



**Annual Report 2002**

Bank of Asia Public Company Limited



# Table of Contents

4	Financial Highlights 2002
5	Message from Chairman & President
8	Board of Directors
10	Organization Chart
12	Our Team
15	The Bank of Asia Story
18	Bank's Milestones
22	Management Discussion and Analysis
28	Risk Factors and Risk Management
32	Auditor's Report
115	Other Information
122	Report of the Board of Directors
123	Report of the Audit Committee
124	Opinion of the Audit Committee on the Bank's Internal Control System
125	Corporate Governance
129	Management Structure
134	Management List
140	Contact
146	Other Referred Persons
147	Company Information

# Because .... We care

Due to the great variety of individual needs, the 'same old services' and the 'same old products' no longer can meet the demands of today's contemporary lifestyles. Bank of Asia never stops paying attention to your needs by creating new financial services and products to anticipate and satisfy our customers' every need.

We are implementing a Customer Relationship Management project called *ASIA Care U* using the latest information technology to strengthen our relationships with our customers. The system allows us to assess the specific needs of each customer so that the customer is well cared for, given personalised advice, and served exactly what they want.

We believe that superior service must both satisfy and impress our customers – and only the best products and services from the heart can deliver such things. How do we do it? The Bank of Asia always takes good care of our customers, paying close and sincere attention. We want to see our customers smile and be able to fully trust us.

Bank of Asia has pledged to become the best Thai financial service center with a record of innovation, a reputation for professionalism and a practice founded upon the philosophy of doing right for our customers.



Customer : Vichai  
Age : 50  
Needs : Investment consulting  
in bonds, bills, or funds

Customer : Chawpaka  
Age : 42  
Needs : Loan for  
business expansion

Customer : Veerachai  
Age : 19  
Needs : Daily deposit  
of checks in  
corporate account



Customer : Joseph  
 Age : 28  
 Needs : Express transfer of money from France; exchanging Dollars to Baht

Customer : Siranee  
 Age : 24  
 Needs : A Credit Card to use while studying abroad and using our ASIA CyberBanking service

Customer : Nunghtai  
 Age : 30  
 Needs : Depositing money for her daughter

Customer : Paragon  
 Age : 25  
 Needs : Transfers between three different types of accounts and performing e-Commerce

# Financial Highlights 2002

Million Baht

## Consolidated basis

2002

2001

2000

### Balance sheet

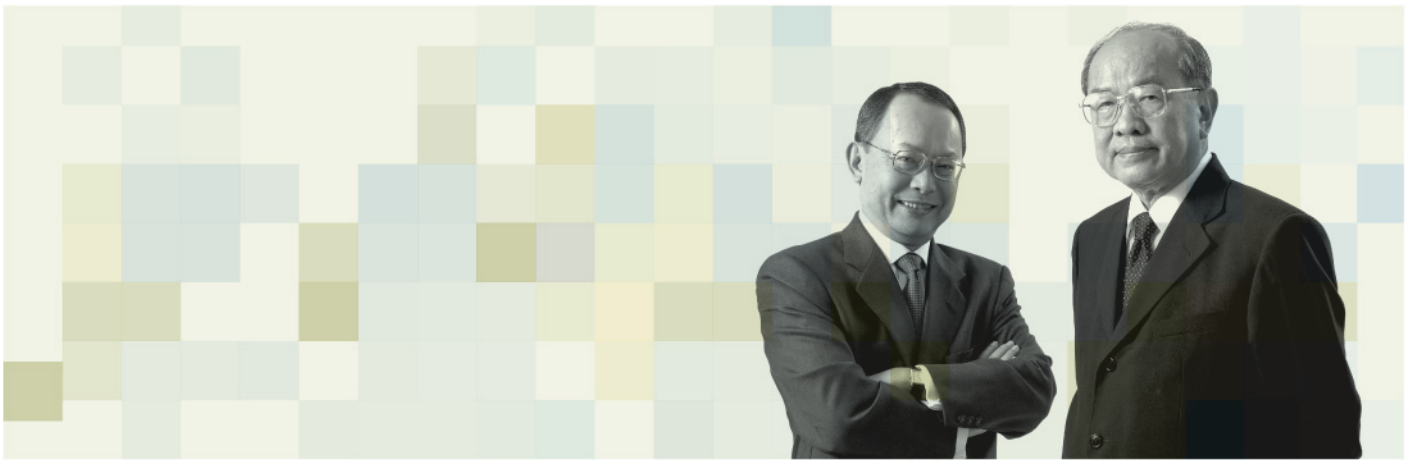
Assets	161,271	159,022	155,864
Loans	114,304	108,438	111,569
Allowance for doubtful accounts and allowance for loss on trouble debt restructuring	8,945	4,208	1,849
Deposits	138,455	139,363	134,809
Liabilities	149,542	150,381	144,089
Shareholders' equity	11,729	8,641	11,775
Capital funds	15,963	12,706	15,075

### Earnings performance

Net interest income	3,642	3,288	2,709
Non-interest income	2,465	1,756	2,315
Net profit (loss)	(3,030)	(3,812)	(4,118)

### Ratios (%)

Net interest income to average assets	2.27	2.09	1.73
Return on average assets	(1.89)	(2.42)	(2.63)
Return on average equity	(29.75)	(37.34)	(35.21)
Return on total income	(49.62)	(75.57)	(81.97)
Earning (loss) per share - Basic (Baht)	(0.66)	(1.00)	(1.31)
Dividend per share (Baht)	-	-	-
Book value per share (Baht)	2.30	2.26	3.07
Capital adequacy ratio	13.37	10.93	12.58



## Message from Chairman & President

**Dear Shareholders,**

### **General Economic Environment**

The Thai economy is showing signs of a much more robust recovery this year, with a growth rate of at least 3.5 per cent at year-end 2002, projected to reach between 4.1% and 4.9% in 2003. Inflation remained stable and low throughout 2002 despite a strong increase in domestic demand. A property-sector stimulus package offering lower fees to homebuyers encouraged the public to start spending, which when combined with declines in both loan and deposit interest rates, boosted sales of existing and newly constructed houses, as well as consumer products. Many people decided it was time to buy, reflecting confidence in the economic outlook, reasonable prices for housing, and the greater availability of financing. From 2001 and 2002, for example, a record 70,000 new houses were registered in Greater Bangkok.

The economy has thus been driven by domestic demand rather than the traditional focus on exports. This is reflected in the credit card business, which has been growing by an average of around 15% per year. However, there is still considerable room for further expansion, as card loans still account for a mere 1% of all bank portfolios, while personal loans account for only 6%, as against 14% for mortgages. As of the end of September 2002, the number of all credit cards outstanding had risen to 3.2 million from 1.7 million two years ago.

### **Economic Challenges**

Although the economy appears to be well on the road to recovery, there are still some challenges facing the country this year. The possibility of a significant spike in oil prices associated with the ongoing events in the Middle East, combined with the fragility of the world economy as a whole, are ongoing threats to a sustained recovery. Furthermore, while the Thai banking system itself is very liquid, finding qualified borrowers in the corporate sector is still problematic. The persistence of non-performing loans continues to weigh on the banking sector. Many companies are still strengthening their capital structures and are not ready for new debt financing. Factory capacity utilization rose to 62% by November last year, up substantially from the previous year's low of 54%, but needs to reach at least 80% before new investment in plant and equipment picks up. Nevertheless, the pulp, integrated circuit and petroleum-product industries are all due for new capital outlays, while new investment in car-manufacturing and related industries is expected soon.

### **Bank of Asia's Business**

Bank of Asia continues to move aggressively into new areas of consumer banking. As a result, customer numbers have increased rapidly. The number of credit cards issued by the Bank more than doubled, while the outstanding balance of personal loans increased more than 90% from year-end 2001. During the year, we launched many groundbreaking products into the market, such as our innovative "ASIA Lady Master" credit card, which exceeded all expectations and is widely recognized as a leader in this new niche market.

This year, the Bank will be launching the next phase of its ASIA Care U (ACU) customer relationship management program aimed at transforming the Bank's internal culture to help bring us closer to our many customers, as well as making our staff more sales-oriented. ASIA Care U (ACU) is a critical element in this effort, supporting our vision of being innovative, professional and doing things right for our customers.

The Bank also became the first in the country to offer "Bancassurance", in conjunction with American International Assurance (AIA), with the launch of ASIA Personal Advisor, aimed at offering financial advisory and Bancassurance services through our bank branches. As a result, we now have a total of 113 ASIA Personal Advisors to provide a range of financial assistance, not only in the Bank's products and services, but also for mutual fund investment and life insurance.

### **Capital and Asset Quality**

A rights issue in mid-year was fully subscribed, and the Bank's year-end capital adequacy ratio reached 13.4%, well above the Bank of Thailand's requirement of 8.5%. The management feels that, given the current business environment, the assets of the Bank are appropriately valued. Furthermore, the Bank has been very prudent in providing for non-performing loans. The reported net loss of Baht 3,030 million for the year 2002, in fact, was the result of the provision of five billion Baht against these. Operating profit meanwhile, was Baht 1,702 million.



## Risk Management

The Bank has noticed an overall improvement in its credit portfolio in line with the strengthening of the economy as a whole. Even in the area of outstanding loans, there has been an appreciable improvement in quality. General loan reserves have been strengthened and the Bank has cautiously expanded its lending in its traditionally prudent manner, especially to the SME sector.

Nevertheless it has been the growth in the volume of consumer assets relative to other sectors that is most evident, and the Bank has strengthened its Consumer Risk Group to meet the expansion in this market. Recently, for example, we introduced CollectNow, a delinquent loan tracking and collection system that provides an efficient and user-friendly method for the Bank to help monitor client default risk.

The Bank is well aware of the challenges of the current global environment and has augmented its risk management tools to prepare for any dramatic reverses that may impact the Thai economy. It recognizes that the adoption a comprehensive risk management system will contribute not only to its success over the long-term but also reduce the possibility of any damage to the Bank in the short-term. It has, moreover, moved to strengthen its risk management procedures in anticipation of new requirements for operational risk provisioning from the Bank for International Settlements, scheduled for introduction in 2007. This will also have the effect of improving our competitive position in the market.

## Corporate Governance

In the area of corporate governance, the Bank continues to institute and implement international best practice, and believes that our corporate governance policies and operating structure represent the highest standards in the Kingdom.

Bank of Asia has come a long way in consolidating its position in the Thai market. In 2003, your Bank will continue to give its full efforts to achieve its overall mission and provide competitive returns to all its stakeholders.



(Chavalit Thanachanan)  
*Chairman*



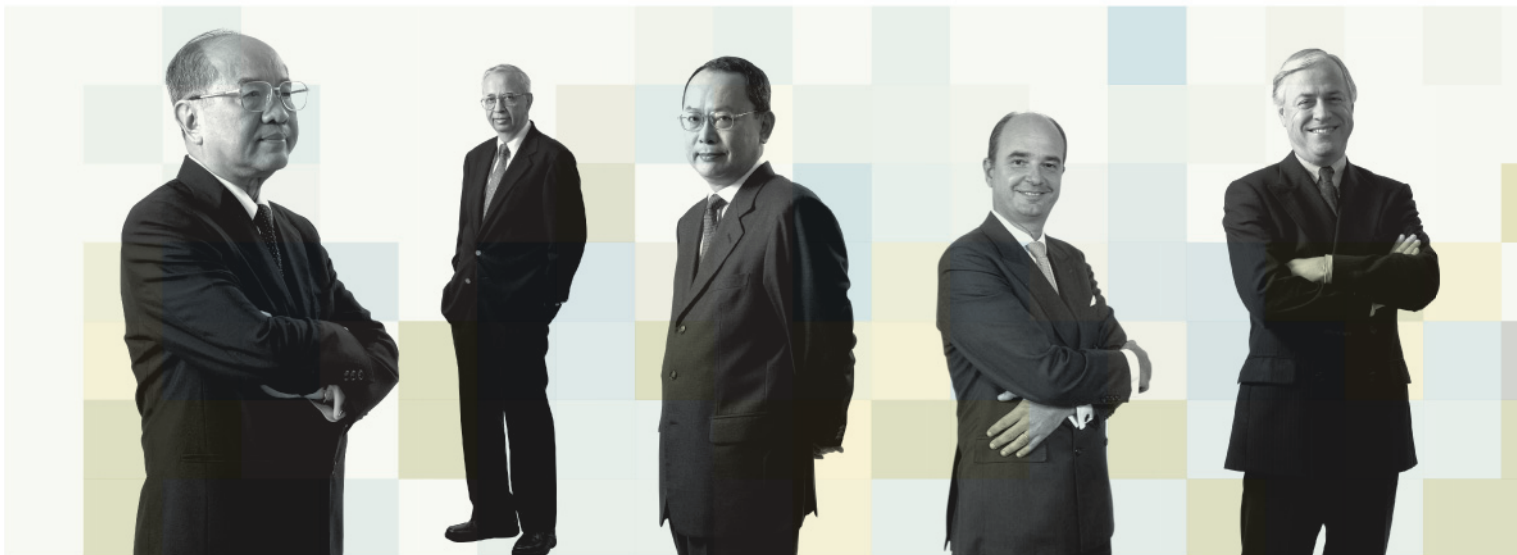
(Chulakorn Singhakowin)  
*President & CEO*

# Board of Directors

**Chavalit Thanachanan**  
Chairman (Independent Director)

**Chulakorn Singhakowin**  
Director

**Herman Mulder**  
Director



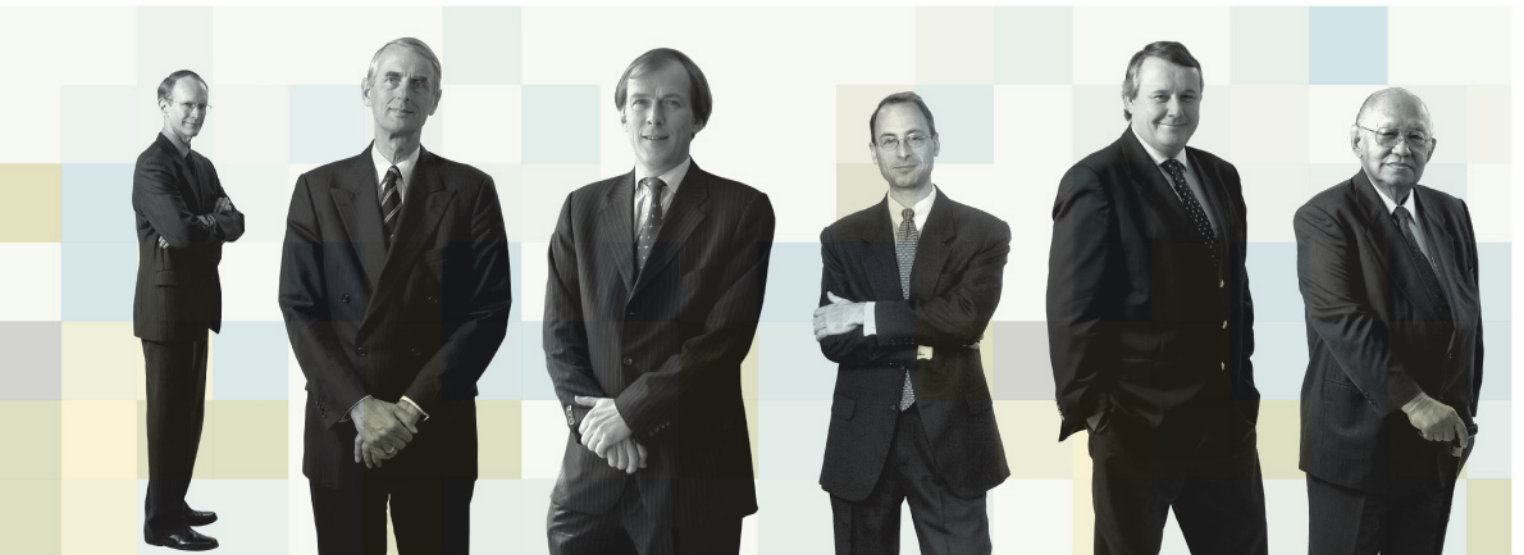
**Ammar Siamwalla**  
Independent Director

**Felix Alexander van Kleef**  
Director

James Parks Stent  
Director

Jan Peter Schmittmann  
Director

Paul C.A. Lembrechts  
Director



Jan Joost Oyevaar  
Director

Jerry Letendre  
Director

Pichai Vasanong  
Independent Director

# Organization Chart



→ Audit Division

→ Strategic Planning Project

→ Compliance

Operations Group

Central Operations Division

Organisation and Procedure Division

Information Technology Division

IT Strategy System Division

Core Systems Development Division

Financial Control Division

Collection Division

Information Management Division

Budgeting and Planning Division

Risk Management Group

Risk Management Division

Risk Analysis Division

Risk Inspection and Trading Risk Management Division

Financial Restructuring and Recovery Division

Asset Sales Management Division

Human Resources Division

Human Resources Advisors & Operations Division

Learning and Development Division

Treasury Management Division

Treasury and Fixed Income Division

# Our Team









# The Bank of Asia Story

During the past years, the staff at Bank of Asia have worked very hard to fulfill the Bank's vision: **"To become the best Thai financial service center with a record of innovation, a reputation for professionalism and a practice founded upon the philosophy of doing right for our customers."**

This vision, first enunciated in 1996, and which has given rise to the strategies we have pursued ever since, is one that everyone here fully embraces. With the advantage of this clear vision, we were able to move forward towards realizing the transformation of our banking business in advance of other financial institutions when the economy contracted. At that time, we recognized that the individual branch was the best channel to connect and build a relationship with our individual retail customers and, therefore, instigated our "Retail Transformation Program" at this level.

