Debt restructuring contracts that incurred losses	5,711.3	10,777.1	3,235.5	8,695.0
Debt restructuring contracts that incurred no losses	30,716.1	41,749.3	28,269.8	36,160.0
Total	36,427.4	52,526.4	31,505.3	44,855.0

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

(Million Baht)

	Consolidated		The Bank	
	2002	2001	2002	2001
Debt restructuring contracts that incurred losses	20,546.2	28,125.9	18,127.9	25,747.5
Debt restructuring contracts that incurred no losses	81,697.4	94,121.9	73,876.8	83,276.6
Total	102,243.6	122,247.8	92,004.7	109,024.1

4.7 Allowances for Doubtful Accounts

The movements in the allowances for doubtful accounts during the year are as follows:

(Million Baht)

	Consolidated							
	2002							
	Normal	Special Mention	Sub- Standard	Doubtful	Loss	Uncollec- tible	Excess of BoT Regulations	Total
Balance at beginning of the year	3,562.4	223.4	684.6	3,410.9	17,797.9	-	25,646.4	51,325.6
Doubtful accounts (reversal)	159.8	24.9	(430.1)	(1,416.8)	(2,920.1)	-	1,101.2	(3,481.1)
Bad debts recovered	-	-	-	-	10,525.3	-	-	10,525.3
Bad debts written off	-	-	-	-	(4,569.5)	-	-	(4,569.5)
Reversal based on BoT policy (Note 4.5)	-	-	-	-	25,685.7	-	-	25,685.7
Allowance for loans transferred to TAMC	-	-	-	-	(1,418.2)	-	-	(1,418.2)
Others	-	-	-	-	(1,118.1)	-	-	(1,118.1)
Balance at ended of the year	3,722.2	248.3	254.5	1,994.1	43,983.0	-	26,747.6	76,949.7

(Million Baht)

	Consolidated							
	2001							
	Normal	Special Mention	Sub- Standard	Doubtful	Loss	Uncollec- tible	Excess of BoT Regulations	Total
Balance at beginning of the year	3,492.0	190.4	1,055.5	2,990.1	21,144.8	5.5	25,865.3	54,743.6
Doubtful accounts (reversal)	70.4	33.0	(370.9)	420.8	(668.1)	(5.5)	(218.9)	(739.2)
Bad debts recovered	-	-	-	-	17,786.5	-	-	17,786.5
Bad debts written off	-	-	-	-	(16,351.8)	-	-	(16,351.8)
Allowance for loans transferred to TAMC	-	-	-	-	(2,867.3)	-	-	(2,867.3)
Others	-	-	-	-	(1,246.2)	-	-	(1,246.2)
Balance at ended of the year	3,562.4	223.4	684.6	3,410.9	17,797.9	-	25,646.4	51,325.6

(Million Baht)

The Bank								
2002								
	Normal	Special Mention	Sub- Standard	Doubtful	Loss	Uncollectible	Allowances Established in	
							Excess of BoT Regulations	Total
Balance at beginning of the year	3,828.1	204.1	646.6	3,410.3	-	-	16,911.7	25,000.8
Doubtful accounts (reversal)	122.6	25.0	(392.1)	(1,416.3)	(5,039.8)	-	2,974.3	(3,726.3)
Bad debt recovered	-	-	-	-	10,525.3	-	-	10,525.3
Bad debt written off	-	-	-	-	(1,192.5)	-	-	(1,192.5)
Reversal based on BoT policy (Note 4.5)	-	-	-	-	25,685.7	-	-	25,685.7
Allowance for loans transferred to TAMC	-	-	-	-	(1,418.2)	-	-	(1,418.2)
Others	-	-	-	-	45.1	-	-	45.1
Balance at ended of the year	3,950.7	229.1	254.5	1,994.0	28,605.6	-	19,886.0	54,919.9

(Million Baht)

The Bank								
2001								
	Normal	Special Mention	Sub- Standard	Doubtful	Loss	Uncollectible	Allowances Established in	
							Excess of BoT Regulations	Total
Balance at beginning of the year	3,854.6	182.4	1,048.2	2,970.6	-	5.5	13,747.0	21,808.3
Doubtful accounts (reversals)	(26.5)	21.7	(401.6)	439.7	(4,210.6)	(5.5)	3,164.7	(1,018.1)
Bad debts recovered	-	-	-	-	17,786.5	-	-	17,786.5
Bad debts written off	-	-	-	-	(10,634.9)	-	-	(10,634.9)
Allowance for loans sold to TAMC	-	-	-	-	(2,867.3)	-	-	(2,867.3)
Others	-	-	-	-	(73.7)	-	-	(73.7)
Balance at ended of the year	3,828.1	204.1	646.6	3,410.3	-	-	16,911.7	25,000.8

For the year ending December 31, 2001, the Bank wrote off the portion of loans (including accrued interest receivables) classified as loss that exceeded their collateral value (calculated in accordance with BoT regulations) and non-collectible loans totaling Baht 10,501.3 million.

4.8 Revaluation Allowance for Debt Restructuring

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

(Million Baht)

	Consolidated		The Bank	
	2002	2001	2002	2001
Balance at beginning of the year	3,781.4	3,101.9	3,699.4	3,101.9
Additions (reversals)	(393.2)	1,815.8	(625.4)	1,681.0
Amortization	(633.2)	(1,136.3)	(426.8)	(1,083.5)
Balance at end of the year	2,755.0	3,781.4	2,647.2	3,699.4

4.9 Normalized Provisioning

For the year ending December 31, 2002, the Bank set aside normalized provisioning amounting to Baht 800 million.

4.10 Foreclosed Properties

Foreclosed properties as of December 31, consisted of:

(Million Baht)

Type of Properties Foreclosed	Consolidated			
	2002			
	Beginning Balance	Addition	Disposal	Ending Balance
1. Assets acquired through debt repayment				
1.1 Immovable assets	17,847.6	3,231.4	(3,015.7)	18,063.3
1.2 Movable assets	25.6	-	-	25.6
Total	17,873.2	3,231.4	(3,015.7)	18,088.9
2. Others	1,100.4	377.0	(35.2)	1,442.2
Total Foreclosed properties	18,973.6	3,608.4	(3,050.9)	19,531.1
Less Allowance for impairment	(4,121.2)	(837.7)	514.6	(4,444.3)
Total Foreclosed Properties - net	14,852.4	2,770.7	(2,536.3)	15,086.8

(Million Baht)

Type of Foreclosed Properties	Consolidated			
	2001			
	Beginning Balance	Addition	Disposal	Ending Balance
1. Assets acquired through debt repayment				
1.1 Immovable assets	14,701.2	4,567.1	(1,420.7)	17,847.6
1.2 Movable assets	25.6	-	-	25.6
Total	14,726.8	4,567.1	(1,420.7)	17,873.2
2. Others	1,130.5	18.9	(49.0)	1,100.4
Total Foreclosed properties	15,857.3	4,586.0	(1,469.7)	18,973.6
Less Allowances for impairment	(1,091.2)	(3,480.0)	450.0	(4,121.2)
Total Foreclosed Properties - net	14,766.1	1,106.0	(1,019.7)	14,852.4

(Million Baht)

Type of Foreclosed Properties	The Bank			
	2002			
	Beginning Balance	Addition	Disposal	Ending Balance
1. Assets acquired through debt repayment				
1.1 Immovable assets	15,512.2	1,559.0	(2,370.4)	14,700.8
1.2 Movable assets	25.6	-	-	25.6
Total	15,537.8	1,559.0	(2,370.4)	14,726.4
2. Others	6.0	375.2	(4.8)	376.4
Total Foreclosed properties	15,543.8	1,934.2	(2,375.2)	15,102.8
Less Allowances for impairment	(3,909.4)	(630.5)	505.7	(4,034.2)
Total Foreclosed Properties - net	11,634.4	1,303.7	(1,869.5)	11,068.6

(Million Baht)

Type of Foreclosed Properties	The Bank			
	2001			
	Beginning Balance	Addition	Disposal	Ending Balance
1. Assets acquired through debt repayment				
1.1 Immovable assets	13,629.5	2,663.9	(781.2)	15,512.2
1.2 Movable assets	25.6	-	-	25.6
Total	13,655.1	2,663.9	(781.2)	15,537.8
2. Others	6.0	18.9	(18.9)	6.0
Total Foreclosed properties	13,661.1	2,682.8	(800.1)	15,543.8
Less Allowances for impairment	(991.0)	(3,359.1)	440.7	(3,909.4)
Total Foreclosed Properties - net	12,670.1	(676.3)	(359.4)	11,634.4

4.11 Classified Assets

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

(Million Baht)

	Consolidated				
	2002				
	Investments	Loans and Accrued Interest Receivables	Properties Foreclosed	Other Assets	Total
Normal	-	375,755.3	-	8.8	375,764.1
Special Mention	-	12,415.1	-	-	12,415.1
Sub-Standard	-	4,498.3	-	-	4,498.3
Doubtful	-	12,031.8	-	-	12,031.8
Loss	6,957.3	109,279.3	2,024.5	1,552.8	119,813.9
Total	6,957.3	513,979.8	2,024.5	1,561.6	524,523.2

(Million Baht)

	Consolidated				
	2001				
	Loans and				
		Accrued Interest	Properties		
	Investments	Receivables	Foreclosed	Other Assets	Total
Normal	-	368,825.7	-	0.1	368,825.8
Special Mention	-	11,170.2	-	-	11,170.2
Sub-Standard	-	11,928.1	-	-	11,928.1
Doubtful	-	17,688.2	-	-	17,688.2
Loss	7,298.7	83,707.1	1,626.9	1,610.6	94,243.3
Total	7,298.7	493,319.3	1,626.9	1,610.7	503,855.6

(Million Baht)

	The Bank				
	2002				
	Loans and				
		Accrued Interest	Properties		
	Investments	Receivables	Foreclosed	Other Assets	Total
Normal	-	398,651.8	-	-	398,651.8
Special Mention	-	11,456.2	-	-	11,456.2
Sub-Standard	-	4,498.3	-	-	4,498.3
Doubtful	-	12,031.8	-	-	12,031.8
Loss	4,842.7	76,188.1	1,828.7	1,294.0	84,153.5
Total	4,842.7	502,826.2	1,828.7	1,294.0	510,791.6

(Million Baht)

	The Bank				
	2001				
	Loans and				
		Accrued Interest	Properties		
	Investments	Receivables	Foreclosed	Other Assets	Total
Normal	-	395,389.6	-	-	395,389.6
Special Mention	-	10,204.6	-	-	10,204.6
Sub-Standard	-	11,427.1	-	-	11,427.1
Doubtful	-	17,668.5	-	-	17,668.5
Loss	5,384.0	46,313.0	1,544.0	1,460.9	54,701.9
Total	5,384.0	481,002.8	1,544.0	1,460.9	489,391.7

4.12 Premises and Equipment

Changes in premises and equipment for the year ended December 31, 2002 are summarized as follows:

		Consolidated												
		2002												
		Change of Cost			Change of Accumulated Depreciation			Change of Allowance for Impairment			Book Value			
		Beginning Balance	Purchase/Transfer in Revalue	Disposal/Transfer at	Ending Balance	Beginning Balance	Depreciation	Revalue	Disposal	Ending Balance	Beginning Balance	Decrease	Ending Balance	
Land														
Cost		3,212.1	-	(221.4)	2,990.7	-	-	-	-	563.1	(71.5)	491.6	2,649.0	2,499.1
Revalued cost														
in 2000		6,018.7	-	(26.9)	5,991.8	-	-	-	-	-	-	-	6,018.7	5,991.8
Building														
Cost		9,497.7	65.5	(225.7)	9,337.5	2,614.3	277.6	(71.0)	2,820.9	351.2	(7.5)	343.7	6,532.2	6,172.9
Revalued cost														
- in 2000		4,969.6	-	(66.9)	4,902.7	1,679.8	154.4	(29.5)	1,804.7	-	-	-	3,289.8	3,098.0
- in 2002		-	-	9.7	9.7	-	0.9	2.7	3.6	-	-	-	-	6.1
Equipment		12,896.0	1,506.7	(442.3)	13,960.4	9,226.5	1,072.0	(421.7)	9,876.8	-	-	-	3,669.5	4,068.6
Others		649.0	1,483.6	(1,548.3)	584.3	34.9	6.9	(0.5)	41.3	-	-	-	614.1	543.0
Total		37,243.1	3,055.8	9.7	37,777.1	13,555.5	1,511.8	2.7	14,547.3	914.3	(79.0)	835.3	22,773.3	22,394.5

Depreciation presented in the statement of income of the Bank and its subsidiaries for the years ending December 31, 2002 and 2001 amounted to Baht 1,511.8 million and Baht 1,582.3 million, respectively, (including depreciation on building revaluation of Baht 155.3 million and Baht 163.6 million, respectively). As of December 31, 2002 and 2001, premises and equipment with an original cost of Baht 6,309.4 million and Baht 5,196.9 million, respectively, were fully depreciated but still in use.

The Bank

2002

	Change of Cost			Change of Accumulated Depreciation			Change of Allowance for Impairment			Book Value		
	Beginning Balance	Purchase/ Transfer in Revalue	Disposal/ Transfer at Balance	Ending Balance	Beginning Balance	Depreciation	Revalue	Disposal	Ending Balance	Decrease	Beginning Balance	Ending Balance
Land												
Cost	3,116.8	-	(221.4)	2,895.4	-	-	-	-	-	(71.5)	473.5	2,421.9
Revalued cost in 2000	6,018.7	-	(26.9)	5,991.8	-	-	-	-	-	-	-	5,991.8
Building												
Cost	8,837.1	63.3	(220.8)	8,679.6	2,541.3	256.5	-	(69.1)	2,728.7	(4.9)	243.8	5,707.1
Revalued cost - in 2000	4,969.6	-	(66.9)	4,902.7	1,679.8	154.4	-	(29.5)	1,804.7	-	-	3,098.0
- in 2002	-	-	9.7	9.7	-	0.9	2.7	-	3.6	-	-	6.1
Equipment	12,872.8	1,484.5	(442.3)	13,915.0	9,216.1	1,066.9	-	(421.7)	9,861.3	-	-	4,053.7
Others	589.2	1,480.6	(1,547.4)	522.4	-	-	-	-	-	-	-	589.2
Total	36,404.2	3,028.4	(2,525.7)	36,916.6	13,437.2	1,478.7	2.7	(520.3)	14,398.3	(76.4)	717.3	21,801.0

Depreciation presented in the statement of income of the Bank of the years ending December 31, 2002 and 2001 amounted to Baht 1,478.7 million and Baht 1,549.8 million, respectively, (including depreciation on building revaluation of Baht 155.3 million and Baht 163.6 million, respectively). As of December 31, 2002 and 2001, premises and equipment with an original cost of Baht 6,278.1 million and Baht 5,172.5 million, respectively, were fully depreciated but still in use.

4.13 Deferred Tax Assets and Deferred Tax Liabilities

Deferred tax assets as of December 31, consisted of:

	<i>(Million Baht)</i>	
	Consolidated	
	2002	2001
Allowances for impairment of investments	13.1	13.1
Allowances for impairment of buildings	1.0	1.8
Allowances for impairment of properties foreclosed	0.2	0.2
Total	14.3	15.1

Deferred tax liabilities as of December 31, consisted of:

	<i>(Million Baht)</i>	
	Consolidated and The Bank	
	2002	2001
Appraisal surplus	2,728.8	2,792.6
Revaluation surplus on investments	1,333.4	831.1
Share of profit from investment on the equity method	-	114.8
Total	4,062.2	3,738.5

4.14 Deposits

Deposits as of December 31, were classified as follows:

1. Classified by Type of Deposits

	<i>(Million Baht)</i>			
	Consolidated		The Bank	
	2002	2001	2002	2001
Current	26,498.9	21,959.6	26,977.7	22,183.2
Savings	281,959.2	241,937.5	282,087.4	242,027.7
Term				
- Less than 6 months	273,333.1	332,681.1	273,333.1	332,681.1
- 6 months and less than 1 year	5,903.1	7,899.8	5,903.1	7,899.8
- 1 year and over 1 year	63,698.8	60,053.7	63,698.8	60,053.7
Total	651,393.1	664,531.7	652,000.1	664,845.5

2. Classified by Maturity of Contracts

	<i>(Million Baht)</i>			
	Consolidated		The Bank	
	2002	2001	2002	2001
Within 1 year	638,654.4	657,986.9	639,261.4	658,300.7
Over 1 year	12,738.7	6,544.8	12,738.7	6,544.8
Total	651,393.1	664,531.7	652,000.1	664,845.5

3. Classified by Currency and Residency of Depositors

(Million Baht)

	Consolidated					
	2002			2001		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	637,384.6	11,756.4	649,141.0	650,635.4	9,974.1	660,609.5
US Dollars	1,678.5	176.6	1,855.1	2,957.2	587.8	3,545.0
Other currencies	324.2	72.8	397.0	330.8	46.4	377.2
Total	639,387.3	12,005.8	651,393.1	653,923.4	10,608.3	664,531.7

(Million Baht)

	The Bank					
	2002			2001		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	637,991.6	11,756.4	649,748.0	650,949.2	9,974.1	660,923.3
US Dollars	1,678.5	176.6	1,855.1	2,957.2	587.8	3,545.0
Other currencies	324.2	72.8	397.0	330.8	46.4	377.2
Total	639,994.3	12,005.8	652,000.1	654,237.2	10,608.3	664,845.5

4.15 Interbank and Money Market Items (Liabilities)

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

(Million Baht)

	Consolidated					
	2002			2001		
	At Call	Term	Total	At Call	Term	Total
1. Domestic						
BoT and FIDF	-	28.3	28.3	-	473.5	473.5
Commercial banks	443.8	-	443.8	363.6	-	363.6
Other banks	172.1	-	172.1	267.8	170.8	438.6
Finance, finance and securities, securities and credit foncier companies	878.0	97.1	975.1	703.1	129.8	832.9
Other financial institutions	1,576.9	2,053.4	3,630.3	660.1	2,839.9	3,500.0
Total Domestic	3,070.8	2,178.8	5,249.6	1,994.6	3,614.0	5,608.6
2. Foreign						
US Dollars	97.6	18.4	116.0	388.0	7,616.9	8,004.9
Yen	78.2	-	78.2	4.0	-	4.0
Deutsche Marks	-	-	-	3.1	-	3.1
Other currencies	249.6	-	249.6	202.0	-	202.0
Total Foreign	425.4	18.4	443.8	597.1	7,616.9	8,214.0
Total Domestic and Foreign	3,496.2	2,197.2	5,693.4	2,591.7	11,230.9	13,822.6

(Million Baht)

	The Bank					
	2002			2001		
	At Call	Term	Total	At Call	Term	Total
1. Domestic						
BoT and FIDF	-	28.3	28.3	-	473.5	473.5
Commercial banks	443.8	-	443.8	363.6	-	363.6
Other banks	172.1	-	172.1	267.8	170.8	438.6
Finance, finance and securities, securities and credit foncier companies	878.0	97.1	975.1	703.1	129.8	832.9
Other financial institutions	1,576.9	2,053.4	3,630.3	668.8	2,839.9	3,508.7
Total Domestic	3,070.8	2,178.8	5,249.6	2,003.3	3,614.0	5,617.3
2. Foreign						
US Dollars	97.6	18.4	116.0	388.0	7,616.9	8,004.9
Yen	78.2	-	78.2	4.0	-	4.0
Deutsche Marks	-	-	-	3.1	-	3.1
Other currencies	249.6	-	249.6	202.0	-	202.0
Total Foreign	425.4	18.4	443.8	597.1	7,616.9	8,214.0
Total Domestic and Foreign	3,496.2	2,197.2	5,693.4	2,600.4	11,230.9	13,831.3

4.16 Long-Term Borrowing

Long-term borrowing as of December 31, consisted of:

(Million Baht)

	Consolidated and The Bank					
	2002			2001		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Subordinated Debentures (Note 4.17)	-	8,588.9	8,588.9	-	8,780.5	8,780.5
Subordinated debentures cum preferred shares (Note 4.18)	19,967.1	-	19,967.1	19,967.1	-	19,967.1
Subordinated Debentures of the Thai Farmers Bank PCL. No.2 (Note 4.18)	20,000.0	-	20,000.0	20,000.0	-	20,000.0
Total	39,967.1	8,588.9	48,556.0	39,967.1	8,780.5	48,747.6

4.17 Subordinated Debentures and Warrants

The Board of Directors in its meeting on September 29, 1994 approved the issuance of 7.5 million units of subordinated debentures having a face value of Baht 1,000 each, with a seven-year maturity at a price of Baht 1,000 each totaling Baht 7,500 million carrying a 9.875 percent coupon rate payable semi-annually. On October 12, 2001, the Bank has redeemed those subordinated debentures at maturity.

The debentures were issued with 75 million warrants, having a five-year maturity, at a price of Baht 40 each totaling Baht 3,000 million. An investor buying one unit of debenture received 10 warrants, each of which can be exercised quarterly over their maturity period for a Baht 10 par value ordinary share at a price of Baht 188 each. Later the exercise price was changed to Baht 181.692 effective from August 5, 1996. The subscription period was during October 10-12, 1994. On August 20, 1999, the exercise price was adjusted to Baht 119.764 and the exercise ratio of ordinary shares was 1.51708 per 1 unit of warrant. September 30, 1999 was the last day on which the right could be exercised. There were 18 warrants exercised for 27 ordinary

shares amounting to Baht 119.764 per share and totaling Baht 3,233. The Bank registered the increase in paid-up capital from Baht 11,765,473,450 to Baht 11,765,473,720 with the Ministry of Commerce on October 13, 1999. The Bank has transferred the remaining warrants as the surplus of the expired warrants on October 1, 1999.

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

In addition a second issuance of warrants of 100 million units having a six-year maturity were offered to existing shareholders in the ratio of eight ordinary shares for each warrant, at a price of Baht 25 each totaling Baht 2,500 million. Each warrant can be exercised quarterly over their maturity period for a Baht 10 par value ordinary share at a price of Baht 200 each. The subscription period was during September 4-12, 1996. On August 20, 1999, the exercise price was adjusted to Baht 131.832 and the exercise ratio of ordinary shares was 1.51708 per 1 unit of warrant. The last exercise date was September 16, 2002 and these expired warrants amounting to Baht 2,520.43 million have been presented in the financial statements as premium on expired warrants.

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

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

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

(Unit : Unit)

The movements of warrants during the year	Phase 1	Phase 2	Phase 3	Total
Beginning balance as of January 1, 2001	15,525,500	-	-	15,525,500
Add Warrants issued during the year	-	3,885,300	-	3,885,300
Less Exercised	-	-	-	-
Less Exercised right terminated from employee's retirement	(1,165,600)	-	-	(1,165,600)
Less Expired rights	-	-	-	-
Ending balance as of December 31, 2001	14,359,900	3,885,300	-	18,245,200
Add Warrant issued during the year	-	-	26,048,380	26,048,380
Less Exercised	-	-	-	-
Less Exercised right terminated from employee's retirement	(546,000)	(591,900)	-	(1,137,900)
Less Expired rights	-	-	-	-
Ending balance as of December 31, 2002	13,813,900	3,293,400	26,048,380	43,155,680

4.18 Subordinated Debentures Cum Preferred Shares No.1 (Commonly referred to as "SLIPS") and Subordinated Debentures No.2

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

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

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

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

Bank shall be deemed to be full payment to the Fund under the terms of the Debentures #1 and Preferred Shares as set forth in the prospectus and the Articles of Association, respectively.

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

The Bank presented the transactions of the subordinated debentures cum preferred shares of Baht 19,999.9 million to conform with the Institute of Certified Accountants and Auditors of Thailand’s third interpretation titled The Hybrid Financial Instruments Issued by Financial Institution. In this regard, the Bank presents the preferred shares and the premiums on preferred shares totaling Baht 32.8 million as a part of shareholders’ equity and presents the remaining Baht 19,967.1 million in the separate item under “Subordinated debentures cum preferred shares” as a part of liabilities. However the total amount of subordinated debentures cum preferred shares can be counted as tier 1 capital as permitted by the Bank of Thailand. The Debentures #2 of the Baht 20,000 million are presented as part of long-term borrowing.

4.19 Capital Requirements

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

	<i>(Million Baht)</i>	
	2002	2001
Tier-1 Capital		
Issued and fully paid-up share capital, premiums on share capital, warrants and premiums on warrants	78,556.9	78,556.9
Legal reserves	800.0	800.0
Other reserves	26,675.3	26,675.3
Net loss after appropriation	(83,029.4)	(87,921.3)
Subordinated debentures cum preferred shares	19,967.1	19,967.1
Total Tier-1 Capital	42,969.9	38,078.0
Tier-2 Capital		
Surplus on land revaluation	4,191.8	4,210.6
Surplus on premises revaluation	1,549.9	1,642.7
Provision for normal assets	3,758.0	3,736.3
Subordinated debentures	20,561.3	19,039.0
Total Tier-2 Capital	30,061.0	28,628.6
Total Capital Requirements	73,030.9	66,706.6

The BoT’s regulations require that banks registered in Thailand maintain a ratio of capital fund to assets and contingencies of not less than 8.5% and that tier-1 capital must not be less than 4.25% of such assets and contingencies. Capital adequacy ratios maintained by the Bank are as follows:

	Percentage	
	2002	2001
Total Capital Requirements	14.34	12.73
Tier-1 Capital	8.44	7.27

4.20 Legal Reserves

According to the Public Company Act, the Bank has to allocate at least 5 percent of its net income for the year, less accumulated net losses (if any), to capital reserves until this reserved capital is not less than 10 percent of authorized share capital.

4.21 Other Reserves

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

4.22 Bad Debt and Doubtful Accounts(Reversal)

Bad debt and doubtful accounts (reversal) for the years shown ending December 31, consisted of:

	<i>(Million Baht)</i>			
	Consolidated		The Bank	
	2002	2001	2002	2001
General customers	(3,481.1)	(739.2)	(3,726.3)	(1,018.1)
Financial institutions	177.4	(82.6)	177.4	(82.6)
Total	(3,303.7)	(821.8)	(3,548.9)	(1,100.7)

4.23 Loss on Debt Restructuring

Loss on debt restructuring for the years ending December 31, consisted of:

	<i>(Million Baht)</i>			
	Consolidated		The Bank	
	2002	2001	2002	2001
Net present value of cashflows lower than investments in receivables	(393.2)	1,815.8	(625.4)	1,681.0
Transferred assets lower than investments in receivables	4,619.8	1,163.8	4,174.3	709.7
Total	4,226.6	2,979.6	3,548.9	2,390.7

4.24 Income Tax

Income tax for the years ending December 31, consisted of:

	<i>(Million Baht)</i>			
	Consolidated		The Bank	
	2002	2001	2002	2001
Current income tax expense	39.0	32.5	-	-
Deferred income tax expense relating to the origination and reversal of temporary difference	(114.0)	628.7	(114.8)	624.1
Income tax expense	(75.0)	661.2	(114.8)	624.1

The Bank has deferred income tax which has been transferred directly to shareholders' equity consisting of:

(Million Baht)

	Consolidated and The Bank	
	For the Years Ending December 31,	
	2002	2001
Deferred income tax relating to appraisal revaluation surplus, decrease	(63.8)	(49.1)
Deferred income tax relating to changes in value of investment, increase	502.3	56.9

4.25 Assets Pledged as Collateral

Assets pledged as collateral as of December 31, consisted of:

(Million Baht)

	Consolidated and The Bank	
	For the Years Ending December 31,	
	2002	2001
Government bonds	4.8	3.6
State enterprise bonds	27.9	28.0
Total	32.7	31.6

The Bank has pledged these assets as collateral for electricity consumption and using as count collateral.

4.26 Contingencies

Contingencies as of December 31, consisted of:

(Million Baht)

	Consolidated and The Bank					
	2002			2001		
	Foreign			Foreign		
	Baht	Currency	Total	Baht	Currency	Total
Avals on bills	261.1	-	261.1	223.0	-	223.0
Letters of indemnity-borrowing	140.1	6,190.3	6,330.4	285.9	8,579.3	8,865.2
Other guarantees	24,705.7	3,955.5	28,661.2	25,377.8	3,613.9	28,991.7
Letters of credit	380.1	8,495.5	8,875.6	154.1	6,375.3	6,529.4
Exchange rate agreements						
Purchase agreements	-	48,818.7	48,818.7	881.6	26,134.7	27,016.3
Sale agreements	324.5	172,210.9	172,535.4	2,414.0	200,291.2	202,705.2
Interest rate agreements						
Purchase agreements	-	11,559.1	11,559.1	794.3	2,084.0	2,878.3
Sale agreements	-	11,559.1	11,559.1	794.3	2,084.0	2,878.3
Unused credit line of overdraft	103,352.8	-	103,352.8	101,952.2	48.2	102,000.4
Others	136.7	6,124.6	6,261.3	1,125.8	2,656.4	3,782.2
Total	129,301.0	268,913.7	398,214.7	134,003.0	251,867.0	385,870.0

During normal business operations, the Bank is a defendant in litigations against the Bank. These include cases of wrongful acts brought against the Bank, with total claims amounting to Baht 791.6 million and Baht 713.9 million as of December 31, 2002 and 2001, respectively. The Management believes that any liability resulting from these litigations will not be material to the Bank's financial position or on the results of operations.