It took us about two years to transform our branches to conform to our new image. Gratifyingly, the public responded positively to these major changes at our branches: the redesign of their appearance, the change in atmosphere, the new IT systems platform, the interactive working processes, and the improved service delivery. As part of this transformation, back office operations moved out of the branches and were centralized at the Bank's Headquarters. This has allowed branch staff to dedicate themselves to offering and delivering products and services to our customers, while the development team at Headquarters has concentrated on developing these new products.

During the economic recession, our competitors were amazed at how our bank could continue this smooth transition without interruption. Meanwhile, ABN AMRO, the Dutch financial services group, which recognized that Bank of Asia's financial problems were the result of the prevailing economic conditions in the country rather than any specific problems with the management of the Bank itself, took the opportunity to become the majority shareholder in Bank of Asia in 1998. ABN AMRO also shared our vision and therefore decided to retain both the style of the local bank and its name: BANK OF ASIA.



Customer's Name :                      Age :  
Chawpaka                                      42

" Being a General Manager means always requires being ready for every occasion. Although I frequently go out to parties in the evening, sometimes I don't have time to prepare properly. The problem is, 'What to wear!' Once, I shopped for hours without finding the 'right' dress and finally I went to the party with lacking self-confidence. I don't want that to happen again. ASIA Lady MasterCard has helped me a lot through special services – such as ASIA Lady's Assistance Service. It can give me advice about the fashions for special parties and perform bookings. It's like having my real personal assistant or valet! When I feel like going out to a good restaurant, I don't have to worry about reservations. I can just go on working, and that's really great."



As our major shareholder, ABN AMRO Bank has strengthened our financial position as well as supporting us in accomplishing our ambition to be “an International Thai Bank” - that is a domestic bank but with an international perspective. ABN AMRO Bank also provided a number of specialist technical skills, especially in the areas of risk management, debt restructuring, international trade services, and treasury management, that augmented our existing range of services. Given our strong financial position, we were then able to concentrate on initiating new products aimed at expanding our market share.

We are proud of our success, as customers have demonstrated their preference for our products and services, and even recommended them to others. Consequently, customer numbers have increased across a broad cross-section of different customer groups. To serve the needs of each group, which range from school kids up to retirement age, we have studied and researched their life-styles and behavior. Products tailored to each stage of life were then launched and have been very well received.

We also examined the question of banking channels other than standard branches capable of provide information or consulting services to our customers at their convenience. As a result, we launched a 24-hour call center: ASIA Phone. This also had the benefit of helping reduce the workload of branch staff in answering questions over the telephone.

Bank of Asia also scored a country first by introducing the first supermarket branch open seven days a week until 8.00 in the evening. The Bank’s customers, among others, greatly appreciated the convenience of these new style supermarket branches that they could visit anytime they wanted, especially when shopping. After reviewing customer numbers, we found that these have continued to increase, which strongly suggested that we were successfully matching our products and services to our customers’ life styles. For this reason, we also decided to expand the working hours for branches located in office areas to 5.00 p.m., and opened our department stores branches on Saturday.



Customer's Name :                      Age :  
Gunn    30

“ I’m usually not in my office. I have to work outside in many places and I contact my customers by phone a lot. My mobile has become a part of my life, so I chose to go to bank by ASIA M-Banking. It fits my life style. I’m a man with limited time. Moreover, ASIA M-Alert acts as my assistant who reminds me to pay for my credit card in time. ”



The Bank recognizes that technology also can serve as the key differentiator to gain competitive advantage and to create unique value-added benefits for customers. Amidst the boom in Internet-related services, we developed and launched an e-Channel business, e-Commerce and e-Banking, to deliver on-line banking services. This provides an on-line payment gateway that is convenience for both firms and individuals. As a result, the number of customers using e-Channel transactions increased rapidly and made us the leader in Thailand in on-line banking.

Our increasing number of customers has been no obstacle for us to provide the best service to each individual customer. Service is the key factor in the banking business, something we realized very early, as products can be very easily imitated. Our competitors, for example, can readily launch the same products immediately after we have launched ours, while financial and utility payments can be made at virtually any service counter. Service meanwhile, builds trust and trust translates into loyalty. To differentiate ourselves, therefore, we implemented a Customer Relationship Management (CRM) project, which we call "ASIA Care U". This has helped align the Bank with international trends by strengthening our retail consumer focus.

As initiating new products to serve our customer's need is integral to our organizational culture, once commercial banks were permitted to operate as life insurance brokers, we concentrated on intensive courses to train our staff as Personal Advisors (PA), with cooperation of our strategic partner, AIG Group. A year later, there are an increasing number of Bancassurance customers who are keen to consult with our PAs. We now have the total of 113 ASIA Personal Advisors to offer financial information on not only the Bank's products and services, but on investment in mutual funds and life insurance as well.

To deal with an increasing number of customers, we needed an efficient IT system and, fortunately, have IBM as our technical consultant for this. While the project involved a large investment in IT, combined with a new information management system, we strongly believe that the results of this project will generate tangible benefits for both our customers and shareholders. The key is that the project will provide us with a customer database to help analyze customer behavior, and then to develop products and services tailored to meet their needs. Bank staff have been trained in the use of these new IT and information systems, and to be able to utilize and analyze this information to enhance their efficiency as well as identify new opportunities for sales and service. As a result, we are confident that the investment in this project will generate a positive return for us in the very near future.

Once the ACU Project is launched, our customers will be able to experience services that no-one else offers in Thailand, services that are: Convenient, Amiable, Reliable and Express. The first letters of each word combine to form "CARE" the standard we aspire to in our levels of services. What this means is that our customers can expect to receive the same high standards of service throughout every distribution channel in a seamless fashion. This achievement places us at the forefront of the financial services revolution in Thailand. Furthermore, we are working hard for the future to become the very best bank in terms of service overall.



■ 1996 Announcement of the Bank's Vision Statement "Vision to Action"



■ 1996 Retail Transformation



■ 1998 Became a member of ABN AMRO Bank

## Bank's Milestones

### 1996

- Announcement of the Bank's Vision Statement "To become the best Thai financial service center with a record of *innovation*, a reputation for *professionalism* and a practice founded upon the philosophy of *doing right for our customers*"
- The laying of the foundation of the "Retail Transformation" aimed at expanding our client base and becoming the leader in retail banking in Thailand

### 1998

- Became a member of ABN AMRO Bank, one of the largest banks in the world in terms of Tier 1 capital, with a global network of more than 3,400 branches in 60 countries.
- Awarded "Bank of the Year" by The Interest Magazine

### 1999

- Established a Risk Management Group to analyze, manage, and monitor the Bank's various levels of risk through the adoption of ABN AMRO's standard of practice in this area
- Became the first bank in the country to offer "Supermarket Branches" (at Tops Supermarket) where clients can access their accounts seven days a week
- Became the first bank in Thailand offering B2B and B2C e-Commerce

### 2000

- The launch of the **ASIA CyberBanking** - Internet banking service
- Implementation of the new organization structure based on the "Customer Centric" concept. Sales, Products and Marketing, Risk Management, and Operations units to be centered on the Customer. The e-Commerce & e-Banking group will embrace all these areas.
- The only Thai bank voted among the seven banks in Asia Pacific with the best service in retail banking - as surveyed by Merrill Lynch, a leading U.S. brokerage firm.



1999 Established a Risk Management Group



2000 The launch of the ASIA CyberBanking - Internet banking service



2002 The start of the "ASIA Care U"

## 2001

- Implementation of the "Key Performance Indicators" evaluation approach for headquarters' staff, after successfully using the "Balance Scorecard" for staff at our various branches
- Became the first bank to provide mobile-phone banking using both SIM Tool Kit (STK) and Wireless Application Protocol (WAP) technologies
- Voted "Best Consumer Bank 2001" by Money and Banking Magazine
- Awarded "2nd most Innovative Bank in terms of responsiveness to customers' needs"

## 2002

- Became the first bank in country to provide Bancassurance - in conjunction with AIA - with the launch of ASIA Personal Advisor aimed at developing and training the Bank's staff to provide financial advisory and Bancassurance services to our customers
- The start of the "ASIA Care U" project with the ultimate goal to enhance customer satisfaction when banking with Bank of Asia
- Introduction of a credit card exclusively for ladies: "ASIA Lady MasterCard" - The power of the Lady



Customer's Name :  
Apirat and Patcha

Age :  
32, 30

" Now, I use the ASIA VISA Card because it's convenient. There's no need to carry cash. This card alone has made my shopping very convenient, and it also provides the accident insurance. "  
" For me, I'm using an ASIA Housing lease loan. It gives me a very good loan at 85% of the assessed value of the property. The bank interest is low, and the payback period is long enough to give me peace of mind. "





**Customer :** Viphatphong  
**Age :** 52  
**Needs :** The convenient and one-stop service consulting which includes financial planning and health care

**Customer :** Somchay  
**Age :** 33  
**Needs :** Capability of performing financial transactions on weekends

**Customer :** Sira  
**Age :** 27  
**Needs :** Pay household utility bills

# เอเชีย

ทุกวัน 7000 บาท  
ถูกรักษาใจ!  
จนต้องรีบคว้า...

ทุกวัน 7000 บาท  
ถูกรักษาใจ!  
จนต้องรีบคว้า...

ทุกวัน 7000 บาท  
ถูกรักษาใจ!  
จนต้องรีบคว้า...



Customer : Buranee  
Age : 30  
Needs : Making credit card payments

Customer : Douangrutai  
Age : 28  
Needs : Supplementary credit card

Customer : Todsaporn  
Age : 25  
Needs : Personal loans

Customer : Manasporn  
Age : 7  
Needs : Savings account from pocket money

Customer : Penchan  
Age : 55  
Needs : ASIA Lady MasterCard

# Management Discussion and Analysis

2002 was another significant year in the development of the Bank of Asia. To begin with, the Board of Directors prudently decided to make a large provision for doubtful accounts during the first half of the year - a decision that had a profound impact on Bank's bottom line for the year. While it resulted in a net loss, it nevertheless had the positive effect of eliminating any market concerns about the Bank's capital adequacy.

2002 also saw the Bank begin implementing its relationship management program for its customers, "ASIA Care U" (ACU). Along with further developments in IT and MIS, the most important factor in the success of this project was in the Bank staff themselves. A quiet revolution in the internal working culture has progressively unfolded since 2000 through changes in the organizational structure, thinking, and training, all aimed at building a sales-oriented culture. Management is confident that full implementation of the ACU program will enable our staff to provide the best possible financial services to all our customers.

## Earnings Performance

Bank of Asia and its subsidiaries reported a net loss of Baht 3,030 million, or a loss of Baht 0.66 per share for 2002, following the above-mentioned provisioning set-aside announced in the first half of the year. On the operations side, however, the Bank and its subsidiaries booked an operating profit of Baht 1,702 million, an increase of 94.1% from 2001. This improvement came mainly from a reduction in the Bank's cost of funds and a boost in its non-interest income.

## Earnings Performance

	2002	2001	Million Baht % change
Interest and dividend income	6,668	7,108	(6.2)
Interest expense	(3,026)	(3,820)	(20.8)
Net interest and dividend income	3,642	3,288	10.8
Bad debt and doubtful accounts & Loss on TDR	(4,456)	(4,318)	3.2
Non interest income	2,465	1,756	40.4
Non interest expenses	(4,680)	(4,542)	3.0
Net profit (loss)	(3,030)	(3,812)	(20.5)

*Remark : Reversal (loss) on revaluation of assets Baht 4 million in 2002 and negative Baht 234 million in 2002 were grouped under Non interest income*

Due to the overall downward trend of interest rates during the year caused by excess liquidity in the market, the Bank and its subsidiaries experienced a small reduction in interest income and expenses. Interest and dividend income decreased to Baht 6,668 million, down 6.2% from 2001. Moving in the same direction, interest expenses declined by 20.8% from 2001, to Baht 3,026 million. The result was that net interest and dividend income increased 10.8%, to be booked at Baht 3,642 million.



The Bank had aggressively targeted growth in its fee and services income for 2002. Consequently, fee and services income for the year increased to Baht 1,329 million, up 35.4% from 2001. Much of this increase came from the greater range in retail banking products available to our customers, such as from the rapid uptake in card products. Furthermore, the Bank reversed its excess impairment for securities of Baht 139 million in 2002, compared to a shortfall of Baht 22 million in the previous year. This reversal was mainly due to payment of default debentures. Non-interest income for the year grew to Baht 2,465 million, an increase of 40.4% from 2001.

Operating expenses of the Bank and its subsidiaries were Baht 3,446 million, up 3.8% from the previous year. As the Bank increased the number of staff by 382 during 2002, staff expenses increased from Baht 1,578 million in 2001 to Baht 1,723 million in 2002. While fees and services expenses increased to Baht 309 million, up by 37.6% from 2001, in line with the increase in business transactions, cost of premises and equipment and other operating expenses fell significantly by Baht 105 million following the Bank and its subsidiaries' ongoing efforts to keep operating costs low.

### Operating Expenses

	2002	2001	Million Baht % change
Personnel Expenses	1,723	1,578	9.2
Premises and equipment expenses	906	957	(5.4)
Fee and service expenses	309	224	37.6
Directors' remuneration	6	6	-
Other operating expenses	502	556	(9.6)
<b>Total operating expenses</b>	<b>3,446</b>	<b>3,321</b>	<b>3.8</b>



Customer's Name :  
Loogtarn

Age :  
8

" My Mum brought me here to open my ASIA Junior account. It comes with a discount card for restaurants, clothing stores, computer schools, a theme park and so much more. Mum told me to save some of my pocket money in my account so that by the end of the year, I might get a gift or even win a scholarship. At the moment, I've got....(laugh) three thousand, two hundred and seventy-four Baht. "



In 2002, the Bank's capital expenditure was Baht 623 million. This amount can be mainly attributed to the costs of implementing the ASIA Care U project, which began this year, as well as to upgrades in the Bank's IT systems. This capital expenditure was necessary for the Bank's future growth, improvements in efficiency, and IT enhancement.

### Profitability

The Bank and its subsidiaries' non-interest income relative to total income rose to 40.4% from 34.8% in 2001, due to the significant improvement in fees and services income. Net interest and dividend income to total income was at 59.6%. As a result, the Bank and its subsidiaries showed an operating profit of 27.9% of total income, compared to 17.4% of 2001. The Bank and its subsidiaries recorded another year of net loss in their income statements, mainly resulting in the provisions set aside for bad debts and doubtful accounts. However, such losses were smaller than that of 2001.

### Percentage to Total income\*

	2002	2001
Net interest and dividend income	59.6	65.2
Non interest income	40.4	34.8
Total income	100.0	100.0
Operating expenses	56.4	65.9
Operating profit (loss)	27.9	17.4
Net profit (loss)	(49.6)	(75.6)

\* Total income = Net interest and dividend income + Non-interest income

In accordance with the Public Limited Companies Act, the payment of a dividend was not possible in 2002, as the Bank and its subsidiaries still had retained losses of Baht 28 billion as of December 31, 2002.

### Asset Quality

As at 31 December 2002, the Bank and its subsidiaries' total assets were Baht 161,271 million, an increase of 1.4% from the end of 2001. Total loans were booked at Baht 114,304 million, evidence of satisfactory growth of 5.4% compared to last year. Prior to solving the problem loans, the Bank's total loans showed an increase of 14% from the end of 2001. New loans extended during the year were provided to both commercial and consumer markets. As at year end 2002, loans extended to the manufacturing and trading sectors still accounted for the largest percentage of the Banks' loan portfolio, accounting for 24.4% and 24.8% of total loans respectively. Consumer loans accounted for 22.1% of total loans. This proportion

has progressively increased over the past four years, more than double what it was at the end of 1998. Combined with the low interest rate environment, the Bank's highly competitive strategy and the continuous development of its products and services were the keys to the growth of its personal loan portfolio.

### **Loan Portfolio**

	% of total loans	
	2002	2001
Trading	24.8	23.0
Manufacturing	24.4	26.3
Real estate	3.6	4.5
Private consumption	22.1	16.9
Services	8.6	10.4
Agriculture & forestry	2.4	4.6
Financial services	6.4	5.7
Construction	2.2	2.3
Utilities	5.2	6.0
Mining	0.3	0.3
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

On January 16, 2003, the Bank of Thailand announced a new definition for NPLs. NPLs and the loan base for calculation will now include loans that were written-off the Bank's books. Accordingly, as at December 31 2002, the Bank's NPLs (under this new definition) were equal to Baht 27,414 million, or 22.2% of the loan base. However, as this revaluation of loan written-off was for the calculation of NPLs only, no actual adjustment to the Bank's balance sheet took place at year end 2002.

As at 31 December 2002, the allowance for doubtful accounts for the Bank only increased to Baht 8,428 million, or equal to 192.2% of the Bank of Thailand's requirements, the result of the five billion baht provision made during the first half of 2002. This large provision was undertaken to act as a cushion against any unforeseen adverse circumstances than may arise. Provisions going forward, meanwhile, will only be made in the normal course of business.

The structure of classified assets as of 31 December 2002 changed only slightly from the end of 2001. The amount and the proportion of assets in Class 1 (so-called "pass" assets) increased to Baht 91,866 million, or 79% of total

classified assets. The aggregated amount of assets in classes 3, 4, and 5 were reduced from Baht 23,736 million in 2001 to Baht 21,469 million in 2002, and were also reduced as a proportion of total classified assets from 21.0% to 18.4%.

### **Classified Assets**

	2002		2001	
	Million Baht	%	Million Baht	%
Pass (1)	91,866	79.0	87,317	77.2
Special mention (2)	3,019	2.6	2,009	1.8
Substandard (3)	1,109	0.9	2,830	2.5
Doubtful (4)	2,642	2.3	4,108	3.6
Doubtful of loss (5)	17,718	15.2	16,798	14.9
<b>Total</b>	<b>116,354</b>	<b>100.0</b>	<b>113,062</b>	<b>100.0</b>

During the year, the Bank restructured a total of Baht 9,648 million in problem loans. Following the debt restructuring process, property foreclosures increased to Baht 13,515 million, up 11.0%. The Bank managed this portfolio in a proactive fashion by:

- a.) Liquidation in the case of marketable assets, and
- b.) Project development, for some hard-core assets.

During 2002, the Bank sold property that had been foreclosed worth a total of Baht 1,404 million and earned Baht 91 million in profits from these sales.

The Bank also liquidated some Government Bonds during the year from its available-for-sales portfolio and so doing realized a capital gain. These profits were then reinvested in its short-term investment portfolio.

### **Source of Funds**

As at 31 December 2002, the Bank's deposits equaled Baht 138,455 million, a reduction of 0.7% from year end 2001. However, deposits still accounted for 85.9% of the Bank's total funding. Nevertheless, rigorous asset and liability management guidelines have allowed the Bank to build up its long-term fixed deposits. The Bank's deposit mix is now composed of 18.1% long-term fixed deposits (24-60 month), while saving deposits - the lowest cost funding - also grew to account for 42.9% of total deposits.

The loan-to-deposit ratio of the Bank increased slightly to 82.6%, following the increase in loans made during the year.

The Bank increased its capital in June 2002 by offering common shares to its existing shareholders via a rights issue of one new share for 2.75 existing shares, at Baht 5 per share. The cash call from the issue was Baht 6,339 million, increasing the Bank's shareholder equity to Baht 11,729 million as at December 31 2002.

**Capital Adequacy**

Following both the capital increase and the provision made earlier in the year, the Bank's total capital funds stood at Baht 15,963 million. These capital funds comprised Baht 10,576 million in Tier 1 capital, and Baht 5,387 million in Tier 2 capital. The total capital adequacy ratio far exceeded the 8.5% minimum required by the Bank of Thailand, standing at 13.4% of total risk-weighted assets. Tier 1 capital was strong at 8.9% and Tier 2 capital was 4.5%. These capital funds do not include the net profit of Baht 870 million for the six-month period ended December 31, 2002. Once approval from the Annual General Shareholders' Meeting is received, this net profit will be eligible for inclusion in the capital funds. Tier 1 capital and the total capital adequacy, hence, will be 9.6% and 14.1%, respectively.

**Capital Adequacy**

	2002		2001	
	Million Baht	%	Million Baht	%
Total capital	15,963	13.4	12,706	10.9
Tier 1 capital	10,576	8.9	8,135	7.0
Tier 2 capital	5,387	4.5	4,570	3.9



Customer's Name : Santi  
 Age : 26

" My Job is to look for clothes for models to either rent or borrow. If I don't have enough cash, ASIA e-CASH always helps me out. Asking people for money is not easy at all. When I knew that Bank of Asia offered ASIA e-CASH loans without a customer guarantee, every time I am short of money, I just go straight there. I'm relieved. And my number-one card is the ASIA VISA Electron, a three-in-one card – as an ATM card, a debit card, or for ASIA e-CASH overdrafts. "

" I also use ASIA Instant Cash personal loans when I want to buy expensive things because of the equal monthly payments and low interest. It's so convenient for me. "



# Risk Factors and Risk Management

The Bank recognizes that economic volatility and bank operational risk inevitability will have an impact on the Bank's overall performance. In adopting a comprehensive risk management system, it will contribute not only to its success over the long-term but also will reduce the possibility of any damage to the Bank as well. As a result, the Risk Management Division has been established to develop and implement the Bank's risk management policies, the categories of which are based on the characteristics of risk exposure as follows:

## **Credit Risk Management**

Credit risk is the risk of a borrower failing or being unable to fulfill his/her obligations to the Bank. Bank of Asia manages overall credit risk through its Risk Management Committee. The responsibilities of this committee include considering and, where appropriate, approving credit proposals, establishing an overall credit policy, determining risk management procedures, and, where necessary, delegating credit approval authority by appointing various risk management sub-committees.

The risk management organization is kept entirely independent of the sales function of the Bank, and consists broadly of the following units:

1. The Risk Analysis Division, whose responsibilities include:
  - Analyzing credit proposals prepared by the sales unit. Credit analysts will provide the Risk Management Committee or the relevant sub-committee with advice on whether the industry risk, the borrower's business risk or financial risk are at levels acceptable to the Bank. Credit analysts may also recommend changes in the credit facility structure or in the collateral in order to reduce the level of the credit risk.
  - Proposing risk management policy, procedures and processes for further consideration by the Risk Management Committee.
  - Reporting on the Bank's loan portfolio to the Risk Management Committee. The report is used by the Committee to evaluate the composition and the status of the portfolio in relation to the Bank's overall business plan and the overall economy.
2. The Risk Inspection and Trading Risk Management Division
  - Ensures that the Bank's risk management processes are adhered to, and risk management information is properly reported in line with the rules of both BoA and the Bank of Thailand.
  - Establishes credit limits as recommended by the Risk Management Committee, or any of the sub-committees.
  - Ensures the safekeeping and control of the credit, legal, and collateral documentation.

For the risks associated with fluctuations in collateral value, the Bank's Appraisal Department will assess all collateral offered, and the Appraisal Committee will determine and approve the collateral's value. In addition, it is the Bank's practice to use distressed or enforced sales valuations that are often considerably lower than fair market value when considering requests for credit.

## **Market Risk Management**

Market Risks are those risks that arise from changes in interest rates, foreign exchange rates or prices of securities, which may impact the bank's overall performance. Market Risk Management is organized by separating these responsibilities among the following units:

1. The Asset and Liabilities Committee sets the policy and guidelines to manage the overall risks of the Bank arising from products that are likely to be affected by interest rate or exchange rate changes, and approves the limits on these products.
2. The Treasury Management Division (which reports directly to the President in his role as the Chairman of the ALCO) is responsible for the tactical execution of the Committee's policies and the day-to-day management in accordance with the strategic direction and limits established by ALCO.
3. The Treasury Services Department (which reports to the Operations Group) is responsible for ensuring that operations are carried out in terms of the Treasury trader's instructions, confirming/validating contracts with counter parties, and effecting settlement. It is also responsible for the regular preparation of reports for management.
4. Trading Risk Management (which reports to the Risk Management Group) is responsible for monitoring any exposures against the limits set, and reports any instances where these limits are exceeded.

In monitoring and controlling market risk in accordance with these policies, the bank utilizes the following combination of measurements and methodologies:

- The daily marked-to-market valuation of all trading portfolios.
- Limits are set for the trading and investment portfolios of each business product, plus the daily monitoring of their exposures to ensure that they do not exceed these limits
- The daily monitoring of Value at Risk (VaR) of each trading product as well as total VaR.
- The daily monitoring of the "stress test".

## **Liquidity Risk Management**

The liquidity risk of the Bank is managed by the Assets and Liabilities Management Committee (ALCO), which follows a liquidity management policy and action plan that has been approved by the Bank's Board of Directors. In compliance with the policy guidelines of Bank of Thailand, the main objectives of the Bank's management systems are as follows:

1. To ensure that appropriate liquidity management systems are in place capable of meeting the repayment of all financial obligations and contingent liabilities
2. To have available sources of funds or liquid assets to handle any crisis that may impact either the Bank or the economy in general.

The Bank also regularly reviews its liquidity management policy and action plan, as well as promptly responding to any material change in the Bank's business strategy, in order to adapt its policy and plans to conform to the changed circumstances. The action plan includes:

- a) A strategy for liquidity management
- b) Dedicated units responsible for liquidity management in both normal operations and in times of a crisis
- c) Set limits or benchmarks for the monitoring of liquidity risk
- d) An established structure of sources and an appropriate usage of funds
- e) Contingency plans for handling any given liquidity crisis scenario
- f) Communication plans for dealing with rumors as well as to protect the image of the Bank

The principal units responsible for liquidity management are:

1. The Assets and Liabilities Management Committee - normally holds meetings on a weekly basis in order to review and consider the liquidity position of the Bank, and various strategies for liquidity management, plus the economic, political and market conditions that may impact the liquidity status or operation of the Bank.
2. Treasury Management Division - engages in day-to-day liquidity management, following guidelines set by the Assets and Liabilities Management Committee, and also invests any excess liquidity in financial instruments.

### **Operational Risk Management**

The Operational Risk Management Unit (ORM) was incorporated in September 2001. Its ultimate goals are:

1. To reduce the possibility of Operational Losses
2. To exercise control of operational risk to meet Bank for International Settlements requirements

The Committee is chaired by the President, and also includes members from the various key units of the Bank.

In 2002, the Bank implemented a range of efficient and effective operational risk tools provided by ABN AMRO. These include the following:

1. Risk Self-Assessment (RSA): is an operational self-assessment tool for use by each unit/department. RSA also sets out an action plan for risk management and monitoring, assigns responsibility to individuals, and also indicates when adjustments are required.
2. Corporate Loss Database (CLD): stores data on the Bank's operational losses on an ongoing basis. The threshold for this is Baht 250,000.
3. Other Risk Approval Processes (ORAP): Involves a controlled sign-off approach to any major new products, systems or organization changes that may have an impact on the operational risk on the Bank as a whole.



# Financial Statements

32	Auditor's Report
34	Balance Sheets
37	Statements of Income
39	Consolidated Statement of Changes in Shareholders' Equity and Statement of Changes in Shareholders' Equity
42	Statement of Cash Flows
44	Notes to Financial Statements

# Auditor's Report

## **To the Shareholders of Bank of Asia Public Company Limited:**

I have audited the consolidated balance sheets of Bank of Asia Public Company Limited and subsidiaries as at December 31, 2002 and 2001, and the related consolidated statements of income, changes in shareholders' equity and cash flows for the years then ended and the separate financial statements of Bank of Asia Public Company Limited for the same years then ended. The Bank's management is responsible for the correctness and completeness of information presented in these financial statements. My responsibility is to express an opinion on these financial statements based on my audits.

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

The actual allowance for doubtful accounts at December 31, 2000 was 165.94% of the calculated allowance for doubtful accounts based on loans and accrued interest receivables classified in accordance with the Notification of the Bank of Thailand on a consolidated basis and 166.42% for the Bank only. However, in order to comply with generally accepted accounting principles at that date, the Bank and subsidiary should have provided additional allowance for doubtful accounts for uncollectible debt. The Bank's loans were in the process of being collected, restructured, renegotiated and qualitatively reviewed, which might have affected the classification of loans and accrued interest receivables and the resulting estimate of allowance for doubtful accounts. The effects of the additional allowance for doubtful accounts on the financial statements as at and for the year ended December 31, 2000 have not been determined. The Bank has provided the additional allowance for doubtful accounts in drawing up its financial statements for the year ended December 31, 2001.

In my opinion, the accompanying financial statements of Bank of Asia Public Company Limited and subsidiaries as at and for the year ended December 31, 2002 present fairly, in all material respects, the consolidated financial position of Bank of Asia 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 results of operations and cash flows of Bank of Asia Public Company Limited for the same period, in conformity with generally accepted accounting principles.

In my opinion, except for the effects on the statements of income, changes in shareholders' equity and cash flows for the year ended December 31, 2001 of the matters mentioned in the third paragraph, the consolidated balance sheet of Bank of Asia Public Company Limited and subsidiaries as at December 31, 2001 and the consolidated statements of income, changes in shareholders' equity and cash flows for the year ended December 31, 2001 and the equivalent separate financial statements of Bank of Asia Public Company Limited, which have been presented for comparative purposes, present fairly, in all material respects, the consolidated financial position of Bank of Asia Public Company Limited and subsidiaries at December 31, 2001, and the consolidated results of their operations and cash flows for the year then ended, and the separate financial position and results of operations and cash flows of Bank of Asia Public Company Limited for the same period, in conformity with generally accepted accounting principles.

I draw attention to Note 2.1 to the financial statements. The operations of the Bank have been affected and will continue to be affected for the foreseeable future by the economic conditions in Thailand and the Asia Pacific Region in general. The ultimate effect that these uncertainties may have on the Bank's business cannot presently be determined.



**Nirand Lilamethwat**  
*Certified Public Accountant*  
*Registration Number 2316*

Bank of Asia Public Company Limited and Subsidiaries

# Balance Sheets

As at December 31, 2002 and 2001

(Amounts in Baht)

ASSETS	Consolidated Financial Statements		Bank Only Financial Statements	
	2002	2001	2002	2001
Cash	3,264,613,897	2,121,910,769	3,264,525,615	2,121,828,462
Interbank and money market items (Note 6)				
Domestic items				
Interest bearing	1,113,484,637	2,234,757,460	1,045,434,016	2,212,038,443
Non-interest bearing	1,545,867,207	1,440,069,353	1,550,698,946	1,436,210,264
Foreign items				
Interest bearing	7,550,628,816	7,800,510,746	7,550,628,816	7,800,510,746
Non-interest bearing	440,742,271	232,788,566	440,742,271	232,788,566
Total Interbank and Money Market Items - net	10,650,722,931	11,708,126,125	10,587,504,049	11,681,548,019
Securities purchased under resale agreements (Note 7)	300,000,000	900,000,000	300,000,000	900,000,000
Investments (Notes 4.3, 4.4, 8 and 22)				
Current investments - net	5,405,097,506	957,990,464	5,405,097,506	957,990,464
Long-term investments - net	16,623,242,586	20,730,368,829	16,596,182,866	20,704,335,569
Investments in subsidiaries and associated companies - net	147,842,296	137,041,583	532,525,998	191,410,944
Total Investments - net	22,176,182,388	21,825,400,876	22,533,806,370	21,853,736,977
Loans and accrued interest receivables				
Loans (Notes 4.6, 4.8, 9 and 22)	114,303,738,057	108,438,202,355	114,404,439,608	109,106,483,288
Accrued interest receivables	1,048,836,091	1,189,000,343	1,044,877,644	1,183,833,917
Total Loans and Accrued Interest Receivables	115,352,574,148	109,627,202,698	115,449,317,252	110,290,317,205
Less Allowance for doubtful accounts (Notes 4.7 and 10)	(8,613,715,518)	(3,905,631,868)	(8,427,900,118)	(3,704,505,299)
Less Revaluation allowance for debt restructuring (Notes 4.8 and 11)	(330,895,944)	(302,205,139)	(330,895,944)	(302,205,139)
Loans and Accrued Interest Receivables - net	106,407,962,686	105,419,365,691	106,690,521,190	106,283,606,767
Properties foreclosed - net (Note 4.11 and 12)	13,514,594,678	12,171,904,238	13,539,379,734	12,194,913,948
Customers' liabilities under acceptances	325,925,813	232,609,642	325,925,813	232,609,642
Premises and equipment - net (Note 4.12 and 13)	2,766,625,818	2,681,387,021	2,386,162,180	2,248,593,931
Leasehold improvements - net (Note 4.12)	361,994,134	377,612,677	359,439,248	373,942,856
Other accounts receivable	490,843,261	606,666,481	182,450,688	571,734,953
Assets under construction and installation	340,993,381	117,246,855	340,993,381	117,246,855
Goodwill (Note 4.3)	9,491,208	11,145,975	-	-
Other assets - net	660,950,344	848,786,625	605,729,867	792,156,622
<b>Total Assets</b>	<b>161,270,900,539</b>	<b>159,022,162,975</b>	<b>161,116,438,135</b>	<b>159,371,919,032</b>

Notes to the financial Statement form an integral part of these financial statements

# Balance Sheets

As at December 31, 2002 and 2001

(Amounts in Baht)

LIABILITIES AND SHAREHOLDERS' EQUITY	Consolidated Financial Statements		Bank Only Financial Statements	
	2002	2001	2002	2001
Deposits (Note 14)				
Deposits in Baht	137,286,321,125	138,176,134,320	137,363,632,241	138,232,776,584
Deposits in foreign currencies	1,168,981,251	1,186,469,599	1,168,981,251	1,186,469,600
Total Deposits	138,455,302,376	139,362,603,919	138,532,613,492	139,419,246,184
Interbank and money market items (Note 15)				
Domestic items				
Interest bearing	953,576,914	2,447,326,123	943,377,656	2,441,784,275
Non-interest bearing	182,172,373	129,537,358	182,172,373	129,537,358
Foreign items				
Interest bearing	15,486,673	4,970,147	15,486,673	4,970,147
Non-interest bearing	343,365,509	396,149,000	343,365,509	396,149,000
Total Interbank and Money Market Items	1,494,601,469	2,977,982,628	1,484,402,211	2,972,440,780
Liabilities payable on demand	1,187,756,390	848,450,571	1,187,756,390	848,450,571
Securities sold under repurchase agreements (Note 16)	400,000,000	–	400,000,000	–
Borrowings				
Long-term borrowings (Note 17)	4,925,172,650	4,921,479,317	4,925,172,650	4,921,479,317
Total Borrowings	4,925,172,650	4,921,479,317	4,925,172,650	4,921,479,317
Bank's liabilities under acceptances	325,925,813	232,609,642	325,925,813	232,609,642
Accrued interest payable	628,627,178	750,271,180	629,654,736	751,443,224
Other liabilities	2,124,528,140	1,287,288,803	1,901,926,320	1,584,772,399
Total Liabilities	149,541,914,016	150,380,686,060	149,387,451,612	150,730,442,117