4.27 Related Party Transactions

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

	<i>(Million Baht)</i>	
	Consolidated	
	2002	2001
	End of Year	End of Year
Loans		
1. Executive officers	24.4	23.6
2. Business entities where the Bank and its subsidiaries, their directors or executive officers hold 10% or more of the paid-up capital	2,529.8	3,295.0
Total	2,554.2	3,318.6
Contingencies		
1. Executive officers	-	-
2. Business entities where the Bank and its subsidiaries, their directors or executive officers hold 10% or more of the paid-up capital	76.5	315.7
Total	76.5	315.7

	<i>(Million Baht)</i>	
	The Bank	
	2002	2001
	End of Year	End of Year
Loans		
1. Executive officers	24.4	23.6
2. Business entities where the Bank, its directors or executive officers hold 10% or more of the paid-up capital	31,749.8	40,275.0
Total	31,774.2	40,298.6
Contingencies		
1. Executive officers	-	-
2. Business entities where the Bank, its directors or executive officers hold 10% or more of the paid-up capital	76.5	315.7
Total	76.5	315.7

4.27.2 Related Party

Relationships between the Bank and other business entities where control exists as of December 31, consisted of:

Company Name	Type of Relationship	% Shareholding		Type of Share	Type of Business
		2002	2001		
Thonburi Asset Management Co., Ltd.	Subsidiary	99.99%	99.99%	Ordinary share	Asset Management
Chanthaburi Asset Management Co., Ltd.	Subsidiary	99.99%	99.99%	Ordinary share	Asset Management
Thai Farmers Research Center Co., Ltd.	Subsidiary	99.99%	99.99%	Ordinary share	Service
Progress Land and Buildings Co., Ltd.	Subsidiary	99.99%	99.99%	Ordinary share	Property Development
Kanpai Co., Ltd.	Subsidiary	99.99%	99.99%	Ordinary share	Service
Progress Plus Co., Ltd.	Subsidiary	99.99%	99.99%	Ordinary share	Service
Progress Facilities Management Co., Ltd.	Subsidiary	99.98%	99.98%	Ordinary share	Service
Progress Services Co., Ltd.	Subsidiary	99.97%	99.97%	Ordinary share	Service
Progress Management Co., Ltd.	Subsidiary	99.93%	99.93%	Ordinary share	Service
Progress Storage Co., Ltd.	Subsidiary	99.92%	99.92%	Ordinary share	Service
Progress Appraisal Co., Ltd.	Subsidiary	99.84%	99.84%	Ordinary share	Service
Thai Farmers Asset Management Co., Ltd.	Subsidiary	71.42%	71.42%	Ordinary share	Mutual Fund Management
Progress Software Co., Ltd.	Subsidiary	60.00%	60.00%	Ordinary share	Service
Thai Administration Services Co., Ltd.	Subsidiary	51.00%	51.00%	Ordinary share	Service

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

(Million Baht)

	The Bank	
	December 31, 2002	December 31, 2001
Loans		
Subsidiary Companies		
- Thonburi Asset Management Co., Ltd.		
Beginning balance	20,600.0	23,018.5
Deductions	(3,750.0)	(2,418.5)
Ending balance	16,850.0	20,600.0
- Chanthaburi Asset Management Co., Ltd.		
Beginning balance	16,380.0	18,366.0
Deductions	(4,010.0)	(1,986.0)
Ending balance	12,370.0	16,380.0
Accrued interest receivables		
Subsidiary Companies		
- Thonburi Asset Management Co., Ltd.	55.9	45.5
- Chanthaburi Asset Management Co., Ltd.	7.8	6.1
Deposits		
Subsidiary Companies		
- Thonburi Asset Management Co., Ltd.	321.6	118.2
- Chanthaburi Asset Management Co., Ltd.	153.3	105.1

	The Bank	
	For the Years Ended December 31,	
	2002	2001
Interest income		
Subsidiary Companies		
- Thonburi Asset Management Co., Ltd.	390.5	568.3
- Chanthaburi Asset Management Co., Ltd.	302.1	460.2

Loans to Thonburi Asset Management Company Limited are 3-month bills with interest rates equal to the interest rate of a 3-month fixed deposit, on which deposits are pledged as collateral. As of December 31, 2002 and 2001, the pledged deposits are Baht 321.6 million and Baht 118.2 million, respectively.

Loans to Chanthaburi Asset Management Company Limited are 3-month bills with interest rates equal to the interest rate of a 3-month fixed deposit, on which deposits are pledged as collateral. As of December 31, 2002 and 2001, the pledged deposits are Baht 153.3 million and Baht 105.1 million, respectively.

As of December 31, 2002 and 2001, the Bank has provided an allowance for doubtful accounts for Thonburi Asset Management Company Limited, classified as normal loans, amounting to Baht 169.1 million and Baht 206.5 million, for the respectively.

As of December 31, 2002 and 2001, the Bank has provided an allowance for doubtful accounts for Chanthaburi Asset Management Company Limited, classified as normal loans, amounting to Baht 123.8 million and Baht 163.9 million, for the respective years.

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

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

4.27.4 Additional transactions occurring between the Bank and related business entities are charged at market prices as with other normal business, include the following:

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

	<i>(Million Baht)</i>			
	Consolidated		The Bank	
	2002	2001	2002	2001
Loans				
Associated Companies				
- Thai Farmers Heller Factoring Co., Ltd.	70.0	73.0	70.0	73.0
- E. S. Industry Co., Ltd.	324.5	-	324.5	-
(As a result of reversal of loans and allowance for doubtful accounts in 2002)				
Deposits				
Subsidiary Companies				
- Thai Farmers Research Center Co., Ltd.	31.1	31.7	31.1	31.7
- Progress Appraisal Co., Ltd.	21.4	27.2	21.4	27.2
- Progress Land and Buildings Co., Ltd.	-	-	127.7	90.2
- Progress Software Co., Ltd.	33.5	19.5	33.5	19.5
- Thai Administration Services Co., Ltd.	41.3	16.9	41.3	16.9
- Kanpai Co., Ltd.	13.6	9.4	13.6	9.4
- Progress Plus Co., Ltd.	12.9	9.8	12.9	9.8
Associated Companies				
- Processing Center Co., Ltd.	19.1	23.6	19.1	23.6
- Thai Farmers Heller Factoring Co., Ltd.	19.5	15.6	19.5	15.6
Interbank and Money Market Items (Liabilities)				
Associated Company				
- Merrill Lynch Phatra Securities Co., Ltd.	4.6	3.1	4.6	3.1
Other Liabilities				
Subsidiary Companies				
- Progress Software Co., Ltd.	19.6	15.3	19.6	15.3
- Progress Plus Co., Ltd.	16.1	12.1	16.1	12.1
- Progress Appraisal Co., Ltd.	5.5	3.5	5.5	3.5
Contingencies				
Subsidiary Company				
- Thai Administration Services Co., Ltd.	50.0	79.1	50.0	79.1
Associated Companies				
- E.S. Industry Co., Ltd.	15.5	17.4	15.5	17.4
- N.C. Associate Co., Ltd.	6.2	2.1	6.2	2.1

Certain subsidiaries and associated companies have entered into 2-year building lease agreements. Rentals are charged at cost. As of December 31, 2002 and 2001, the Bank has rentals with remaining tenures amounting to Baht 6.6 Million and Baht 5.7 million, respectively.

2. Revenues and expenses occurring between the Bank, its subsidiary and associated companies for the years shown ending December 31, are summarized as follows:

(Million Baht)

	Consolidated		The Bank	
	2002	2001	2002	2001
Subsidiary Companies				
Revenues:				
Dividend income	-	-	65.2	31.0
Fee income	-	-	47.2	306.0
Other income	10.1	9.0	10.5	9.0
Expenses:				
Other expenses	664.9	533.2	665.5	533.2
Associated Companies				
Revenues:				
Interest receivables	5.4	4.6	5.4	4.6
Dividend income	66.7	193.0	66.7	193.0
Fee income	1.7	1.9	1.7	1.9
Expenses:				
Other expenses	54.8	28.2	54.8	28.2

The Bank and Merrill Lynch Phatra Securities Company Limited have entered into business sale agreements relating to investment management services at Thai Farmers Asset Management Company Limited, a subsidiary of the Bank. The Bank has agreed to sell its business interest in the management of provident funds and private funds for Baht 265.3 million and Merrill Lynch Phatra Securities Company Limited agreed to sell its share of this business for Baht 273.9 million, the whole amounts of which have been received in 2001.

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

	<i>(Million Baht)</i>	
	Consolidated and The Bank	
	2002	2001
Loans		
- Thai Telephone & Telecommunication Public Co., Ltd.	2,557.4	2,649.0
- The Industrial Finance Corporation of Thailand Co.,Ltd.	1,000.0	-
- Bangkok Intercontinental Hotels Co., Ltd.	284.5	313.1
- Siam Food Products Public Co.,Ltd.	50.6	43.1
- Jutha Maritime Public Co., Ltd.	10.0	10.0
- Indo Worth (Thailand) Ltd.	23.6	50.0
Deposits		
- SermSuk Public Co., Ltd.	385.1	1,085.9
- SermSuk Y.H.S. Beverage Co., Ltd.	16.4	12.7
- Com - Link Co., Ltd.	228.3	61.1
- Muang Thai Life Assurance Co., Ltd.	234.0	219.2
- Pathara Insurance Public Co., Ltd.	54.9	73.0
- Siam Food Products Public Co.,Ltd.	25.8	4.1
- Mitsubishi Elevator Asia Co., Ltd.	85.7	82.2
- Bangkok Glass Industry Co., Ltd.	64.8	48.8
- Thai British Security Printing Ltd.	36.4	18.5
- Punyariddhi Law Office Co.,Ltd.	14.9	-
Contingencies		
- Samart Telecom Public Co., Ltd.	40.5	33.4
- Dole Thailand Ltd.	87.2	39.0
- SermSuk Co., Ltd.	13.3	13.0
- Com - Link Co., Ltd.	59.2	59.2
- Thai British Security Printing Ltd.	20.7	26.1
- Siam Food Products Public Co.,Ltd.	16.9	47.6
- Yip in Tsoi & Jacks Ltd.	11.3	-
- Thai Telephone & Telecommunication Public Co., Ltd.	6.3	131.5

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

	<i>(Million Baht)</i>	
	Consolidated and The Bank	
	2002	2001
Deposits	444.5	484.7

4.28 Benefits of Directors and Executives

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

4.29 Long-term Agreements

4.29.1 Lease Agreement

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

(Million Baht)

Type of Lease Agreement	Remaining Terms of Leases	Consolidated	The Bank
		2002	2002
Land/building lease agreements	January 1, 2003 - October 17, 2027	411.2	411.2
Vehicle lease agreements	January 1, 2003 - November 30, 2006	524.5	513.8
Total		935.7	925.0

(Million Baht)

Type of Lease Agreement	Remaining Terms of Leases	Consolidated	The Bank
		2001	2001
Land/building lease agreements	January 1, 2002 - October 17, 2027	500.9	500.9
Vehicle lease agreements	January 1, 2002 - December 31, 2005	585.4	573.1
Total		1,086.3	1,074.0

4.29.2 Service Agreement

On November 12, 2002 the Bank has entered into an Information Technology Service Agreement with IBM Thailand Co., Ltd., under which service will be provided until December 31, 2012 and for which the Bank is committed to pay a total service fee of Baht 10,102.2 million .

4.30 The Financial Position and Results of Operations Differentiated by Domestic and Overseas Business

The financial position and results of operations, differentiating between domestic and overseas business, is summarized as follows:

1. Financial Position Classified by Types of Business

(Million Baht)

	Consolidated				
	December 31, 2002				
	Domestic Business	Overseas Business	Total	Eliminated Transactions	Total
Total assets	749,056.4	26,111.9	775,168.3	(14,386.2)	760,782.1
Interbank and money market items - net (assets)	89,581.0	5,259.3	94,840.3	-	94,840.3
Investments - net	144,963.2	19,900.8	164,864.0	-	164,864.0
Loans	505,259.4	943.5	506,202.9	-	506,202.9
Deposits	651,314.8	78.3	651,393.1	-	651,393.1
Interbank and money market items (liabilities)	5,693.4	-	5,693.4	-	5,693.4
Borrowing	39,967.2	8,588.8	48,556.0	-	48,556.0
Contingencies	395,106.2	20,673.4	415,779.6	(17,564.9)	398,214.7

(Million Baht)

	Consolidated				
	December 31, 2001				
	Domestic Business	Overseas Business	Total	Eliminated Transactions	Total
Total assets	755,580.2	31,462.4	787,042.6	(12,443.6)	774,599.0
Interbank and money market items - net (assets)	151,915.1	13,189.8	165,104.9	-	165,104.9
Investments - net	106,291.2	16,809.5	123,100.7	-	123,100.7
Loans	475,211.8	1,275.0	476,486.8	-	476,486.8
Deposits	664,223.3	308.4	664,531.7	-	664,531.7
Interbank and money market items (liabilities)	6,230.6	7,592.0	13,822.6	-	13,822.6
Borrowing	39,967.1	8,780.5	48,747.6	-	48,747.6
Contingencies	395,890.1	9,537.6	405,427.7	(19,557.7)	385,870.0

(Million Baht)

	The Bank				
	December 31, 2002				
	Domestic Business	Overseas Business	Total	Eliminated Transactions	Total
Total assets	748,976.5	26,111.9	775,088.4	(14,386.2)	760,702.2
Interbank and money market items-net (assets)	89,513.8	5,259.3	94,773.1	-	94,773.1
Investments - net	138,867.9	19,900.8	158,768.7	-	158,768.7
Loans	495,581.6	943.5	496,525.1	-	496,525.1
Deposits	651,921.8	78.3	652,000.1	-	652,000.1
Interbank and money market items (liabilities)	5,693.4	-	5,693.4	-	5,693.4
Borrowing	39,967.2	8,588.8	48,556.0	-	48,556.0
Contingencies	395,106.2	20,673.4	415,779.6	(17,564.9)	398,214.7

(Million Baht)

	The Bank				
	December 31, 2001				
	Domestic Business	Overseas Business	Total	Eliminated Transactions	Total
Total assets	755,366.6	31,462.4	786,829.0	(12,443.6)	774,385.4
Interbank and money market items-net (assets)	151,406.0	13,189.8	164,595.8	-	164,595.8
Investments - net	96,655.8	16,809.5	113,465.3	-	113,465.3
Loans	464,865.0	1,275.0	466,140.0	-	466,140.0
Deposits	664,537.1	308.4	664,845.5	-	664,845.5
Interbank and money market items (liabilities)	6,239.3	7,592.0	13,831.3	-	13,831.3
Borrowing	39,967.1	8,780.5	48,747.6	-	48,747.6
Contingencies	395,890.1	9,537.6	405,427.7	(19,557.7)	385,870.0

2. Results of Operations Classified by Types of Business

(Million Baht)

	Consolidated				
	For the Year Ending December 31, 2002				
	Domestic Business	Overseas Business	Total	Eliminated Transactions	Total
Interest and dividend income	35,524.7	837.2	36,361.9	(453.3)	35,908.6
Interest expense	16,496.7	1,242.8	17,739.5	(453.3)	17,286.2
Net income (expense) from interest and dividend	19,028.0	(405.6)	18,622.4	-	18,622.4
Non-interest income	7,374.9	631.7	8,006.6	(11.3)	7,995.3
Non-interest expense	19,883.6	112.9	19,996.5	(11.3)	19,985.2
Income before income tax	6,519.3	113.2	6,632.5	-	6,632.5

(Million Baht)

	Consolidated				
	For the Year Ending December 31, 2001				
	Domestic Business	Overseas Business	Total	Eliminated Transactions	Total
Interest and dividend income	37,662.8	1,757.5	39,420.3	(417.8)	39,002.5
Interest expense	19,901.2	1,943.6	21,844.8	(417.8)	21,427.0
Net income (expense) from interest and dividend	17,761.6	(186.1)	17,575.5	-	17,575.5
Non-interest income	7,662.7	515.6	8,178.3	-	8,178.3
Non-interest expense	23,930.5	143.9	24,074.4	-	24,074.4
Income before income tax	1,493.8	185.6	1,679.4	-	1,679.4

(Million Baht)

	The Bank				
	For the Year Ending December 31, 2002				
	Domestic Business	Overseas Business	Total	Eliminated Transactions	Total
Interest and dividend income	32,954.0	837.2	33,791.2	(453.3)	33,337.9
Interest expense	16,496.7	1,242.8	17,739.5	(453.3)	17,286.2
Net income (expense) from interest and dividend	16,457.3	(405.6)	16,051.7	-	16,051.7
Non-interest income	7,368.4	631.7	8,000.1	(11.3)	7,988.8
Non-interest expense	17,369.3	112.9	17,482.2	(11.3)	17,470.9
Income before income tax	6,456.4	113.2	6,569.6	-	6,569.6

(Million Baht)

	The Bank				
	For the Year Ending December 31, 2001				
	Domestic Business	Overseas Business	Total	Eliminated Transactions	Total
Interest and dividend income	36,478.6	1,757.5	38,236.1	(417.8)	37,818.3
Interest expense	19,901.2	1,943.6	21,844.8	(417.8)	21,427.0
Net income (expense) from interest and dividend	16,577.4	(186.1)	16,391.3	-	16,391.3
Non-interest income	6,487.7	515.6	7,003.3	-	7,003.3
Non-interest expense	21,618.2	143.9	21,762.1	-	21,762.1
Income before income tax	1,446.9	185.6	1,632.5	-	1,632.5

4.31 Financial Instruments

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

Credit risk

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

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

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

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

Market risk

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

1. Interest rate risk

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

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

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

(Million Baht)

	Consolidated		The Bank	
	2002	2001	2002	2001
Fixed interest rate	79,971.3	65,106.5	74,414.4	58,589.5
Floating interest rate	430,596.7	424,027.3	426,475.7	420,197.5
Total Loans (including financial institutions)	510,568.0	489,133.8	500,890.1	478,787.0

The following are interest-bearing financial assets and liabilities of the Bank and its subsidiaries, the average balances of which are calculated by using beginning and ending balances. The average interest and dividend rates represent the years ending December 31, 2002 and 2001, as follows:

(Million Baht)

	Consolidated					
	2002			2001		
	Average Balance	Interest and Dividend Income/ Expense	Average Rate (%)	Average Balance	Interest and Dividend Income/ Expense	Average Rate (%)
Interest-earning Financial Assets						
Interbank and money market items	130,302.5	3,175.0	2.44	168,614.6	5,109.7	3.03
Securities purchased under resale agreements	11,050.0	402.9	3.65	1,950.0	145.4	7.46
Investments	148,011.5	6,430.3	4.34	114,796.4	5,509.7	4.80
Loans	491,344.9	25,900.4	5.27	486,313.8	28,237.7	5.81
Total	780,708.9	35,908.6	4.60	771,674.8	39,002.5	5.05
Interest-bearing Liabilities						
Deposits	657,962.4	11,812.4	1.80	655,764.2	14,619.5	2.23
Interbank and money market items	9,758.0	299.9	3.07	15,030.2	1,012.6	6.74
Securities sold under repurchase agreements	1,029.6	10.8	1.05	5.0	20.7	1.06
Borrowing	48,651.8	5,163.1	10.61	52,399.6	5,774.1	11.02
Total	717,401.8	17,286.2	2.41	723,199.0	21,426.9	2.96

(Million Baht)

	The Bank					
	2002			2001		
	Average Balance	Interest and Dividend Income/ Expense	Average Rate (%)	Average Balance	Interest and Dividend Income/ Expense	Average Rate (%)
Interest-earning Financial Assets						
Interbank and money market items	130,014.4	3,172.2	2.44	168,362.6	5,101.5	3.03
Securities purchased under resale agreements	11,050.0	402.9	3.65	1,950.0	145.4	7.46
Investments	137,383.8	4,756.1	3.46	101,643.9	4,615.1	4.54
Loans	481,332.5	25,006.7	5.20	473,429.9	27,956.3	5.91
Total	759,780.7	33,337.9	4.39	745,386.4	37,818.3	5.07
Interest-bearing Liabilities						
Deposits	658,422.8	11,812.4	1.79	656,089.6	14,619.5	2.23
Interbank and money market items	9,762.4	299.9	3.07	15,328.3	1,012.6	6.61
Securities sold under repurchase agreements	1,029.6	10.8	1.05	5.0	20.7	1.06
Borrowing	48,651.8	5,163.1	10.61	52,399.6	5,774.1	11.02
Total	717,866.6	17,286.2	2.41	723,822.5	21,426.9	2.96

Financial assets and liabilities, classified by maturity of interest repricing, as of December 31, 2002 and 2001 are shown below:

(Million Baht)

	Consolidated							
	2002							
	Immediate Repricing	Less than 6 months	6 months to 1 Year	1 Year to 5 Years	Over 5 Years	Non-interest bearing	Stop accrued	Total
Financial Assets								
Cash	-	-	-	-	-	9,764.2	-	9,764.2
Interbank and money market items	3,758.4	54,607.8	31,134.7	129.8	-	4,850.4	1,003.0	95,484.1
Securities purchased under resale agreements	-	18,400.0	-	-	-	-	-	18,400.0
Investments	15,240.5	38,054.8	4,487.8	69,689.7	16,631.8	8,501.5	15,582.9	168,189.0
Loans	286,080.6	33,039.2	548.8	127.7	-	1,797.3	184,609.3	506,202.9
Accrued Interest receivable	-	-	-	-	-	3,410.1	-	3,410.1
Customers' liability under acceptances	-	-	-	-	-	597.1	-	597.1
Accrued Income Receivable	-	-	-	-	-	1,949.5	-	1,949.5
Other assets	-	-	-	-	-	138.1	-	138.1
Total Financial Assets	305,079.5	144,101.8	36,171.3	69,947.2	16,631.8	31,008.2	201,195.2	804,135.0
Financial Liabilities								
Deposits	282,026.3	304,025.4	26,170.9	12,738.7	-	26,431.8	-	651,393.1
Interbank and money market items	1,521.9	174.0	2,023.2	-	-	1,974.3	-	5,693.4
Liabilities payable on demand	-	-	-	-	-	3,422.9	-	3,422.9
Borrowing	-	-	-	20,000.0	28,556.0	-	-	48,556.0
Bank's liability under acceptances	-	-	-	-	-	597.1	-	597.1
Accrued interest payable	-	-	-	-	-	3,030.0	-	3,030.0
Other liabilities	-	-	-	-	-	883.9	-	883.9
Total Financial Liabilities	283,548.2	304,199.4	28,194.1	32,738.7	28,556.0	36,340.0	-	713,576.4
On-balance sheet items	21,531.3	(160,097.6)	7,977.2	37,208.5	(11,924.2)	(5,331.8)	201,195.2	90,558.6
Off-balance sheet items								
Forward exchange contracts	-	-	-	-	-	220,727.3	-	220,727.3
Cross-currency swaps	-	-	-	626.8	-	-	-	626.8
Interest rate swaps	-	8,648.0	-	2,911.1	-	-	-	11,559.1
Total off-balance sheet items	-	8,648.0	-	3,537.9	-	220,727.3	-	232,913.2

	Consolidated							
	2001							
	Immediate Repricing	Less than 6 months	6 months to 1 Year	1 Year to 5 Years	Over 5 Years	Non-interest bearing	Stop accrued	Total
Financial Assets								
Cash	-	-	-	-	-	12,142.5	-	12,142.5
Interbank and money market items	1,063.3	159,333.5	221.1	412.6	-	4,090.4	-	165,120.9
Securities purchased under resale agreements	-	3,700.0	-	-	-	-	-	3,700.0
Investments	531.9	22,354.9	3,016.0	49,623.5	23,696.0	8,975.2	19,636.6	127,834.1
Loans	275,124.1	15,039.0	2,862.9	1,318.1	21.4	1,473.8	180,647.5	476,486.8
Accrued Interest receivable	-	-	-	-	-	4,072.5	-	4,072.5
Customers' liability under acceptances	-	-	-	-	-	611.5	-	611.5
Accrued Income Receivables	-	-	-	-	-	1,855.7	-	1,855.7
Other assets	-	-	-	-	-	112.8	-	112.8
Total Financial Assets	276,719.3	200,427.4	6,100.0	51,354.2	23,717.4	33,334.4	200,284.1	791,936.8
Financial Liabilities								
Deposits	242,020.3	362,772.4	31,317.4	6,544.8	-	21,876.8	-	664,531.7
Interbank and money market items	1,038.6	5,117.6	6,113.3	-	-	1,553.1	-	13,822.6
Liabilities payable on demand	-	-	-	-	-	3,455.5	-	3,455.5
Borrowing	-	-	-	20,000.0	28,747.6	-	-	48,747.6
Bank's liability under acceptances	-	-	-	-	-	611.5	-	611.5
Accrued interest payable	-	-	-	-	-	3,685.2	-	3,685.2
Other liabilities	-	-	-	-	-	598.9	-	598.9
Total Financial Liabilities	243,058.9	367,890.0	37,430.7	26,544.8	28,747.6	31,781.0	-	735,453.0
On-balance sheet items	33,660.4	(167,462.6)	(31,330.7)	24,809.4	(5,030.2)	1,553.4	200,284.1	56,483.8
Off-balance sheet items								
Forward exchange contracts	-	-	-	-	-	223,130.3	-	223,130.3
Cross-currency swaps	-	4,828.1	-	1,763.1	-	-	-	6,591.2
Interest rate swaps	-	794.3	-	2,084.0	-	-	-	2,878.3
Total off-balance sheet items	-	5,622.4	-	3,847.1	-	223,130.3	-	232,599.8

	The Bank							
	2002							
	Immediate Repricing	Less than 6 months	6 months to 1 Year	1 Year to 5 Years	Over 5 Years	Non-interest bearing	Stop accrued	Total
Financial Assets								
Cash	-	-	-	-	-	9,764.1	-	9,764.1
Interbank and money market items	3,686.0	54,607.8	31,134.7	129.8	-	4,855.6	1,003.0	95,416.9
Securities purchased under resale agreements	-	18,400.0	-	-	-	-	-	18,400.0
Investments	15,240.5	37,665.6	4,487.8	69,501.5	16,631.8	14,196.6	1,257.4	158,981.2
Loans	286,080.6	62,259.2	548.8	127.7	-	1,797.3	145,711.4	496,525.0
Accrued interest receivable	-	-	-	-	-	1,934.4	-	1,934.4
Customers' liability under acceptances	-	-	-	-	-	597.1	-	597.1
Accrued income receivable	-	-	-	-	-	1,883.7	-	1,883.7
Other assets	-	-	-	-	-	120.3	-	120.3
Total Financial Assets	305,007.1	172,932.6	36,171.3	69,759.0	16,631.8	35,149.1	147,971.8	783,622.7
Financial Liabilities								
Deposits	282,154.3	304,025.4	26,170.9	12,738.7	-	26,910.8	-	652,000.1
Interbank and money market items	1,521.9	174.0	2,023.2	-	-	1,974.3	-	5,693.4
Liability payable on demand	-	-	-	-	-	3,422.9	-	3,422.9
Borrowing	-	-	-	20,000.0	28,556.0	-	-	48,556.0
Bank's liability under acceptances	-	-	-	-	-	597.1	-	597.1
Accrued interest payable	-	-	-	-	-	3,030.0	-	3,030.0
Other liabilities	-	-	-	-	-	621.3	-	621.3
Total Financial Liabilities	283,676.2	304,199.4	28,194.1	32,738.7	28,556.0	36,556.4	-	713,920.8
On-balance sheet items	21,330.9	(131,266.8)	7,977.2	37,020.3	(11,924.2)	(1,407.3)	147,971.8	69,701.9
Off-balance sheet items								
Forward exchange contracts	-	-	-	-	-	220,727.3	-	220,727.3
Cross-currency swaps	-	-	-	626.8	-	-	-	626.8
Interest rate swaps	-	8,648.0	-	2,911.1	-	-	-	11,559.1
Total off-balance sheet items	-	8,648.0	-	3,537.9	-	220,727.3	-	232,913.2

	The Bank							
	2001							
	Immediate Repricing	Less than 6 months	6 months to 1 Year	1 Year to 5 Years	Over 5 Years	Non-interest bearing	Stop accrued	Total
Financial Assets								
Cash	-	-	-	-	-	12,142.4	-	12,142.4
Interbank and money								
market items	948.1	158,938.8	221.1	412.6	-	4,091.2	-	164,611.8
Securities purchased under								
resale agreements	-	3,700.0	-	-	-	-	-	3,700.0
Investments	531.9	22,354.9	3,016.0	49,555.1	23,580.3	15,423.9	1,324.4	115,786.5
Loans	275,124.1	52,019.0	2,862.9	1,318.1	21.4	1,473.8	133,320.7	466,140.0
Accrued interest receivable	-	-	-	-	-	2,102.8	-	2,102.8
Customers' liability under								
acceptances	-	-	-	-	-	611.5	-	611.5
Accrued income receivables	-	-	-	-	-	1,792.9	-	1,792.9
Other assets	-	-	-	-	-	90.4	-	90.4
Total Financial Assets	276,604.1	237,012.7	6,100.0	51,285.8	23,601.7	37,728.9	134,645.1	766,978.3
Financial Liabilities								
Deposits	242,110.5	362,772.4	31,317.4	6,544.8	-	22,100.4	-	664,845.5
Interbank and money								
market items	1,047.3	5,117.6	6,113.3	-	-	1,553.1	-	13,831.3
Liabilities payable on demand	-	-	-	-	-	3,455.5	-	3,455.5
Borrowing	-	-	-	20,000.0	28,747.6	-	-	48,747.6
Bank's liability under acceptances	-	-	-	-	-	611.5	-	611.5
Accrued interest payable	-	-	-	-	-	3,685.2	-	3,685.2
Other liabilities	-	-	-	-	-	454.5	-	454.5
Total Financial Liabilities	243,157.8	367,890.0	37,430.7	26,544.8	28,747.6	31,860.2	-	735,631.1
On-balance sheet items	33,446.3	(130,877.3)	(31,330.7)	24,741.0	(5,145.9)	5,868.7	134,645.1	31,347.2
Off-balance sheet items								
Forward exchange contracts	-	-	-	-	-	223,130.3	-	223,130.3
Cross-currency swaps	-	4,828.1	-	1,763.1	-	-	-	6,591.2
Interest rate swaps	-	794.3	-	2,084.0	-	-	-	2,878.3
Total off-balance sheet items	-	5,622.4	-	3,847.1	-	223,130.3	-	232,599.8