Notes to the financial Statement form an integral part of these financial statements

# Balance Sheets

As at December 31, 2002 and 2001

(Amounts in Baht)

LIABILITIES AND SHAREHOLDERS' EQUITY	Consolidated Financial Statements		Bank Only Financial Statements	
	2002	2001	2002	2001
SHAREHOLDERS' EQUITY				
Share capital (Note 19)				
Authorized share capital, Baht 10 par value				
5,382,844,520 ordinary shares for 2002				
Baht 10 each	53,828,445,200		53,828,445,200	
4,661,345,081 ordinary shares for 2001				
Baht 10 each		46,613,450,810		46,613,450,810
Issued and fully paid-up share capital				
5,095,446,713 ordinary shares for 2002	50,954,467,130		50,954,467,130	
3,827,580,479 ordinary shares for 2001		38,275,804,790		38,275,804,790
Discount on share capital	(11,145,837,378)	(4,806,506,208)	(11,145,837,378)	(4,806,506,208)
Unrealized increment on assets appraisal (Note 4.12)	751,683,579	769,854,998	751,683,579	769,854,998
Unrealized loss on investment in securities - net (Note 8.4)	(372,385,189)	(264,141,263)	(372,385,189)	(264,141,263)
Unrealized gain (loss) on cash flow hedging instruments (Notes 4.10 and 18)	(96,759,603)	1,142,208	(96,759,603)	1,142,208
Retained earnings (deficit)				
Appropriated				
Statutory reserve (Note 20)	367,591,201	367,591,201	367,591,201	367,591,201
Other reserve	72,000,000	72,000,000	72,000,000	72,000,000
Unappropriated (deficit)	(28,801,773,217)	(25,774,268,811)	(28,801,773,217)	(25,774,268,811)
Total Shareholders' Equity	11,728,986,523	8,641,476,915	11,728,986,523	8,641,476,915
<b>Total Liabilities and Shareholders' Equity</b>	<b>161,270,900,539</b>	<b>159,022,162,975</b>	<b>161,116,438,135</b>	<b>159,371,919,032</b>
OFF- BALANCE SHEET ITEMS - CONTINGENCIES (Note 21)				
Avals to bills and guarantees of loans	860,428,148	943,172,712	860,428,148	943,172,712
Liability under unmatured import bills	1,827,722,793	1,318,498,184	1,827,722,793	1,318,498,184
Letters of credit	3,394,353,797	2,465,931,801	3,394,353,797	2,465,931,801
Other contingencies	90,106,523,120	102,175,626,063	90,106,523,120	102,175,626,063

Notes to the financial Statement form an integral part of these financial statements

# Statements of Income

For the Years Ended December 31, 2002 and 2001

(Amounts in Baht)

	Consolidated Financial Statements		Bank Only Financial Statements	
	2002	2001	2002	2001
Interest and dividend income				
Loans (Note 4.1)	5,469,781,385	5,875,782,105	5,480,724,705	5,872,576,173
Interbank and money market items	376,472,735	555,400,612	376,026,216	568,441,149
Hire purchase and financial lease income (Note 4.2)	47,152,322	35,494,377	–	–
Investment	774,127,922	641,423,878	773,649,872	637,200,193
<b>Total Interest and Dividend Income</b>	<b>6,667,534,364</b>	<b>7,108,100,972</b>	<b>6,630,400,793</b>	<b>7,078,217,515</b>
Interest expenses (Note 4.5)				
Deposits	2,615,580,349	3,220,905,093	2,616,701,687	3,213,658,258
Interbank and money market items	80,843,681	350,098,250	80,865,894	350,581,721
Long-term borrowings	329,583,545	249,165,202	329,583,545	249,165,202
<b>Total Interest Expenses</b>	<b>3,026,007,575</b>	<b>3,820,168,545</b>	<b>3,027,151,126</b>	<b>3,813,405,181</b>
Net income from interest and dividends	3,641,526,789	3,287,932,427	3,603,249,667	3,264,812,334
Bad debt and doubtful accounts	(4,279,590,110)	(4,123,961,705)	(4,295,992,730)	(4,094,029,135)
Loss on debt restructuring	(176,457,560)	(193,980,143)	(176,457,560)	(188,400,118)
<b>Net loss from interest and dividends after bad debt and doubtful accounts and loss on debt restructuring</b>	<b>(814,520,881)</b>	<b>(1,030,009,421)</b>	<b>(869,200,623)</b>	<b>(1,017,616,919)</b>
Non-interest income				
Gain on disposal of securities	310,105,300	311,056,371	310,105,300	271,471,598
Unrealised gain (loss) on revaluation of securities	303,710	(2,923,490)	303,710	(2,923,490)
Reversal of (loss) on impairment of securities	138,504,806	(21,884,869)	138,504,806	(23,473,693)
Share of profit (loss) of subsidiaries and associated companies	13,032,598	(20,106,184)	60,465,491	(46,474,850)
Fees and service income				
Acceptances, avals and guarantees	17,513,199	14,587,576	17,513,199	14,587,576
Others	1,311,296,772	966,975,342	1,230,805,985	907,567,327
Gain on exchange	233,913,527	240,580,531	233,913,527	240,580,531
Gain (loss) on disposal of properties foreclosed	91,316,784	24,036,869	94,394,690	(27,068,372)
Reversal( loss) on revaluation of assets	4,398,227	(233,923,681)	4,398,227	(233,923,681)
Rental income	200,653,176	158,898,602	52,279,500	37,086,465
Other income	148,484,355	84,279,608	97,003,727	65,324,497
<b>Total Non-interest Income</b>	<b>2,469,522,454</b>	<b>1,521,576,675</b>	<b>2,239,688,162</b>	<b>1,202,753,908</b>

Notes to the financial Statement form an integral part of these financial statements

# Statements of Income

For the Years Ended December 31, 2002 and 2001

(Amounts in Baht)

	Consolidated Financial Statements		Bank Only Financial Statements	
	2002	2001	2002	2001
Non-interest expenses				
Personnel expenses	1,723,285,157	1,578,087,675	1,653,003,874	1,490,801,707
Premises and equipment expenses	905,950,679	957,375,124	743,259,249	783,144,350
Taxes and duties	294,983,083	305,214,570	292,734,525	302,242,633
Fees and service expenses	308,809,960	224,427,340	289,138,094	212,395,169
Directors' remuneration	5,770,000	5,718,500	5,770,000	5,495,000
Payments to the Financial Institutions				
Development Fund (Note 4.15)	581,692,648	566,557,462	581,692,648	563,583,491
Loss on impairment of properties foreclosed	201,854,911	114,643,990	200,000,000	113,512,419
Loss on diminution of other assets	159,782,459	–	159,782,459	–
Other expenses	501,971,611	555,581,167	474,618,515	525,989,906
Total Non-interest Expenses	4,684,100,508	4,307,605,828	4,399,999,364	3,997,164,675
Loss before income tax	(3,029,098,935)	(3,816,038,574)	(3,029,511,825)	(3,812,027,686)
Income tax expense (Note 4.16)	412,890	983,028	–	–
Loss before minority interests	(3,029,511,825)	(3,817,021,602)	(3,029,511,825)	(3,812,027,686)
Minority interests in subsidiaries' loss	–	4,993,916	–	–
<b>Net loss</b>	<b>(3,029,511,825)</b>	<b>(3,812,027,686)</b>	<b>(3,029,511,825)</b>	<b>(3,812,027,686)</b>
Loss per share (Notes 4.17, 27 and 28)				
Basic	(0.66)	(1.00)	(0.66)	(1.00)
Diluted	(0.65)	(0.97)	(0.65)	(0.97)

Notes to the financial Statement form an integral part of these financial statements



Bank of Asia Public Company Limited and Subsidiaries

## Consolidated Statement of Changes in Shareholders' Equity and Statement of Changes in Shareholders' Equity

For the Years Ended December 31, 2002

(Amounts in Baht)

	Ordinary Share capital	Discount on share capital	Unrealized Increment on assets appraisal	Unrealized loss on investment in securities - net	Unrealized gain (loss) on cash flow hedging instruments	Deficit	Total
Beginning balance as of December 31, 2001	38,275,804,790	(4,806,506,208)	769,854,998	(264,141,263)	1,142,208	(25,334,677,610)	8,641,476,915
Issued and fully paid-up share capital	12,678,662,340	-	-	-	-	-	12,678,662,340
Discount on share capital	-	(6,339,331,170)	-	-	-	-	(6,339,331,170)
Amortisation of unrealized increment on assets appraisal	-	-	(18,171,419)	-	-	2,007,419	(16,164,000)
Unrealized loss on investment in securities - net	-	-	-	(108,243,926)	-	-	(108,243,926)
Unrealized loss on cash flow hedging instruments	-	-	-	-	(97,901,811)	-	(97,901,811)
Net gains (losses) not recognised in the statement of income	-	-	(18,171,419)	(108,243,926)	(97,901,811)	2,007,419	(222,309,737)
Net loss	-	-	-	-	-	(3,029,511,825)	(3,029,511,825)
<b>Ending balance as of December 31, 2002</b>	<b>50,954,467,130</b>	<b>(11,145,837,378)</b>	<b>751,683,579</b>	<b>(372,385,189)</b>	<b>(96,759,603)</b>	<b>(28,362,182,016)</b>	<b>11,728,986,523</b>

Notes to the financial Statement form an integral part of these financial statements

# Consolidated Statement of Changes in Shareholders' Equity

For the Years Ended December 31, 2001

(Amounts in Baht)

	Ordinary capital	Discount on share capital	Unrealized increment on assets appraisal	Unrealized loss on investment in securities - net	Unrealized on cash flow hedging instruments	Deficit	Minority interests	Total
Beginning balance as of December 31, 2000	38,275,804,790	(4,806,506,208)	384,126,733	(590,033,689)	–	(21,524,394,513)	36,487,553	11,775,484,666
Amortisation of unrealized increment on assets appraisal	–	–	385,728,265	–	–	1,744,589	–	387,472,854
Unrealized loss on investment in securities - net	–	–	–	325,892,426	–	–	–	325,892,426
Unrealized gain on cash flow hedging instruments	–	–	–	–	1,142,208	–	–	1,142,208
Net gains not recognised in the statement of income	–	–	385,728,265	325,892,426	1,142,208	1,744,589	–	714,507,488
Net loss	–	–	–	–	–	(3,812,027,686)	–	(3,812,027,686)
Minority interests	–	–	–	–	–	–	(36,487,553)	(36,487,553)
Ending balance as of December 31, 2001	38,275,804,790	(4,806,506,208)	769,854,998	(264,141,263)	1,142,208	(25,334,677,610)	–	8,641,476,915

Notes to the financial Statement form an integral part of these financial statements

Bank of Asia Public Company Limited

# Statement of Changes in Shareholders' Equity

For the Years Ended December 31, 2001

(Amounts in Baht)

	Ordinary share capital	Discount on share capital	Unrealized increment on assets appraisal	Unrealized loss on investment in securities - net	Unrealized gain on cash flow hedging instruments	Deficit	Total
Beginning balance as of December 31, 2000	38,275,804,790	(4,806,506,208)	384,126,733	(590,033,689)	–	(21,524,394,513)	11,738,997,113
Amortisation of unrealized increment on assets appraisal	–	–	385,728,265	–	–	1,744,589	387,472,854
Unrealized loss on investment in securities - net	–	–	–	325,892,426	–	–	325,892,426
Unrealized gain on cash flow hedging instruments	–	–	–	–	1,142,208	–	1,142,208
Net gains not recognised in the statement of income	–	–	385,728,265	325,892,426	1,142,208	1,744,589	714,507,488
Net loss	–	–	–	–	–	(3,812,027,686)	(3,812,027,686)
Ending balance as of December 31, 2001	38,275,804,790	(4,806,506,208)	769,854,998	(264,141,263)	1,142,208	(25,334,677,610)	8,641,476,915

Notes to the financial Statement form an integral part of these financial statements

# Statement of Cash Flows

For the Years Ended December 31, 2002 and 2001

(Amounts in Baht)

	Consolidated Financial Statements		Bank Only Financial Statements	
	2002	2001	2002	2001
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Net loss	(3,029,511,825)	(3,812,027,686)	(3,029,511,825)	(3,812,027,686)
Adjustments to reconcile net loss to net cash used in operating activities:				
Depreciation	394,845,285	471,356,087	202,357,350	221,771,601
Amortisation and loss on assets written off	61,033,584	119,249,003	59,824,959	113,479,155
Amortisation of goodwill	1,654,767	1,654,767	–	–
Unrealised (gain) loss on revaluation of securities	(303,710)	2,923,490	(303,710)	2,923,490
(Reversal of) loss on impairment of securities	(138,504,806)	21,884,869	(138,504,806)	23,473,693
Bad debt and doubtful accounts	4,833,850,124	4,533,535,961	4,849,020,184	4,500,000,000
Loss on debt restructuring	176,457,560	193,980,143	176,457,560	188,400,118
Gain on transfer of assets	–	(90,730,191)	–	(90,730,191)
(Reversal of) loss on revaluation of assets	(4,398,227)	233,923,681	(4,398,227)	233,923,681
Loss on impairment of assets	–	7,332,478	–	7,332,478
Loss on impairment of properties foreclosed	201,854,911	114,643,990	200,000,000	113,512,419
Loss on diminution of other assets	159,782,459	–	159,782,459	–
Gain on disposal of long-term investments	(297,803,892)	(316,632,825)	(297,803,892)	(269,365,532)
Gain on sales of premises and equipment	(43,441,969)	(46,456,994)	(19,032,930)	(32,320,882)
Loss on translation of foreign currencies	724,030,944	465,560,949	724,030,944	465,560,949
Amortisation of premium on long-term investments - net	57,599,638	52,481,524	57,599,638	52,189,473
Scrip dividend income	(546,914)	–	(546,914)	–
Decrease in interest and dividend receivables	51,796,299	445,062,233	50,188,779	443,172,754
(Increase) decrease in accrued non - interest income	(7,776,103)	1,128,654	(8,511,503)	1,864,054
Decrease in accrued interest expenses	(121,672,786)	(48,353,811)	(121,817,272)	(47,114,811)
Increase in accrued non-interest expenses	185,443,456	198,133,581	179,394,519	196,180,609
Share of (profit) loss of subsidiaries and associated companies	(13,032,598)	20,106,184	(60,465,491)	46,474,850
Net cash inflow from operating activities before changes in operating assets and liabilities	3,191,356,197	2,568,756,087	2,977,759,822	2,358,700,222

Notes to the financial Statement form an integral part of these financial statements

Bank of Asia Public Company Limited and Subsidiaries

# Statement of Cash Flows

For the Years Ended December 31, 2002 and 2001

(Amounts in Baht)

	Consolidated Financial Statements		Bank Only Financial Statements	
	2002	2001	2002	2001
(Increase) decrease in operating assets				
Interbank and money market items	1,027,920,080	(1,149,937,722)	1,064,560,857	(1,550,071,080)
Securities purchased under resale agreements	600,000,000	(350,000,000)	600,000,000	(350,000,000)
Current investments	(1,901,800,988)	754,807,349	(1,901,800,988)	751,834,011
Loans	(8,695,767,144)	(9,090,469,099)	(8,111,187,763)	(9,273,071,280)
Properties foreclosed	332,419,572	(37,798,652)	324,668,769	(609,608)
Other assets	(103,903,947)	(272,062,408)	170,749,870	(254,356,788)
Increase (decrease) in operating liabilities				
Deposits	(922,822,836)	4,570,477,783	(902,153,984)	5,036,945,057
Interbank and money market items	(1,484,782,661)	(607,120,576)	(1,489,440,070)	(473,220,718)
Liabilities payable on demand	338,645,078	237,398,197	338,645,078	237,398,197
Securities sold under repurchase agreements	400,000,000	(20,000,000)	400,000,000	(20,000,000)
Other liabilities	567,270,736	(326,297,975)	359,040,870	(287,943,914)
Decrease in minority interests	–	(4,993,917)	–	–
Net cash used in operating activities	(6,651,465,913)	(3,727,240,933)	(6,169,157,539)	(3,824,395,901)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Proceeds from sales of long-term investments	13,012,419,486	33,465,530,131	13,012,419,486	33,298,186,481
Purchases of long-term investments	(11,115,884,328)	(31,091,624,078)	(11,715,884,328)	(31,090,548,557)
Dividend receivables	5,055,590	–	5,055,590	–
Purchases of premises and equipment	(504,623,314)	(470,184,802)	(374,715,693)	(188,099,830)
Proceeds from sales of premises and equipment	51,838,210	56,861,901	39,616,240	38,252,497
Proceeds from insurance claim on premises and equipment	2,338,894	–	2,338,894	–
Net cash provided by investing activities	1,451,144,538	1,960,583,152	968,830,189	2,057,790,591
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Increase in long-term borrowings	3,693,333	2,004,306,667	3,693,333	2,004,306,667
Increase in issued and fully paid-up share capital	6,339,331,170	–	6,339,331,170	–
Net cash provided by financing activities	6,343,024,503	2,004,306,667	6,343,024,503	2,004,306,667
Net increase in cash and cash equivalents	1,142,703,128	237,648,886	1,142,697,153	237,701,357
Cash and cash equivalents as at January 1, (Note 4.13)	2,121,910,769	1,884,261,883	2,121,828,462	1,884,127,105
<b>Cash and cash equivalents as at December 31, (Note 4.13)</b>	<b>3,264,613,897</b>	<b>2,121,910,769</b>	<b>3,264,525,615</b>	<b>2,121,828,462</b>

Notes to the financial Statement form an integral part of these financial statements

# Notes to Financial Statements

For the Years Ended December 31, 2002 and 2001

## 1. General Information

Bank of Asia Public Company Limited ("the Bank ") is a public limited company registered in the Kingdom of Thailand with its head office located at 191 South Sathon Road, Sathon, Bangkok. The Bank's main business is Banking and the Bank conducts its business through a network of branches covering all parts of Thailand. As at December 31, 2002 and 2001, the Bank had a total staff of 3,018 persons and 2,636 persons, respectively.