2. Foreign exchange risk

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

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

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

(Million Baht)

	Consolidated						
	2002						
	Currency						
	Baht	US Dollar	Yen	Pounds	Euro	Other	Total
Assets							
Cash	9,535.1	80.4	13.8	7.4	91.1	36.4	9,764.2
Interbank and money market items - net	7,085.4	87,654.1	0.3	2.4	40.4	57.7	94,840.3
Securities purchased under resale agreements	18,400.0	-	-	-	-	-	18,400.0
Investments - net	131,767.0	32,772.5	324.5	-	-	-	164,864.0
Loans and accrued interest receivables - net	409,482.7	17,695.0	676.8	174.1	711.3	368.4	429,108.3
Customers' liability under acceptances	597.1	-	-	-	-	-	597.1
Accrued income receivables	1,469.4	477.2	2.9	-	-	-	1,949.5
Other assets - net	134.5	0.4	-	-	-	3.2	138.1
Total assets	578,471.2	138,679.6	1,018.3	183.9	842.8	465.7	719,661.5
Liabilities							
Deposits	649,141.0	1,855.1	224.1	34.1	110.8	28.0	651,393.1
Interbank and money market items	5,249.6	116.0	78.2	8.4	37.9	203.3	5,693.4
Liability payable on demand	3,422.9	-	-	-	-	-	3,422.9
Borrowing	39,967.2	8,588.8	-	-	-	-	48,556.0
Bank's liability under acceptances	597.1	-	-	-	-	-	597.1
Accrued interest payables	2,772.1	257.9	-	-	-	-	3,030.0
Other liabilities	838.1	35.9	3.2	1.9	4.7	0.1	883.9
Total liabilities	701,988.0	10,853.7	305.5	44.4	153.4	231.4	713,576.4
Foreign currency position of on-balance items - net	(123,516.8)	127,825.9	712.8	139.5	689.4	234.3	6,085.1
Off-balance sheet items - net (Forward exchange contracts and cross-currency swaps)	123,174.7	(121,553.6)	(1,020.8)	(157.4)	(726.3)	(596.9)	(880.3)

	Consolidated						
	2001						
	Currency						
	Baht	US Dollar	Yen	Pounds	Euro	Other	Total
Assets							
Cash	11,873.5	127.4	9.0	2.9	19.5	110.2	12,142.5
Interbank and money market items - net	4,174.4	160,573.1	9.3	31.2	97.7	219.2	165,104.9
Securities purchased under resale agreements	3,700.0	-	-	-	-	-	3,700.0
Investments - net	100,481.6	22,619.1	-	-	-	-	123,100.7
Loans and accrued interest receivables - net	408,141.8	16,123.1	388.2	115.7	407.4	276.1	425,452.3
Customers' liability under acceptances	611.5	-	-	-	-	-	611.5
Accrued income receivables	985.8	869.9	-	-	-	-	1,855.7
Other assets - net	109.0	0.5	-	-	-	3.3	112.8
Total assets	530,077.6	200,313.1	406.5	149.8	524.6	608.8	732,080.4
Liabilities							
Deposits	660,609.5	3,545.0	181.9	14.9	100.9	79.5	664,531.7
Interbank and money market items	5,608.6	8,004.9	4.0	7.9	11.4	185.8	13,822.6
Liability payable on demand	3,455.5	-	-	-	-	-	3,455.5
Borrowing	39,967.1	8,780.5	-	-	-	-	48,747.6
Bank's liability under acceptances	611.5	-	-	-	-	-	611.5
Accrued interest payables	3,294.8	390.4	-	-	-	-	3,685.2
Other liabilities	542.4	44.3	0.8	2.0	9.4	-	598.9
Total liabilities	714,089.4	20,765.1	186.7	24.8	121.7	265.3	735,453.0
Foreign currency position of on-balance sheet items - net	(184,011.8)	179,548.0	219.8	125.0	402.9	343.5	(3,372.6)
Off-balance sheet items - net (Forward exchange contracts and cross-currency swaps)	177,165.8	(174,516.4)	(223.6)	(129.6)	(557.1)	(196.4)	1,542.7

	The Bank						
	2002						
	Currency						
	Baht	US Dollar	Yen	Pounds	Euro	Other	Total
Assets							
Cash	9,535.0	80.4	13.8	7.4	91.1	36.4	9,764.1
Interbank and money market items - net	7,018.2	87,654.1	0.3	2.4	40.4	57.7	94,773.1
Securities purchased under resale agreements - net	18,400.0	-	-	-	-	-	18,400.0
Investments - net	125,671.7	32,772.5	324.5	-	-	-	158,768.7
Loans and accrued interest receivables - net	420,466.7	17,695.0	676.8	174.1	711.3	368.4	440,092.3
Customers' liability under acceptances	597.1	-	-	-	-	-	597.1
Accrued income receivables	1,403.6	477.2	2.9	-	-	-	1,883.7
Other assets - net	116.7	0.4	-	-	-	3.2	120.3
Total assets	583,209.0	138,679.6	1,018.3	183.9	842.8	465.7	724,399.3
Liabilities							
Deposits	649,748.0	1,855.1	224.1	34.1	110.8	28.0	652,000.1
Interbank and money market items	5,249.6	116.0	78.2	8.4	37.9	203.3	5,693.4
Liability payable on demand	3,422.9	-	-	-	-	-	3,422.9
Borrowing	39,967.2	8,588.8	-	-	-	-	48,556.0
Bank's liability under acceptances	597.1	-	-	-	-	-	597.1
Accrued interest payables	2,772.1	257.9	-	-	-	-	3,030.0
Other liabilities	577.4	35.9	3.2	-	4.7	0.1	621.3
Total liabilities	702,334.3	10,853.7	305.5	42.5	153.4	231.4	713,920.8
Foreign currency position - net	(119,125.3)	127,825.9	712.8	141.4	689.4	234.3	10,478.5
Off-balance sheet items - net							
(Forward exchange contracts and cross-currency swaps)	123,174.7	(121,553.6)	(1,020.8)	(157.4)	(726.3)	(596.9)	(880.3)

	The Bank						
	2001						
	Currency						
	Baht	US Dollar	Yen	Pounds	Euro	Other	Total
Assets							
Cash	11,873.4	127.4	9.0	2.9	19.5	110.2	12,142.4
Interbank and money market items - net	3,665.3	160,573.1	9.3	31.2	97.7	219.2	164,595.8
Securities purchased under resale agreements	3,700.0	-	-	-	-	-	3,700.0
Investments - net	90,846.2	22,619.1	-	-	-	-	113,465.3
Loans and accrued interest receivables - net	422,232.1	16,123.1	388.2	115.7	407.4	276.1	439,542.6
Customers' liability under acceptances	611.5	-	-	-	-	-	611.5
Accrued income receivables	923.0	869.9	-	-	-	-	1,792.9
Other assets - net	86.6	0.5	-	-	-	3.3	90.4
Total assets	533,938.1	200,313.1	406.5	149.8	524.6	608.8	735,940.9
Liabilities							
Deposits	660,923.3	3,545.0	181.9	14.9	100.9	79.5	664,845.5
Interbank and money market items	5,617.3	8,004.9	4.0	7.9	11.4	185.8	13,831.3
Liability payable on demand	3,455.5	-	-	-	-	-	3,455.5
Borrowing	39,967.1	8,780.5	-	-	-	-	48,747.6
Bank's liability under acceptances	611.5	-	-	-	-	-	611.5
Accrued interest payables	3,294.8	390.4	-	-	-	-	3,685.2
Other liabilities	399.7	44.3	0.8	0.3	9.4	-	454.5
Total liabilities	714,269.2	20,765.1	186.7	23.1	121.7	265.3	735,631.1
Foreign currency position of on-balance sheet items - net	(180,331.1)	179,548.0	219.8	126.7	402.9	343.5	309.8
Off-balance sheet items - net (Forward exchange contracts and cross-currency swaps)	177,165.8	(174,516.4)	(223.6)	(129.6)	(557.1)	(196.4)	1,542.7

3. Equity position risk

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

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

Liquidity risk

Liquidity risk is risk that the Bank may not be able to meet its obligations as they fall due, because of inability to realize its assets, or to cover funding requirements at an appropriate price, thus resulting in losses to the Bank.

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

A maturity analysis of financial assets and liabilities and off- balance sheet items as of December 31, 2002 and 2001 is shown below:

	<i>(Million Baht)</i>						
	Consolidated						
	2002						
	At Call	Less than 6 months	6 months to 1 Year	1 Year to 5 Years	Over 5 Years	No Maturity	Total
Financial Assets							
Cash	-	-	-	-	-	9,764.2	9,764.2
Interbank and money market items	8,280.0	55,450.3	31,134.7	251.2	197.6	170.3	95,484.1
Securities purchased under resale agreements	-	18,400.0	-	-	-	-	18,400.0
Investments	10,084.9	40,798.5	5,536.3	72,833.0	31,030.1	7,906.2	168,189.0
Loans	211,370.4	120,455.6	5,477.5	74,384.4	94,515.0	-	506,202.9
Accrued interest receivables	-	3,410.1	-	-	-	-	3,410.1
Customers' liability under acceptances	-	597.1	-	-	-	-	597.1
Accrued income receivables	-	1,949.5	-	-	-	-	1,949.5
Other assets	-	-	-	-	-	138.1	138.1
Total Financial Assets	229,735.3	241,061.1	42,148.5	147,468.6	125,742.7	17,978.8	804,135.0
Financial Liabilities							
Deposits	308,458.1	304,025.4	26,170.9	12,738.7	-	-	651,393.1
Interbank and money market items	3,496.2	174.0	2,023.2	-	-	-	5,693.4
Liability payable on demand	3,422.9	-	-	-	-	-	3,422.9
Borrowing	-	-	-	20,000.0	8,588.9	19,967.1	48,556.0
Bank's liability under acceptances	-	597.1	-	-	-	-	597.1
Accrued interest payables	-	2,640.4	197.3	192.3	-	-	3,030.0
Other liabilities	-	-	-	-	-	883.9	883.9
Total Financial Liabilities	315,377.2	307,436.9	28,391.4	32,931.0	8,588.9	20,851.0	713,576.4
Liquidity-net	(85,641.9)	(66,375.8)	13,757.1	114,537.6	117,153.8	(2,872.2)	90,558.6
Off-balance sheet items							
Avals on bills	-	261.1	-	-	-	-	261.1
Letters of indemnity borrowing	433.2	57.2	56.8	722.7	286.8	4,773.7	6,330.4
Other guarantees	3,187.0	5,558.3	5,575.9	2,194.0	6.4	12,139.6	28,661.2
Letters of credit	-	8,875.6	-	-	-	-	8,875.6
Forward exchange contracts	-	209,069.3	11,441.7	216.3	-	-	220,727.3
Cross-currency swaps	-	-	-	626.8	-	-	626.8
Interest rate swaps	-	8,648.0	-	2,911.1	-	-	11,559.1
Total off-balance sheet items	3,620.2	232,469.5	17,074.4	6,670.9	293.2	16,913.3	277,041.5

	Consolidated						
	2001						
	At Call	Less than 6 months	6 months to 1 Year	1 Year to 5 Years	Over 5 Years	No Maturity	Total
Financial Assets							
Cash	-	-	-	-	-	12,142.5	12,142.5
Interbank and money market items	4,714.8	159,389.1	221.1	412.6	-	383.3	165,120.9
Securities purchased under resale agreements	-	3,700.0	-	-	-	-	3,700.0
Investments	11,764.5	18,989.8	5,974.1	52,849.4	29,333.6	8,922.7	127,834.1
Loans	192,501.6	101,196.2	9,074.9	73,515.2	100,198.9	-	476,486.8
Accrued interest receivables	-	4,072.5	-	-	-	-	4,072.5
Customers' liability under acceptances	-	611.5	-	-	-	-	611.5
Accrued income receivables	-	1,855.7	-	-	-	-	1,855.7
Other assets	-	-	-	-	-	112.8	112.8
Total Financial Assets	208,980.9	289,814.8	15,270.1	126,777.2	129,532.5	21,561.3	791,936.8
Financial liabilities							
Deposits	263,897.1	362,772.4	31,317.4	6,544.8	-	-	664,531.7
Interbank and money market items	2,591.7	5,117.6	6,113.3	-	-	-	13,822.6
Liability payable on demand	3,455.5	-	-	-	-	-	3,455.5
Borrowing	-	-	-	20,000.0	8,780.5	19,967.1	48,747.6
Bank's liability under acceptances	-	611.5	-	-	-	-	611.5
Accrued interest payables	-	3,257.4	332.8	95.0	-	-	3,685.2
Other liabilities	-	-	-	-	-	598.9	598.9
Total Financial Liabilities	269,944.3	371,758.9	37,763.5	26,639.8	8,780.5	20,566.0	735,453.0
Liquidity-net	(60,963.4)	(81,944.1)	(22,493.4)	100,137.4	120,752.0	995.3	56,483.8
Off-balance sheet items							
Avals on bills	-	223.0	-	-	-	-	223.0
Letters of indemnity borrowing	254.9	301.1	21.5	5.0	1,162.3	7,120.4	8,865.2
Other guarantees	2,856.1	5,960.6	5,445.8	1,808.8	53.9	12,866.5	28,991.7
Letters of credit	-	6,529.4	-	-	-	-	6,529.4
Forward exchange contracts	-	221,689.7	1,133.8	306.8	-	-	223,130.3
Cross-currency swaps	-	4,828.1	-	1,763.1	-	-	6,591.2
Interest rate swaps	-	794.3	-	2,084.0	-	-	2,878.3
Total off-balance sheet items	3,111.0	240,326.2	6,601.1	5,967.7	1,216.2	19,986.9	277,209.1

	The Bank						
	2002						
	At Call	Less than 6 months	6 months to 1 Year	1 Year to 5 Years	Over 5 Years	No Maturity	Total
Financial Assets							
Cash	-	-	-	-	-	9,764.1	9,764.1
Interbank and money market items	8,212.8	55,450.3	31,134.7	251.2	197.6	170.3	95,416.9
Securities purchased under resale agreements	-	18,400.0	-	-	-	-	18,400.0
Investments	722.7	39,799.4	5,428.6	71,635.9	27,793.2	13,601.4	158,981.2
Loans	187,503.3	148,679.8	5,268.3	72,408.9	82,664.7	-	496,525.0
Accrued interest receivables	-	1,934.4	-	-	-	-	1,934.4
Customers' liability under acceptances	-	597.1	-	-	-	-	597.1
Accrued income receivables	-	1,883.7	-	-	-	-	1,883.7
Other assets	-	-	-	-	-	120.3	120.3
Total Financial Assets	196,438.8	266,744.7	41,831.6	144,296.0	110,655.5	23,656.1	783,622.7
Financial Liabilities							
Deposits	309,065.1	304,025.4	26,170.9	12,738.7	-	-	652,000.1
Interbank and money market items	3,496.2	174.0	2,023.2	-	-	-	5,693.4
Liability payable on demand	3,422.9	-	-	-	-	-	3,422.9
Borrowing	-	-	-	20,000.0	8,588.9	19,967.1	48,556.0
Bank's liability under acceptances	-	597.1	-	-	-	-	597.1
Accrued interest payables	-	2,640.4	197.3	192.3	-	-	3,030.0
Other liabilities	-	-	-	-	-	621.3	621.3
Total Financial Liabilities	315,984.2	307,436.9	28,391.4	32,931.0	8,588.9	20,588.4	713,920.8
Liquidity-net	(119,545.4)	(40,692.2)	13,440.2	111,365.0	102,066.6	3,067.7	69,701.9
Off-balance sheet items							
Avals on bills	-	261.1	-	-	-	-	261.1
Letters of indemnity borrowing	433.2	57.2	56.8	722.7	286.8	4,773.7	6,330.4
Other guarantees	3,187.0	5,558.3	5,575.9	2,194.0	6.4	12,139.6	28,661.2
Letters of credit	-	8,875.6	-	-	-	-	8,875.6
Forward exchange contracts	-	209,069.3	11,441.7	216.3	-	-	220,727.3
Cross-currency swaps	-	-	-	626.8	-	-	626.8
Interest rate swaps	-	8,648.0	-	2,911.1	-	-	11,559.1
Total off-balance sheet items	3,620.2	232,469.5	17,074.4	6,670.9	293.2	16,913.3	277,041.5

	The Bank						Total
	2001						
	At Call	Less than 6 months	6 months to 1 Year	1 Year to 5 Years	Over 5 Years	No Maturity	
Financial Assets							
Cash	-	-	-	-	-	12,142.4	12,142.4
Interbank and money market items	4,600.5	158,994.3	221.1	412.6	-	383.3	164,611.8
Securities purchased under resale agreements	-	3,700.0	-	-	-	-	3,700.0
Investments	655.2	18,783.6	5,555.1	50,964.9	24,456.3	15,371.4	115,786.5
Loans	161,795.2	135,036.2	7,895.1	70,624.8	90,788.7	-	466,140.0
Accrued interest receivables	-	2,102.8	-	-	-	-	2,102.8
Customers' liability under acceptances	-	611.5	-	-	-	-	611.5
Accrued income receivables	-	1,792.9	-	-	-	-	1,792.9
Other assets	-	-	-	-	-	90.4	90.4
Total Financial Assets	167,050.9	321,021.3	13,671.3	122,002.3	115,245.0	27,987.5	766,978.3
Financial Liabilities							
Deposits	264,210.9	362,772.4	31,317.4	6,544.8	-	-	664,845.5
Interbank and money market items	2,600.4	5,117.6	6,113.3	-	-	-	13,831.3
Liabilities payable on demand	3,455.5	-	-	-	-	-	3,455.5
Borrowing	-	-	-	20,000.0	8,780.5	19,967.1	48,747.6
Bank's liability under acceptances	-	611.5	-	-	-	-	611.5
Accrued interest payables	-	3,257.4	332.8	95.0	-	-	3,685.2
Other liabilities	-	-	-	-	-	454.5	454.5
Total Financial Liabilities	270,266.8	371,758.9	37,763.5	26,639.8	8,780.5	20,421.6	735,631.1
Liquidity-net	(103,215.9)	(50,737.6)	(24,092.2)	95,362.5	106,464.5	7,565.9	31,347.2
Off-balance sheet items							
Avals on bills	-	223.0	-	-	-	-	223.0
Letters of indemnity borrowing	254.9	301.1	21.5	5.0	1,162.3	7,120.4	8,865.2
Other guarantees	2,856.1	5,960.6	5,445.8	1,808.8	53.9	12,866.5	28,991.7
Letters of credit	-	6,529.4	-	-	-	-	6,529.4
Forward exchange contracts	-	221,689.7	1,133.8	306.8	-	-	223,130.3
Cross-currency swaps	-	4,828.1	-	1,763.1	-	-	6,591.2
Interest rate swaps	-	794.3	-	2,084.0	-	-	2,878.3
Total off-balance sheet items	3,111.0	240,326.2	6,601.1	5,967.7	1,216.2	19,986.9	277,209.1

Fair value

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

The following is a summary of carrying amounts and estimated fair values of financial assets and liabilities and off - balance sheet items as of December 31, 2002 and 2001

(Million Baht)

	Consolidated			
	2002		2001	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets				
Cash	9,764.2	9,764.2	12,142.5	12,142.5
Interbank and money market items - net	94,840.3	94,840.3	165,104.9	165,104.9
Securities purchased under resale agreements	18,400.0	18,400.0	3,700.0	3,700.0
Investments - net	164,864.0	166,095.7	123,100.7	124,299.1
Loans and accrued interest receivables - net	429,108.3	429,108.3	425,452.3	425,452.3
Customers' liability under acceptances	597.1	597.1	611.5	611.5
Accrued income receivables	1,949.5	1,949.5	1,855.7	1,855.7
Other assets	138.1	138.1	112.8	112.8
Total Financial Assets	719,661.5	720,893.2	732,080.4	733,278.8
Financial Liabilities				
Deposits	651,393.1	651,393.1	664,531.7	664,531.7
Interbank and money market items	5,693.4	5,693.4	13,822.6	13,822.6
Liability payable on demand	3,422.9	3,422.9	3,455.5	3,455.5
Borrowing	48,556.0	49,791.0	48,747.6	48,391.0
Bank's liability under acceptances	597.1	597.1	611.5	611.5
Accrued interest payables	3,030.0	3,030.0	3,685.2	3,685.2
Other liabilities	883.9	883.9	598.9	598.9
Total Financial Liabilities	713,576.4	714,811.4	735,453.0	735,096.4
Off-balance sheet items				
Forward exchange contracts	220,727.3	(1,114.4)	223,130.3	708.5
Cross-currency swaps	626.8	(29.6)	6,591.2	997.0
Interest rate swaps	11,559.1	38.3	2,878.3	26.9
Total off-balance sheet items	232,913.2	(1,105.7)	232,599.8	1,732.4

	The Bank			
	2002		2001	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets				
Cash	9,764.1	9,764.1	12,142.4	12,142.4
Interbank and money market items - net	94,773.1	94,773.1	164,595.8	164,595.8
Securities purchased under resale agreements	18,400.0	18,400.0	3,700.0	3,700.0
Investments - net	158,768.7	159,994.7	113,465.3	114,663.6
Loans and accrued interest receivables - net	440,092.3	440,092.3	439,542.6	439,542.6
Customers' liability under acceptances	597.1	597.1	611.5	611.5
Accrued income receivables	1,883.7	1,883.7	1,792.9	1,792.9
Other assets	120.3	120.3	90.4	90.4
Total Financial Assets	724,399.3	725,625.3	735,940.9	737,139.2
Financial Liabilities				
Deposits	652,000.1	652,000.1	664,845.5	664,845.5
Interbank and money market items	5,693.4	5,693.4	13,831.3	13,831.3
Liability payable on demand	3,422.9	3,422.9	3,455.5	3,455.5
Borrowing	48,556.0	49,791.0	48,747.6	48,391.0
Bank's liability under acceptances	597.1	597.1	611.5	611.5
Accrued interest payables	3,030.0	3,030.0	3,685.2	3,685.2
Other liabilities	621.3	621.3	454.5	454.5
Total Financial Liabilities	713,920.8	715,155.8	735,631.1	735,274.5
Off-balance sheet items				
Forward exchange contracts	220,727.3	(1,114.4)	223,130.3	708.5
Cross-currency swaps	626.8	(29.6)	6,591.2	997.0
Interest rate swaps	11,559.1	38.3	2,878.3	26.9
Total off-balance sheet items	232,913.2	(1,105.7)	232,599.8	1,732.4

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

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

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

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

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

The carrying values of deposits are usually approximate fair values, except for negotiable certificates of deposit (NCDs) for which fair value is calculated by using the expected yield of these instruments.

The fair values of other borrowing is estimated from market values.

Derivatives

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

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

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

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

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

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

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

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

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

3. Trading Purposes

The objective of derivatives for trading purposes is to take advantage of price movements in the short-term market.

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

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

4.32 Reclassification of Accounts

Certain accounts in the financial statements for the year 2001 have been reclassified to conform with the presentation in the financial statements for the year 2002.

Operating Results and Profit Appropriation for the Year 2002



The Board of Directors presents the following operating results:

	<i>(Baht)</i>
Deficit brought forward from December 31, 2001	(87,001,481,184.97)
Net income for the year 2002	6,684,383,885.89
Amortization of appraisal surpluses	219,646,623.63
Total deficit carried forward	(80,097,450,675.45)

No dividend was paid for the year 2002



Financial Summary

The Bank

(Million Baht)

	2002	2001	2000	1999	1998
Assets					
Cash	9,764	12,142	11,959	14,612	9,400
Interbank and money market items	94,773	164,596	172,048	94,767	69,068
Securities purchased under resale agreements	18,400	3,700	200	23,800	39,475
Investments-net	158,769	113,465	83,777	87,040	52,893
Loans (less Allowance for doubtful accounts, Revaluation allowance for debt restructuring and Normalized provisioning)	438,158	437,440	455,810	467,089	490,672
Accrued interest receivables	1,934	2,103	2,231	2,607	8,713
Foreclosed properties - net	11,069	11,634	12,670	6,705	1,561
Customers' liability under acceptances	597	612	706	845	1,054
Premises and equipment - net	21,801	22,173	22,290	18,851	19,880
Other assets	5,437	6,520	6,386	8,380	11,723
Total Assets	760,702	774,385	768,077	724,696	704,439
Liabilities and Shareholders' Equity					
Deposits	652,000	664,846	647,334	608,734	579,333
Interbank and money market items	5,693	13,831	16,825	23,734	41,842
Liability payable on demand	3,423	3,456	2,251	3,643	2,838
Securities sold under repurchase agreements	-	-	10	-	-
Short-term borrowing	-	-	7,500	-	-
Long-term borrowing	48,556	48,748	48,551	54,908	14,773
Bank's liability under acceptances	597	612	706	845	1,054
Other liabilities	15,358	15,821	19,320	11,813	13,267
Total liabilities	725,627	747,314	742,497	703,677	653,107
Shareholders' equity	35,075	27,071	25,580	21,019	51,332
Total Liabilities and Shareholders' Equity	760,702	774,385	768,077	724,696	704,439
Material Commitments	18,099	18,399	22,826	23,020	35,192

The Bank

(Million Baht)

	2002	2001	2000	1999	1998
Interest and dividend income	33,338	37,818	40,747	44,223	76,350
Interest expense	17,286	21,427	25,565	34,219	62,873
Net income from interest and dividend	16,052	16,391	15,182	10,004	13,477
Bad debt and doubtful accounts (reversal)	(3,549)	(1,101)	(4,404)	47,352	38,580
Loss on debt restructuring	3,549	2,391	4,404	-	-
Normalized Provisions	800	-	-	-	-
Net income (loss) from interest and dividend after bad debt and doubtful accounts, loss on debt restructuring and normalized provisions	15,252	15,101	15,182	(37,348)	(25,103)
Non-interest income	7,989	7,003	6,680	3,662	9,833
Non-interest expenses	16,671	20,472	19,788	20,138	26,620
Income (loss) before income tax	6,570	1,632	2,074	(53,824)	(41,890)
Income tax expense	(114)	624	810	2,596	(1,731)
Net Income (loss)	6,684	1,008	1,264	(56,420)	(40,159)
Basic earnings (loss) per share (Baht)	2.84	0.43	0.54	(30.10)	(24.54)

Financial statements from 1998-1999 are presented in accordance with the Commerce Ministerial Regulation No.7 (B.E. 2539).
Financial statements from 2000-2002 are presented in accordance with the directives of the Bank of Thailand dated May 10, 2001.



The Bank realizes the importance of good corporate governance in the interests of transparency at all levels of its operations, up to and including the Board of Directors. This is seen as an essential fundamental principle to bolster the Bank's operational effectiveness. It is also a means to enhance the confidence of shareholders, customers, shareholders and the general public. The Bank has designated 15 basic elements for its good corporate governance Code, as regulated by the Stock Exchange of Thailand.

The Board of Directors' actions are also maintained in compliance with good corporate governance principles, and those policies which may be openly disseminated are summarized below:

- *Administrative Management* includes strictures in the handling of shareholders' meetings, the delegation of authority by the Board of Directors, Board of Directors' meetings, the integration or separation of roles and positions, as well as rules for meetings of the Board of Directors and sub-committees.
- *Remuneration of Directors and Executives* describes the criteria and limitations in the setting of remuneration of the Bank's directors and executives, including monetary compensation as well as other material forms of remuneration.
- *The Message from Chairman of the Board of Directors* shall contain a summary of the Bank's operations, business strategies and good corporate governance policies.

The Thai Farmers Bank's Board of Directors is composed of members with sound knowledge, capability and experience in business undertakings. Its main functions and responsibilities are to delineate policies, vision, strategies, targets, mission and future business directions of Bank, and to oversee policy implementation to reach the highest level of efficiency and effectiveness as well as manage Bank's risk to appropriate level. The utmost respect is given to the laws, objectives and regulations of the company, together with resolutions of the general shareholders' meeting. Also, the Board of Directors performs its duties with integrity, care, under good corporate governance, for the interest of all stakeholders and higher economic value of the Bank. Significant emphasis is given to the efficient and effective internal control system, together with sound risk assessment to keep business risks under control. Both systems are reviewed regularly, and are amenable to laws and good corporate governance practice. Codes of conduct for all relevant parties have been designated for those officials in professional fields.

Business Conduct

The Bank and all employees will conduct banking business with integrity in a lawful and responsible manner, use good judgement in deciding what course of action is most appropriate. The most important rule is to never put the integrity of the Bank and staff at risk, even if it would help the Bank's business. The Bank has established Code of Conduct and Code of Business Conduct as a guide and standard to be maintained by all staff. The Compliance Department is responsible for monitoring compliance of the Code. Breaches of the Code may result in disciplinary action.

"Good corporate governance" will enhance the Bank's operations and services, thereby maximizing investment values for all shareholders. The expected core values of the Bank comprise:

- Customer satisfaction
- Belief in teamwork
- Dedication to professional and ethical conduct
- Commitment to discipline
- Proactiveness

The Board of Directors recognizes the importance of good corporate governance and services that meet international standards, including amenability to the policies prescribed by the Stock Exchange of Thailand and the Bank of Thailand. Through this means, the Audit Committee, the Corporate Governance Committee and the Human Resources and Remuneration Committee have been established with well-defined charters in order to oversee the Bank's operations, and to enhance organization cultures and professional Code of Conduct. All committees are comprised of independent directors, holding proper qualifications as prescribed by the SET, so as to perform their duties as stated in the charter. The Corporate Governance Committee, as a main engine for promoting good corporate governance, comprises four independent directors. The role of the Corporate Governance Committee is to set and review Corporate Governance principles as a Code of Conduct and practices for the management and staff that warrants the confidence of shareholders, investors and stakeholders. The responsibility of the Corporate Governance is to oversee the Bank's business practices and the conduct of management and personnel to ensure compliance with the Corporate Governance principles set by the Bank and official governing agencies compatible with international standards and the rating guidelines for good corporate governance approved by the government.

The Board of Directors has also established 12 sub-committees to supervise various operations. These include the establishment of disciplinary measures, regulations and Code of Conduct for all employees.

Internal Control

Sound internal control has also been paramount in the Bank's policies, aimed chiefly at forestalling any damage for the overall operations. In so doing, the Bank has clearly and properly set targets, action plans strategic guidelines and tasks for further action that show quantifiable results. The internal organization structure has been arranged in order to effectively facilitate strategic operations, by dividing its core businesses into eight business groups, supervised by Executive Vice Presidents reporting directly to the President. Written policies and operational procedures have been put in place, together with in-house training courses to create common and consistent understanding among key personnel. There is also an operational manual to assist relevant employees to effectively carry out their tasks. These include a guide for employee's disciplines, professional Code of Conduct, together with penalties and punishments for disciplinary actions on severe offences. These are aimed at maximizing the work efficiency of all employees, transparency of work and ultimate quality of service, with top priority given to fairness for all customers, shareholders, employees and the society at large. The main points of the internal control system can be summarized as:

1. The Audit Committee shall have the duty of considering the adequacy of the internal control system, by continuously reviewing the operations of the Compliance and Audit Group and independent auditors. Emphasis will be given to the adequacy of the internal control system and sound control of work, in accordance with laws and regulations of relevant government agencies. Also, in every aspect of work, executive officers of the Compliance and Audit Group are required to participate in discussion, exchange views, and report on the compliance and audit results to the Audit Committee. If the Audit Committee subsequently has suggestions or finds any significant irregularities, it will immediately report to the Board of Directors for further action.

2. Regarding risk management, the Bank gives great importance to proper risk management by setting up various sub-committees to supervise efficiency and effectiveness of risk management. These are, for instance, the Internal Risk Management Sub-committee, the Assets and Liabilities Sub-committee, the Credit Policy Sub-committee, and the Information Technology Sub-committee.

3. The Bank has provided clear written documents stating duties and authorities of operational personnel and executive officers, together with the clear-cut duties among operating units, supervisors and evaluators in order to ensure a satisfactory and proper check-and-balance system. Transparency in operations has been put high in service operations in order to minimize dishonest behavior. Also, it has set clear operational procedures for each banking transaction, together with precise standards for operational control, notably in transactions executed under the authority of the President, Executive Vice Presidents, First Senior Vice Presidents and others as appropriate according to their authority.

4. The Compliance and Audit Group is responsible for supervising and examining operations of the Bank and its subsidiary companies, based on risk levels, and conformity to government regulations and laws, the Bank's policies, and professional Code of Conduct. Strict attention is also paid to the adequacy of the internal control system, minimization of risks, and the reporting of significant suggestions and observations to responsible parties. Moreover, the Bank has encouraged all business units to conduct self-assessments regarding regular operations and their internal control system, in addition to the supervision of the Internal Audit Department and the Compliance Department, for the sake of prudence in operations.

5. The Bank recognizes the importance of information technology in the modern business era, so it has continuously developed its IT system. Accurate and adequate information is of great importance and necessary for effective decision making of senior management of the Bank. In particular, the Bank has adopted information-recording system, in compliance with Thailand Accounting Standards, as designated by the Bank of Thailand.

6. On a monthly basis, the Bank will evaluate its operations relative to the targets. Immediate and effective action will be taken if the actual operations deviate from targets.

The Board of Directors has laid down policies to ensure the adequacy and appropriateness of the internal control system in line with present business undertakings to help protect assets of the Bank and its subsidiary companies and forestall any damage or misuse. Attention has been given to recommendations of independent auditors, and commercial bank examiners from the Bank of Thailand, seen as useful elements for more effective risk management at the Bank.

Rules for Proper Use of Inside Information

The Bank has laid down supervisory policies to prevent misuse of internal information for personal benefit. The Bank, in this regard, prohibits director(s) and high-ranking executives, including their spouses and children under legal age from using any confidential material information for the sale, transfer acknowledgement in the transfers of securities to be issued by the Bank. Such practice is in accordance with provisions concerning securities business, subject to reporting to the Securities and Exchange Commission (SEC). Transactions as a result of purchase, sale or transfer of securities issued by the Bank, must be reported to the SEC within three business days after the date of change in ownership. In addition, the Bank has assigned the Compliance Department (CO) to make sure that any involved operations perform accordance with the Bank's regulations.

Protection against Conflicting of Interest

The Board of Directors concentrates on the importance of reviewing all transactions to avoid any conflict of interest. The Bank has established written policy, procedures and approval processes in transactions in compliance with banking laws and Bank of Thailand rules and regulations as well as with prudent banking practices in order to prevent any conflict of interest. Where conflicts arise, or may appear to be in conflict, those involved are required to disclose their position and are not permitted to make any decision or approve such transaction. Approving such transactions is based on the principle that no special favor is given in term or condition for those involved.

Shareholders' Rights

The Bank shall arrange for the General Meeting of Shareholders to be held once a year within four months from the end of fiscal year. In 2002, the Bank held the General Meeting of Shareholders No. 90 on April 3, 2002. The Bank had also arranged for the delivery of the Notice of the General Meeting of Shareholders including meeting agendas and related documents to the shareholders not less than 14 days prior to the meeting date. In addition, the Bank also placed a notice of the meeting in Thai daily newspapers for 3 consecutive days prior to the meeting. In 2002, the notice was placed in March.

The process of setting the agendas to be included in the General Meeting of Shareholders normally starts at the end of January. The agendas are proposed to the President and Chairman of the Board for approval prior to submitting to the Board Meeting for approval of agendas, related documents and notice of the meeting. The documents, which are delivered to the shareholders together with the notice, include all required information necessary for the shareholders to be used in voting on various agendas. A proxy is also attached with the notice of the meeting to allow the shareholder wishing to make another person or Chairman of the Board or the President or an independent director or his proxy.

The agendas included in the General Meeting of Shareholders are categorized into 2 groups:

1. The business issues that must be carried out at the General Meeting of Shareholders
 - 1.1 Report of the Bank's business in the past year
 - 1.2 Approval of the Balance Sheet and the Profit and Loss statements
 - 1.3 Discussion of issues on dividend and reserves
 - 1.4 Re-election of directors who resigned by rotation
 - 1.5 Appointment of auditor and remuneration thereof
 - 1.6 Discussion of other business issues as deemed appropriate by Chairman of the Board
2. Issues that must be proposed at the shareholders' meeting according to the Public Company Act, the Securities and Exchange Acts, the Stock Exchange of Thailand regulations and the Bank of Thailand regulations. These include, for example,
 - 2.1 Capital increase
 - 2.2 Issuance of debentures/bonds
 - 2.3 Revision of the Article of Association
 - 2.4 Information on rights to benefits of directors and management

In addition to the annual General Meeting of Shareholders, the Bank may call for extraordinary shareholders' meetings on a case by case basis if there are special agendas that must be discussed urgently and need approvals from the shareholders. For example, the issues that may impact or relate to the shareholders' benefits or involve conditions or regulations of the authorities.

Rights of Interested Parties

The Bank realizes the importance of rights of interested parties, both internal and external, and, therefore, has outlined the Code of Business Conduct. In conducting its business, the Bank adheres to a certain set of principles, which it expects all directors and each employee to follow in all activities for the Bank.

Customers :

The Bank strives to achieve customer satisfaction by providing quality products and delivering exceptional service to its customers.

Shareholders :

The Bank continually strives for superior performance, taking into account the current and potential risk environment. It is the Bank's duty to ensure transparency in its operation and to do its utmost to safeguard the Bank's assets and uphold its reputation.

Employees :

The Bank considers its employees its most valuable asset. It attracts and recruits people with skills and experience relevant to the growth and the needs of the Bank. The Bank continually develops employees to a high level of competence and provides them with salaries and benefits comparable to leading employers.

Social Concern :

The Bank performs its duties as a good citizen, contributing to non-political causes, which enhances society and act to preserve the environment.

Fairness :

The Bank believes in being fair to all parties having business relationships with it and assiduously avoids favoritism or conflicts of interest situation.

Integrity :

The Bank believes in strong ethical standards and carries out its business with uncompromising integrity and honesty in all aspects.

Confidentiality :

The Bank protects its customers and maintains the trust placed in it by insuring that all information relating to the Bank's customers business affairs remains confidential at all time.

Professionalism :

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

Proactiveness :

The Bank is responsive to customers' needs, to social, technical and economic changes and is adaptive to the requirements of its customers now and in the future.

Discipline and Compliance :

The Bank is committed to discipline in the operation of its business and ensures that all business decisions and actions comply with all applicable laws and regulations and to observe good standards of behavior.

Relationship with Investors

The Bank discloses information to investors and the public through various channels including:

1. The Stock Exchange of Thailand
 - 56-1 Form
 - Financial statements (C.B.1.1, quarterly financial statements and annual reports)
2. Newspapers
3. Periodicals
4. Television
5. The Bank's website
6. Company visits/ One-on-one meetings
7. Roadshows
8. Analyst Meetings

The Bank also established an Investor Relations unit on May 18, 1998, and called it as Investor Relations and Shareholder Services Division working under Secretariat Group. On December 20, 2001, the division was reorganized to be part of the Corporate Communications Department, which is under the Corporate Secretariat Group. The Division's function is to provide information to local and foreign investors and analysts. The goal is to help uphold the good image and trustworthiness of the Bank, and to provide services to shareholders efficiently.

Related Transactions

Details are shown in the Notes to Financial Statement Section, concerning related transactions.

Factors Affecting Investment Decisions**Legal Disputes**

With the exception of lawsuits which ordinarily occur in general commercial bank operations, TFB at present has no conflicts with business counterparts, no pending lawsuits or any litigation involving principals (excluding interest and expenses) exceeding 5 percent of the Total Shareholders' Equity as stated in the latest year-end balance sheet.



Report of the Audit Committee

The Board of Directors of the Thai Farmers Bank Public Company Limited appointed an Audit Committee, comprising M.R. Sarisdiguna Kitiyakara as Chairman, and Mr. Somchai Bulsook, Professor Dr. Suchada Kiranandana, and Ms. Elizabeth Sam as Members. None of these persons is serving as an officer or employee of the company.

The Audit Committee functions in accordance with the scope of work, duties and responsibilities stipulated under the Audit Committee Charter and regulations of the Stock Exchange of Thailand, which includes the review of financial reports, as well as the effectiveness and sufficiency of the risk management process and internal control system. In addition, the Audit Committee is charged with reviewing the Bank's operations in compliance with the Securities and Exchange Act, and any other laws related to commercial banking operations in Thailand. Included in these responsibilities and tasks is a review of the effectiveness and sufficiency of the internal control system, disclosure of information on related transactions in a transparent manner, as well as the appointment of external auditors and the determination of annual audit fees.

In 2002, the Audit Committee held 10 meetings to oversee the Bank's operations on behalf of the Board of Directors as stipulated under the scope of work and responsibilities. The Committee gave its recommendations regarding the choice of the external auditors and the level of the annual fees, for further deliberation of the Board of Directors before submission for approval at the Annual General Meeting of shareholders. The Audit Committee reviewed relevant financial statements and held joint meetings with the external auditors to discuss matters and to exchange views and opinions. In addition, joint meetings were regularly held with the internal auditors in order to assess the effectiveness and sufficiency of the internal control system, and to discuss future audit plans. With regard to risk management the Audit Committee assessed the situation through direct discussions with relevant executives of the Bank directly responsible for risk management and supervision. These included other meetings with executives of business groups in order to identify and discuss problems at the operating level and to exchange views. The Audit Committee also reviewed the effectiveness of compliance management under laws and regulations governing commercial banking operation, and all related transactions in which the need for transparency is fully recognized. The findings ensuing from these reviews showed no irregular transactions, which would significantly affect the Bank's operations. The Audit Committee has reported these review results to the Board of Directors for acknowledgement.

(M.R. Sarisdiguna Kitiyakara)

Chairman, Audit Committee

January 30, 2003



Top 10 Shareholders of Thai Farmers Bank Public Company Limited

At closing of registration, March 13, 2002

Rank	Shareholders	Number of Shares	Percent Held
1	THAI NVDR CO., LTD.	175,196,575	7.45
2	CLEARSTREAM NOMINEES LTD	86,791,201	3.69
3	THAILAND SECURITIES DEPOSITORY COMPANY LIMITED FOR DEPOSITORS (THAI SECURITIES-HOLDER ACCOUNT)	83,276,717	3.54
4	HSBC (SINGAPORE) NOMINEES PTE LTD	78,963,225	3.36
5	GOVERNMENT OF SINGAPORE INVESTMENT CORPORATION "C"	71,376,200	3.03
6	THAILAND SECURITIES DEPOSITORY COMPANY LIMITED FOR DEPOSITORS	69,555,318	2.96
7	STATE STREET BANK AND TRUST COMPANY	65,832,763	2.80
8	MORGAN STANLEY & CO INTERNATIONAL LIMITED	50,792,078	2.16
9	LITLEDOWN NOMINEES LIMITED 5	50,379,289	2.14
10	CHASE NOMINEES LIMITED 1	44,350,443	1.89

Holding of Shares in the Bank and Affiliates by TFB Directors

as of December 31, 2002

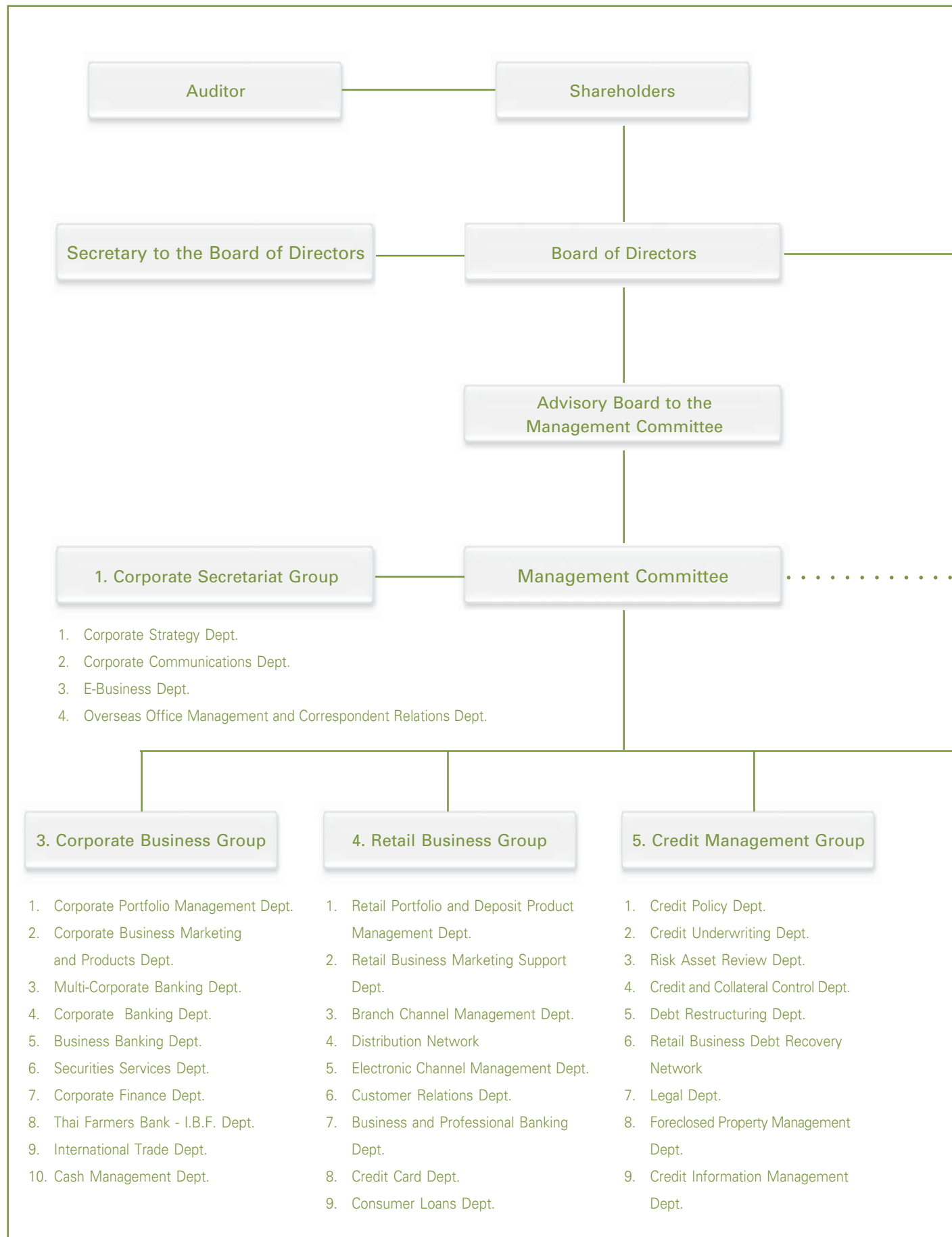
and remuneration received in 2002

Mr. Banyong Lamsam	As a director and a member of the Advisory Board to the Management Committee, he received remuneration amounting to Baht 6,720,000. He held 3,095,760 TFB shares with no change in number of shares during the accounting year.
Pol. Gen. Pow Sarasin	As a director and a member of the Advisory Board to the Management Committee, he received remuneration amounting to Baht 5,277,000. He held 253,948 TFB shares with no change in number of shares during the accounting year.
Mr. Banthoon Lamsam	As a director, he received remuneration amounting to Baht 726,000. He held no TFB shares and 1 share of the Thai Farmers Research Center Company Limited with no change in number of shares during the accounting year.
Mr. Sukri Kaocharern	As a director and a member of the Advisory Board to the Management Committee, he received remuneration amounting to Baht 2,106,000. He held 9,200 TFB shares with no change in number of shares during the accounting year.
M.R. Sarisdiguna Kitiyakara	As a director and a member of the Audit Committee, he received remuneration amounting to Baht 1,316,000. He held 15,000 TFB shares with no change in number of shares during the accounting year.
M.R. Yongswasdi Kridakon	As a director and a member of the Advisory Board to the Management Committee, he received remuneration amounting to Baht 2,706,000. He held 260 TFB shares with no change in number of shares during the accounting year.
Mr. Somchai Bulsook	As a director and a member of the Audit Committee, he received remuneration, amounting to Baht 1,208,000. He held 271,150 TFB shares with no change in number of shares during the accounting year.
Ms. Sujitpan Lamsam	As a director, she received remuneration amounting to Baht 726,000. She held 20,000 TFB shares with no change in number of shares during the accounting year.

Professor Dr. Suchada Kiranandana	As a director and a member of the Audit Committee, she received remuneration amounting to Baht 1,208,000. She held 1,000 TFB shares with no change in number of shares during the accounting year.
Professor Dr. Yongyuth Yuthavong	As a director, he received remuneration amounting to Baht 906,000.
Dr. Abhijai Chandrasen	As a director and a legal adviser, he received remuneration amounting to Baht 3,726,000. He held 10,000 TFB shares with no change in number of shares during the accounting year.
Mr. Charles L. Coltman, III	As a director, he received remuneration amounting to Baht 996,000. He held 15,000 TFB shares with no change in number of shares during the accounting year.
Mr. William Mark Evans	As a director, he received remuneration amounting to Baht 906,000.
Ms. Elizabeth Sam	As a director and a member of the Audit Committee, she received remuneration amounting to Baht 1,208,000. She held 30,000 TFB shares, an increase of 30,000 shares during the accounting year.
Mr. Chaisak Saeng-Xuto	As a director, he received remuneration amounting to Baht 906,000.
Dr. Schwin Dhammanungune	As a director, he received remuneration amounting to Baht 906,000.



Thai Farmers Bank Public Company Limited Organization Chart





1. Compliance Dept.
2. Internal Audit Dept.



The Management Structure

The Bank's management structure comprises the Board of Directors, the Advisers to the Board of Directors, the Audit Committee, the Corporate Governance Committee, the Human Resources and Remuneration Committee, the Advisory Board to the Management Committee, the Management Committee, and 12 Sub-committees. These committees and sub-committees have the following roles and responsibilities:

The Board of Directors

The Board of Directors of Thai Farmers Bank Public Company Limited, according to the certification letter of the Ministry of Commerce dated 23rd April 2002, comprises 16 members, including:

- 3 executive Directors
- 4 non-executive Directors
- 9 independent Directors, representing over half of the Board members

The members of the Board of Directors are:

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

The Directors with authorized signatures include either the Chairman or the President, who signs his name and affixes the Bank's official seal, or two out of the following five Directors - Pol. Gen. Pow Sarasin, Mr. Sukri Kaocharern, M.R. Sarisdiguna Kitiyakara, M.R. Yongswasdi Kridakon and Mr. Somchai Bulsook - who sign their names and affix the Bank's official seal.

Authorities of the Board of Directors

1. The Board has the authority to supervise and manage the Bank in accordance with the laws and the Bank's objectives and regulations, as well as the resolutions of the Shareholders' Meetings.
2. The Board has the authority to appoint a Director as Chairman of the Board and may as well appoint Vice Chairman as deemed appropriate by the Board.
3. The Board has the authority to appoint the President, and may as well appoint one or more Executive Vice Presidents as deemed appropriate by the Board.

4. The Board has the authority to appoint a Management Committee, which comprises the President and a number of the Bank's employees, who have the authority and responsibility in managing and operating the Bank as determined by the Board. The President shall act as Chairman of the Management Committee by position.

5. The Board has the authority to appoint a number of Directors as the Advisory Board to the Management Committee, whose role is to make recommendations as deemed appropriate by the Board.

The Aggregation and Segregation of Positions

Chairman of the Board and the President shall not be the same person. Also, he shall not be the Bank's employee or executive officer. The Bank has clearly set the limitation, authority and responsibility in corporate governing as stated in the Board of Director Charter. If, and when, the Chairman and the President are the same person, or are related in any way, then the Board shall nominate a lead director who is an independent Director to perform specific functions from time to time that would be expected of an independent Chairman, in approving or making decisions in such cases without any involvement from the Chairman and the President.

Roles and Responsibilities of the Board of Directors

The Board has the roles and responsibilities according to the Board of Director Charter, which is to:

1. Supervise and manage the Bank so that it is in accordance with the laws and the Bank's Objects, the Articles of Association and the resolutions of the Shareholders' Meetings
2. Approve the Vision, Mission, Value and Statement of Business Conduct
3. Review and approve proposed strategy options, annual Business Plans and Capital Expenditure Budget as well as monitor operations and performance of Management to ensure that they effectively align with the set Business Plans and Capital Expenditure Budget
4. The Board shall vest in the President the authorities to initiate, commit and approve payments for all the expenditures approved in the Capital Expenditure Budget and those budgets approved by the Board for the purpose of project undertaking. The Board shall also review and approve credit proposals of over Baht 3 billion, and all types of financial transactions over the agreed limits of the President
5. Review and approve the human resources vision and strategy, management development plans and remuneration strategy, as well as appraise the performance of the President
6. Ensure effective internal control system and appropriate risk management
7. Ensure effective audit system performed both by internal and external auditors
8. Approve the Bank's quarterly, mid-year and annual financial statements, and ensure that the financial statements comply with the Generally Accepted Accounting Principles
9. Ensure proper communication system between the Stakeholder and the Public

Appointment and Removal of Directors of the Board

1. The Bank's shareholders shall appoint no less than 7 and no more than 16 directors whereby no fewer than half of all directors shall have domicile in the Kingdom. The director may or may not be the Bank's shareholder. Directors shall be elected by a meeting of shareholders in accordance with the following rules and procedures:

- (1) Directors may be elected individually or in a group.
- (2) Each shareholder shall have one vote per share held by him for the election of each director.
- (3) Each shareholder shall use all of his votes in the election of directors.

- (4) The persons who receive the highest number of votes in their vote (in case of election of a number of directors) in a number not exceeding the number of directors to be elected at that meeting, shall be appointed as director.
- (5) In the event of evenly split votes the chairman of the meeting shall have deciding vote.
2. At each General Meeting of Shareholders, one-third of the Directors, or, if their number is not a multiple of three, then the number nearest to one-third must retire from office.
3. The directors who have been in the office longer shall retire first. In the case of disagreement as to who should retire, it shall be decided by drawing lots. The retired Directors may be re-elected.
4. Any director who passes away or tenders his/her resignation prior to his/her term, is resolved to be removed by the meeting, or ordered by the Court to resign, shall be removed from the office immediately.
5. In the case of vacancy in the Board of Directors for reasons other than the expiration of the director's term of office, the Board of Directors shall elect a person who has the qualifications and who possesses no prohibited characteristics as the substitute director at the next meeting of the Board of Directors, unless the remaining term of the office of the said director is less than 3 months. Such resolution of the Board of Directors shall consist the votes of not less than three-fourths of the remaining directors. The substitute director shall hold office only for the remaining term of the director whom he or she replaces.

The Board Meeting

The Board schedules the Board Meeting for every last Thursday of the month, and, in addition, may hold special meetings as deemed appropriate. The agendas for the Board Meeting shall be categorized into groups, such as agendas for approval, agendas for ratification and agendas for acknowledgment. And the Secretary to the Board shall arrange for a Notice of the Board Meeting, agendas and related documents to be delivered to each Director at least 7 days prior to the meeting. Each meeting normally takes approximately 3 hours. Each agenda and resolution is recorded in writing and the Minutes of the Board Meeting are certified by the Board and filed for examination by the Board and related parties.

In 2002 the Board held a total of 13 meetings: 12 ordinary meetings and one extraordinary meeting. The details of each Director's attendance are as follows:

Board Members	Ordinary Meetings		Extraordinary Meetings		Total
	Attendance in person	Tele-conference	Attendance in person	Tele-conference	
Mr. Banyong Lamsam	12	-	1	-	13
Pol. Gen. Pow Sarasin	11	-	1	-	12
Mr. Banthoon Lamsam	12	-	1	-	13
Mr. Sukri Kaocharern	11	-	1	-	12
M.R. Sarisdiguna Kitiyakara	11	-	1	-	12
M.R. Yongswasdi Kridakon	9	-	-	-	9
Mr. Somchai Bulsook	10	-	1	-	11
Ms. Sujitpan Lamsam	9	3	1	-	13
Prof. Dr. Suchada Kiranandana	12	-	1	-	13
Prof. Dr. Yongyuth Yuthavong	11	-	1	-	12
Mr. Charles L. Coltman, III	3	7	-	1	11
Mr. William Mark Evans	-	11	-	1	12
Dr. Abhijai Chandrasen	12	-	1	-	13
Ms. Elizabeth Sam	8	2	-	-	10
Mr. Chaisak Saeng-Xuto	12	-	1	-	13
Dr. Schwin Dhammanungune	11	1	1	-	13

The General Meeting of Shareholders

The Bank normally holds the General Meeting of Shareholders once a year within four months from the end of fiscal year. The Bank shall send out the Notice of the General Meeting of Shareholders to the shareholders not less than 14 days prior to the meeting date. If there is urgent need for any special agenda to be proposed for approval by the shareholders, which may affect or relate to the shareholders' benefits, or may relate to the conditions or regulations of the authorities, the Bank shall arrange the Extraordinary Meeting of Shareholders on a case-by-case basis.

For the General Meeting of Shareholders in 2002, 14 Board members attended the meeting, including Chairman of the Audit Committee, Chairman of the Corporate Governance Committee and Chairman of the Human Resources and Remuneration Committee. The Chairman of the meeting provided shareholders with equal opportunity to review the Bank's operations and make inquiries and recommendations. The Bank has also recorded all major issues and noteworthy opinions in the Minutes of the General Meeting of Shareholders.

Empowerment Process by the Board of Directors

The Board of Directors' Meeting No. 6/2000, on May 25, 2000, approved the empowerment of Executive Authority to the Bank's officers from the level of Executive Vice President to conduct legal acts on behalf of the Bank. Two of the empowered Management may delegate the authority to related Bank employees to act on behalf of the Bank within the limit of each employee's responsibility.

Executive Authority of the Bank

In addition to the aforementioned empowerment of the Executive Authority, the Bank has also established a set of criteria and scheme for exercising of the internal Executive Authority. The principles help the Bank in distributing authority among employees in various positions, enabling them to perform specific functions and make effective decisions with enough flexibility without losing control. The internal Executive Authority are categorized into 3 groups:

- (1) Executive Authority shared among various entities
- (2) Departmental Executive Authority
- (3) Branch Executive Authority

Principles

The following are the main points of the structure and content of the Internal Executive Authority:

(1) The empowerment of Executive Authority is the distribution of Chairman of the Board's authority to administer and execute various business tasks within the Bank to the next lower level management in line.

(2) The President is assigned by the Board of Directors to approve the Internal Executive Authority Principles and Tables

(3) The Internal Executive Authority hereby includes:

3.1 The Executive Authority specified in monetary terms within the limit of the Bank's approved budget

3.2 Other Executive Authority that is non-financial but represents the required authority which for management at various levels and positions use in performing management functions, such as the authority to increase or decrease manpower, the authority to disclose crucial information and the authority to commission outside companies.