## 2. Economic Deterioration And Operations Of The Bank And Its Subsidiaries

### 2.1 Economic deterioration and operations of the Bank and its subsidiaries

The operations of the Bank and its subsidiaries may continue to be affected for the foreseeable future by the 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, actual impact may differ from the management estimates.

### 2.2 Regulatory requirements

The Bank is subject to various capital and regulatory requirements administered by the Bank of Thailand (the "BOT"). Under these capital adequacy guidelines and the regulatory framework for prompt corrective action, the Bank must satisfy specific capital guidelines that involve quantitative measures of its assets, liabilities and certain off-balance sheet items as calculated in accordance with regulatory accounting practices. The Bank's capital amounts and classification are also subject to BOT's regulation in respect of components, risk weightings and other factors. However, these capital and regulatory requirements are subject to change, as considered necessary by the BOT.

## 3. Basis For Preparation Of The Consolidated Financial Statements And The Bank's Financial Statements

### 3.1 The consolidated financial statements and the Bank's financial statements are prepared in accordance with Generally Accepted Accounting Principles practiced in Thailand and the Announcement of The Bank of Thailand Re: "Forms of Balance Sheet and Statement of Income of Commercial Bank" dated May 10, 2001.

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

- 3.2 The consolidated financial statements for the years ended December 31, 2002 and 2001 include the accounts of all branches and the following subsidiaries after the elimination of significant inter-company transactions and balances: Asia Property Co., Ltd., BOA Leasing Co., Ltd., BOA Asset Management Co., Ltd. and Asia Leasehold Co., Ltd. The consolidated financial statements for the year ended December 31, 2001 also included BOA Finance Co., Ltd. The Bank disposed of all of its shares in BOA Finance Co., Ltd. on December 19, 2001 (see Note 8.6).

The Bank disposed of all of its shares in BOA Securities Co., Ltd. (which was established on June 1, 2000) on August 2, 2001 and excluded BOA Securities Co., Ltd. from the consolidated financial statements for the year ended December 31, 2001 and subsequent periods to the date of disposal. However, the financial statements of this subsidiary are not material to the consolidated financial statements of the Bank and subsidiaries.

During the year ended December 31, 2002, the Bank received 72.09% of the common shares of High Rise Development Co., Ltd. as a result of debt restructuring. Since the Bank intends to dispose of this investment in the near future, the accounts of this company has not been included in the consolidated financial statements for the year ended December 31, 2002.

- 3.3 The Bank's financial statements include the accounts of all branches of the Bank after elimination of significant inter-office transactions and balances.

#### **4. Summary Of Significant Accounting Policies**

- 4.1 The Bank and its subsidiaries recognize interest on loans as income on an accrual basis, with the exception of income on import bills, which is recognized on a cash basis. In accordance with the Bank of Thailand's regulation, interest in arrears for more than 3 months from the due date, regardless of whether the loans are covered by collateral, is not accrued as interest income but is instead recognized as income when received. In addition, interest accrued in arrears for 3 months is reversed against interest income.
- 4.2 Hire purchase income is recognized by the "sum of the years digits" method which recognizes income in relation to the principal outstanding at the end of any given month over the period of instalment.
- 4.3 The Bank and its subsidiaries classify investments in securities as either trading securities, available-for-sale securities, held-to-maturity securities, or general investments (for non-marketable equity securities) and investments in subsidiaries and associated companies.

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

Investments in debt and marketable equity securities classified as available-for-sale securities, which are separated into short-term or long-term investments based on residual maturity, are stated at fair value. Unrealized gains or losses arising on the revaluation of available-for-sale securities are shown as a separate component of shareholders' equity and are realized in the statement of income upon disposal or impairment.

Investments in debt securities held to maturity, which are separated into short-term or long-term investments based on residual maturity, are stated at amortized cost net of allowance for impairment. Premiums and discounts arising on the acquisition of securities held to maturity are amortized or accreted to interest income in the statement of income over the term of the securities in order to provide a constant yield to maturity. Any loss from impairment is charged to the statement of income.

General investments, other than investments in subsidiaries and associated companies, are stated at cost net of allowance for impairment. Loss on impairment is charged to the statement of income.

Investments in subsidiaries and associated companies are recorded using the equity method. Goodwill is amortised by the straight-line method over a period of 10 years. In the event that the Bank's equity interest in a subsidiary or associated company represents a share of the net liabilities of that company, the resulting amount is recorded under the heading "other liabilities" in the balance sheet.

Realized gains or losses resulting from the disposal of securities are recognized in the statement of income by using the weighted average cost calculation method.

Interest income in respect of coupon payments on debt securities is recognized on an accrual basis. Dividend income is recognized as declared.

4.4 Fair values of securities are calculated on the following bases:

For Government securities and state enterprises securities, fair values are calculated by using the Bank of Thailand formula, based on the risk free yield curve of the Bank of Thailand.

For equity securities which are listed securities, fair value is the last bid price quoted in The Stock Exchange of Thailand on the last business day of the year.

For private enterprises debt securities, the last closing prices of The Thai Bond Dealing Centre are used as fair values. In the absence of such prices, fair values are determined by applying the aforementioned yield curve adjusted for risk in accordance with the criteria established by the Bank of Thailand.

4.5 The Bank and its subsidiaries recognize interest expense on deposits and borrowings on an accrual basis.

4.6 Overdrafts are stated at the drawn amounts together with any accrued interest. With the exception of overdrafts, all items included within loans, bills purchased, hire-purchase receivables and leasing receivables which are shown net of any discounts and unearned interest income, are recorded in the balance sheet at the principal amount outstanding only. Discounts received in advance in respect of bills purchased and other unearned interest income are recognized on an accrual basis over the period to maturity of the loans.

4.7 Allowance for doubtful accounts

The BOT has guidelines for establishing a minimum level of allowance for doubtful accounts, which is primarily determined by applying specified percentages to the different classifications of loans in conjunction with the consideration of collateral valuation. The period that a loan is past due is the principal criterion utilized in classifying a loan. The guidelines for establishing the minimum level of allowance for doubtful accounts have changed periodically.



The Bank classifies its loans and advances at a customer level rather than by facility in recognition of the common credit risk attached to all facilities associated with a particular borrower. The Bank then determines an appropriate allowance for doubtful accounts for each customer based on this classification in accordance with the Bank's own conservative provisioning methodology.

Bad debts are written off as approved by the Board of Directors and presented net of allowance for doubtful accounts.

Bad debt recoveries are presented net of bad debt and doubtful accounts in the statement of income.

#### 4.8 Debt restructuring

The Bank and the subsidiary which is a financial institution have restructured their loans by any or a combination of the transferring of assets, transferring of equity and modification of terms.

The Bank and the subsidiary's restructured loans that have been subject to a modification of terms are stated at the present value of the future cash flows that the Bank and the subsidiary expect to receive from those customers, using discount rates equivalent to the market rates of interest applicable to those customers at the time of restructuring.

The difference between the book value of those loans that have been restructured through a modification of terms and the present value of those expected future cash flows, which is referred to as a valuation allowance, has been taken into consideration in arriving at the recorded amounts for loans that have been restructured through a modification of terms. This valuation allowance is amortised to the profit and loss account over the remaining period of the loans that have been restructured through a modification of terms in order to provide a constant rate of return equivalent to the current market rates of interest applicable to those customers.

#### 4.9 Assets and liabilities denominated in foreign currencies are converted into Baht at rates of exchange prevailing at the transaction dates. All balances of assets and liabilities in foreign currencies at the end of the year are converted at the reference exchange rates established by the BOT at the end of the year, except for subordinated convertible debentures which are converted at the fixed rates as specified in the prospectus (see Note 17).

Outstanding forward foreign exchange contracts are marked to market by comparing contract rates to forward rates established by the Bank for contracts with similar maturity. At each balance sheet reporting date, the unrealised gains or losses on outstanding forward foreign exchange contracts, calculated as described above, are included within other assets or other liabilities, respectively.

All foreign exchange gains or losses, except those relating to the effective hedge of a qualifying forecasted transaction (see Note 4.10), are recognized in the statement of income.

#### 4.10 Hedge accounting

The Bank applies hedge accounting for hedges of floating interest rate and forecasted transactions if the transaction is committed or highly probable and presents an exposure to variations in the cash flows that could ultimately affect net profit or loss.

Hedging instruments are measured at fair value and included within other assets or other liabilities, respectively, which is based on quoted market prices at the balance sheet date.

The Bank recognizes the effective part of any gain or loss on remeasurement of the hedging instrument directly in shareholders' equity.

The ineffective part of any gain or loss is recognized in the statement of income.

When the hedged anticipated transaction or firm commitment results in the recognition of an asset or liability, the cumulative gain or loss on the hedging instrument recognized in equity is removed from equity and included in the initial measurement of the asset or liability. Otherwise the cumulative gain or loss recognized in equity is transferred to the income statement at the same time that the hedged transaction affects net profit or loss and is included in the same line item as the hedged transaction.

When a hedging instrument or hedge relationship is terminated but the hedged transaction is still expected to occur, the cumulative gain or loss recognized in equity remains in equity and is recognized in accordance with the above policy.

If the hedged transaction is no longer expected to occur, the cumulative gain or loss recognized in equity is recognized in the income statement immediately.

#### 4.11 Properties foreclosed consist of movable and immovable properties.

In December 2001, in accordance with guidance set out by the Institute of Certified Accountants and Auditors of Thailand in a memorandum to the Secretary of the Thai Bankers Association dated December 6, 2001, the Bank revised its methodology for accounting for assets received in satisfaction of receivables through foreclosure. Properties acquired through foreclosure as from December 2001 are recorded at the lower of the legally claimable value of the loan or the market value of the property foreclosed at the time of foreclosure. In prior periods the Bank recorded foreclosed property at the lower of the net book value of the loan or the market value of the foreclosed property.

A gain on the sale of properties foreclosed is recognized only when such properties are sold.

#### 4.12 Land is stated at cost or valuation. Premises and equipment are stated at cost or valuation less depreciation. Leasehold property is stated at cost less amortisation. Depreciation and amortisation are calculated by the straight-line method, based on the estimated useful lives of the assets, as follows:

Premises	50 years
Equipment	5 years
Leasehold property	Based on contractual term
Building improvement	Based on contractual term
Leasehold improvement	Based on contractual term
Furniture and fittings	10 years
Vehicles	5 years
Office equipment	5 - 10 years

Land and buildings were reappraised in 2001 (after being previously appraised in 1993) by an independent appraiser. The increase resulting from the appraisal was recorded in the accounts as unrealised increment on land and buildings appraisal and shown as part of shareholders' equity. Amortisation of the increment on buildings appraisal is deducted from the unrealised increment on buildings appraisal and transferred to retained earnings (deficit).

4.13 Cash and cash equivalents are those amounts included in the balance sheet under the caption of cash, which consists of cash on hand and cash on collection.

4.14 Provident fund and severance payment scheme

The Bank established provident funds under the Provident Fund Act B.E. 2530 by joining to "The Registered BOA Multiple Security Provident Fund" and "The Registered BOA Fixed Income Provident Fund" on December 29, 2000.

According to the Fund's regulations, every employee, after the probation period, is entitled to apply for membership. The employees contribute to the Fund at the rate of 2% or 5% of basic salary and the Bank contributes to the Fund at the rate of 5% of basic salary. The employees are entitled to the benefits upon termination of employment status except when the terminated employee has violated the rules of the Bank. Contributions to this fund commenced in January 2001.

Contributory provident funds which have been registered in accordance with the Provident Fund Act B.E. 2530 have also been set up by subsidiary companies.

The funds set up by the Bank and its subsidiaries in accordance with the Provident Fund Act B.E. 2530 are managed independently and therefore do not appear in the consolidated balance sheets or the separate balance sheets of the Bank and the relevant subsidiaries.

The Bank has a gratuities scheme for employees with at least 5 years' continuous service, the benefit being based on monthly salary including interest. The Bank also has a severance payment scheme for employees with at least 15 years' service, the benefit being based on the last month's salary and service years of such employee. The provisions for both schemes are recorded as expenses for the year. Payment to the employees will be made on the retirement date.

4.15 Contributions to the Financial Institutions Development Fund are recorded as expenses for the year.

4.16 Income tax payable is recorded as an expense for the year.

4.17 Basic loss per share is computed on the basis of average number of ordinary shares outstanding weighted according to time and amount paid. The Bank has issued subordinated convertible bonds which the debenture holders have the right to convert into ordinary shares. The fully diluted loss per share information is presented in Note 28.

4.18 Preparation of financial statements in conformity with generally accepted accounting principles requires the management 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.

## 5. Additional Information

### Supplemental Disclosures of Cash Flows Information

5.1 Cash paid for interest and income tax for the years ended December 31 are as follows:

	<b>Consolidated</b>		<b>Bank Only</b>	
	<b>Financial Statements</b>		<b>Financial Statements</b>	
	<b>2002</b>	<b>2001</b>	<b>2002</b>	<b>2001</b>
Interest	3,147,680,361	3,868,522,356	3,148,968,398	3,860,519,992
Income tax	26,234,309	57,208,326	21,203,664	52,950,832

5.2 Non-cash items

The consolidated and the Bank's financial statements for the years ended December 31, 2002 and 2001 include an unrealized loss on available-for-sale securities of Baht 108,243,926 and Baht 325,892,426 respectively.

The consolidated and the Bank's financial statements for the year ended December 31, 2002 include an unrealized loss on cash flow hedging instruments of Baht 97,901,811.

## 6. Interbank And Money Market Items (Assets)

Interbank and money market items (assets) as at December 31 are as follows :

Amounts in Baht

<b>Consolidated Financial Statements</b>			
<b>2002</b>			
	<b>At Call</b>	<b>Time</b>	<b>Total</b>
6.1 Domestic items			
Bank of Thailand and Financial Institutions			
Development Fund	664,741,297	–	664,741,297
Commercial Banks	927,823,123	1,022,238,975	1,950,062,098
Other Banks	128,324	–	128,324
Finance Companies, Finance and Securities Companies, Securities Companies and Credit Foncier Companies	700,000	25,000,000	25,700,000
Other Financial Institutions	2,636,227	–	2,636,227
Total domestic items	1,596,028,971	1,047,238,975	2,643,267,946
<u>Add</u> Accrued interest receivables	16,061,925	83,527	16,145,452
<u>Less</u> Allowance for doubtful accounts	(61,554)	–	(61,554)
Total	1,612,029,342	1,047,322,502	2,659,351,844
6.2 Foreign items			
US Dollars	230,008,951	7,467,548,000	7,697,556,951
Yen	40,823,645	–	40,823,645
Other Currencies	169,909,675	68,591,736	238,501,411
Total foreign items	440,742,271	7,536,139,736	7,976,882,007
<u>Add</u> Accrued interest receivables	–	14,489,080	14,489,080
Total	440,742,271	7,550,628,816	7,991,371,087
Total domestic and foreign items	2,052,771,613	8,597,951,318	10,650,722,931

Amounts in Baht

Consolidated Financial Statements

	At Call	2001 Time	Total
6.3 Domestic items			
Bank of Thailand and Financial Institutions			
Development Fund	526,983,844	–	526,983,844
Commercial Banks	918,611,704	1,652,182,672	2,570,794,376
Other Banks	146,192	–	146,192
Finance Companies, Finance and Securities Companies, Securities Companies and Credit Foncier Companies	456,700,831	9,500,000	466,200,831
Other Financial Institutions	91,190,652	10,000,000	101,190,652
Total domestic items	1,993,633,223	1,671,682,672	3,665,315,895
<u>Add</u> Accrued interest receivables	49,222	19,762,916	19,812,138
<u>Less</u> Allowance for doubtful accounts	(5,002,268)	(5,298,952)	(10,301,220)
Total	1,988,680,177	1,686,146,636	3,674,826,813
6.4 Foreign items			
US Dollars	59,155,382	7,717,611,500	7,776,766,882
Yen	14,536,509	–	14,536,509
Other Currencies	159,096,675	59,840,977	218,937,652
Total foreign items	232,788,566	7,777,452,477	8,010,241,043
<u>Add</u> Accrued interest receivables	–	23,058,269	23,058,269
Total	232,788,566	7,800,510,746	8,033,299,312
Total domestic and foreign items	2,221,468,743	9,486,657,382	11,708,126,125

## Bank Only Financial Statements

		2002		
		At Call	Time	Total
6.1	Domestic items			
	Bank of Thailand and Financial Institutions			
	Development Fund	664,741,297	–	664,741,297
	Commercial Banks	889,420,959	1,022,238,975	1,911,659,934
	Other Banks	128,324	–	128,324
	Finance Companies, Finance and Securities Companies, Securities Companies and Credit Foncier Companies	700,000	–	700,000
	Other Financial Institutions	2,636,227	–	2,636,227
	Total domestic items	1,557,626,807	1,022,238,975	2,579,865,782
	<u>Add</u> Accrued interest receivables	16,328,734	–	16,328,734
	<u>Less</u> Allowance for doubtful accounts	(61,554)	–	(61,554)
	Total	1,573,893,987	1,022,238,975	2,596,132,962
6.2	Foreign items			
	US Dollars	230,008,951	7,467,548,000	7,697,556,951
	Yen	40,823,645	–	40,823,645
	Other Currencies	169,909,675	68,591,736	238,501,411
	Total foreign items	440,742,271	7,536,139,736	7,976,882,007
	<u>Add</u> Accrued interest receivables	–	14,489,080	14,489,080
	Total	440,742,271	7,550,628,816	7,991,371,087
	Total domestic and foreign items	2,014,636,258	8,572,867,791	10,587,504,049

Amounts in Baht

**Bank Only Financial Statements**

		<b>2002</b>		
		<b>At Call</b>	<b>Time</b>	<b>Total</b>
6.3	Domestic items			
	Bank of Thailand and Financial Institutions			
	Development Fund	526,983,844	–	526,983,844
	Commercial Banks	909,415,100	1,644,428,925	2,553,844,025
	Other Banks	146,192	–	146,192
	Finance Companies, Finance and Securities Companies, Securities Companies and Credit Foncier Companies	456,700,831	–	456,700,831
	Other Financial Institutions	91,190,652	10,000,000	101,190,652
	Total domestic items	1,984,436,619	1,654,428,925	3,638,865,544
	<u>Add</u> Accrued interest receivables	–	19,684,383	19,684,383
	<u>Less</u> Allowance for doubtful accounts	(5,002,268)	(5,298,952)	(10,301,220)
	Total	1,979,434,351	1,668,814,356	3,648,248,707
6.4	Foreign items			
	US Dollars	59,155,382	7,717,611,500	7,776,766,882
	Yen	14,536,509	–	14,536,509
	Other Currencies	159,096,675	59,840,977	218,937,652
	Total foreign items	232,788,566	7,777,452,477	8,010,241,043
	<u>Add</u> Accrued interest receivables	–	23,058,269	23,058,269
	Total	232,788,566	7,800,510,746	8,033,299,312
	Total domestic and foreign items	2,212,222,917	9,469,325,102	11,681,548,019

As at December 31, 2002 and 2001, approximately Baht 0.7 million of interbank and money market items (assets) on both a consolidated basis and for the Bank only are non-accrual loans based on the Notification of the Bank of Thailand.