(4) For complete coverage and thoroughness, the Executive Authority is divided into categories according to the work function as follows:

4.1 Executive Authority shared among various entities refers to the authority that is not assigned specifically to any one particular entity, but may be specified according to the work aspect performed by authority users in various departments. These include the Executive Authority for 8 aspects:

- 4.1.1 The Executive Authority relating to human resources
- 4.1.2 The Executive Authority relating to credit approval
- 4.1.3 The Executive Authority relating to collateral
- 4.1.4 The Executive Authority in debt recovering and restructuring
- 4.1.5 The Executive Authority relating to expenditures
- 4.1.6 The Executive Authority relating to other aspects
- 4.1.7 The Executive Authority to quote exchange rates and offer fee and interest rate discount local and international businesses
- 4.1.8 The Executive Authority to provide services to customers in export-import businesses

4.2 Departmental Executive Authority is the Executive Authority given to specific department in relations to the business transactions, which are assigned to management of each group and department, as well as employees at various positions in the department.

4.3 Branch Executive Authority is the authority given to specific main branch/branch in relations to the business transactions, which are assigned to District Managers, Zone Managers and Branch Manager as well as employees at various positions in the main branch/branch

(5) The Executive Authority Principles have been established according to the work aspect or department, and are presented in tabular form as an attachment to the Executive Authority Principles for each function or department. As a whole, the Bank has clear control over the usage of authority for each position. The Bank has also established the Executive Authority Principles by function, including the authority to approve the execution of transactions and the authority to approve expenditures and credit.

Advisers to the Board of Directors

Advisers to the Board of Directors comprises the following members, namely:

- 1. Mr. Pirote Lamsam
- 2. Mr. Chaleo Yoovidhya

Roles and Responsibilities of the Advisers to the Board of Directors

To make recommendations to the Board of Directors in matters that are relevant and within the authority and responsibilities of the Board of Directors. These include, for example, the Bank's policies or issues that require compliance with laws and established regulations, as well as impacts on other important business that, once undertaken, may create changes or may clearly impact the Bank's operations.

Audit Committee

The Board of Directors approved the establishment of the Audit Committee on June 25, 1998. Each committee member has a 3-year term. The committee comprises 4 independent members, namely:

- 1. M.R. Sarisdiguna Kitiyakara *Chairman* *Independent Director*
- 2. Mr. Somchai Bulsook *Member* *Independent Director*
- 3. Prof. Dr. Suchada Kiranandana *Member* *Independent Director*

- | | | |
|--------------------------------|------------------|-----------------------------|
| 4. Ms. Elizabeth Sam | <i>Member</i> | <i>Independent Director</i> |
| 5. Mr. Vasant Chariyatantiwate | <i>Secretary</i> | |

The committee holds meetings and reports resolutions to the Board of Directors regularly. In 2002, the Committee held a total of 12 meetings.

Roles and Responsibilities of Audit Committee

1. Review the Bank's quarterly, mid-year and annual financial statements
2. Review the effectiveness and adequacy of all risk management processes and the internal control system
3. Review effectiveness and adequacy of internal audit system and evaluate the work performed by internal auditor
4. Review the Bank's operations to ensure that they comply with Securities and Exchange Acts, the Stock Exchange of Thailand regulations and banking laws and regulations pertaining to banking business
5. Prevent conflicts of interests from arising, and consider disclosure of information on related transactions or those that may have conflict of interests to ensure transparency and fairness.
6. Select and appoint an external auditor and evaluate the work performed by the auditor.

Corporate Governance Committee

The Board of Directors approved the establishment of the Corporate Governance Committee on April 3, 2002. Each committee member has a 3-year term. The committee comprises 4 members who are either non-executive Directors or independent Directors, namely:

- | | | |
|---------------------------------|------------------|-------------------------------|
| 1. Pol. Gen. Pow Sarasin | <i>Chairman</i> | <i>Non-executive Director</i> |
| 2. Mr. Sukri Kaocharern | <i>Member</i> | <i>Non-executive Director</i> |
| 3. Prof. Dr. Yongyuth Yuthavong | <i>Member</i> | <i>Independent Director</i> |
| 4. Mr. William Mark Evans | <i>Member</i> | <i>Independent Director</i> |
| 5. Ms. Sumonthip Otrakul | <i>Secretary</i> | |

In 2002, the Corporate Governance Committee held 13 meetings and has reported meeting resolutions to the Board of Directors.

Roles and Responsibilities of Corporate Governance Committee

1. Set principles of corporate governance supervision process that are effective and appropriate for the Bank
2. Encourage formulation of the Code of Ethics for the Bank's business practices and the Code of Conduct for the Bank's management and personnel
3. Ensure effective practice of Corporate Governance principles
4. Review and report to the Board of Directors regarding the Good Corporate Governance and give opinions on matters related to the practice and make recommendations for improvement accordingly
5. Disclose information concerning the Good Corporate Governance to related governmental units and in the Bank's annual report

Human Resources and Remuneration Committee

The Board approved the establishment of the Human Resources and Remuneration Committee on April 3, 2002. Each committee member has a 3-year term. The committee comprises 4 members who are either non-executive Directors or independent Directors, namely:

- | | | |
|--------------------------------|------------------|-------------------------------|
| 1. Mr. Charles L. Coltman, III | <i>Chairman</i> | <i>Independent Director</i> |
| 2. M.R. Yongswasdi Kridakon | <i>Member</i> | <i>Non-executive director</i> |
| 3. Mr. Chaisak Saeng-Xuto | <i>Member</i> | <i>Independent Director</i> |
| 4. Dr. Schwin Dhammanungune | <i>Member</i> | <i>Independent Director</i> |
| 5. Mr. Wanarak Eckachai | <i>Secretary</i> | |

In 2002, the Human Resources and Remuneration Committee held a total of 2 meetings and has reported the meeting resolutions to the Board of Directors.

Roles and Responsibilities of Human Resources and Remuneration Committee

1. Review proportion, number and experience of the Board of Directors as well as nominate a substitute Director to fill in the vacated position, and propose the appropriate benefits for the Bank's Directors for approval by the shareholders
2. Determine the term and conditions in the President's employment contract, evaluate performance and develop a succession plan for the President
3. Review and propose to the Board of Directors for approval of issues relating to the human resource vision, policies and strategies, and offer benefits that are aligned with the Bank's business strategy
4. Develop succession plan for high-ranking management in specific positions and a list of candidates, and always keep the list updated
5. Make recommendations concerning the salaries and benefits of high-ranking management

Selection of Board members

The Bank established the Human Resource and Remuneration Committee which selects qualified candidates for consideration by the Board of Directors and to be nominated and appointed as the Board members at the General Meeting of Shareholders.

Selection of Management

The Management Committee's function is to select qualified candidates to be approved by the Board and appointed as management starting from the position of First Senior Vice President. As for the appointment of management of a lower ranking, the Department Head will select qualified candidates to be nominated and approved by the Management Committee or the President.

The Advisory Board to the Management Committee

The Board of Directors and the 88th Annual General Shareholders' Meeting on April 4, 2000, approved the establishment of the Advisory Board to the Management Committee, comprising 5 members that are either executive Directors or non-executive Directors, namely:

- | | | |
|-----------------------------|------------------|---|
| 1. Mr. Banyong Lamsam | <i>Chairman</i> | <i>Executive Director</i> |
| 2. Pol. Gen. Pow Sarasin | <i>Member</i> | <i>Non-executive Director</i> |
| 3. M.R. Yongswasdi Kridakon | <i>Member</i> | <i>Non-executive Director</i> |
| 4. Mr. Sukri Kaocharern | <i>Member</i> | <i>Non-executive Director</i> |
| 5. Dr. Abhijai Chandrasen | <i>Member</i> | <i>Non-executive Director
and Legal Adviser</i> |
| 6. Mr. Somkiat Sirichatchai | <i>Secretary</i> | |

Roles and Responsibilities of the Advisory Board to the Management Committee

1. Acknowledge and make recommendations to the Management Committee about matters relating the Bank's policies and issues that, once undertaken, may create major changes to the Bank's business, or issues that require compliance to the laws or established regulations
2. Ensure efficiency of the Bank's management and operation.

Management Committee

The Board of Directors and the 88th General Meeting of Shareholders, on April 4, 2000, approved the establishment of the Management Committee, comprising 8 members, namely:

- | | |
|-----------------------------|------------------|
| 1. Mr. Banthoon Lamsam | <i>Chairman</i> |
| 2. Ms. Tida Samalapa | <i>Member</i> |
| 3. Mr. Apichai Bunyakiat | <i>Member</i> |
| 4. Dr. Piengchai Pookakupt | <i>Member</i> |
| 5. Mr. Boontuck Wungcharoen | <i>Member</i> |
| 6. Mr. David L. Hendrix | <i>Member</i> |
| 7. Mr. Richard A. Clarke | <i>Member</i> |
| 8. Mr. Wanarak Eckachai | <i>Member</i> |
| 9. Mr. Somkiat Sirichatchai | <i>Secretary</i> |

In 2002, the Management Committee held a total of 45 meetings and has reported meeting resolutions to the Board of Directors.

Roles and Responsibilities of the Management Committee

1. Review and propose to the Board of Directors for approval of issues relating to the Bank's policies that, once undertaken, may create major changes to the Bank's business, or issues that require compliance to the laws or established regulations, and also subjects that the Management Committee must propose for approval by case or according to the established criteria, such as credit approval
2. Manage and operate the Bank's businesses according to the policies set by the Board of Directors
3. Report activities carried out by the Management Committee to the Board of Directors

The Sub-committees

The Sub-committees' roles are to review and manage various matters within the Bank to ensure fairness, appropriateness, effectiveness and the highest efficiency for the Bank. There are 12 Sub-committees, namely:

1. Information Technology Sub-committee
2. Internal Risk Management Sub-committee
3. Assets and Liabilities Management Sub-committee
4. Corporate Business Credit Sub-committee
5. Retail Business Credit Sub-committee
6. Asset Quality Sub-committee
7. Corporate Business Debt Recovering and Restructuring Sub-committee
8. Retail Business Debt Recovering and Restructuring Sub-committee
9. Foreclosed Property Management Sub-committee
10. Information Infrastructure Sub-committee
11. Product Pricing Sub-committee
12. Credit Policy Sub-committee

Executives of Thai Farmers Bank Public Company Limited

Name-Last Name/ Position	Education	Experiences	The Increase or (Decrease) in the TFB Shares Held in 2002
1. Mr. Banyong Lamsam Chairman of the Board and Chairman of the Advisory Board to the Management Committee (Authorized Signature)	BBA (Banking and Finance) University of New Mexico, U.S.A.	1992 - Present Chairman Thai Farmers Bank Public Company Limited 2000 - Present Chairman of the Advisory Board to the Management Committee Thai Farmers Bank Public Company Limited 1992 - Present Director Com-Link Company Limited 1991 - Present Chairman Dole Thailand Limited 1978 - Present Director Bangkok Inter-Continental Hotels Company Limited 1993 - 2002 Director Industrial Finance Corporation of Thailand	-
2. Pol. Gen. Pow Sarasin Vice Chairman, Member of the Advisory Board to the Management Committee and Chairman of the Corporate Governance Committee (Authorized Signature)	Bachelor of Science (Chemistry) John Hopkins University, U.S.A. Bachelor of Science (Criminology) University of California, U.S.A.	1992 - Present Vice Chairman Thai Farmers Bank Public Company Limited 2000 - Present Member of the Advisory Board to the Management Committee Thai Farmers Bank Public Company Limited 2002 - Present Chairman of the Corporate Governance Committee Thai Farmers Bank Public Company Limited 2002 - Present Director Siam Food Public Company Limited 2002 - Present Director Quality House Public Company Limited	-

Name-Last Name/ Position	Education	Experiences	The Increase or (Decrease) in the TFB Shares Held in 2002
		1994 - Present Independent Director Charoen Pokphand Foods Public Company Limited 1993 - Present Chairman Mitsubishi Elevator Asia Company Limited 1990 - Present Chairman H.C. Starck (Thailand) Company Limited 1991 - 1992 Deputy Prime Minister and Minister of the Ministry of Interior	
3. Mr. Banthoon Lamsam President and Chief Executive Officer (Authorized Signature)	MBA, Harvard University, U.S.A. Directors Certification, Thai Institute of Directors Association	1992 - Present Director and President Thai Farmers Bank Public Company Limited 1999 - Present Chairman Thai Farmers Research Center Company Limited 1997 - Present Director Santikaset Company Limited	-
4. Mr. Sukri Kaocharern Director, Member of the Advisory Board of the Management Committee and Member of the Corporate Governance Committee (Authorized Signature)	Master of Science (Accounting), Southern Illinois University, U.S.A.	1981 - Present Director Thai Farmers Bank Public Company Limited 2000 - Present Member of the Advisory Board to the Management Committee Thai Farmers Bank Public Company Limited 2002 - Present Member of the Corporate Governance Committee Thai Farmers Bank Public Company Limited 2002 - Present Director Yip In Soy & Yaks Company Limited 2002 - Present Director Petform (Thailand) Company Limited	-

Name-Last Name/ Position	Education	Experiences	The Increase or (Decrease) in the TFB Shares Held in 2002
		2001 - Present Commissioner and Chairman of Executive Subcommittee Agricultural Futures Trading Commission, Ministry of Commerce 2000 - Present Member of the Audit Committee Ministry of Labour and Welfare 2000 - Present Chairman of the Audit Committee Jutha Maritime Public Company Limited 1990 - Present Chairman Jutha Maritime Public Company Limited 1994 - Present Chairman Indo-Worth (Thailand) Company Limited 1979 - Present Chairman Thai Caster Oil Company Limited 1998 - 2000 Chairman of the Audit Committee Thai Farmers Bank Public Company Limited	
5. M.R. Sarisdiguna Kitiyakara Director and Chairman of the Audit Committee (Authorized Signature)	MA (Engineering) Cambridge University, England	1985 - Present Director Thai Farmers Bank Public Company Limited 2000 - Present Chairman of the Audit Committee Thai Farmers Bank Public Company Limited 1994 - Present Director Goodyear (Thailand) Public Company Limited 1997 - 2002 Chairman T.C.C. International Company Limited 1995 - 2002 Director and President New Imperial Hotel Public Company Limited	-

Name-Last Name/ Position	Education	Experiences	The Increase or (Decrease) in the TFB Shares Held in 2002
		1998 - 2000 Audit Committee Member Thai Farmers Bank Public Company Limited	
6. M.R. Yongsawadi Kridakon Director, Member of the Advisory Board to the Management Committee and Member of the Human Resources and Remuneration Committee (Authorized Signature)	Bachelor of Liberal Arts, Randolph - Macon College, U.S.A.	1991 - Present Director Thai Farmers Bank Public Company Limited 2000 - Present Member of the Advisory Board to the Management Committee Thai Farmers Bank Public Company Limited 2002 - Present Member of the Human Resources and Remuneration Committee Thai Farmers Bank Public Company Limited 2000 - Present Director CPB Property Company Limited 1997 - Present Director CPB Equity Company Limited 1990 - Present Director Deves Insurance Company Limited 1988 - Present Deputy Director General Bureau of the Crown Property	-
7. Mr. Somchai Bulsook Director and Member of the Audit Committee (Authorized Signature)	BBA, Menlo School of Business, U.S.A.	1993 - Present Director Thai Farmers Bank Public Company Limited 1998 - Present Audit Committee Member Thai Farmers Bank Public Company Limited 2002 - Present Director Petform (Thailand) Company Limited	-

Name-Last Name/ Position	Education	Experiences	The Increase or (Decrease) in the TFB Shares Held in 2002
		1997 - Present Chairman Serm Suk YHS Beverage Company Limited 1996 - Present President & C.E.O. Serm Suk Public Company Limited 1992 - Present Director Bangkok Glass Industry Company Limited	
8. Ms. Sujitpan Lamsam Director	Master of Art in International Affairs, Tufts University, U.S.A. Master of Science in Management, Massachusetts Institute Of Technology, U.S.A.	1999 - Present Director Thai Farmers Bank Public Company Limited 2000 - Present Director Muang Thai Life Assurance Company Limited 2000 - Present Chairman Chanthaburi Asset Management Company Limited 2000 - Present Chairman Thonburi Asset Management Company Limited	-
9. Professor Dr. Suchada Kiranandana Director and Member of the Audit Committee	Ph.D. (Statistics), Harvard University, U.S.A.	2000 - Present Director Thai Farmers Bank Public Company Limited 2000 - Present Audit Committee Member Thai Farmers Bank Public Company Limited 1999 - Present Dean The Graduate School, Chulalongkorn University 1998 - Present Professor Department of Statistics, Faculty of Commerce and Accountancy, Chulalongkorn University	-

Name-Last Name/ Position	Education	Experiences	The Increase or (Decrease) in the TFB Shares Held in 2002
		1997 - Present President Thai Statistical Association 1991 - 1999 Dean Faculty of Commerce and Accountancy, Chulalongkorn University	
10. Professor Dr. Yongyuth Yuthavong Director and Member of the Corporate Governance Committee	Ph.D. (Organic Chemistry), Oxford University, England	2000 - Present Director Thai Farmers Bank Public Company Limited 2002 - Present Member of the Corporate Governance Committee Thai Farmers Bank Public Company Limited 1999 - Present President Thai Academy of Science and Technology 1998 - Present Acting Director Thailand Graduate Institute of Science and Technology, NSTDA 1998 - Present Senior Researcher National Center for Genetic Engineering and Biotechnology 1998 - Present Chairman ASEAN Subcommittee on Infrastructure and Resources Development ASEAN Committee on Science and Technology 1984 - Present Member of the Council of Trustee and the Board of Directors Thailand Development Research Institute Foundation	-
11. Dr. Abhijai Chandrasen Director and Legal Adviser and Member of the Advisory Board to the Management Committee	Docteur en Droit (with Honors), Paris University (Sorbonne), France	2000 - Present Director and Legal Adviser and Member of the Advisory Board to the Management Committee Thai Farmers Bank Public Company Limited	-

Name-Last Name/ Position	Education	Experiences	The Increase or (Decrease) in the TFB Shares Held in 2002
		2000 - Present Director Punyariddhi Law Office Company Limited 1994 - Present Director Sammakorn Public Company Limited 1979 - Present Director Siam Motors Parts Company Limited	
12. Mr. Charles L. Coltman, III Director and Chairman of the Human Resources and Remuneration Committee	Graduate Study in Asian Affairs American University, U.S.A.	2000 - Present Director Thai Farmers Bank Public Company Limited 2002 - Present Chairman of the Human Resources and Remuneration Committee Thai Farmers Bank Public Company Limited 2001 - Present Chairman of International Advisory Committee National City Bank 1999 - 2001 Chairman National City Bank, Philadelphia Region 1999 Vice Chairman First Union Corporation 1998 Executive Vice President & Head of Global Corporate Banking First Union Corporation 1996 - 1998 Vice Chairman CoreStates Financial Corporation 1994 - 1996 President & Chief Operating Officer CoreStates Financial Corporation	-

Name-Last Name/ Position	Education	Experiences	The Increase or (Decrease) in the TFB Shares Held in 2002
13. Mr. William Mark Evans Director and Member of the Corporate Governance Committee	M. Litt. In Management Studies, Oxford University, England	2000 - Present Director Thai Farmers Bank Public Company Limited 2002 - Present Member of the Corporate Governance Committee Thai Farmers Bank Public Company Limited 2002 - Present General Partner Benchmark Capital Europe 2002 - Present Director BridgeSpan, Inc. 1999 - Present President & CEO BridgeSpan, Inc. 1998 - 1999 Co-Head Goldman Sachs Equity Research Goldman Sachs & Co. 1997 - 1998 Co-Head Goldman Sachs Equity Capital Markets Goldman Sachs & Co. 1994 - 1997 Chairman and Managing Director Goldman Sachs Asia, Hong Kong	-
14. Ms. Elizabeth Sam Director and Member of the Audit Committee	BA Honours (Economics), University of Singapore, Singapore	2001 - Present Director and Audit Committee Member Thai Farmers Bank Public Company Limited 2001 - Present Director MPH Limited 2000 - Present Independent Director Boardroom Limited	30,000

Name-Last Name/ Position	Education	Experiences	The Increase or (Decrease) in the TFB Shares Held in 2002
		1999 - Present Director Asia Investment Corporation 1996 - 1998 Deputy President Overseas Chinese Banking Corporation	
15. Mr. Chaisak Saeng-Xuto Director and Member of the Human Resources and Remuneration Committee	MS (Engineering), University of California, Berkeley, U.S.A.	2001 - Present Director Thai Farmers Bank Public Company Limited 2002 - Present Member of the Human Resources and Remuneration Committee Thai Farmers Bank Public Company Limited 2001 - Present Adviser Siam Cement Public Company Limited 2001 - Present Adviser to the Board Siam Pulp and Paper Public Company Limited 2000 - Present Audit Committee Member Samakki Insurance Public Company Limited 1999 - Present Director Thai British Security Printing Public Company Limited 1999 - 2001 President Siam Pulp and Paper Public Company Limited 1999 - 2001 Vice Chairman United Pulp and Paper Company Limited (Philippines)	-
16. Dr. Schwin Dhammanungune Director and Member of the Human Resources and Remuneration Committee	D.B.A. (International Business Administration), US International University, U.S.A. Ph.D. (I/O Psychology), US International University, U.S.A.	2001 - Present Director Thai Farmers Bank Public Company Limited 2002 - Present Member of the Human Resources and Remuneration Committee Thai Farmers Bank Public Company Limited	-

Name-Last Name/ Position	Education	Experiences	The Increase or (Decrease) in the TFB Shares Held in 2002
		1999 - Present Member of the Regulatory Committee of International Business Program Eastern Asia University 1996 - Present Chairman of the Industrial Organization Program Faculty of Psychology, Chulalongkorn University 1995 - Present President Business Intelligence & Creativity Company Limited 1993 - Present President LEARNET International (Thailand) Company Limited	
17. Mr. Sirivuthi Siamphakdee Executive Vice President	Bachelor of Business Administration, Thammasat University	1994 - Present Executive Vice President Thai Farmers Bank Public Company Limited 1990 - 1993 First Senior Vice President Thai Farmers Bank Public Company Limited	-
18. Ms. Tida Samalapa Executive Vice President	Bachelor of Education, Chulalongkorn University	1997 - Present Executive Vice President Thai Farmers Bank Public Company Limited 1994 - 1996 First Senior Vice President Thai Farmers Bank Public Company Limited	-
19. Mr. Apichai Bunyakiat Executive Vice President	Master of Science in Commerce, St. Louis University, U.S.A.	1997 - Present Executive Vice President Thai Farmers Bank Public Company Limited 1994 - 1996 First Senior Vice President Thai Farmers Bank Public Company Limited	260

Name-Last Name/ Position	Education	Experiences	The Increase or (Decrease) in the TFB Shares Held in 2002
20. Dr. Piengchai Pookakupt Executive Vice President	Ph.D. International Business, University of Wisconsin - Madison, U.S.A. Directors Certification, Thai Institute of Directors Association	1999 - Present Executive Vice President Thai Farmers Bank Public Company Limited 1995 - 1998 First Senior Vice President Thai Farmers Bank Public Company Limited	-
21. Mr. Boontuck Wungcharoen Executive Vice President	Master of Business Administration, New York University, U.S.A.	1999 - Present Executive Vice President Thai Farmers Bank Public Company Limited 1995 - 1998 First Senior Vice President Thai Farmers Bank Public Company Limited	-
22. Mr. David Lee Hendrix Executive Vice President	Master of Arts, Tufts University, U.S.A.	2001 - Present Executive Vice President Thai Farmers Bank Public Company Limited 1997 - 2000 Executive Vice President Consumer Banking Group, Bank of Asia, Bangkok, Thailand 1995 - 1996 VP and GCB Country Head Citibank, Taiwan 1986 - 1995 General Manager and CCO Citibank, Thailand	-
23. Mr. Richard Alan Clarke Executive Vice President	Bachelor of Arts, University of Notre Dame, Indiana, U.S.A.	2002 - Present Executive Vice President Thai Farmers Bank Public Company Limited 1998 - 2001 Managing Director and Group Head- Leveraged - Finance, Philadelphia First Union Corporation, Philadelphia, PA 1995 - 1998 SVP and Senior Managing Director, Corporate Finance, Philadelphia Corest Financial, Corporation, Philadelphia, PA	-

Name-Last Name/ Position	Education	Experiences	The Increase or (Decrease) in the TFB Shares Held in 2002
		1991 - 1995 SVP and Managing Director-Syndication, Philadelphia, Corest Financial, Corporation, Philadelphia, PA	
		1989 - 1991 SVP, Specialized Banking Group Head, Philadelphia, Corest Financial, Corporation, Philadelphia, PA	
24. Mr. Wanarak Eckachai Executive Vice President	Bachelor of Science, Madison Business College, U.S.A.	December 1, 2002 - Present Executive Vice President Thai Farmers Bank Public Company Limited	-
25. Ms. Chawiwat Varophas First Senior Vice President	Master of Science, Syracuse University, U.S.A. M.B.A. (Management Data Systems), Syracuse University, U.S.A.	2001 - Present First Senior Vice President Thai Farmers Bank Public Company Limited 1996 - 2001 Senior Vice President Financial Planning Department Thai Farmers Bank Public Company Limited 1995 - 1996 Financial Planning Department Thai Farmers Bank Public Company Limited	-
26. Mr. Sasawat Virapriya First Senior Vice President	Master of Science, North Texas State University, U.S.A.	2001 - Present First Senior Vice President Thai Farmers Bank Public Company Limited 1999 - 2001 Senior Vice President Financial Planning Department Thai Farmers Bank Public Company Limited 1997 - 1999 First Vice President Financial Planning Department Thai Farmers Bank Public Company Limited	-

Name-Last Name/ Position	Education	Experiences	The Increase or (Decrease) in the TFB Shares Held in 2002
		1996 - 1997 First Vice President Manufacturing and Agro-Industry Credit Department Thai Farmers Bank Public Company Limited	
27. Mr. Som Pisarnsopon Senior Vice President Financial Planning Department	Master of Science, Carnegie - Mellon University, U.S.A.	2001 - Present Senior Vice President Financial Planning Department Thai Farmers Bank Public Company Limited 2000 First Vice President Financial Planning Department Thai Farmers Bank Public Company Limited 1998 - 1999 First Vice President Executive Services Department Thai Farmers Bank Public Company Limited	-
28. Ms. Pranee Tirasest Senior Vice President Financial Accounting Management Department	Master of Science, Carnegie - Mellon University, U.S.A.	1998 - Present Senior Vice President Financial Accounting Management Department Thai Farmers Bank Public Company Limited 1992 - 1997 First Vice President Financial Accounting Management Department Thai Farmers Bank Public Company Limited	-

Remuneration to Directors and Executives

1. Financial remuneration

1.1 Directors' remuneration: The Bank has established a set of well-defined and transparent remuneration policies for the directors. The Human Resources and Remuneration Committee has the responsibility in reviewing the policies by taking into consideration the appropriateness and alignment with the obligations and responsibilities of the Directors and the Bank's financial status, and ensuring that the remuneration is in-line with other commercial banks in the system. The member of the committee who is also a member of other committees shall receive additional remuneration according to the increased responsibilities. The Bank has already received approval on the remuneration policies from the General Meeting of Shareholders.

Sixteen directors received meeting allowances from attending the meeting of the Board of Directors, the Advisory Board to the Management Committee, the Audit Committee, the Corporate Governance Committee and the Human Resources and Remuneration Committee. These also included the remuneration for legal advisory service. In 2002, the Bank paid remuneration of Baht 31,547,000 and taxes on meeting allowances and legal advisory remuneration of Baht 10,794,799.72.

1.2 Management's remuneration: The remuneration to Management is paid according to the policies and criteria set by the Board of Directors. It ties directly to the performance of the Bank and Management. The Human Resources and Remuneration Committee shall propose to the Board of Directors for consideration and approval of appropriate remuneration.

In 2002, the Executive Board of 8 Executive Vice Presidents and the President, totally 9 persons, received remuneration including salaries, living expenses, special pension and bonuses from the Bank in total of Baht 105,549,232.70.

2. Other remuneration

The General Meeting of Shareholders No. 1/1999, approved the issuance and offering of 50 million units of warrants to the Bank's employees, except directors, in 3 phases of the ESOP program. The shareholders' delegates or the person assigned by the delegates will allocate the warrants to employees by taking into consideration competency and potential of each employee.

The warrant is a bearer, irrevocable certificate with an offering price of Baht 0 per unit. Each warrant can be used to exercise the rights to purchase one Baht 10-par common share at the price of Baht 30 per share. The Bank received approval for the offering of 18.5 million units of warrant, of which 15,612,600 units were allocated to employees in Phase 1 during November 2002. The first exercise date was on December 28, 2001 and the last exercise date is on December 30, 2005. The Bank also received approval for the offering of 5 million units of warrant in Phase 2, of which 3,962,500 units were allocated to employees. The first exercise date was on December 2002 and the last exercise date is on December 29, 2006. As of December 31, 2002, none of the warrant has been exercised.

As for Phase 3, the Bank received approval for the offering of 26.5 million units of warrants, of which 26,048,380 units were allocated to employees. The first exercise date will be in December 2003 and the last exercise date is on December 30, 2007. For Phase 3, the rules and conditions were revised according to the resolution of the General Meeting of Shareholders No.90 on April 3, 2002 as follows:

1. Adjustment of the exercise price from Baht 30 per share to the weighted average price of the last 5 trading days before the offering date, which is equal to Baht 27.82 per share
2. Adjustment of the warrant exercise dates from twice a year to four times a year. Exercise dates shall be on the last working day of March, June, September and December, within the maturity of each warrant.