As at December 31, 2002 and 2001, interbank and money market items included Baht 553.72 million and Baht 571.72 million, respectively, of the 2 percent 5 years Negotiable Certificates of Deposit (NCDs) issued by Krung Thai Bank PCL which came from the exchange of loans to and investments in debt instruments issued by financial institutions that were forced to cease operations by order of the Ministry of Finance in accordance with the Notification dated December 8, 1997 and will mature on the first quarter of 2003.

As at December 31, 2002 and 2001, the Bank and its subsidiaries have estimated that approximately 100% and 91.30% respectively of the time interbank and money market placements have residual maturities within one year.



## 7. Securities Purchased Under Resale Agreements

Securities purchased under resale agreements as at December 31 are as follows :

Amounts in Baht

	Consolidated and Bank Only Financial Statements	
	2002	2001
Government bonds and Bank of Thailand bonds	300,000,000	900,000,000
Total	300,000,000	900,000,000

## 8. Investments

Investments as at December 31 are as follows :

Amounts in Baht

	Consolidated and Bank Only Financial Statements			
	2002		2001	
	Cost/ Amortized Cost	Fair Value	Cost/ Amortized Cost	Fair Value
8.1 Current investments				
8.1.1 Securities for trading				
Government and state enterprises securities	2,296,977,188	2,297,890,997	395,176,201	395,786,299
<u>Add</u> unrealised gain on revaluation of securities	913,809	–	610,098	–
Total	2,297,890,997	2,297,890,997	395,786,299	395,786,299
8.1.2 Available-for-sale securities				
Government and state enterprises securities	2,178,281,383	2,185,965,051	161,796,129	162,346,907
Marketable equity domestic securities	6,867,600	4,593,210	6,867,600	2,406,820
Total	2,185,148,983	2,190,558,261	168,663,729	164,753,727
<u>Add (less)</u> unrealised gain (loss) on revaluation of securities	5,409,278	–	(3,910,002)	–
Total	2,190,558,261	2,190,558,261	164,753,727	164,753,727
8.1.3 Held-to-maturity debt instruments				
Government and state enterprises securities	950,248,248		397,450,438	
Private enterprises debt securities	8,540,000		8,540,000	
Total	958,788,248		405,990,438	
<u>Less</u> allowance for impairment of securities	(42,140,000)		(8,540,000)	
Total	916,648,248		397,450,438	
Total current investments - net	5,405,097,506		957,990,464	

## Consolidated Financial Statements

	2002		2001	
	Cost/ Amortized Cost	Fair Value	Cost/ Amortized Cost	Fair Value
8.2 Long - term investments				
8.2.1 Available-for-sale securities				
Government and state enterprises securities	159,470,573	168,937,391	6,708,701,116	7,130,647,712
Private enterprises debt securities	146,548,102	–	228,005,635	–
Marketable equity domestic securities	2,679,401,034	2,260,582,550	2,546,208,146	1,790,890,128
Total	2,985,419,709	2,429,519,941	9,482,914,897	8,921,537,840
Less unrealised loss on revaluation of securities	(404,211,293)	–	(283,824,382)	–
Less allowance for impairment of securities	(157,930,064)	–	(331,982,936)	–
Total	2,423,278,352	2,429,519,941	8,867,107,579	8,921,537,840
8.2.2 Held-to-maturity debt instruments				
Government and state enterprises securities	11,510,788,612		11,483,584,058	
Private enterprises debt securities	2,666,463,830		529,013,292	
Total	14,177,252,442		12,012,597,350	
Less allowance for impairment of securities	(82,726,192)		(268,128,294)	
Total	14,094,526,250		11,744,469,056	
8.2.3 General investment				
Non-marketable equity domestic securities	204,960,500		215,662,372	
Non-marketable equity foreign securities	11,185,978		10,733,316	
Total	216,146,478		226,395,688	
Less allowance for impairment of securities	(110,708,494)		(107,603,494)	
Total	105,437,984		118,792,194	
Total long - term investments - net	16,623,242,586		20,730,368,829	

	Bank Only Financial Statements			
	2002		2001	
	Cost/ Amortized Cost	Fair Value	Cost/ Amortized Cost	Fair Value
8.2 Long - term investments				
8.2.1 Available-for-sale securities				
Government and state enterprises securities	159,470,573	168,937,391	6,708,701,116	7,130,647,712
Private enterprises debt securities	146,548,102	–	228,005,635	–
Marketable equity domestic securities	2,662,040,514	2,249,147,830	2,528,847,626	1,780,481,868
Total	2,968,059,189	2,418,085,221	9,465,554,377	8,911,129,580
Less unrealised loss on revaluation of securities	(398,285,493)	–	(276,872,122)	–
Less allowance for impairment of securities	(157,930,064)	–	(331,982,936)	–
Total	2,411,843,632	2,418,085,221	8,856,699,319	8,911,129,580
8.2.2 Held-to-maturity debt instruments				
Government and state enterprises securities	11,510,788,612		11,483,584,058	
Private enterprises debt securities	2,666,463,830		529,013,292	
Total	14,177,252,442		12,012,597,350	
Less allowance for impairment of securities	(82,726,192)		(268,128,294)	
Total	14,094,526,250		11,744,469,056	
8.2.3 General investment				
Non-marketable equity domestic securities	189,332,006		200,033,878	
Non-marketable equity foreign securities	11,185,978		10,733,316	
Total	200,517,984		210,767,194	
Less allowance for impairment of securities	(110,705,000)		(107,600,000)	
Total	89,812,984		103,167,194	
Total long - term investments - net	16,596,182,866		20,704,335,569	

### 8.3 The remaining period of debt instruments

Debt instruments, classified by the remaining period of the instrument as at December 31, are as follows :-

Amounts in Baht

#### Consolidated and Bank Only Financial Statements 2002

	Remaining Maturity			Total
	Within 1 year	More than 1 – 5 years	More than 5 years	
8.3.1 Securities for trading				
Government and state enterprises securities	1,693,575,476	460,198,058	143,203,654	2,296,977,188
<u>Add (less)</u> unrealised gain (loss) on revaluation of securities	(75,267)	161,632	827,444	913,809
Total	1,693,500,209	460,359,690	144,031,098	2,297,890,997
8.3.2 Available-for-sale securities				
Government and state enterprises securities	2,178,281,383	135,303,386	24,167,187	2,337,751,956
Private enterprises debt securities	146,548,102	–	–	146,548,102
Total	2,324,829,485	135,303,386	24,167,187	2,484,300,058
<u>Add</u> unrealised gain on revaluation of securities	7,683,668	5,715,609	3,751,208	17,150,485
<u>Less</u> allowance for impairment of securities	(152,789,691)	–	–	(152,789,691)
Total	2,179,723,462	141,018,995	27,918,395	2,348,660,852
8.3.3 Held-to-maturity debt instruments				
Government and state enterprises securities	950,248,248	332,960,908	11,177,827,704	12,461,036,860
Private enterprises debt securities	8,540,000	2,666,463,830	–	2,675,003,830
Total	958,788,248	2,999,424,738	11,177,827,704	15,136,040,690
<u>Less</u> allowance for impairment of securities	(62,911,443)	(61,954,749)	–	(124,866,192)
Total	895,876,805	2,937,469,989	11,177,827,704	15,011,174,498
Total debt instruments	4,769,100,476	3,538,848,674	11,349,777,197	19,657,726,347

Amounts in Baht

Consolidated and Bank Only Financial Statements

2001

	Remaining Maturity			Total
	Within 1 year	More than 1 – 5 years	More than 5 years	
8.3.1 Securities for trading				
Government and state enterprises securities	–	131,472,424	263,703,777	395,176,201
<u>Add (less)</u> unrealised gain (loss) on revaluation of securities	–	(454,562)	1,064,660	610,098
Total	–	131,017,862	264,768,437	395,786,299
8.3.2 Available-for-sale securities				
Government and state enterprises securities	161,796,129	2,781,180,809	3,927,520,307	6,870,497,245
Private enterprises debt securities	228,005,635	–	–	228,005,635
Total	389,801,764	2,781,180,809	3,927,520,307	7,098,502,880
<u>Add</u> unrealised gain on revaluation of securities	550,777	148,914,452	273,032,144	422,497,373
<u>Less</u> allowance for impairment of securities	(267,069,896)	–	–	(267,069,896)
Total	123,282,645	2,930,095,261	4,200,552,451	7,253,930,357
8.3.3 Held-to-maturity debt instruments				
Government and state enterprises securities	397,450,438	311,230,924	11,172,353,134	11,881,034,496
Private enterprises debt securities	8,540,000	467,692,075	61,321,217	537,553,292
Total	405,990,438	778,922,999	11,233,674,351	12,418,587,788
<u>Less</u> allowance for impairment of securities	(8,540,000)	(183,494,294)	(84,634,000)	(276,668,294)
Total	397,450,438	595,428,705	11,149,040,351	12,141,919,494
Total debt instruments	520,733,083	3,656,541,828	15,614,361,239	19,791,636,150

8.4 Unrealised loss on investment in securities-net included in shareholders' equity as at December 31 are as follows :-

*Amounts in Baht*  
**Consolidated and Bank Only Financial Statements**

	<b>2002</b>	<b>2001</b>
Unrealised gain on revaluation of investment in securities		
Debt securities	17,150,485	422,497,373
Equity securities	255,833,933	190,508,693
Total	272,984,418	613,006,066
Unrealised loss on revaluation of investment in securities		
Equity securities	645,369,607	877,147,329
Total	645,369,607	877,147,329
Net unrealised gain (loss) on revaluation of investment in securities		
Debt securities	17,150,485	422,497,373
Equity securities	(389,535,674)	(686,638,636)
Total	(372,385,189)	(264,141,263)

8.5 As at December 31, 2002 and 2001, the Bank had investments in companies having problems with respect to financial positions and results of operations, as follows:

*Amounts in Million Baht*

<b>Consolidated and Bank Only Financial Statements</b>						
<b>2002</b>						
	<b>Cost/ Book Value</b>	<b>Fair Value</b>	<b>Allowance for Impairment of Securities</b>	<b>Cost/ Book Value</b>	<b>Fair Value</b>	<b>Allowance for Impairment of Securities</b>
<b>2001</b>						
1) Financial institutions controlled by order of BOT to decrease or increase capital						
– Debt instruments	43.06	–	43.60	43.60	–	63.74
2) Companies which are under SET delisting criteria						
– Ordinary shares	0.19	–	0.19	49.55	–	49.55
3) Companies which have certain problems in repayment						
– Ordinary shares	142.03	78.32	63.71	141.69	33.77	107.92
– Debt instruments	174.90	–	179.68	365.96	–	415.86
4) Investment in unlisted companies with financial position and operations that are the same as companies which are under SET delisting criteria						
– Ordinary shares	4.00	–	4.00	4.00	–	4.00
	<b>364.18</b>	<b>78.32</b>	<b>291.18</b>	<b>604.80</b>	<b>33.77</b>	<b>641.07</b>

The Bank has classified the above investments in companies having problems in financial position and results of operations, some of which may fall into more than one category.

The Bank has inadequate information to disclose the investments in companies which have going concern problems identified by their auditors, except for two subsidiaries - Asia Leasehold Co., Ltd. (Registration of dissolution on December 30, 1999) and BOA Leasing Co., Ltd. The total cost of the Bank's investment in these two subsidiaries as at December 31, 2002 of approximately Baht 801 million has been included in the Bank's financial statements of Baht 324 million.

Investments in companies in which the Bank and its subsidiaries hold more than 10% of the paid-up capital in each company, excluding investments in subsidiaries and associated companies, classified by industry, as at December 31 are as follows :

*Amounts in Baht*

	Consolidated Financial Statements		Bank Only Financial Statements	
	2002	2001	2002	2001
Manufacturing	1	-	1	-
Banking and Finance	2,217,628,750	2,017,628,750	2,217,628,750	2,017,628,750
Real Estate	60,000,000	60,000,000	60,000,000	60,000,000
Services	13,232,001	13,232,000	4,232,001	4,232,000
<b>Total</b>	<b>2,290,860,752</b>	<b>2,090,860,750</b>	<b>2,281,860,752</b>	<b>2,081,860,750</b>

#### 8.6 Investments in subsidiaries and associated companies

Investments in subsidiaries and associated companies as at December 31 are as follows :

*Amounts in Baht*

Consolidated Financial Statements 2002					
Name	Business Type	Security Type	% of Investment	Investment (Cost Method)	Investment (Book Value)
Axa Insurance Public Co., Ltd.	Non-Life Insurance	Common share	22.06	121,117,516	147,842,296
<b>Total</b>				<b>121,117,516</b>	<b>147,842,296</b>

Consolidated Financial Statements 2001					
Name	Business Type	Security Type	% of Investment	Investment (Cost Method)	Investment (Book Value)
Axa Insurance Public Co., Ltd.	Non-Life Insurance	Common share	22.06	121,117,516	137,041,583
<b>Total</b>				<b>121,117,516</b>	<b>137,041,583</b>



## Bank Only Financial Statements

2002

Name	Business Type	Security Type	% of Investment	Investment (Cost Method)	Investment (Book Value)
Asia Property Co., Ltd.	Asset Management	Common share	99.99	109,354,000	(42,271,978)
BOA Leasing Co., Ltd.	Leasing	Common share	99.99	799,999,930	323,591,309
BOA Asset Management Co., Ltd.	Fund Management	Common share	99.99	135,725,724	61,092,393
Asia Leasehold Co., Ltd.	Real Estate	Common share	99.93	999,300	(28,393,370)
Axa Insurance Public Co., Ltd.	Non-Life Insurance	Common share	22.06	121,117,516	147,842,296
Total				1,167,196,470	461,860,650
<u>Less</u> Allowance for impairment				(240,999,230)	–
Net Investments in Subsidiaries and Associated Companies				926,197,240	461,860,650

## Bank Only Financial Statements

2001

Name	Business Type	Security Type	% of Investment	Investment (Cost Method)	Investment (Book Value)
Asia Property Co., Ltd.	Asset Management	Common share	99.99	109,354,000	(50,844,024)
BOA Leasing Co., Ltd.	Leasing	Common share	99.99	199,999,930	(309,493,402)
BOA Asset Management Co., Ltd.	Fund Management	Common share	99.99	135,725,724	54,369,361
Asia Leasehold Co., Ltd.	Real Estate	Common share	99.93	999,300	(28,472,935)
Axa Insurance Public Co., Ltd.	Non-Life Insurance	Common share	22.06	121,117,516	137,041,583
Total				567,196,470	(197,399,417)
<u>Less</u> Allowance for impairment				(240,999,230)	–
Net Investments in Subsidiaries and Associated Companies				326,197,240	(197,399,417)

As at January 16, 2001, the Bank invested in 6 million ordinary shares with a par value of Baht 10 each in BOA Securities Co., Ltd., amounting to Baht 60 million. The shares of BOA Securities Co., Ltd. are 37.50% and 46.88% owned directly and indirectly by the Bank, respectively.

On August 2, 2001, the Bank and the subsidiary which is a financial institution disposed of all of their ordinary shares in BOA Securities Co., Ltd. to a non-related company for cash consideration of Baht 198.64 million.

On December 19, 2001, the Bank received the Bank of Thailand's approval to dispose of all of its ordinary shares in BOA Finance Co., Ltd. to a non-related company for cash consideration of Baht 115.82 million, which was settled on January 31, 2002. The gain on disposal of these securities amounting to Baht 21.02 million was recorded in both the consolidated and Bank only statements of income for the year ended December 31, 2001.

## 9. Loans And Accrued Interest Receivables

Loans and accrued interest receivables as at December 31 are as follows:

### 9.1 Classified by type of credit

Amounts in Baht

	Consolidated Financial Statements		Bank Only Financial Statements	
	2002	2001	2002	2001
Overdrafts	15,853,763,141	16,679,054,590	15,855,831,037	16,679,054,590
Loans	57,588,442,656	61,306,587,955	58,463,112,088	62,308,967,366
Trade bills	35,213,747,089	26,956,199,486	35,213,747,089	26,956,199,486
Hire-purchase receivables	18,931,522	10,997,250	–	–
Finance lease receivables	757,104,255	323,101,228	–	–
Others	4,871,749,394	3,162,261,846	4,871,749,394	3,162,261,846
Total	114,303,738,057	108,438,202,355	114,404,439,608	109,106,483,288
<u>Add</u> Accrued interest receivables	1,048,836,091	1,189,000,343	1,044,877,644	1,183,833,917
<u>Less</u> Allowance for doubtful accounts	(8,613,715,518)	(3,905,631,868)	(8,427,900,118)	(3,704,505,299)
Revaluation allowance for debt restructuring	(330,895,944)	(302,205,139)	(330,895,944)	(302,205,139)
Total	106,407,962,686	105,419,365,691	106,690,521,190	106,283,606,767

### 9.2 Classified by the remaining period of the credit agreement

Amounts in Baht

	Consolidated Financial Statements		Bank Only Financial Statements	
	2002	2001	2002	2001
Not over 1 year	61,319,867,666	61,045,336,055	61,844,118,812	61,407,030,171
Over 1 year	52,983,870,391	47,392,866,300	52,560,320,796	47,699,453,117
Total	114,303,738,057	108,438,202,355	114,404,439,608	109,106,483,288
<u>Add</u> Accrued interest Receivables	1,048,836,091	1,189,000,343	1,044,877,644	1,183,833,917
Total	115,352,574,148	109,627,202,698	115,449,317,252	110,290,317,205

9.3 Classified by the currencies and residence of debtors

Amounts in Baht

	Consolidated Financial Statements		Bank Only Financial Statements	
	2002	2001	2002	2001
Domestic				
Baht	109,639,928,085	103,932,365,622	109,740,629,636	104,600,646,555
US Dollars	4,219,005,464	4,103,353,294	4,219,005,464	4,103,353,294
Other Currencies	444,804,508	402,483,439	444,804,508	402,483,439
Total	114,303,738,057	108,438,202,355	114,404,439,608	109,106,483,288
<u>Add</u> Accrued interest receivables	1,048,836,091	1,189,000,343	1,044,877,644	1,183,833,917
Total	115,352,574,148	109,627,202,698	115,449,317,252	110,290,317,205

9.4 Classified by type of business and by grade

As at December 31, 2002 and 2001, the Bank has loans together with accrued interest receivables which are classified by type of business and by customer as follows :

Amounts in Baht

	Bank Only Financial Statements 2002					Total
	Pass	Special Mention	Substandard	Doubtful	Doubtful of loss	
Agriculture and mining	1,474,272,910	32,382,813	170,244,552	29,041,539	1,295,616,170	3,001,557,984
Manufacturing and trading	46,213,852,823	795,371,802	353,136,254	2,286,619,076	8,272,529,213	57,921,509,168
Real estate and construction	2,555,713,878	671,596,105	371,889,119	96,552,629	2,716,577,076	6,412,328,807
Public utilities and services	12,537,548,832	827,285,411	62,705,776	103,371,006	2,315,840,846	15,846,751,871
Housing loan	12,964,477,497	172,485,890	64,531,217	77,769,080	808,484,766	14,087,748,450
Others	16,544,771,813	552,612,766	84,969,467	43,134,278	953,932,648	18,179,420,972
Total loans and accrued interest receivables	92,290,637,753	3,051,734,787	1,107,476,385	2,636,487,608	16,362,980,719	115,449,317,252

Amounts in Baht

	Bank Only Financial Statements					
	2001					
	Pass	Special Mention	Substandard	Doubtful	Doubtful of loss	Total
Agriculture and mining	3,642,330,280	214,809,145	144,849,572	286,112,694	1,224,528,932	5,512,630,623
Manufacturing and trading	43,266,688,739	820,208,541	2,227,818,906	2,453,883,883	6,303,864,033	55,072,464,102
Real estate and construction	4,030,341,392	349,361,931	180,277,053	360,502,650	2,680,071,818	7,600,554,844
Public utilities and services	14,659,276,238	162,181,082	133,395,521	125,157,025	3,186,196,265	18,266,206,131
Housing loan	9,601,148,604	220,163,760	72,807,797	234,332,117	804,987,350	10,933,439,628
Others	11,513,030,804	276,606,120	69,810,972	638,473,397	407,100,584	12,905,021,877
<b>Total loans and accrued interest receivables</b>	<b>86,712,816,057</b>	<b>2,043,330,579</b>	<b>2,828,959,821</b>	<b>4,098,461,766</b>	<b>14,606,748,982</b>	<b>110,290,317,205</b>

The above loans and accrued interest receivables include intercompany loans which have been eliminated for consolidation purposes.

#### 9.5 Classified in accordance with the Notification of the Bank of Thailand

As at December 31, the Bank has loans together with accrued interest receivables and other claims which are classified by customer in accordance with the Notification of the Bank of Thailand as follows:

Amounts in Baht

	Bank Only Financial Statements					
	2002					
	Loans and Accrued Interest Receivables	Other Claims	Total	Outstanding Balance (After Deduction of Collateral Value)	% Set by Bank of Thailand	Provision
Pass	92,290,643,943	8,253,648	92,298,897,591	41,171,483,461	1	411,714,835
Special mention	3,051,732,425	1,076,014	3,052,808,439	642,841,127	2	12,856,823
Substandard	1,107,475,408	2,100,524	1,109,575,932	514,678,250	20	102,935,650
Doubtful	2,636,487,408	4,880,731	2,641,368,139	1,635,481,411	50	817,740,705
Doubtful of loss	16,362,978,068	88,986,203	16,451,964,271	3,040,429,404	100	3,040,429,404
Additional provision over and above the minimum requirement of the BOT	-	-	-	-	-	4,042,222,701
<b>Total</b>	<b>115,449,317,252</b>	<b>105,297,120</b>	<b>115,554,614,372</b>	<b>47,004,913,653</b>		<b>8,427,900,118</b>

Amounts in Baht

Bank Only Financial Statements						
2001						
	Loans and Accrued Interest Receivables	Other Claims	Total	Outstanding Balance (After Deduction of Collateral Value)	% Set by Bank of Thailand	Provision
Pass	86,712,820,415	9,694,031	86,722,514,446	34,869,543,535	1	348,695,435
Special mention	2,043,329,516	1,097,475	2,044,426,991	531,299,940	2	10,625,999
Substandard	2,828,959,471	1,459,413	2,830,418,884	1,430,679,207	20	286,135,841
Doubtful	4,098,461,535	9,582,131	4,108,043,666	1,645,574,582	50	822,787,291
Doubtful of loss	14,606,746,268	64,056,348	14,670,802,616	–	100	–
Additional provision over and above the minimum requirement of the BOT	–	–	–	–		2,236,260,733
<b>Total</b>	<b>110,290,317,205</b>	<b>85,889,398</b>	<b>110,376,206,603</b>	<b>38,477,097,264</b>		<b>3,704,505,299</b>

As at December 31, 2002 and 2001, the amounts of deferred interest attributable to bills purchased at a discount, hire purchase contracts and finance lease receivables, which have been set off against the receivables amounts recorded in the balance sheets of the Bank and a subsidiary, are Baht 95,166,831 and Baht 54,123,303 and for the Bank only are Baht 21,575,329 and Baht 12,196,855, respectively.

As at December 31, 2002 and 2001, approximately Baht 20,021 million and Baht 21,885 million respectively of loans of the Bank are non-accrual loans based on the Notification of the Bank of Thailand.

As at December 31, 2002 and 2001, the Bank had loans and accrued interest receivables due from companies which have certain problems in financial position and results of operations against which allowance for doubtful accounts has been made as follows:

Amounts in Million Baht				
2002				
	Number of Companies	Outstanding Balance	Collateral	Allowance for Doubtful Accounts
1) Companies which are under SET delisting criteria	3	309	289	–
2) Companies which have problem in repayment of debt	417	14,180	9,760	8,494

Amounts in Million Baht

	2001			
	Number of Companies	Outstanding Balance	Collateral	Allowance for Doubtful Accounts
1) Companies which are under SET delisting criteria	3	326	301	1
2) Companies which have problem in repayment of debt	391	14,166	11,626	2,211

The Bank has inadequate information to disclose loans and accrued interest receivables from the companies which have been identified as having going concern problems in the auditors' reports, and the non-listed companies for which the financial position and results of operations are the same as the companies which are under The Stock Exchange of Thailand (SET) delisting criteria as of December 31, 2002 and 2001.

#### 9.6 Debt restructuring

During the year ended December 31, 2002, the Bank entered into agreements with 1,048 of its customers to restructure loans and accrued interest receivables amounting to Baht 9,648 million in aggregate. Details of the amounts restructured which have given rise to losses on restructuring in accordance with TAS No.34 and the aggregate losses arising on these restructurings are set out in the table below:

Type of restructuring	Number of customers subject to restructuring	Recorded amounts before restructuring	Type of assets/equity acquired	Amounts in Baht		
				Fair value of assets/equity acquired	Loss on restructuring	Recorded amounts as at December 31, 2002
- Transfer of assets or debt for equity conversion	12	249,389,516	{ Land Cash }	{ 9,975,106 196,180,366 }	43,234,044	-
- Modification of terms	4	732,865,788	-	-	192,280,938	807,108,442
- Transfer of assets and modification of terms	2	72,802,611	{ Investment Cash }	{ 1,618,155 250,324 }	12,042,537	59,166,917
Total	18	1,055,057,915		208,023,951	247,557,519	866,275,359

In 2002, the Bank recorded loss on restructuring from a customer amounting to Baht 71,099,959 as utilization of allowance for doubtful accounts instead of recording in the statement of income for the year ended December 31, 2002 since the Bank had fully provided for this loan.

As at December 31, 2002, the recorded net investment by the Bank in all loans subject to troubled debt restructuring, after deducting the outstanding valuation allowance at that date, amounted to Baht 7,587,118,333.

For the year ended December 31, 2001, the Bank and the subsidiary which is a financial institution entered into agreements with 1,526 of their customers to restructure loans and accrued interest receivables amounting to Baht 7,993.93 million in aggregate. Details of the amounts restructured which have given rise to losses on restructuring in accordance with TAS No.34 and the aggregate losses arising on these restructurings are set out in the table below:

Type of restructuring	Number of customers subject to restructuring	Recorded amounts before restructuring	Type of assets/equity acquired	Amounts in Baht		
				Fair value of assets/equity acquired	Loss on restructuring	Recorded amounts as at December 31, 2001
- Transfer of assets or debt for equity conversion	35	337,561,511	{ Land 63,170,000 Cash 131,237,108 }		143,154,404	-
- Modification of terms	10	598,076,172	-	-	41,749,851	567,503,467
- Transfer of assets and modification of terms	3	255,015,577	Land	147,393,750	9,075,888	93,188,241
<b>Total</b>	<b>48</b>	<b>1,190,653,260</b>		<b>341,800,858</b>	<b>193,980,143</b>	<b>660,691,708</b>

As at December 31, 2001, the recorded net investment by the Bank and the subsidiary which is a financial institution in all loans subject to troubled debt restructuring, after deducting the outstanding valuation allowance at that date, amounted to Baht 8,937,522,283.

#### 9.7 Transfer of Assets to the Thai Asset Management Corporation (TAMC)

On October 12, 2001, the Bank entered into an agreement with the Thai Asset Management Corporation (TAMC) to transfer non-performing loans in accordance with the Emergency Decree on the Thai Asset Management Corporation B.E. 2544. Under the agreement, the Bank will receive a ten-year non-transferable promissory note availed by the Financial Institutions Development Fund, which will bear interest at a rate based on the quarterly average deposit rate of the Thai Commercial Banks payable annually on the last working day of the year. The face value of the promissory note will be determined based on the lower of (a) the collateral value or (b) the net book value of the loans including three months accrued interest receivable as determined by the TAMC.

For the years ended December 31, 2002 and 2001, the Bank transferred 4 accounts and 59 accounts to the TAMC, which had an aggregate book value of debts at the date of transfer of Baht 73 million and Baht 6,199 million, respectively (or Baht 130 million and Baht 10,150 million, respectively before bad debt write-off).

During 2002, TAMC has confirmed the acceptability for the years ended December 31, 2002 and 2001 of 3 accounts and 57 accounts amounting to Baht 63 million and Baht 6,195 million, respectively, and has confirmed its rejection for the year ended December 31, 2001 of 2 accounts amounting to Baht 5 million.

As at December 31, 2002, the Bank has received promissory notes from TAMC amounting to Baht 6,250 million.

In accordance with the Emergency Decree on the Thai Asset Management Corporation B.E. 2544, the TAMC and the Bank will jointly be responsible for any profits or losses arising from managing the impaired assets in accordance with the conditions specified in the agreement at the end of the fifth year and at the end of the tenth year commencing July 1, 2001. The calculation of such profits or losses shall take into consideration the cost of transfer and all operating expenses of the TAMC, including interest on the promissory note. In the event that the TAMC incurs losses on the impaired assets transferred to it by the Bank, the Bank will be responsible for the first portion of losses, not exceeding 20% of the transfer price. The second portion of losses, not exceeding 20% of the transfer price, will be equally shared between the TAMC and the Bank. The remaining losses will be absorbed by the TAMC. In the event that the TAMC makes profits on the impaired assets transferred to it by the Bank, the first portion of profits, not exceeding 20% of the transfer price, will be equally shared between the TAMC and the Bank. Should there be any profits remaining, the Bank is entitled to the remaining profits up to an amount not exceeding the sum of the book value of the assets transferred less the transfer price and the Bank's share of the first portion of the profits.

## 10. Allowance For Doubtful Accounts

As at December 31, 2002, the allowance for doubtful accounts of the Bank is as follows:

*Amounts in Baht*

	Bank Only Financial Statements						
	2002						
	Pass	Special Mention	Substandard	Doubtful	Doubtful of Loss	Additional Provision	Total
Beginning balance	348,695,435	10,625,999	286,135,841	822,787,291	–	2,236,260,733	3,704,505,299
Doubtful accounts	63,019,399	2,230,824	(183,200,191)	(5,046,586)	3,191,784,345	1,805,961,968	4,874,749,759
Bad debts written off	–	–	–	–	(120,148,168)	–	(120,148,168)
Others	–	–	–	–	(31,206,772)	–	(31,206,772)
Ending balance	411,714,834	12,856,823	102,935,650	817,740,705	3,040,429,405	4,042,222,701	8,427,900,118

As at December 31, 2001, for the Bank and a subsidiary which is a financial institution and for the Bank only the allowance for doubtful accounts are as follows:

*Amounts in Baht*

	Consolidated Financial Statements						
	2001						
	Pass	Special Mention	Substandard	Doubtful	Doubtful of Loss	Additional Provision	Total
Beginning balance	315,287,435	22,251,671	109,099,458	308,475,751	–	504,403,310	1,259,517,625
Doubtful accounts	33,575,751	(10,312,591)	189,751,779	520,073,614	2,049,316,422	1,731,857,423	4,514,262,398
Bad debts written off	–	–	–	–	(2,050,528,807)	–	(2,050,528,807)
Others	(167,751)	(1,313,081)	(12,715,396)	(5,762,074)	1,212,385	–	(18,745,917)
Ending balance	348,695,435	10,625,999	286,135,841	822,787,291	–	2,236,260,733	3,704,505,299



Amounts in Baht

	Bank Only Financial Statements						
	Pass	Special Mention	Substandard	Doubtful	Doubtful of Loss	Additional Provision	Total
Beginning balance	314,331,454	21,002,844	106,034,292	308,246,080	–	504,403,310	1,254,017,980
Doubtful accounts	34,363,981	(10,376,845)	180,101,549	514,541,211	2,049,052,633	1,731,857,423	4,499,539,952
Bad debts written off	–	–	–	–	(2,050,265,018)	–	(2,050,265,018)
Others	–	–	–	–	1,212,385	–	1,212,385
Ending balance	348,695,435	10,625,999	286,135,841	822,787,291	–	2,236,260,733	3,704,505,299

As at December 31, 2002 and 2001, the Bank has estimated allowances for doubtful accounts, in respect of loans and loans to interbank and money market of Baht 8,428 million and Baht 3,715 million, respectively, based on loans classified at a customer level, calculated in accordance with the Bank's own conservative provisioning methodology as mentioned in Note 4.7. The increase in the allowance is the result of a very in-depth portfolio review and a change in the Bank's restructuring strategy and provisioning policy.