The Bank's management received allocation of the warrants at the ratio of 7.68%, 11.68% and 11.28% of the total number of warrants allocated in Phase 1, Phase 2 and Phase 3, respectively.



Investments of the Thai Farmers Bank Public Company Limited in Other Companies

The following is a list of companies in which TFB, as of December 31, 2002 made investments in the form of stockholding of 10 percent or more of the total number of stocks issued.

Name of Company	Location of Corporate Headquarters	Type of Business	Total Number of Paid-up Stocks	Total Number of Stocks Held	Proportion of Total Stocks Held (%)	Type of Stock
1 Kanpai Co., Ltd. Tel 0 2270 1261 Fax 0 2270 1262	Bangkok	Services	200,000	199,993	100.00	Common Stock
2 Progress Plus Co., Ltd. Tel 0 2270 1272 Fax 0 2270 1273	Bangkok	Services	230,000	229,993	100.00	Common Stock
3 Chanthaburi Asset Management Co., Ltd. Tel 0 2693 2020 Fax 0 2693 2525	Bangkok	Services	500,000,000	499,999,993	99.99	Common Stock
4 Thonburi Asset Management Co., Ltd. Tel 0 2694 5000 Ext 5208 Fax 0 2694 5203	Bangkok	Services	800,000,000	799,999,993	99.99	Common Stock
5 Progress Land and Buildings Co., Ltd. Tel 0 2273 3884 Fax 0 2273 3883	Bangkok	Real Estate Development	20,000,000	19,999,992	99.99	Common Stock
6 Thai Farmers Research Center Co., Ltd. Tel 0 2273 1874 Fax 0 2270 1569	Bangkok	Services	100,000	99,993	99.99	Common Stock
7 Progress Facilities Management Co., Ltd. Tel 0 2273 3289-91 Fax 0 2273 3292	Bangkok	Services	50,000	49,993	99.99	Common Stock
8 Progress Management Co., Ltd. Tel 0 2273 3880-2 Fax 0 2273 3883	Bangkok	Services	60,000	59,993	99.99	Common Stock

Name of Company	Location of Corporate Headquarters	Type of Business	Total Number of Paid-up Stocks	Total Number of Stocks Held	Proportion of Total Stocks Held (%)	Type of Stock
9 Progress Storage Co., Ltd. Tel 0 2273 3833 Fax 0 2271 4784	Bangkok	Services	30,000	29,993	99.98	Common Stock
10 Progress Service Co., Ltd. Tel 0 2273 3293-4 Fax 0 2273 3292	Bangkok	Services	20,000	19,993	99.97	Common Stock
11 Progress Appraisal Co., Ltd. Tel 0 2273 3654-6 Fax 0 2270 1051	Bangkok	Services	5,000	4,992	99.84	Common Stock
12 Phatra Real Estate Public Co., Ltd. Tel 0 2693 3990-9 Fax 0 2693 3950	Bangkok	Real Estate Development	383,406,405	276,840,487	72.21	Preferred Stock
13 Thai Farmers Asset Management Co., Ltd. Tel 0 2693 2300 Fax 0 2693 2320	Bangkok	Mutual Fund Management	27,154,274	19,394,156	71.42	Common Stock
14 Progress Software Co., Ltd. Tel 0 2273 3829-30 Fax 0 2270 1197	Bangkok	Services	100,000	60,000	60.00	Common Stock
15 Thai Administration Services Co., Ltd. Tel 0 2670 9494 Fax 0 2670 9499	Bangkok	Services	10,000,000	5,099,997	51.00	Common Stock
16 Merrill Lynch Phatra Securities Co., Ltd. Tel 0 2265 1000 Fax 0 2275 0888	Bangkok	Financial Institution	250,000,000	122,499,993	49.00	Common Stock
17 Fuel Pipeline Transportation Ltd. Tel 0 2574 6180-3 Fax 0 2574 6101	Bangkok	Fuel Pipeline Transportation	7,960,000	2,481,138	31.17	Preferred Stock

Name of Company	Location of Corporate Headquarters	Type of Business	Total Number of Paid-up Stocks	Total Number of Stocks Held	Proportion of Total Stocks Held (%)	Type of Stock
18 Processing Center Co., Ltd. Tel 0 2237 6330-4 Fax 0 2634 3231	Bangkok	Services	100,000	30,000	30.00	Common Stock
19 The Bangkok Intercontinental Hotels Ltd. Tel 0 2658 1000-19 Fax 0 2658 1020-1	Bangkok	Services	1,000,000	298,700	29.87	Preferred Stock
20 N.C. Associate Co., Ltd. Tel 0 2661 5200 Fax 0 2661 4136	Bangkok	Agro-Industry	10,000	2,823	28.23	Common Stock
21 Rural Capital Partners Co., Ltd. Tel 0 2318 3958 Fax 0 2319 5019	Bangkok	Joint Venture	1,000,000	275,000	27.50	Common Stock
22 WTA (Thailand) Co., Ltd. Tel 0 2699 1609 Fax 0 2643 1881	Bangkok	Joint Venture	1,000	249	24.90	Common Stock
23 Universal Education Co., Ltd. Tel 0 3432 5780-4 Fax 0 3432 4802	Nakornpatom	Services	14,700,000	3,200,000	21.77	Common Stock
24 Progress Information Co., Ltd. Tel 0 2263 3850 Fax 0 2263 8051	Bangkok	Business	1,000,000	200,000	20.00	Common Stock
25 Thai Farmers Heller Factoring Co., Ltd. Tel 0 2290 2900 Fax 0 2275 5165	Bangkok	Factoring	1,600,000	319,999	20.00	Common Stock
26 M Grand Hotel Co., Ltd. Tel 0 2617 1949 Fax 0 2617 1940-1	Bangkok	Hotel	100,000,000	20,000,000	20.00	Common Stock

Name of Company	Location of Corporate Headquarters	Type of Business	Total Number of Paid-up Stocks	Total Number of Stocks Held	Proportion of Total Stocks Held (%)	Type of Stock
27 E.S. Industries Co., Ltd. Tel 0 2516 9124-8 Fax 0 2516 9202	Pathum Thani	Textiles	1,100,000	220,000	20.00	Common Stock
28 Unitas Co., Ltd. Tel 0 2249 0491 Fax 0 2249 0503	Bangkok	Joint Venture	110,532	21,152	19.13	Common Stock
29 Phatra Real Estate Public Co., Ltd. Tel 0 2693 3990-9 Fax 0 2693 3950	Bangkok	Real Estate Development	96,000,000	16,500,000	17.19	Common Stock
30 Manager Media Group Co., Ltd. Tel 0 2281 8333 Fax 0 2280 0724	Bangkok	Services	62,500,000	10,237,643	16.38	Common Stock
31 Siam Techno City Co., Ltd. Tel 0 2634 0655-6 Fax 0 2634 0657	Bangkok	Real Estate Development	10,000,000	1,500,000	15.00	Common Stock
32 American Appraisal (Thailand) Co., Ltd. Tel 0 2675 8403-15 Fax 0 2675 8427-8	Bangkok	Services	10,000	1,165	11.65	Common Stock
33 Phatra Insurance Public Co., Ltd. Tel 0 2276 2030-2 Fax 0 2276 2064	Bangkok	Insurance	20,000,000	2,295,200	11.48	Common Stock
34 Misuho Corporation Leasing (Thailand) Co., Ltd. Tel 0 2266 6431-6 Fax 0 2266 6440	Bangkok	Leasing	60,000	6,000	10.00	Common Stock
35 E.C. Leasing Co., Ltd. Tel 0 2664 1366 Fax 0 2664 1367	Bangkok	Leasing	100,000	10,000	10.00	Common Stock

Name of Company	Location of Corporate Headquarters	Type of Business	Total Number of Paid-up Stocks	Total Number of Stocks Held	Proportion of Total Stocks Held (%)	Type of Stock
36 Telesat Corporation Co., Ltd. Tel 0 2682 6111 Fax 0 2682 6306	Bangkok	Telecom- munications	30,000,000	3,000,000	10.00	Common Stock
37 Direct Marketing Services Public Co., Ltd. Tel 0 2436 9000 Fax 0 2436 9029	Bangkok	Services	500,000	50,000	10.00	Common Stock
38 Phatra Training Center Co., Ltd. Tel 0 2693 2845-7 Fax 0 2693 3950	Bangkok	Services	50,000	5,000	10.00	Common Stock
39 Zin Suapah Co., Ltd. Tel 0 2221 5895 Fax 0 2224 4499	Bangkok	Services	6,000	600	10.00	Common Stock
40 Seacon Development Co., Ltd. Tel 0 2721 8888 Fax 0 2721 9444	Bangkok	Real Estate Development	5,740,000	574,000	10.00	Common Stock
41 Baan Somthavil Co., Ltd. Tel 0 2332 0352 Fax 0 2332 0372-4	Bangkok	Real Estate Development	1,000,000	100,000	10.00	Common Stock
42 Mojdara Estate Co., Ltd. Tel 0 2251 2526-7 Fax 0 2252 6837	Bangkok	Real Estate Development	200,000	20,000	10.00	Common Stock
43 Sun Valley Co., Ltd. Tel 0 2226 3390 Fax 0 2222 9021	Bangkok	Real Estate Development	1,000,000	100,000	10.00	Common Stock
44 Muang Thai Holding Co., Ltd. Tel 0 2274 9400 Fax 0 2276 1997-8	Bangkok	Joint Venture	42,000,000	4,200,000	10.00	Common Stock

Name of Company	Location of Corporate Headquarters	Type of Business	Total Number of Paid-up Stocks	Total Number of Stocks Held	Proportion of Total Stocks Held (%)	Type of Stock
45 International Software Factory Co., Ltd. Tel 0 2273 1840-9 Fax 0 2270 1145	Bangkok	Services	5,000,000	500,000	10.00	Common Stock
46 Siam Foods Public Co., Ltd. Tel 0 2661 3440-7 Fax 0 2661 3422-3	Bangkok	Agro-Industry	21,000,000	2,099,930	10.00	Common Stock
47 Advance Micro Tech Co., Ltd. Tel 0 2739 4095-8 Fax 0 2739 4099	Bangkok	Electronics	600,000	60,000	10.00	Common Stock
48 Wei Poa Co., Ltd. Tel 0 2224 3839 Fax 0 2224 8031	Hongkong	Agro-Industry	5,500,000	550,000	10.00	Common Stock
49 Khunka Palang Thai Co., Ltd. Tel 0 2716 1600 Fax 0 2716 1488	Bangkok	Energy	10,000	1,000	10.00	Common Stock
50 Palit Palangngan Co., Ltd. Tel 0 2716 1600 Fax 0 2716 1488	Bangkok	Energy	10,000	1,000	10.00	Common Stock
51 Palang Thai Kaowna Co., Ltd. Tel 0 2716 1600 Fax 0 2716 1488	Bangkok	Energy	10,000	1,000	10.00	Common Stock
52 Khunka Faifa Thai Co., Ltd. Tel 0 2716 1600 Fax 0 2716 1488	Bangkok	Energy	10,000	1,000	10.00	Common Stock



Income Structure

Income structure for the year ending December 31, 2002 is as follows.

	(Million Baht)
	<u>Amounts</u>
Interest and dividend income	
1. Income from loans	25,007
1.1 Borrowing	11,353
1.2 Overdrafts	7,509
1.3 Bills	6,145
2. Interbank and money market income	3,575
2.1 Deposits	3,027
2.2 Loans	146
2.3 Securities sold under repurchase agreement	402
3. Gain on securities investment	4,756
Total interest and dividend income	33,338
Non-interest income	
1. Fees and service income	5,938
1.1 Acceptances, aval, and gurantees	568
1.2 Others	5,370
2. Gain on foreign exchanges	985
3. Other income	1,066
Total non-interest income	7,989
Total Income	41,327

Source: C.B. 5 Reporting Form

Interest and dividend income, accounting for over 80.67 percent of total income, is a main source of income. Loan income accounts for a share of 60.51 percent of total income, as followed by gains on securities investment of 11.51 percent, and income from interbank and money market items of 8.65 percent.

Of the total income, the non-interest items account for a share of 19.33 percent, especially fees and service income, now accounting for 14.37 percent.



Charitable Activities

As part of the mainstream of society where we continue to work for progress and development, the Thai Farmers Bank PCL cooperates with both public and private organizations in implementing charitable activities for social welfare, religious affairs and education. Key activities undertaken in 2002 included:

Help Me, Please Project

The Bank initiated and supported the “Help Me, Please” Project with the objective of raising Baht 100 Million in funding for ten selected foundations to help abused children. During July 10 - October 10, 2002, the Bank matching funds for every baht donated. The campaign raised Baht 50 Million from the general public, which the Bank doubled with its contribution. Widespread support came rapidly and generously. The Bank reached the fund-raising target with the general public within only 38 days, much sooner than projected. The Bank closed the donation period on August 27, 2002. This unexpected speed of success was due in large part to the support of the media, which promoted the project among all segments of society.

Royal Khatin Ceremony: Presenting Monks with Robes

On November 16, 2002, the Bank organized a Royal Khatin Ceremony at the monastery hall of Sirindhorn Thep Rattanaram Temple in Sam Phran District, Nakhon Pathom Province. The Bank raised a financial contribution of Baht 5.1 Million from the Board of Directors, its employees, customers and the general public. A total of Baht 3.5 Million was used for the construction of the hall in honor of Her Royal Highness Princess Maha Chakri Sirindhorn, and for the promotion of religious affairs. Another Baht 1.6 Million was invested in government agencies and charitable organizations that operate programs for the benefit of the public.

Scholarships

Acknowledging that education is vital to the development of children and young people, the Bank has, since 1972, provided scholarships to needy students with excellent academic records from all over the country. Last year, the Bank provided 1,271 scholarships, with a total funding of Baht 2,659,100. There were 121 scholarships provided for students in Greater Bangkok. In provinces outside the capital, 1,150 scholarships were granted, along with one grant for studies at the Master’s degree level, and six scholarships to fund the writing of student theses.

Energy Conservation

Aside from its continuing efforts and participation in charitable activities, the Bank places considerable emphasis on energy saving and conservation. Last year, the Thai Farmers Bank Ratburana Head Office building was selected as one of the best energy-saving buildings in Thailand by the Department of Energy Development and Promotions, the Ministry of Science, Technology and Environment. The honor, presented in 2002 at the annual ASEAN Energy Award organized in Brunei Darussalam, included two major awards, i.e., best in terms of replicability, and best in terms of environmental impact.

Awards and Citations

Many honorary awards and citations were given to the Bank in 2002, i.e., “Best Managed Company Award” by Asiamoney Magazine in the categories of “Best Investor Relations” and “Best Communications with Shareholders/Investors”. The Bank was also cited as the top Thai firm with outstanding good corporate governance by Euromoney Magazine. Euromoney also named the Bank in a “Best Managed Company Award.” The Bank was ranked second in Asia in the banking and financial institution group. Money and Banking Magazine honored TFB as “Bank of the Year 2002”. “Dokbia” Magazine also named Thai Farmers Bank in the “Bank of the Year Award, 2002.” The Thai Rating and Information Service (TRIS) Co., Ltd., rated the Bank’s good corporate governance practices at “Good to Excellent”, and the Office of the Consumer Protection granted an “Institution with Fair Contracts Award” to the Bank in 2002.

General Information

Thai Farmers Bank Public Company Limited (TFB) conducts commercial banking business under the regulations of the Commercial Banking Act and other related directives of the Bank of Thailand. Its head office is located at 1 Thai Farmers Lane, Ratburana Road, Bangkok 10140. The Bank’s registration number is PCL.105. Its Home Page is <http://www.gotoTFB.com>. TFB telephone numbers include 0 2470 1122 and 0 2470 1199, and fax numbers, 0 2470 1144-5. As of December 31, 2002, the Bank’s paid-up capital stood at Baht 23,530,947,170; comprising 2,352,547,372 ordinary shares at par value Baht10 totaling Baht 23,525,473,720; and 547,345 Class A preferred shares at par value Baht 10 amounting to Baht 5,473,450.

Names, Offices, Telephone Numbers, and Fax Numbers of Other Referenced Entities

<p>Registrar</p>	<ul style="list-style-type: none"> - Ordinary Shares - TFB Class A Preferred Shares. - TFB Subordinated Debentures cum the Preferred Shares No.1 due on liquidation - TFB Subordinated Debentures No.2 due 2006 - Warrants for Ordinary Shares No.3, 4 and 5 (offered to employees) - TFB 8 1/4% Subordinated Bonds due 2016 	<ul style="list-style-type: none"> : Thailand Securities Depository Company Ltd. The Stock Exchange of Thailand Building 62 Ratchadaphisek, Klongtoey Bangkok 10110 Tel. 0 2229 2800; Fax. 0 2359 1262-3 : Thai Farmers Bank Public Company Limited 1 Thai Farmers Lane, Ratburana Road, Bangkok 10140 Tel. 0 2470 1122, 0 2470 1199 Fax.0 2470 1144-5 : The Bank of New York, 101 Barclay Street, New York, N.Y. 10286 USA Tel. (212) 495-1784; Fax. (212) 635-1799
<p>Auditor</p>		<ul style="list-style-type: none"> : Mr. Supoj Singhasaneh CPA No.2826 Mr. Nirand Lilamethwat CPA No.2316 Mr. Thirdthong Thepmangkorn CPA No.3787 Ms. Wilai Buranakittisophon CPA No. 3920 KPMG Audit (Thailand) Limited Empire Tower 21-22 Fl., 195 South Sathorn Rd. Yanawa, Sathorn District, Bangkok10120 Tel. 0 2677 2000; Fax. 0 2677 2222
<p>Legal Adviser</p>		<ul style="list-style-type: none"> : Dr. Abhijai Chandrasen 22 Soi Soonthornsaratoon (On Nut 21/1) Sukhumvit 77 Suanluang District, Bangkok 10250 Tel. 0 2730 6969-76; Fax. 0 2730 6967-8



Board of Directors

Chairman

Mr. Banyong Lamsam

Vice Chairman

Pol. Gen. Pow Sarasin

Directors

Mr. Banthoon Lamsam

Mr. Sukri Kaocharern

M.R. Sarisdiguna Kitiyakara

M.R. Yongswasdi Kridakon

Mr. Somchai Bulsook

Ms. Sujitpan Lamsam

Professor Dr. Suchada Kiranandana

Professor Dr. Yongyuth Yuthavong

Dr. Abhijai Chandrasen

Mr. Charles L. Coltman, III

Mr. William Mark Evans

Ms. Elizabeth Sam

Mr. Chaisak Saeng-Xuto

Dr. Schwinn Dhammanungune



Chairman
Mr. Banyong Lamsam

Vice Chairman
Pol. Gen. Pow Sarasin



Directors
Mr. Banthoon Lamsam
Mr. Sukri Kaocharern
M.R. Sarisdiguna Kitiyakara
M.R. Yongswasdi Kridakon
Mr. Somchai Bulsook



Legal Adviser

Dr. Abhijai Chandrasen

Secretary to the Board of Directors

Ms. Tida Samalapa

Assistant Secretary to the Board of Directors

Ms. Arasa Ampornpong

Ms. Prayoosri Katanyutanon

Dr. Adit Laixuthai



Ms. Sujitpan Lamsam
Professor Dr. Suchada Kiranandana
Professor Dr. Yongyuth Yuthavong
Dr. Abhijai Chandrasen
Mr. Charles L. Coltman, III
Mr. William Mark Evans
Ms. Elizabeth Sam
Mr. Chaisak Saeng-Xuto
Dr. Schwin Dhammanungune





Executive Board

President

Mr. Banthoon Lamsam

Executive Vice President

Mr. Sirivuthi Siamphakdee

Ms. Tida Samalapa

Mr. Apichai Bunyakiat

Dr. Piengchai Pookakupt

Mr. Boontuck Wungcharoen

Mr. David Lee Hendrix

Mr. Richard Alan Clarke

Mr. Wanarak Eckachai

First Senior Vice President

Ms. Buranee Arunpairojana

Mr. Siripongs Kalayanarooj

Mr. Jirayon Sangkasuwan

Mr. Tongchai Charoensit

Mr. Pramoth Chaiamporn

Mr. Methree Pattarakornkul

Ms. Aranee Sukhavanij

Ms. Chawiwat Varophas

Ms. Patcharin Vongsiridej

Mr. Predee Daochai

Mr. Sasawat Virapriya

Mr. Tawit Thanachanan

Mr. Teeranun Srihong

Mr. Ampol Polohakul

Mr. Somkiat Sirichatchai

Mr. Krisada Lamsam

Mr. Chartchai Sundharagiati

Corporate Strategy Department

Senior Vice President

Ms. Kattiya Indaravijaya

Ms. Arasa Ampornpong

First Vice President

Ms. Prayoonsri Katanyutanon

Corporate Communications Department

Senior Vice President

Ms. Daranee Tanchaiswasd

Dr. Adit Laixuthai

E-Business Department

First Vice President

Ms. Phoranee Rhuwadhana

Overseas Office Management and Correspondent Relations Department

First Vice President

Mr. Sahaschai Siridhab

Mr. Chaivudh Chaiphon

Compliance Department

Senior Vice President

Mr. Vasant Chariyatantiwate

First Vice President

Ms. Vaurarat Hunsakulbunteng

Ms. Warathorn Engsombon

Ms. Amara Wamasuree

Internal Audit Department

Senior Vice President

Ms. Sumontip Otrakul

First Vice President

Mr. Veerasak Farkmitra

Corporate Portfolio Management Department

First Vice President

Mr. Pongpichet Nananukool

Corporate Business Marketing and Products Department

Senior Vice President

First Vice President

Multi-Corporate Banking Department

Senior Vice President

First Vice President

Corporate Banking Department

First Vice President

Ms. Nartsinee Sarnvanichpitak

Mr. Surin Seubvongpataya

Mr. Prasong Hanpiyavatanasakul

Business Banking Department

Senior Vice President

Mr. Pakorn Partanapat

First Vice President

Ms. Oratai Nateeratanakamjai

Securities Services Department

First Vice President

Ms. Pranee Buranawanachoke

Corporate Finance Department

Senior Vice President

First Vice President

Thai Farmers Bank - I.B.F. Department

Senior Vice President

First Vice President

International Trade Department

First Vice President

Mr. Vichai Dittasri

Mr. Boonyong Puapongsathorn

Cash Management Department

First Vice President

Mr. Weerachai Amornrat-Tana

Retail Portfolio and Deposit Product Management Department

First Vice President

Ms. Kanokwan Tantivongskorn

Retail Business Marketing Support Department

First Vice President

Ms. Somsri Kanungvanichkul

Branch Channel Management Department

Senior Vice President

Mr. Charcee Tirachuli

Distribution Network

Region 1

First Vice President

Mr. Chalot Nongkai

Region 2

Senior Vice President

Mr. Vichien Juprasurtporn

Region 3

First Vice President

Mr. Phole Dhanashoti

Region 4

First Vice President

Mr. Chutchaval Viruttanachai

Region 5

Vice President

Mr. Akadej Chotivanich

Region 6

First Vice President

Mr. Vinit Nopkhun

Region 7

First Vice President

Mr. Somchai Trilerklith

Region 8

Vice President

Mr. Suwat Pisuthiporn

Electronic Channel Management Department

First Vice President

Ms. Passamon Vichitkamthorn

Customer Relations Department

First Vice President

Ms. Kwannet Ratanapruk

Business and Professional Banking Department

Senior Vice President

Mr. Pattanapong Tansomboon

Credit Card Department

First Vice President

Ms. Porawan Sudsok

Consumer Loans Department

Senior Vice President

Mr. Chatchai Payuhanaveechai

Credit Policy Department

Senior Vice President

First Vice President

Credit Underwriting Department

Senior Vice President

Ms. Pannee Lertchanyakul

First Vice President

Ms. Sarunya Leelarasamee

Risk Asset Review Department

First Vice President

Mr. Dolapar Petpiroon

Credit and Collateral Control Department

Senior Vice President

Mr. Niwat Kruapat

First Vice President

Mr. Vachara Tuntariyanond

Mr. Supoj Limsopatham

Ms. Chalida Sirampuj

Ms. Warunee Chumnansipet

Debt Restructuring Department

First Vice President

Mr. Worawut Piyasachaboon

Retail Business Debt Recovery Network

Senior Vice President

Mr. Somchai Visitkitchakarn

First Vice President

Mr. Werachai Chinoraksa

Mr. Supol Khunprasert

Mr. Samphant Takasiyanant

Legal Department

Senior Vice President

Mr. Pornsak Sakpunpanom

First Vice President

Mr. Sittiporn Mahaswat

Foreclosed Property Management Department

First Vice President

Mr. Surapong Bumroongsook

Credit Information Management Department

First Vice President

Mr. Niasinn Lamsam

Information Management Department

First Vice President

Mr. Phongthawat Phuangkanok
Mr. Phairoj Daengchuang

Information System Engineering Department

Senior Vice President

Ms. Orn-Anong Thonguthai

First Vice President

Mr. Taveechai Prasitpaisal
Mr. Viraphol Sripraiwalsupakit
Mr. Wichai Jermhansa
Ms. Apiwan Suttitossatum

Process Development Department

Senior Vice President

First Vice President

Information Technology Management Department

Senior Vice President

First Vice President

Information Management Department

First Vice President

IT Infrastructure Department

Senior Vice President

Mr. Klaharn Tuntipochsopha

First Vice President

Mr. Pasakorn Pundhawong

Information Security Department

First Vice President

Mr. Surose Petchakich

Operation Supporting Department

Senior Vice President

Mr. Yuthchai Chusakpakdee

General Administration Department

Senior Vice President

Mr. Thamrong Nakornratanachai

First Vice President

Mr. Sawai Kheawkao

Fixed Asset Administration Department

Senior Vice President

First Vice President

Central Operation Department

Senior Vice President

Mr. Suwat Charoenvijitchai

First Vice President

Mr. Sakchai Sombatsrisombun

Mr. Yudhana Sinswasd

Internal Risk Management Department

Senior Vice President

Mr. Prasopsuk Damrongchietanon

Financial Planning Department

Senior Vice President

Mr. Som Pisarnsopon

Treasury Department

Senior Vice President

Mr. Surasak Dudsdeemaytha

First Vice President

Mr. Amporn Phongtratik

Financial Accounting Management Department

Senior Vice President

Ms. Pranee Tirasest

First Vice President

Ms. Pensri ROUNGpong
Ms. Siriluck Ratanachai
Mr. Wichai Yongchaitrakul

Treasury Operation Department

Senior Vice President

Ms. Chantana Soi-Ampornkun

Human Resource Management Department

First Vice President

Ms. Pranee Visitkitchakarn
Ms. Duenpen Pawakranond

Employee Relations Management Department

Senior Vice President

Mr. Thanawat Duang-Udom

Human Resource Development Department

First Vice President

Ms. Janjaree Buranavej



154 Metropolitan Branches

Asok Sub-Branch

Tel 0 2664 1350-3
Fax 0 2664 2570

Ban Thad Thong Branch

Tel 0 2215 4674-5, 0 2612 3538-41
Fax 0 2215 5971

Bang Bon Branch

Tel 0 2899 8330-7
Fax 0 2416 4396

Bang Chak Branch

Tel 0 2741 7661-5, 0 2741 8314,
0 2741 8490
Fax 0 2741 8352

Bang Kapi Branch

Tel 0 2261 0151-7, 0 2261 0160-3
Fax 0 2261 0164

Bang Khae Branch

Tel 0 2801 0690-1, 0 2801 0610-19
Fax 0 2454 2891

Bang Khen Branch

Tel 0 2930 1234-37
Fax 0 2513 9040

Bang Khun Non Branch

Tel 0 2882 5402, 0 2882 5818,
0 2882 5756
Fax 0 2882 5495

Bang Khun Thian Branch

Tel 0 2878 0023-4, 0 2878 0518-25
Fax 0 2878 0526

Bang Khunsri Sub-Branch

Tel 0 2866 4101-3
Fax 0 2866 4104

Bang Krabu Branch

Tel 0 2669 0870-6
Fax 0 2669 0877

Bang Lamphu Branch

Tel 0 2281 5187-90, 0 2629 1123-8
Fax 0 2629 0947

Bang Mot Branch

Tel 0 2428 2022, 0 2870 0224-33
Fax 0 2428 2025

Bang Pakok Branch

Tel 0 2427 2154-5, 0 2428 4251-2,
0 2874 4764-72
Fax 0 2428 3523

Bang Phlat Branch

Tel 0 2433 0072, 0 2885 3333-41
Fax 0 2434 6197

Bang Pho Branch

Tel 0 2587 0097, 0 2912 6790-9
Fax 0 2585 7700

Bang Rak Branch

Tel 0 2630 6370-7
Fax 0 2266 7540

Bang Son Branch

Tel 0 2587 0091, 0 2910 8768-9
Fax 0 2587 0094

Bang Su Branch

Tel 0 2587 0219-21, 0 2910 4144-8
Fax 0 2587 0652

Bang Yikhan Branch

Tel 0 2883 0163-9, 0 2883 2077-80
Fax 0 2433 1337

Big-C Ratburana Sub-Branch

Tel 0 2873 1268
Fax 0 2873 1269

Bukkhalo Branch

Tel 0 2877 6689-96
Fax 0 2477 2812

Chakkrawat Branch

Tel 0 2225 5807-8
Fax 0 2225 9675

Charansanitwong 11 Branch

Tel 0 2412 0068-71, 0 2864 3004-10
Fax 0 2412 8296

Charoen Nakhon 36 Sub-Branch

Tel 0 2862 7920-2
Fax 0 2862 7924

Chok Chai 4 Sub-Branch

Tel 0 2539 8735-7
Fax 0 2530 4584

Chong Nonsi Sub-Branch

Tel 0 2285 2071-3
Fax 0 2678 0844

Dao Khanong Branch

Tel 0 2877 5670-81
Fax 0 2476 4463

Din Daeng Sub-Branch

Tel 0 2248 1841, 0 2642 9603
Fax 0 2248 1843

Ekkamai Branch

Tel 0 2714 1081-8, 0 2714 0730-2
Fax 0 2714 0410

Hua Mak Branch

Tel 0 2732 2560-3, 0 2732 0920-5
Fax 0 2375 6487

Huay Kwang Branch

Tel 0 2692 1375-9, 0 2692 1382
Fax 0 2276 1820

Khlong Chan Branch

Tel 0 2733 7136-40, 0 2733 2833-8
Fax 0 2733 7141

Khlong San Branch

Tel 0 2437 0260-2, 0 2437 8254,
0 2861 0140-5
Fax 0 2439 3344

Khlong Toei Branch

Tel 0 2671 2042-5
Fax 0 2249 5011

Khlong Ton Branch

Tel 0 2717 8870-3
Fax 0 2319 8352

King Phet Branch

Tel 0 2612 0463-71
Fax 0 2612 1550

Kluai Num Thai Branch

Tel 0 2367 3111-7, 0 2367 3119-23
Fax 0 2367-3109

Lat Krabang Branch

Tel 0 2739 0187-9, 0 2739 0190-7
Fax 0 2326 7198

Lat Phrao 10 Branch

Tel 0 2938 7425-8, 0 2512 6122,
0 2938 4896
Fax 0 2512 5565

Lat Phrao 25 Branch

Tel 0 2938 3100-2, 0 2938 3040-2
Fax 0 2513 1603

Lat Phrao 67 Branch

Tel 0 2933 0960-4, 0 2539 3274
Fax 0 2539 3273

Lat Phrao 99 Branch

Tel 0 2530 0544-7, 0 2932 3289-95
Fax 0 2530 0548

Maha Phruttharam Branch

Tel 0 2639 0740-5
Fax 0 2236 5566

Mahboonkroong Center Sub-Branch

Tel 0 2216 4820, 0 2216 4822
Fax 0 2216 4821

Min Buri Branch

Tel 0 2518 1474, 0 2918 7708-12
Fax 0 2518 1475

Na-Na Nua Branch

Tel 0 2253 0484, 0 2655 0743-4,
0 2655 0735-41
Fax 0 2253 0298, 0 2655 0741

Nang Loeng Branch

Tel 0 2629 8810-14
Fax 0 2629 9379

On Nut 39 Sub-Branch

Tel 0 2322 6514-5, 0 2721 3030
Fax 0 2721 3031

On Nut Branch

Tel 0 2742 5080-4, 0 2742 4902-9
Fax 0 2332 5285

Phahon Yothin Main Branch

Tel 0 2270 1122, 0 2273 1199
Fax 0 2273 1090

Phasi Charoen Branch

Tel 0 2869 7124-6, 0 2869 7462-70
Fax 0 2869 7128

Phat Phong Branch

Tel 0 2637 0043-8, 0 2637 0470-1
Fax 0 2637 0477

Phetkasem 51 Branch

Tel 0 2801 3626-32
Fax 0 2454 2975

Pho Sam Ton Branch

Tel 0 2891 0037-8, 0 2891 0056-64
Fax 0 2465 4660

Phra Khanong Branch

Tel 0 2711 0203-8, 0 2711 2748-53
Fax 0 2711 1682

Phran Nok Branch

Tel 0 2866 1322-7, 0 2866 1427-9
Fax 0 2866 1328

Pin Klao Branch

Tel 0 2884 6380-90
Fax 0 2433 9920

Pracha Niwet 1 Sub-Branch

Tel 0 2954 3334-7, 0 2588 5041
Fax 0 2589 2914

Pratu Nam (Bai Yoke) Sub-Branch

Tel 0 2208 0120-1
Fax 0 2208 0118

Pratu Nam Pathum Wan Branch

Tel 0 2653 7423-30
Fax 0 2653 8470

Prawet

Tel 0 2726 0484-7
Fax 0 2726 0494

Ratburana Main Branch

Tel 0 2871 3650-5, 0 2428 4102-4
Fax 0 2871 3645

Ratchadamri Branch

Tel 0 2253 4997-9, 0 2655 0275-83
Fax 0 2253 1423

Ratchawat Sub-Branch

Tel 0 2243 7815-7
Fax 0 2668 5637

Sam Yaek Kaset Sub-Branch

Tel 0 2579 5286-7
Fax 0 2579 5288

Sampheng Sub-Branch

Tel 0 2622 6326-8
Fax 0 2224 8059

Samre Branch

Tel 0 2860 6818-20, 0 2860 6823-4
Fax 0 2437 8236

Sanam Pao Branch

Tel 0 2617 2315-6, 0 2617 2825-6
Fax 0 2617 2842

Sao Chingcha Branch

Tel 0 2622 0034-6, 0 2622 0659
Fax 0 2622 1344

Saphan Khwai Sub-Branch

Tel 0 2618 4196-7, 0 2618 6726,
0 2618 6728
Fax 0 2270 1356

Saphan Krung Thon Branch

Tel 0 2883 0172-9, 0 2883 1963-8
Fax 0 2433 4554

Saphan Luang Branch

Tel 0 2611 6956-8, 0 2611 6183-6
Fax 0 2215 9240

Saphan Mai Don Muang Branch

Tel 0 2972 5512-20
Fax 0 2552 6544

Saphan Phut Branch

Tel 0 2623 7504-8, 0 2623 7611-2
Fax 0 2623 7613

Seecon Square Branch

Tel 0 2721 8554-61
Fax 0 2721 8562

Si Yaek Bang Na Branch

Tel 0 2745 2900-5
Fax 0 2393 5546

Si Yaek Saphan Krung Thep Branch

Tel 0 2689 0092-8, 0 2689 0690-3
Fax 0 2689 0694

**Si Yaek Thanon Chan -
Liabkhlong Chong Nonsi
Sub-Branch**

Tel 0 2678 4101-4
Fax 0 2678 4105

Si Yaek Wang Hin Branch

Tel 0 2940 4824-28
Fax 0 2940 4840

Siam Square Branch

Tel 0 2658 1848-51, 0 2658 1755-7
Fax 0 2658 1754

Siangkong Branch

Tel 0 2639 4041-5, 0 2639 0901-4
Fax 0 2237 4990

Silom Main Branch

Tel 0 2234 7050-99
Fax 0 2234 7445

**Soi Chalaem Nimit
(Pha Du 1) Branch**

Tel 0 2688 4250-45
Fax 0 2291 1079

Soi Charurat Branch

Tel 0 2651 7093-8, 0 2651 6459-64
Fax 0 2253 3537

Soi Thong Lo Sub-Branch

Tel 0 2712 8770-2
Fax 0 2390 0457

Soi Udomsuk Sub-Branch

Tel 0 2361 7666-7
Fax 0 2361 7668

Suan Chatuchak Branch

Tel 0 2617 6040-7, 0 2272 0854
Fax 0 2272 0857

Suan Phlu Branch

Tel 0 2679 4246-53
Fax 0 2213 1362

**Sukhaphiban 1
(Bang Bon) Sub-Branch**

Tel 0 2454 4331-2
Fax 0 2454 4333

Surawong Branch

Tel 0 2639 4056-60, 0 2639 0922-5
Fax 0 2639 0927

Sukhumvit 57 Branch

Tel 0 2391 0437, 0 2392 2039,
0 2714 1089-94
Fax 0 2390 0784

Suwinthawong Nong Chok Branch

Tel 0 2543 2078-9, 0 2988 0680-7
Fax 0 2988 0692

Sutthisan Branch

Tel 0 2616 9990-5, 0 2616 6576-8
Fax 0 2616 9997

Talat Phattanakan Sub-Branch

Tel 0 2321 7426-7, 0 2722 1011
Fax 0 2321 7425

Talat Phlu Branch

Tel 0 2891 4022-9, 0 2891 4262-5
Fax 0 2891 4278

Talat Pongpetch Sub-Branch

Tel 0 2953 4015-6, 0 2589 1780
Fax 0 2589 5001

Taopoon Sub-Branch

Tel 0 2911 3126-8
Fax 0 2911 3129

Tha Phra Branch

Tel 0 2868 0125-35, 0 2868 0391
Fax 0 2457 8812

Tha Rua Sathu Pradit Branch

Tel 0 2295 0123-9, 0 2682 0172-5
Fax 0 2294 6661

Thanon Asok Din Daeng Branch

Tel 0 2641 8660-4
Fax 0 2247 7552

Thanon Bang Na-Trad Km.4 Branch

Tel 0 2399 0871-2, 0 2399 0885-6
Fax 0 2399 4275

Thanon Chan Branch

Tel 0 2212 9788-9, 0 2212 7047,
0 2211 8288
Fax 0 2673 0438

Thanon Charoen Rat Sub-Branch

Tel 0 2437 0256-8, 0 2438 8241-2
Fax 0 2437 0259

Thanon Lan Luang

Tel 0 2628 1391-6
Fax 0 2628 1406

Thanon Lang Suan Branch

Tel 0 2652 0240-2, 0 2652 0244,
0 2652 1981-5
Fax 0 2652 1987

Thanon Lat Ya Branch

Tel 0 2861 4415-25, 0 2861 5378-9
Fax 0 2438 0538

Thanon Maha Chai Branch

Tel 0 2621 0764-6, 0 2621 1622-26
Fax 0 2226 4805

**Thanon Phanit Chayakan Thonburi
Sub-Branch**

Tel 0 2865 7364-6
Fax 0 2865 7367

Thanon Phattanakan Branch

Tel 0 2321 3373-4, 0 2722 1004-8
Fax 0 2322 2589

Thanon Phetchaburi Tat Mai Branch

Tel 0 2318 4700-1, 0 2718 2320-7,
0 2716 5205-7
Fax 0 2716 5209

Thanon Pracha Chun Branch

Tel 0 2586 9352-3, 0 2913 7429-36
Fax 0 2586 0757

Thanon Pracha Uthit Branch

Tel 0 2428 7390-2, 0 2870 9103-9
Fax 0 2428 3987

Thanon Pradiphat Branch

Tel 0 2618 4168-70, 0 2618 6037-41
Fax 0 2618-6042

Thanon Rama II Branch

Tel 0 2894 0270, 0 2894 0272-80
Fax 0 2416 5554

Thanon Rama III Branch

Tel 0 2683 4250-3, 0 2683 4260-62
Fax 0 2683 4264

Thanon Rama IX Branch

Tel 0 2719 6809-13
Fax 0 2318 4820

Thanon Ramkham Haeng Sub-Branch	Thanon Sukhaphiban 1 Bang Kapi Branch	Wat Sai Branch
Tel 0 2314 1871-2, 0 2718 8066-8 Fax 0 2314 1873	Tel 0 2374 0269-72, 0 2734 8009-16 Fax 0 2375 0986	Tel 0 2416 5370, 0 2893 6285-93 Fax 0 2416 5371
Thanon Rang Nam Branch	Thanon Sukhaphiban 2 Suan Siam Branch	Wong Wan Rob Nok Branch (Ekachai-Bang Bon)
Tel 0 2642 4611-6, 0 2642 4025-6 Fax 0 2640 0128	Tel 0 2518 2040-1, 0 2919 9861-9 Fax 0 2518 2043	Tel 0 2416 5839, 0 2899 6930-9 Fax 0 2416 0356
Thanon Rarm Intra Branch	Thanon Sukhaphiban 3 Bung Kum Branch	Wong Wian 22 Karakada Branch
Tel 0 2552 3060-2, 0 2971 6508, 0 2971 6513 Fax 0 2971 6515	Tel 0 2373 0981-4, 0 2917 1731-5 Fax 0 2373 0985	Tel 0 2623 0030-2, 0 2623 3760-4 Fax 0 2224 9860
Thanon Rarm Intra Km.8 Branch	Thanon Suksawat Branch	Worachak Branch
Tel 0 2509 0520-2, 0 2510 1035 Fax 0 2510 1485	Tel 0 2877 0350-5, 0 2877 1085-9 Fax 0 2877 1090	Tel 0 2621 5633-4, 0 2621 6679-83 Fax 0 2621 5635
Thanon Ratchada Phisek (Sukhumvit-Rama IV) Branch	Thanon Witthayu Branch	Yan Nawa Branch
Tel 0 2264 0213-20 Fax 0 2264 0221	Tel 0 2252 2177-9, 0 2252 2053-4 Fax 0 2252 2055	Tel 0 2675 5120-7 Fax 0 2212 3281
Thanon Ratchada Phisek (Taksin-Thaphra) Branch	Thanon Wutthakat Sub-Branch	Yaowarat Branch
Tel 0 2476 8856-8, 0 2878 8670-5 Fax 0 2476 8862	Tel 0 2875 4536 Fax 0 2875 4535	Tel 0 2623 0016-9, 0 2623 3634-6 Fax 0 2226 4806
Thanon Ratchada Phisek Huay Kwang Branch	The Mall Bang Khae Sub-Branch	Yotse Branch
Tel 0 2693 2460-9 Fax 0 2693 2472	Tel 0 2454 9023-24 Fax 0 2454 9027	Tel 0 2224 6075-6, 0 2621 6650-2 Fax 0 2224 4819
Thanon Sathon Branch	Thewet Branch	Song Prapha-Don Muang Sub-Branch
Tel 0 2633 8013-6, 0 2236 7639-40 Fax 0 2633 8018	Tel 0 2281 4182-3, 0 2628 7380-1, 0 2628 5051-3 Fax 0 2628 5050	Tel 0 2566 4345-6 Fax 0 2566 4347
Thanon Sathu Pradit Branch	Thiam Ruam Mit Sub-Branch	Central Rama II Sub-Branch
Tel 0 2674 0164-71, 0 2674 1225-30 Fax 0 2212 2900	Tel 0 2274 4200, 0 2274 3547 Fax 0 2274 4203	Tel 0 2872 4250-2 Fax 0 2872 4555
Thanon Si Rinthon Sub-Branch	Thon Buri Branch	Central Rama III Sub-Branch
Tel 0 2881 9818, 0 2423 0787 Fax 0 2423 0918	Tel 0 2861 4357-64 Fax 0 2438 9921	Tel 0 2673 6338-8 Fax 0 2673 6492
Thanon Sri Nakharin Km.9 Sub-Branch	Tung Khru Sub-Branch	Lotus Rama IV Sub-Branch
Tel 0 2393 5850-4 Fax 0 2361 7236	Tel 0 2873 5140-2 Fax 0 2873 5144	Tel 0 2672 7953, 0 2672 7985 Fax 0 2617 4661
Thanon Suapa Main Branch	Victory Monument Sub-Branch	Tha Mall Bang Kapi Sub-Branch
Tel 0 2225 6575-6, 0 2223 1324-26 Fax 0 2225 6573	Tel 0 2644 6879-80, 0 2245 8140-1 Fax 0 2644 6881	Tel 0 2374 4261-3 Fax 0 2374 7298
	Wang Burapha Branch	
	Tel 0 2623 7035, 0 2623 7681-90 Fax 0 2225 0344	

344 Up-country Branches

Central 18 Provinces 108 Branches

Ang Thong 3 Branches

Ang Thong

Tel 0 3561 1235-6, 0 3562 3516-8
Fax 0 3561 1237

Pa Mok

Tel 0 3566 1235-6, 0 3562 3516-8
Fax 0 3566 1237

Wiset Chai Chan

Tel 0 3563 1242, 0 3562 7229-31
Fax 0 3563 1262

Ayutthaya 6 Branches

Ayutthaya

Tel 0 3525 2260-2, 0 3525 2251
Fax 0 3525 2256

Phak Hai

Tel 0 3539 1299, 0 3523 9324-5
Fax 0 3539 1298

Pratu Nam Phra In

Tel 0 3521 9524-7, 0 3536 1124-6
Fax 0 3536 1123

Sena

Tel 0 3521 7332-4, 0 3520 1826-7
Fax 0 3520 1551

Thanon Rojjana Ayutthaya

Tel 0 3521 3870-3
Fax 0 3521 3875

Wang Noi

Tel 0 3521 5286-8
Fax 0 3521 5289

Chai Nat 4 Branches

Chai Nat

Tel 0 5641 1264, 0 5641 1293,
0 5641 1330
Fax 0 5641 1331

Hankha

Tel 0 5645 1373-5, 0 5642 2722-4
Fax 0 5645 1378

Sankhaburi

Tel 0 5648 1362-3
Fax 0 5648 1004

Wat Sing

Tel 0 5646 1080-3
Fax 0 5646 1085

Kanchanaburi 2 Branches

Kanchanaburi

Tel 0 3451 1774,
0 3462 3273-4
Fax 0 3451 2382

Tha Rua

Tel 0 3463 6859-60, 0 3456 1165,
0 3456 1323
Fax 0 3456 1994

Lopburi 6 Branches

Ban Mi

Tel 0 3662 8729, 0 3662 8730-2
Fax 0 3647 1675

Khok Samrong

Tel 0 3644 1117, 0 3662 4992-3
Fax 0 3644 1581

Lam-Narai

Tel 0 3646 1151-2, 0 3646 1870-1
Fax 0 3646 1153

Nong Muang

Tel 0 3643 1100, 0 3664 8452-6
Fax 0 3643 1103

Thanon Surasongkhram Lopburi

Tel 0 3661 7280, 0 3661 7282-5,
0 3661 7278
Fax 0 3641 3761

Wong Wian Sa Kaew Lopburi

Tel 0 3641 2207, 0 3661 3770-1
Fax 0 3641 3733

Nakhon Pathom 7 Branches

Huay Plu

Tel 0 3423 9662-4
Fax 0 3438 9121

Nakhon Pathom

Tel 0 3425 3822-9, 0 3425 8902-3,
0 3421 9016
Fax 0 3425 2510

Om Yai

Tel 0 2420 5561-5, 0 2811 5860-6
Fax 0 2420 8607

Ong Phra Pathom Chedi Sub-Branch

Tel 0 3424 3910, 0 3424 3920
Fax 0 3424 3930

Sam Phran

Tel 0 3432 2991-4, 0 3422 5649-51
Fax 0 3432 2990

Thanon Phetkasem Nakhon Chaisi Sub-Branch

Tel 0 3423 0513-6
Fax 0 3423 0517

Thanon Phetkasem Nakhon Pathom

Tel 0 3421 3387-9
Fax 0 3421 3390

Nakhon Nayok 2 Branches

Nakhon Nayok

Tel 0 3732 1159-64
Fax 0 3731 1854

Ongkharak

Tel 0 3739 1486-90, 0 3732 2515-7
Fax 0 3739 1492

Nonthaburi 12 Branches**Bang Kruai**

Tel 0 2879 3060-6

Fax 0 2447 0696

Bang Yai

Tel 0 2594 0622, 0 2921 1145-56

Fax 0 2594 0626

Nonthaburi

Tel 0 2967 4023-30

Fax 0 2967 2006

Pak Kret

Tel 0 2960 8940-5, 0 2960 8949-50

Fax 0 2583 8919

Sam Yaek Nonthaburi

Tel 0 2965 9070-8, 0 2965 9082-4

Fax 0 2965 9086

Talat Amphoe Bang Kruai**Sub-Branch**

Tel 0 2883 6218-9

Fax 0 2883 6222

Talat Bang Yai Sub-Branch

Tel 0 2595 1261-3, 0 2920 0654

Fax 0 2595 1264

Thanon Chaeng Watthana

Tel 0 2982 9760-5, 0 2982 9927-30

Fax 0 2982 9934

Thanon Ngam Wong Wan

Tel 0 2591 7895, 0 2951 0930-4,

0 2591 7896-7

Fax 0 2589 5091

Thanon Ratanathibet

Tel 0 2526 8000-3, 0 2969 8085-90

Fax 0 2526 8009

Thanon Samakee Sub-Branch

Tel 0 2573 6191, 0 2573 8501

Fax 0 2573 8542

Thanon Tiwanon (Khae rai)

Tel 0 2589 0030-3, 0 2950 2005-12

Fax 0 2580 2838

Pathum Thani 11 Branches**A.I.T. Sub-Branch**

Tel 0 2524 5098-9, 0 2516 2119,

0 2516 2129

Fax 0 2516 2033

Future Park Rangsit Sub-Branch

Tel 0 2958 0971-2

Fax 0 2958 0975

Khlong 2 Thanyaburi Sub-Branch

Tel 0 2996 0772-3

Fax 0 2996 0774

Khlong 6 Thanyaburi

Tel 0 2577 2360-3

Fax 0 2577 2366

Khlong Luang

Tel 0 2516 2130-1, 0 2986 9381-6,

0 2516-2997

Fax 0 2516 2998

Lam Luk Ka Sub-Branch

Tel 0 2531 2113-4

Fax 0 2531 2128

Lat Lum Kaeo

Tel 0 2979 3434, 0 2979 3535,

0 2979 3388

Fax 0 2979 3131

Nava Nakorn

Tel 0 2909 1121-7, 0 2909 1129-30,

0 2529 2902-3

Fax 0 2529 2904

Pathum Thani

Tel 0 2978 0112-6

Fax 0 2581 1773

Rangsit

Tel 0 2959 0001-9

Fax 0 2531 4124

Talat Si Mum Muang-Rangsit

Tel 0 2536 7176-9, 0 2992 0046-54

Fax 0 2536 7171

Phetchaburi 4 Branches**Ban Laem**

Tel 0 3245 0692-4, 0 3248 1184-6,

0 3248 1119

Fax 0 3248 1118

Cha-am

Tel 0 3243 3894-6, 0 3247 1304-6

Fax 0 3247 1409

Phetchaburi

Tel 0 3242 6111-3, 0 3241 4975-9,

0 3242 7040

Fax 0 3242 6245, 0 3242 7039

Tha Yang

Tel 0 3246 1444, 0 3246 1166,

0 3246 1808

Fax 0 3246 1222

Prachuap Khiri Khan 6 Branches**Bang Saphan**

Tel 0 3254 8435-7, 0 3269 1231,

0 3269 1240

Fax 0 3269 1249

Hua Hin

Tel 0 3251 1775-6, 0 3253 0501-9,

0 3251 2555-6

Fax 0 3251 2585

Prachuap Khiri Khan

Tel 0 3260 1282, 0 3261 1488,

0 3255 0933-5

Fax 0 3261 1101

Pran Buri

Tel 0 3262 1992-3, 0 3262 1941

Fax 0 3262 1942

Sam Roi Yot

Tel 0 3268 8551-2, 0 3268 8603,

0 3257 3317-9

Fax 0 3268 8553

Thap Sakae

Tel 0 3254 6686-8, 0 3267 1166,
0 3267 1192
Fax 0 3267 1212

Ratchaburi 4 Branches**Ban Pong**

Tel 0 3221 1397, 0 3221 1904,
0 3220 0714-5
Fax 0 3220 1193

Ratchaburi

Tel 0 3231 4054-5, 0 3231 5049-56
Fax 0 3232 5834

**Thanon Pracha Niyom Ban Pong
Sub-Branch**

Tel 0 3234 4669-71
Fax 0 3220 0712

**Thanon Srisuriyawong Ratchaburi
Sub-Branch**

Tel 0 3231 0630-3
Fax 0 3231 0634

Samut Prakan 18 Branches**Bang Bo**

Tel 0 2338 1184-7, 0 2708 3780-91
Fax 0 2338 1113

Bang Khru

Tel 0 2463 6314-6, 0 2819 0856-65
Fax 0 2463 4549

Bang Mek Khao

Tel 0 2703 8524-31
Fax 0 2387 2779

Bang Phli

Tel 0 2751 0650-4, 0 2315 3447-8
Fax 0 2316 7827

Big C Suksawat

Tel 0 2464 4281-2
Fax 0 2464 4284

Khlong Dan

Tel 0 2707-3087 , 0 2330 1133-5,
0 2330 1215
Fax 0 2330 1136

Phra Pradaeng

Tel 0 2818 0990-5, 0 2818 0780-3
Fax 0 2463 1976

Phra Samut Chedi

Tel 0 2819 7747-50, 0 2819 7757-8
Fax 0 2819 7967

Pu Chao Saming Phrai

Tel 0 2754 3348-52 , 0 2754 5527-30
Fax 0 2754 5531

Samrong (Pu Chao Center)

Tel 0 2757 8963-8 , 0 2757 6007-8
Fax 0 2384 3413

Samut Prakan

Tel 0 2395 3000-2, 0 2701 7800-4
Fax 0 2701-7805

Talat Bang Bo

Tel 0 2708 4056-7, 0 2708 4686-9
Fax 0 2338 1188

Talat Namdaeng Sub-Branch

Tel 0 2754 7160-1
Fax 0 2754 7844

Talat Samut Prakan Sub-Branch

Tel 0 2387 0995, 0 2395 4175
Fax 0 2387 1794

Thanon Bang Na-Trad Km. 18

Tel 0 2740 6611-18
Fax 0 2740 6623

**Thanon Sri Nakharin Km. 15
Sub-Branch**

Tel 0 2385 7901-2, 0 2758 6000
Fax 0 2385 7149

Thanon Sri Nakharin Km. 17

Tel 0 2385 6968-71, 0 2385 6973-4
Fax 0 2385 6977

Thanon Thepharak

Tel 0 2758 2403-5 , 0 2758 2770-5,
0 2384 0348
Fax 0 2394 6966

Samut Sakhon 6 Branches**Ban Phaeo Lak Sam**

Tel 0 3485 0597-600
Fax 0 3448 1463

Om Noi Sub-Branch

Tel 0 2420 1571, 0 2420 3516
Fax 0 2420 2364

Phutta Monthon Sai 4

Tel 0 2813 1701-7 , 0 2813 1721-7
Fax 0 2420 9978

Samut Sakhon

Tel 0 3481 1087-91
Fax 0 3442 3013

Talat Samut Sakhon Sub-Branch

Tel 0 3442 7138, 0 3481 1100,
0 3481 1098
Fax 0 3442 7137

Thanon Setthakit 1 Samut Sakhon

Tel 0 3481 1093-7, 0 3481 1252-6,
0 3481 6662-9
Fax 0 3481 6671

Samut Songkhram 1 Branch**Samut Songkhram**

Tel 0 3471 1522-3, 0 3472 3333-6
Fax 0 3471 2433

Saraburi 4 Branches**Nong Khae**

Tel 0 3632 6281-5
Fax 0 3632 6290

Phra Phuttha Bat

Tel 0 3626 6716-7, 0 3626 7580
Fax 0 3626 6998

Saraburi

Tel 0 3622 0414-8, 0 3631 5470-2,
0 3622 0420
Fax 0 3622 0422

Thanon Sutbanthad Saraburi

Tel 0 3622 1132-3, 0 3631 4657-8
Fax 0 3622 1941

Sing Buri 4 Branches**In Buri**

Tel 0 3658 1490, 0 3653 3519-21
Fax 0 3658 1722

Sing Buri

Tel 0 3652 0035-7, 0 3653 0521
Fax 0 3651 1308

Talat Channasut Bang Rachan

Tel 0 3659 1478, 0 3654 4226,
0 3654 4230
Fax 0 3659 1479

Tha Chang

Tel 0 3653 6265-6
Fax 0 3659 5237

Suphan Buri 8 Branches**Dan Chang**

Tel 0 3559 5013, 0 3550 9487,
0 3659 5251
Fax 0 3559 5252

Doembang Nangbuat

Tel 0 3557 8011, 0 3557 8021,
0 3550 8672-3
Fax 0 3557 8099

Song Phi Nong

Tel 0 3553 1942-4, 0 3553 1066,
0 3553 1073
Fax 0 3553 1092

Suan Taeng

Tel 0 3559 9243-4, 0 3554 0451-3
Fax 0 3559 9245

Suphan Buri

Tel 0 3550 0590-2, 0 3551 1522-3
Fax 0 3552 2155

Talat Nangbuat

Tel 0 3540 9327-8
Fax 0 3557 8471

Thanon Malaiman Suphan Buri

Tel 0 3552 4044-6, 0 3550 0554-7
Fax 0 3552 4047

U Thong

Tel 0 3540 4202-4, 0 3555 1383,
0 3555 2251
Fax 0 3555 1405

**North 17 Provinces
71 Branches****Chiang Mai 20 Branches****Bo Sang**

Tel 0 5338 6850-1, 0 5333 9033
Fax 0 5333 9036

Chang Phuak Chiang Mai

Tel 0 5321 0201-2, 0 5321 1098-9,
0 5341 2697-9
Fax 0 5321 2013

Chom Thong

Tel 0 5334 1181-2
Fax 0 5334 1180

Fang

Tel 0 5345 1111-3, 0 5338 2657-9
Fax 0 5345 1114

Mae Chaem

Tel 0 5348 5124-5, 0 5382 8253-4
Fax 0 5382 8192

Night Bazaar Sub-Branch

Tel 0 5327 3487
Fax 0 5327 3552

Sam Yaek San Sai Sub-Branch

Tel 0 5349 1822
0 5338 0384
Fax 0 5349 1821

San Pa Tong

Tel 0 5382 3503-4, 0 5331 1111-2
Fax 0 5331 1113

Saraphi

Tel 0 5342 3248-50, 0 5332 1218
Fax 0 5332 1591

Si Yaek Sanambin Chiang Mai

Tel 0 5320 2529-37
Fax 0 5327 0825

Talat Warorot Sub-Branch

Tel 0 5325 2960-1, 0 5387 4336-8
Fax 0 5325 2961

Thanon Chang Klan Chiang Mai

Tel 0 5328 1850-3
Fax 0 5328 1859

Thanon Charoen Muang Chiang Mai

Tel 0 5324 2855, 0 5324 2971,
0 5330 8661-4
Fax 0 5324 2901

**Thanon Chiang Mai-Maejo
Sub-Branch**

Tel 0 5324 3851-2, 0 5385 4217-9,
0 5324 3854
Fax 0 5324 3853

Thanon Moon Muang Chiang Mai

Tel 0 5321 8210-3, 0 5341 8275-7
Fax 0 5321 8217

Thanon Ratchawong Chiang Mai

Tel 0 5325 1852-3, 0 5323 3838,
0 5323 3787
Fax 0 5323 3918

Thanon Si Don Chai Chiang Mai

Tel 0 5328 2085-6, 0 5320 6533-8
Fax 0 5327 9026

**Thanon Super Highway Chiang Mai
Sub-Branch**

Tel 0 5340 0334-7
Fax 0 5340 0338

Thanon Suthep Chiang Mai

Tel 0 5380 8514-6, 0 5380 8520-1
Fax 0 5380 8523

Thanon Tha Phae Chiang Mai

Tel 0 5327 0151-8, 0 5327 5472

Fax 0 5328 2679

Chiang Rai 8 Branches**Chiang Khong**Tel 0 5379 1111, 0 5379 1113,
0 5365 5393-4

Fax 0 5379 1112

Chiang RaiTel 0 5475 2225-9, 0 5471 1515,
0 5471 1520

Fax 0 5471 4003

Ha Yaek Po Khun Mengrai**Sub-Branch**

Tel 0 5374 8311-3

Fax 0 5374 8314

Huai Khrai Mae Chan Sub-Branch

Tel 0 5376 3003-4, 0 5366 7825-6

Fax 0 5376 3004

Mae Chan

Tel 0 5377 1230-2, 0 5366 0721-3

Fax 0 5377 1054

Mae SaiTel 0 5364 0786-90, 0 5373 1520,
0 5373 1515

Fax 0 5373 3101

Pa Daet

Tel 0 5365 4282-4

Fax 0 5376 1011

Thanon Super Highway Chiang Rai

Tel 0 5375 4144-5, 0 5371 7485

Fax 0 5371 7489

Kamphaeng Phet 3 Branches**Kamphaeng Phet**Tel 0 5571 1244, 0 5571 1255,
0 5571 1430

Fax 0 5571 3702

Khlong Khlung

Tel 0 5572 4383-7

Fax 0 5572 4390

Khlong Lan Kamphaeng Phet

Tel 0 5573 5250, 0 5573 5252-4

Fax 0 5578 6233

Lampang 2 Branches**Thanon Chatchai**Tel 0 5422 4830-1, 0 5422 4826-7,
0 5422 3068-9

Fax 0 5422 1994

Thanon Robwiang LampangTel 0 5432 3501-4, 0 5422 2676,
0 5422 2656

Fax 0 5422 7676

Lamphun 3 Branches**Lamphun**

Tel 0 5356 1115-7, 0 5353 4383-5

Fax 0 5356 1118

Li

Tel 0 5359 9101-2, 0 5357 0249

Fax 0 5359 9111

Pa Sang

Tel 0 5352 0228, 0 5355 7264-8

Fax 0 5352 0227

Mae Hong Son 1 Branch**Mae Hong Son**Tel 0 5361 1556, 0 5361 1558,
0 5362 0337-9

Fax 0 5361 1557

Nan 2 Branches**Nan**Tel 0 5471 0162, 0 5471 0248,
0 5475 1914-5

Fax 0 5471 0566

Pua

Tel 0 5479 1106-7, 0 5475 6414-5

Fax 0 5479 1108

Nakhon Sawan 7 Branches**Lat Yao**

Tel 0 5631 7640-2, 0 5627 1343-4

Fax 0 5627 1438

Nong Bua

Tel 0 5625 1351, 0 5632 3533-4

Fax 0 5625 1053

TakhliTel 0 5626 1520-1, 0 5626 2404,
0 5632 9007

Fax 0 5626 1972

Tha Tako

Tel 0 5636 0636-8, 0 5624 9080

Fax 0 5624 9330

Thanon Kosi Nakhon SawanTel 0 5631 2887-8, 0 5622 2130,
0 5622 2335

Fax 0 5622 5202

Thanon Sai Asia Nakhonsawan**Sub-Branch**

Tel 0 5622 9120

Fax 0 5622 9122

Thanon Sawanwithee Nakhonsawan

Tel 0 5622 1521-2, 0 5631 1500-5

Fax 0 5622 1581

Phayao 4 Branches**Chiang Kham**

Tel 0 5441 6340-3

Fax 0 5445 1432

Chun

Tel 0 5442 0186-7, 0 5442 0183

Fax 0 5445 9033

Phayao

Tel 0 5441 2209, 0 5441 2210-6

Fax 0 5443 1774

Si Yaek-Maetam Phayao Sub-Branch

Tel 0 5441 2526-9

Fax 0 5441 2530

Phetchabun 5 Branches

Dong Khui

Tel 0 5676 9223-5

Fax 0 5676 9226

Lom Sak

Tel 0 5670 2627-9

Fax 0 5670 1119

Phetchabun

Tel 0 5672 2263-4, 0 5671 1162

Fax 0 5671 1163

Sap Samo Thot

Tel 0 5673 1168, 0 5673 1170,

0 5656 1548-51

Fax 0 5673 1169

Talat Huay Phai

Tel 0 5675 0045-8

Fax 0 5675 0050

Phichit 4 Branches

Bang Mun Nak

Tel 0 5666 0758-60, 0 5663 1780-1

Fax 0 5663 1278

Phichit

Tel 0 5661 2532-4, 0 5665 0696-9

Fax 0 5661 2178

Taphan Hin

Tel 0 5662 2836-8, 0 5662 1388

Fax 0 5662 1488

Thap Khlo

Tel 0 5664 1237-8, 0 5665 4431

Fax 0 5665 4430

Phitsanulok 3 Branches

Ha Yaek Khok Matum

Tel 0 5524 5215-9, 0 5521 1730-3

Fax 0 5524 1984

Nong Tom

Tel 0 5536 6000-1, 0 5522 2429-31

Fax 0 5536 6002

Phitsanulok

Tel 0 5524 1497-9

Fax 0 5524 1744

Phrae 1 Branch

Phrae

Tel 0 5462 7230-2, 0 5451 1027,

0 5451 1359

Fax 0 5452 1483

Sukhothai 2 Branches

Sawankalok

Tel 0 5564 1550, 0 5562 3771-3

Fax 0 5564 1392

Sukhothai

Tel 0 5561 1932-3, 0 5562 0253-5

Fax 0 5561 2887

Tak 2 Branches

Mae Sot

Tel 0 5553 1020, 0 5554 4824-8,

0 5553 1420

Fax 0 5553 2738

Tak

Tel 0 5554 0609-11, 0 5551 1074

Fax 0 5551 1188

Uthai Thani 3 Branches

Lan Sak

Tel 0 5653 7002-4, 0 5652 2313-5

Fax 0 5653 7003

Nong Chang

Tel 0 5653 1037-8, 0 5652 1469-71

Fax 0 5653 1190

Uthai Thani

Tel 0 5651 1414-5, 0 5651 2306

Fax 0 5651 1962

Uttaradit 1 Branch

Uttaradit

Tel 0 5544 1829-31, 0 5544 1833-4

Fax 0 5541 2082

Northeast 19 Provinces 69 Branches

Amnat Charoen 1 Branch

Amnat Charoen

Tel 0 4551 1561-3, 0 4545 1296

Fax 0 4551 1560

Buri Ram 4 Branches

Buri Ram

Tel 0 4461 1056, 0 4461 1036,

0 4461 3458-9

Fax 0 4461 2590

Nang Rong

Tel 0 4462 4466-8, 0 4463 1356

Fax 0 4463 1863

Prakhon Chai

Tel 0 4467 1627-29, 0 4465 2008-10

Fax 0 4467 1483

Satuk

Tel 0 4462 7407-9, 0 4462 7411-4

Fax 0 4468 1325

Chaiyaphum 4 Branches

Chaiyaphum

Tel 0 4483 8015-7, 0 4481 1268-9

Fax 0 4481 1267

Kaeng Khro

Tel 0 4488 2754, 0 4483 1784-6

Fax 0 4488 2758

Phu Khieo

Tel 0 4484 4900-2, 04486 1397,

0 4486 1488

Fax 0 4486 1498

Thep Sathit

Tel 0 4485 7005, 0 4485 7066

Fax 0 4485 7131

Kalasin 1 Branch

Kalasin

Tel 0 4381 1024, 0 4381 1210,

0 4381 1498

Fax 0 4381 1497

Khon Kaen 8 Branches**Ban Phai**

Tel 0 4337 4934-6, 0 4327 2433-4

Fax 0 4327 2435

Chum Phae

Tel 0 4331 1027, 0 4331 2375

Fax 0 4331 1007

KranuanTel 0 4325 1276, 0 4325 1680,
0 4325 2205-6

Fax 0 4325 1683

Muang PhonTel 0 4341 4132, 0 4341 4332,
0 4341 5038

Fax 0 4341 4138

Thanon Mittraphap Khon Kaen

Tel 0 4332 5519-24, 0 4332 5526-7

Fax 0 4332 5442

Thanon Na Muang Khon Kaen

Tel 0 4322 5131-3, 0 4322 5771-5

Fax 0 4322 5069

Thanon Pracha Samoson Khon Kaen

Tel 0 4333 3761-7, 0 4324 3566

Fax 0 4323 7709

Thanon Sri Chan Khon Kaen**Sub-Branch**

Tel 0 4332 6154-5, 0 4322 4344

Fax 0 4332 6156

Loei 2 Branches**Loei**Tel 0 4281 1080, 0 4281 1593,
0 4281 2661

Fax 0 4281 1443

Wang SaphungTel 0 4285 0920-2, 0 4284 1448,
0 4284 1558

Fax 0 4284 1043

Maha Sarakham 2 Branches**Maha Sarakham**

Tel 0 4374 0920-4, 0 4371 1332

Fax 0 4371 1242

Wapi Pathum

Tel 0 4379 9375-8

Fax 0 4379 9380

Mukdahan 2 Branches**Mukdahan**

Tel 0 4263 1200-5

Fax 0 4263 1206

Talat Mukdahan Sub-BranchTel 0 4261 1655, 0 4261 1677,
0 4261 1056

Fax 0 4261 1620

Nakhon Phanom 3 Branches**Nakhon Phanom**

Tel 0 4251 1297, 0 4251 1878

Fax 0 4251 1411

Si Songkhram

Tel 0 4259 9160-2, 0 4259 9164

Fax 0 4259 9165

Tha Uthen

Tel 0 4258 1117-8, 0 4252 4131-3

Fax 0 4258 1116

Nakhon Ratchasima**12 Branches****Dan Khun Thot Sub-Branch**

Tel 0 4420 4875-8

Fax 0 4420 4874

Hua Tha Le Nakhon Ratchasima

Tel 0 4425 1372-4, 0 4428 9091-3

Fax 0 4425 6394

Khon Buri

Tel 0 4444 8011-2

Fax 0 4444 8012

Lotus Nakhon Ratchasima**Sub-Branch**

Tel 0 4425 6880, 0 4425 6215,

0 4426 0377

Fax 0 4425 6038

Pak ChongTel 0 4428 0383-6, 0 4431 1501,
0 4431 3685

Fax 0 4431 1387

Pak Thong Chai

Tel 0 4428 3970-1, 0 4428 3973-4

Fax 0 4444 1433

PhimaiTel 0 4428 7403-6, 0 4447 1354, .
0 4447 1352

Fax 0 4447 1394

Sam Yaek Pak Thong Chai**Nakhon Ratchasima**

Tel 0 4421 3542-3, 0 4428 2446-8

Fax 0 4421 3541

Soeng Sang

Tel 0 4444 7150-4

Fax 0 4444 7079

Thanon Chomphon**Nakhon Ratchasima**

Tel 0 4424 2526, 0 4426 8206-12

Fax 0 4425 3225

Thanon Mittraphap**Nakhon Ratchasima**

Tel 0 4426 8239-42, 0 4426 7981-3

Fax 0 4425 1367

Wang Nam Khieo

Tel 0 4422 8023-4

Fax 0 4422 8026

Nong Khai 5 Branches**Bung Kan**

Tel 0 4249 1667-9, 0 4240 3301-3

Fax 0 4249 1666

Nong Khai

Tel 0 4241 1669-70, 0 4241 1466-7
Fax 0 4241 1058

Pak Khat

Tel 0 4248 1043, 0 4240 4260-4
Fax 0 4248 0016

Si Chiang Mai Nong Khai**Sub-Branch**

Tel 0 4240 6503-5, 0 4245 1448
Fax 0 4245 1449

Tha Bo

Tel 0 4243 1329-31, 0 4240 1348-50
Fax 0 4243 1332

Roi Et 2 Branches**Roi Et**

Tel 0 4352 2790-1, 0 4351 3990,
0 4351 4992
Fax 0 4351 2426

Thanon Thevaphiban Roi Et

Tel 0 4351 3021-2, 0 4352 4627-30
Fax 0 4351 3023

Sakon Nakhon 3 Branches**Phang Khon**

Tel 0 4273 4928-30, 0 4277 1267-8
Fax 0 4277 1282

Sakon Nakhon

Tel 0 4271 1211, 0 4271 3312,
0 4273 3581-2, 0 4271 3314
Fax 0 4271 1712

Sawang Daen Din

Tel 0 4272 1588-90, 0 4273 7649-51
Fax 0 4272 1592

Si Sa Ket 3 Branches**Kantharalak**

Tel 0 4566 1159, 0 4566 1515-6
Fax 0 4566 1160

Si Sa Ket

Tel 0 4562 0708-9, 0 4561 2286,
0 4561 2411
Fax 0 4561 2874

Uthumphon Phisai

Tel 0 4569 1202-4, 0 4563 8445-7
Fax 0 4569 1440

Nong Bua Lamphu 2 Branches**Nong Bua Lamphu**

Tel 0 4236 0843-7
Fax 0 4236 0852

Si Bun Ruang

Tel 0 4235 1039-40
Fax 0 4235 1041

Surin 3 Branches**Samrong Thap**

Tel 0 4456 9098-9, 0 4456 9100-1
Fax 0 4456 9103

Sangkha

Tel 0 4457 1071-3, 0 4457 1009
Fax 0 4457 1020

Surin

Tel 0 4451 1543, 0 4451 2360,
0 4451 1653
Fax 0 4451 4416

Ubon Ratchathani 5 Branches**Det Udom**

Tel 0 4536 1488-9, 0 4528 9114-6
Fax 0 4536 1199

Phibun Mangsahan

Tel 0 4520 4817-9
Fax 0 4544 1871

Thanon Chayangkun**Ubon Ratchathani**

Tel 0 4526 1598-601, 0 4525 2801-2
Fax 0 4524 2803

Thanon Phrom Thep**Ubon Ratchathani**

Tel 0 4524 3470-3, 0 4526 1280-5
Fax 0 4525 5675

Warin Chamrap

Tel 0 4526 9416-8, 0 4532 3523
Fax 0 4526 9415

Udon Thani 6 Branches**Ban Dung**

Tel 0 4227 1097-8, 0 4227 1101
Fax 0 4227 1100

Kumphawapi

Tel 0 4233 1992, 0 4220 2941-4
Fax 0 4233 1993

Nam Som

Tel 0 4228 9174-8
Fax 0 4228 9179

Talat Ban Huay Udon Thani**Sub-Branch**

Tel 0 4224 6419
Fax 0 4224 6274

Thanon Prajak Udon Thani

Tel 0 4224 8570-5, 0 4234 4256-8
Fax 0 4222 2416

Udon Thani

Tel 0 4224 1121-2, 0 4222 1615,
0 4224 3324
Fax 0 4224 3320

Yasothon 1 Branch**Yasothon**

Tel 0 4571 2592-3
Fax 0 4571 2679

East 7 Provinces 50 Branches**Chachoengsao 8 Branches****Bang Khla**

Tel 0 3854 1846-7, 0 3882 5445-7
Fax 0 3854 1391

Bang Pakong

Tel 0 3883 2449-51, 0 3853 2814
Fax 0 3853 2815

Bang Wua Sub-Branch

Tel 0 3884 1040-2

Fax 0 3884 1043

Bus Station Chachoengsao**Sub-Branch**

Tel 0 3851 6102-3, 0 3881 2085-6

Fax 0 3881 2087

Chachoengsao

Tel 0 3881 6296-9, 0 3851 1025

Fax 0 3851 2195

Phanom Sarakham

Tel 0 3855 1464-5, 0 3883 8059-62

Fax 0 3855 1025

Suwinthawong Chachoengsao

Tel 0 3859 3470-3, 0 3884 5980-2

Fax 0 3859 3475

Talat Khlong Suan

Tel 0 3859 5061-2

Fax 0 3859 5063

Chantaburi 5 Branches**Khlung**Tel 0 3944 1659, 0 3944 1366,
0 3936 6405-7

Fax 0 3944 1367

Soi Dao

Tel 0 3938 1384-6, 0 3936 4568-70

Fax 0 3938 1387

Tha MaiTel 0 3935 6810-2, 0 3943 1122,
0 3943 1133

Fax 0 3943 1547

Thanon Sri Rong Muang Chantaburi

Tel 0 3932 5964-7, 0 3931 1525

Fax 0 3932 1172

Thanon Triratana Chantaburi

Tel 0 3932 5951-4

Fax 0 3932 1824

Chon Buri 22 Branches**Ban Bung**

Tel 0 3844 3097-8, 0 3875 0115-9

Fax 0 3844 3707

Bang Lamung

Tel 0 3836 7867-9, 0 3822 5660-3

Fax 0 3822 5664

Bang Pakong Industrial Estate

Tel 0 3821 3555-8, 0 3874 3853-6

Fax 0 3821 3560

Bo Thong

Tel 0 3821 1001-3, 0 3871 2245-7

Fax 0 3821 1005

Central Festival Pattaya Sub-Branch

Tel 0 3841 5273-4

Fax 0 3841 5277

Ko Sichang

Tel 0 3821 6131-2, 0 3821 6134

Fax 0 3821 6133

Laem Chabang

Tel 0 3849 3624-7, 0 3833 0060-2

Fax 0 3849 3628

Naklua

Tel 0 3872 7450-3

Fax 0 3872 7454

Nong Mon Chon Buri

Tel 0 3839 2601-3, 0 3874 6251-3

Fax 0 3839 2604

Nong Pru

Tel 0 3829 2444-8

Fax 0 3829 2450

Om Muang Chon Buri Sub-Branch

Tel 0 3827 1995, 0 3828 6674,

0 3879 8992

Fax 0 3879 8993

Pattaya Klang

Tel 0 3842 2335-6, 0 3872 0691-3

Fax 0 3842 5582

Pattaya Tai

Tel 0 3842 8513-5, 0 3872 3458-9,

0 3842 7695

Fax 0 3842 7696

Phanat Nikhom

Tel 0 3847 3080-3, 0 3878 8096-9

Fax 0 3847 3085

Saha Industrial Park Si Racha**Sub-Branch**

Tel 0 3876 2787-90

Fax 0 3876 2791

Sattahip

Tel 0 3843 7626-7, 0 3873 9351-3

Fax 0 3843 7666

Si Racha

Tel 0 3831 1194-5, 0 3877 2497-8

Fax 0 3832 2476

Talat Ko Pho

Tel 0 3820 9101-3, 0 3877 9747-9

Fax 0 3820 9104

Thanon Sukhumvit Chon Buri 1

Tel 0 3827 3862-6, 0 3879 0144-8

Fax 0 3827 3867

Thanon Sukhumvit Chon Buri 2

Tel 0 3827 2055-7, 0 3879 5541-4

Fax 0 3827 2058

**Thanon Sukhumvit Chon Buri 3
(Si Yaek Chalermthai)**

Tel 0 3879 4689-92, 0 3879 4559

Fax 0 3879 4593

Thanon Wachira Prakan Chon Buri

Tel 0 3827 3850-5

Fax 0 3827 3856

Prachin Buri 3 Branches**Kabin Buri**

Tel 0 3728 1879, 0 3728 1116,

0 3720 2385-7

Fax 0 3728 1880

Prachin Buri

Tel 0 3721 1440-1, 0 3720 0843-5
Fax 0 3721 2305

Simahosot

Tel 0 3727 6509-10
Fax 0 3727 6511

Rayong 5 Branches**Ban Chang**

Tel 0 3888 2875-7, 0 3860 2335-6
Fax 0 3860 2577

Klaeng

Tel 0 3867 1173, 0 3888 4119-21
Fax 0 3867 1360

Mabtapud

Tel 0 3860 7518-21
Fax 0 3860 7525

Rayong

Tel 0 3861 1007, 0 3861 2577-8,
0 3861 5855
Fax 0 3861 3969

Thanon Chantaudom Rayong

Tel 0 3861 6002-5, 0 3886 1316-8
Fax 0 3861 6006

Sa Kaeo 4 Branches**Aranyaprathet**

Tel 0 3723 1272, 0 3822 6026-7
Fax 0 3723 1072

Khlong Hat

Tel 0 3751 2251-4
Fax 0 3751 2249

Sa Kaeo

Tel 0 3722 0522-3, 0 3724 1020,
0 3724 1830
Fax 0 3724 1022

Wang Nam Yen

Tel 0 3725 1002-3, 0 3725 1802-3
Fax 0 3725 1001

Trat 3 Branches**Khlong Yai**

Tel 0 3958 1123-4, 0 3953 4345-7
Fax 0 3958 1255

Laem Ngop

Tel 0 3959 7045-6, 0 3953 8295
Fax 0 3953 8297

Trat

Tel 0 3952 0569-73, 0 3953 2853-5
Fax 0 3953 2857

**South 14 Provinces
46 Branches****Chumphon 4 Branches****Chumphon**

Tel 0 7750 1418, 0 7751 1380,
0 7751 1985
Fax 0 7750 1029

Lang Suan Chumphon

Tel 0 7758 1489-93, 0 7754 1051
Fax 0 7754 1071

Pak Nam Chumphon

Tel 0 7752 1013, 0 7752 1126,
0 7752 1132
Fax 0 7752 1620

Tha Sae

Tel 0 7759 9260-1, 0 7758 4384-6
Fax 0 7759 9262

Krabi 2 Branches**Krabi**

Tel 0 7561 1333, 0 7561 1208,
0 7563 1460-2
Fax 0 7563 1465

Talat Kao Krabi Sub-Branch

Tel 0 7561 2804, 0 7561 2805
Fax 0 7561 1512

**Nakhon Si Thammarat
5 Branches****Chandi**

Tel 0 7548 6490-3, 0 7536 4365-7
Fax 0 7548 6446

Nakhon Si Thammarat

Tel 0 7531 2085-9, 0 7534 2002-3
Fax 0 7534 2891

Talat Hua It

Tel 0 7534 5771-2, 0 7531 5062-6
Fax 0 7534 5773

Tha Sala

Tel 0 7552 1337-8, 0 7533 0088-92
Fax 0 7552 1336

Thung Song

Tel 0 7541 2842, 0 7533 2423-5
Fax 0 7541 1798

Narathiwat 3 Branches**Narathiwat**

Tel 0 7351 1360, 0 7351 1870,
0 7351 3141
Fax 0 7351 1231

Rue Soh

Tel 0 7357 1186-7, 0 7357 1515
Fax 0 7357 1196

Sungai Kolok

Tel 0 7361 1578-9, 0 7361 5501-4
Fax 0 7361 2455

Pattani 2 Branches**Pa Lat**

Tel 0 7348 5181-2, 0 7348 5185
Fax 0 7348 5186

Pattani

Tel 0 7331 1518-20, 0 7333 2685-6
Fax 0 7333 1039

Phangnga 3 Branches**Phangnga**

Tel 0 7643 0529-30, 0 7643 0250-3
Fax 0 7641 1888

Talat Yan Yao

Tel 0 7642 1555, 0 7642 1006,
0 7643 1256
Fax 0 7642 1389

Thai Muang

Tel 0 7657 1501, 0 7643 2183-4
Fax 0 7657 1203

Phatthalung 1 Branch**Phatthalung**

Tel 0 7462 7808-9, 0 7461 3150,
0 7461 3315
Fax 0 7461 2214

Phuket 3 Branches**Hat Patong**

Tel 0 7634 0447-9, 0 7629 4119-20
Fax 0 7634 0198

Phuket

Tel 0 7625 6400-1, 0 7621 3903-4
Fax 0 7621 3561

Tilok Center Phuket

Tel 0 7621 8068-70, 0 7623 2166-9
Fax 0 7621 8074

Ranong 2 Branches**Ranong**

Tel 0 7783 2188-9, 0 7783 3711-3
Fax 0 7781 1345

Thanon Saphan Pla Ranong**Sub-Branch**

Tel 0 7783 5216-8
Fax 0 7783 5219

Satun 1 Branch**Satun**

Tel 0 7473 0431-5
Fax 0 7472 1358

Surat Thani 8 Branches**Ban Ta Khun**

Tel 0 7739 7003-4, 0 7726 1200-1
Fax 0 7739 7055

Chaiburi

Tel 0 7736 7141-3, 0 7736 7147-8
Fax 0 7736 7150

Ko Samui

Tel 0 7742 1200-1, 0 7742 1210-1,
0 7723 6279-83
Fax 0 7742 0141

Phunphin

Tel 0 7731 1033, 0 7724 0160-3,
0 7731 1044
Fax 0 7731 1000

Si Yaek Sang Phet Surat Thani**Sub-Branch**

Tel 0 7721 8392, 0 7721 9346,
0 7721 9577
Fax 0 7721 9594

Surat Thani

Tel 0 7727 2200, 0 7728 2210
Fax 0 7728 3972

Thanon Talat Mai Surat Thani

Tel 0 7728 4093-5, 0 7721 3501-5
Fax 0 7728 4096

Wiang Sa

Tel 0 7736 1661-3, 0 7725 8161-3
Fax 0 7736 2007

Songkhla 8 Branches**Hat Yai Nai**

Tel 0 7423 4840-2, 0 7423 4878-9
Fax 0 7423 4849

Padang Besa

Tel 0 7452 1975-8
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Songkhla

Tel 0 7432 1068-70,
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Fax 0 7432 1071

Thanon Nakhon Nai Songkhla**Sub-Branch**

Tel 0 7432 1063-4
Fax 0 7432 1065

Thanon Phetkasem Hat Yai

Tel 0 7436 6151-2, 0 7424 6922,
0 7424 4316
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Thanon Saiburi Songkhla

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0 7432 4005
Fax 0 7431 3322

Thanon Si Phuwanat Hat Yai

Tel 0 7435 4727-31
Fax 0 7423 5770

Thanon Suphasan Rangsang Hat Yai

Tel 0 7422 0884, 0 7435 0785-8
Fax 0 7424 5233

Trang 2 Branches**Kantang**

Tel 0 7523 8100-4
Fax 0 7523 8111

Trang

Tel 0 7521 0137-8, 0 7521 1364-5,
0 7522 3217-9
Fax 0 7521 8200

Yala 2 Branches**Betong**

Tel 0 7324 5806-7, 0 7323 1385
Fax 0 7323 1386

Yala

Tel 0 7321 2729
Fax 0 7321 4190



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Bangkok Metropolitan International Trade Centers

Phahon Yothin International Trade Center

Tel : 0 2273 1400, 0 2273 1444-6
Fax : 0 2273 3631, 0 2273 1635, 0 2273 1472

Silom International Trade Center

Tel : 0 2234 7050, 0 2634 0580-9
ext. 5440, 5444
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Suapa International Trade Center

Tel : 0 2221 3131-8, 0 2222 5811-9,
0 2222 5769, 0 2222 5800
Fax : 0 2225 6575, 0 2226 1795

Sukhumvit International Trade Center

Tel : 0 2261 0133-7 ext. 411, 412
Fax : 0 2261 0145-7

Dao Khanong International Trade Center

Tel : 0 2476 0617-9, 0 2877 5641-7
ext. 405, 406
Fax : 0 2460 0109, 0 2476 0620

Navanakorn Internatioanl Trade Center

Tel : 0 2529 1572-3, 0 2529 1231,
0 2529 2343 ext. 170
Fax : 0 2529 1963, 0 2529 1522

Up-Country International Trade Centers

Laemchabang International Trade Center

Tel : 0 3833 0053-4, 0 3849 3620-1
Fax : 0 3833 0055, 0 3849 3622

Hat Yai International Trade Center

Tel : 0 7422 0501-2, 0 7423 1828
Fax : 0 7423 5772

Bangkok Metropolitan International Trade Sub-Centers

Thanon Srinakharin International Trade Sub-Center

Tel : 0 2399 4225-6, 0 2361 7235
Fax : 0 2398 0477

Ladkrabang International Trade Sub-Center

Tel : 0 2739 0191-4, 0 2326 8303-4
ext. 155-156
Fax : 0 2326 8303

Samutprakarn International Trade Sub-Center

Tel : 0 2395 3085, 0 2395 3799,
0 2701 7800-4 ext. 155-157
Fax : 0 2387 1192

Omyai International Trade Sub-Center

Tel : 0 2811 6570-4
Fax : 0 2431 2042

Thanon Sethakit 1 Samutsakhon International Trade Sub-Center

Tel : 0 3481 6662-5
Fax : 0 3481 6671

Up-Country International Trade Sub-Centers

Bangpakong International Trade Sub-Center

Tel : 0 3874 3853-5
Fax : 0 3874 3856

Chiang Mai International Trade Sub-Center

Tel : 0 5327 0151-8
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Summary of Specified Items per Form 56-2 in 2002 Annual Report

(Presented in accordance with SEC notification Ref. Kor. Jor. 40/2540 regarding Principles, conditions and methods in presentation of financial data and operation results of a company which issues securities)

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