A significant factor in the determination of the allowance for doubtful accounts is the value of collateral. Collateral pledged as support for loans typically consists of land, buildings, and buildings under construction. The value of such collateral is based on either independent or internally performed appraisals.

As at December 31, 2002 and 2001, the allowance for doubtful accounts, in respect of loans and loans to interbank and money market, of the Bank based on classified loans and accrued interest receivables calculated in accordance with the minimum requirements set out in the Notification of the Bank of Thailand at a customer level, minimum was Baht 4,386 million and Baht 1,479 million, respectively. As at the same dates, the Bank had recorded an allowance for doubtful accounts of approximately Baht 8,428 million and Baht 3,715 million which represents 192.17% and 251.25% of the required minimum allowance for doubtful accounts, respectively.

As at December 31, 2002 and 2001, Baht 0.06 million and Baht 10.30 million, respectively, of the total allowance for doubtful accounts at those dates was established in respect of interbank and money market loans on both a consolidated basis and for the Bank only.

## 11. Valuation Allowance For Debt Restructuring

Movements in the valuation allowance for debt restructuring as at December 31 are as follows:

Amounts in Baht

	Consolidated Financial Statements		Bank Only Financial Statements	
	2002	2001	2002	2001
Beginning balance	302,205,139	408,012,008	302,205,139	405,896,200
Additions	192,885,104	47,902,948	192,885,104	40,865,503
Amortisation	(108,731,889)	(144,556,564)	(108,731,889)	(144,556,564)
Other	(55,462,410)	(9,153,253)	(55,462,410)	–
Ending balance	330,895,944	302,205,139	330,895,944	302,205,139

## 12. Property Foreclosed

Property foreclosed as at December 31 are as follows:

Amounts in Baht

Types	Consolidated Financial Statements			
	Beginning Balance	Additions	Sales	Ending Balance
<b>2002</b>				
1. Transfer of assets from debt restructuring				
Immovable properties	12,565,236,165	2,813,111,564	(1,478,014,759)	13,900,332,970
Movable properties	13,964,594	7,830,368	(7,830,368)	13,964,594
Total	12,579,200,759	2,820,941,932	(1,485,845,127)	13,914,297,564
2. Others	24,950,872	19,894,430	(5,001,265)	39,844,037
Total	12,604,151,631	2,840,836,362	(1,490,846,392)	13,954,141,601
<u>Less</u> Allowance for impairment	(432,247,393)	(201,854,910)	194,555,380	(439,546,923)
Property foreclosed - net	12,171,904,238	2,638,981,452	(1,296,291,012)	13,514,594,678

Types	Consolidated Financial Statements			
	Beginning Balance	Additions	Sales	Ending Balance
<b>2001</b>				
1. Transfer of assets from debt restructuring				
Immovable properties	9,618,670,402	3,823,893,522	(877,327,759)	12,565,236,165
Movable properties	34,707,365	10,974,956	(31,717,727)	13,964,594
Total	9,653,377,767	3,834,868,478	(909,045,486)	12,579,200,759
2. Others	11,457,863	13,532,604	(39,595)	24,950,872
Total	9,664,835,630	3,848,401,082	(909,085,081)	12,604,151,631
<u>Less</u> Allowance for impairment	(320,932,128)	(114,994,990)	3,679,725	(432,247,393)
Property foreclosed - net	9,343,903,502	3,733,406,092	(905,405,356)	12,171,904,238

Amounts in Baht

<b>Bank Only Financial Statements</b>				
<b>2002</b>				
Types	Beginning Balance	Additions	Sales	Ending Balance
1. Transfer of assets from debt restructuring				
Immovable properties	12,594,334,305	2,813,111,564	(1,478,094,323)	13,929,351,546
Movable properties	1,628,771	–	–	1,628,771
Total	12,595,963,076	2,813,111,564	(1,478,094,323)	13,930,980,317
2. Others	24,950,872	19,894,430	(5,001,265)	39,844,037
Total	12,620,913,948	2,833,005,994	(1,483,095,588)	13,970,824,354
<u>Less</u> Allowance for impairment	(426,000,000)	(200,000,000)	194,555,380	(431,444,620)
Property foreclosed - net	12,194,913,948	2,633,005,994	(1,288,540,208)	13,539,379,734

<b>Bank Only Financial Statements</b>				
<b>2001</b>				
Types	Beginning Balance	Additions	Sales	Ending Balance
1. Transfer of assets from debt restructuring				
Immovable properties	9,700,297,623	3,823,893,522	(929,856,840)	12,594,334,305
Movable properties	1,628,771	–	–	1,628,771
Total	9,701,926,394	3,823,893,522	(929,856,840)	12,595,963,076
2. Others	11,457,863	13,532,604	(39,595)	24,950,872
Total	9,713,384,257	3,837,426,126	(929,896,435)	12,620,913,948
<u>Less</u> Allowance for impairment	(312,487,581)	(113,512,419)	–	(426,000,000)
Property foreclosed - net	9,400,896,676	3,723,913,707	(929,896,435)	12,194,913,948

In December 2001, the Bank recorded an increase in the value of foreclosed property as a result of changing the basis on which assets received in satisfaction of receivables through foreclosure are recognised, amounting to Baht 90.73 million. This amount has been recorded in the statement of income for the year ended December 31, 2001.

### 13. Premises And Equipment

During the three-month period ended December 31, 2001, the Bank had its land and buildings reappraised by an independent appraisal company based on the market value approach for both land and buildings. Based on the results of this reappraisal, the Bank had an additional surplus on land and buildings revaluation amounting to Baht 399 million from the previous revaluation. As of December 31, 2001, the Bank showed an unrealized increment on land and buildings appraised in shareholders' equity amounting to Baht 770 million and losses on revaluation of land and buildings amounting to Baht 234 million in the statement of income. This additional surplus has been approved by the Bank of Thailand on March 29, 2002 to count as tier 2 capital amounting to Baht 280.56 million.

Movements in premises and equipment during the year ended December 31 are summarized as follows :

Amounts in Baht

**Consolidated Financial Statements**

2002

	Net book value as of Jan. 1, 2002	Movement in cost during the year		Ending balance	Movement of depreciation/allowance for impairment during the year			Ending balance	Net book value as of Dec. 31, 2002
	Beginning balance	Addition	Deduction	Ending balance	Beginning balance	Depreciation	Loss on impairment	Addition/ Deduction	Ending balance
Land									
Original Cost	512,415,348	7,065,000	(4,120,000)	515,360,348	-	-	-	-	-
Revaluation	712,133,720	-	(16,164,000)	695,969,720	-	-	-	-	-
Allowance for impairment of land	(63,287,707)	-	-	-	63,287,707	-	-	-	63,287,707
Premises									
Original Cost	639,872,078	27,177,409	(22,053,871)	644,995,616	-	17,464,787	-	(11,620,566)	5,844,221
Revaluation	57,721,278	-	-	57,721,278	-	(8,439,944)	-	293,011	(8,146,933)
Allowance for impairment of buildings	(170,635,974)	-	-	-	170,635,974	-	(4,398,227)	-	166,237,747
Equipment	963,104,243	470,380,905	(459,252,636)	2,547,767,367	1,573,534,855	385,820,442	-	(466,439,981)	1,492,915,316
Assets unused	30,064,035	19,174,974	(24,289,462)	24,949,547	-	-	-	-	-
Total	2,681,387,021	523,798,288	(525,879,969)	4,486,763,876	1,807,458,536	394,845,285	(4,398,227)	(477,767,536)	1,720,138,058
									2,766,625,818

As of December 31, 2002, the Bank and its subsidiaries have assets still in use which have been fully depreciated, with original cost of Baht 485,947,289.

Amounts in Baht

Bank Only Financial Statements

2002

	Net book value as of Jan. 1, 2002	Movement in cost during the year		Ending balance	Movement of depreciation/allowance for impairment during the year		Ending balance	Net book value as of Dec. 31, 2002
	Beginning balance	Addition	Deduction	Ending balance	Beginning balance	Depreciation	Loss on impairment	Addition/ Deduction
Land								
Original Cost	512,415,348	7,065,000	(4,120,000)	515,360,348	-	-	-	-
Revaluation	712,133,720	-	(16,164,000)	695,969,720	-	-	-	-
Allowance for impairment of land	(63,287,707)	-	-	-	63,287,707	-	-	-
Premises								
Original Cost	724,908,157	27,477,409	(22,053,872)	730,331,694	-	25,444,085	-	(11,620,566)
Revaluation	57,721,278	-	-	57,721,278	-	(8,439,944)	-	293,011
Allowance for impairment of buildings	(170,635,974)	-	-	-	170,635,974	-	(4,398,227)	-
Equipment	445,275,074	340,173,284	(35,232,694)	1,403,189,027	652,973,363	185,353,209	-	(32,169,178)
Assets unused	30,064,035	19,174,974	(24,289,462)	24,949,547	-	-	-	-
Total	2,248,593,931	3,135,490,975	(101,860,028)	3,427,521,614	886,897,044	202,357,350	(4,398,227)	(43,496,733)
								1,041,359,434
								2,386,162,180

As of December 31, 2002, the Bank has assets still in use which have been fully depreciated, with original cost of Baht 453,054,191.

## Consolidated Financial Statements

2001

	Net book value as of Jan. 1, 2001	Movement in cost during the year			Ending balance	Movement of depreciation/allowance for impairment during the year			Ending balance	Net book value as of Dec. 31, 2001
		Beginning balance	Addition	Deduction		Beginning balance	Depreciation	Loss on impairment		
Land										
Original Cost	631,340,846	3,660,000	(122,585,498)	512,415,348	–	–	–	–	–	512,415,348
Revaluation	337,870,670	379,497,930	(5,234,880)	712,133,720	–	–	–	–	–	712,133,720
Allowance for impairment of land							63,287,707	–	63,287,707	(63,287,707)
Premises										
Original Cost	642,696,157	107,715,685	(470,649,068)	639,872,078	360,109,304	63,606,497	–	(423,715,801)	–	639,872,078
Revaluation	46,256,063	29,814,003	(33,516,725)	57,721,278	15,167,937	1,744,589	–	(16,912,526)	–	57,721,278
Allowance for impairment of buildings							170,635,974	–	170,635,974	(170,635,974)
Equipment	950,067,451	442,866,807	(421,161,054)	2,536,639,098	1,562,065,894	406,005,001	–	(394,536,040)	1,573,534,855	963,104,243
Allowance for impairment of equipment	–	–	–	–	2,800,000	–	–	(2,800,000)	–	–
Assets unused	–	30,064,035	–	30,064,035	–	–	–	–	–	30,064,035
Total	2,608,231,187	4,548,374,322	(1,053,147,225)	4,488,845,557	1,940,143,135	471,356,087	233,923,681	(837,964,367)	1,807,458,536	2,681,387,021

As of December 31, 2001, the Bank and its subsidiaries have assets still in use which have been fully depreciated, with original cost of Baht 409,393,777.

Amounts in Baht

Bank Only Financial Statements

2001

	Net book value as of Jan. 1, 2001	Beginning balance	Movement in cost during the year	Ending balance	Beginning balance	Depreciation	Loss on impairment	Deduction	Ending balance	Net book value as of Dec. 31, 2001
Land										
Original Cost	614,206,113	614,206,113	3,660,000	512,415,348	-	-	-	-	-	512,415,348
Revaluation	337,870,670	337,870,670	379,497,930	712,133,720	-	-	-	-	-	712,133,720
Allowance for impairment of land							63,287,707	-	63,287,707	(63,287,707)
Premises										
Original Cost	707,787,993	1,121,066,198	108,365,685	724,908,157	413,278,205	70,169,570	-	(483,447,775)	-	724,908,157
Revaluation	46,256,063	61,424,000	29,814,003	57,721,278	15,167,937	1,744,589	-	(16,912,526)	-	57,721,278
Allowance for impairment of buildings							170,635,974	-	170,635,974	(170,635,974)
Equipment	435,975,994	964,255,571	160,345,924	1,098,248,437	528,279,577	149,857,442	-	(25,163,656)	652,973,363	445,275,074
Assets unused	-	-	30,064,035	30,064,035	-	-	-	-	-	30,064,035
Total	2,142,096,833	3,098,822,552	711,747,577	3,135,490,975	956,725,719	221,771,601	233,923,681	(525,523,957)	886,897,044	2,248,593,931

As of December 31, 2001, the Bank has assets still in use which have been fully depreciated, with original cost of Baht 378,064,321.

## 14. Deposits

Deposits as at December 31 are as follows:

### 14.1 Classified by type of deposits

Amounts in Baht

	Consolidated Financial Statements		Bank Only Financial Statements	
	2002	2001	2002	2001
Current deposits	3,701,279,984	3,136,668,789	3,708,806,983	3,138,645,245
Saving deposits	59,332,747,379	52,645,904,240	59,382,265,143	52,680,305,958
Time deposits with original maturity :				
- Not over 6 months	40,529,842,809	50,852,962,020	40,530,109,162	50,853,226,110
- Over 6 months but not over 1 year	4,146,340,178	5,035,291,638	4,146,340,178	5,035,291,639
- 1 year and over	30,745,092,026	27,691,777,232	30,765,092,026	27,711,777,232
<b>Total</b>	<b>138,455,302,376</b>	<b>139,362,603,919</b>	<b>138,532,613,492</b>	<b>139,419,246,184</b>

### 14.2 Classified by the remaining period of the deposit agreements

Amounts in Baht

	Consolidated Financial Statements		Bank Only Financial Statements	
	2002	2001	2002	2001
- Not over 1 year	123,827,602,891	125,306,866,158	123,904,914,007	125,363,508,423
- Over 1 year	14,627,699,485	14,055,737,761	14,627,699,485	14,055,737,761
<b>Total</b>	<b>138,455,302,376</b>	<b>139,362,603,919</b>	<b>138,532,613,492</b>	<b>139,419,246,184</b>

### 14.3 Classified by the currencies and residence of depositors

Amounts in Baht

	Consolidated Financial Statements		
	2002		
	Domestic	Foreign	Total
Baht	137,286,321,125	–	137,286,321,125
US Dollars	521,478,885	432,829,309	954,308,194
Other Currencies	22,154,728	192,518,329	214,673,057
<b>Total</b>	<b>137,829,954,738</b>	<b>625,347,638</b>	<b>138,455,302,376</b>



Amounts in Baht

**Consolidated Financial Statements**

	<b>2001</b>		
	<b>Domestic</b>	<b>Foreign</b>	<b>Total</b>
Baht	138,176,134,319	–	138,176,134,319
US Dollars	766,297,640	226,885,737	993,183,377
Other Currencies	44,214,817	149,071,406	193,286,223
<b>Total</b>	<b>138,986,646,776</b>	<b>375,957,143</b>	<b>139,362,603,919</b>

**Bank Only Financial Statements**

	<b>2002</b>		
	<b>Domestic</b>	<b>Foreign</b>	<b>Total</b>
Baht	137,363,632,241	–	137,363,632,241
US Dollars	521,478,885	432,829,309	954,308,194
Other Currencies	22,154,728	192,518,329	214,673,057
<b>Total</b>	<b>137,907,265,854</b>	<b>625,347,638</b>	<b>138,532,613,492</b>

**Bank Only Financial Statements**

	<b>2001</b>		
	<b>Domestic</b>	<b>Foreign</b>	<b>Total</b>
Baht	138,232,776,584	–	138,232,776,584
US Dollars	766,297,640	226,885,737	993,183,377
Other Currencies	44,214,817	149,071,406	193,286,223
<b>Total</b>	<b>139,043,289,041</b>	<b>375,957,143</b>	<b>139,419,246,184</b>

In the consolidated financial statements as at December 31, 2002 and 2001, it is estimated that 78.21% and 81.15% respectively of total deposits have residual maturities within three months, 11.23% and 8.77% respectively have residual maturities of between three months and one year, and 10.56% and 10.08% respectively have residual maturities between one year and five years from the balance sheet date.

## 15. Interbank And Money Market Items (Liabilities)

Interbank and money market items (liabilities) as at December 31 are as follows :

Amounts in Baht

<b>Consolidated Financial Statements</b>			
<b>2002</b>			
	<b>At call</b>	<b>Time</b>	<b>Total</b>
15.1 Domestic items			
Bank of Thailand and Financial Institutions			
Development Fund	156,396,000	–	156,396,000
Commercial Banks	50,851,694	108,237,892	159,089,586
Other Banks	172,893,180	–	172,893,180
Finance Companies, Finance and Securities Companies, Securities Companies and Credit Foncier Companies	266,897,958	1,604	266,899,562
Other Financial Institutions	189,119,718	191,351,241	380,470,959
Total domestic items	836,158,550	299,590,737	1,135,749,287
15.2 Foreign items			
US Dollars	82,152,930	–	82,152,930
Yen	20,758,569	–	20,758,569
Other Currencies	255,940,683	–	255,940,683
Total foreign items	358,852,182	–	358,852,182
Total domestic and foreign items	1,195,010,732	299,590,737	1,494,601,469

<b>Consolidated Financial Statements</b>			
<b>2001</b>			
	<b>At call</b>	<b>Time</b>	<b>Total</b>
15.3 Domestic items			
Bank of Thailand and Financial Institutions			
Development Fund	267,496,000	–	267,496,000
Commercial Banks	17,502,177	110,743,044	128,245,221
Other Banks	1,044,890,735	–	1,044,890,735
Finance Companies, Finance and Securities Companies, Securities Companies and Credit Foncier Companies	346,857,045	30,384,217	377,241,262
Other Financial Institutions	44,716,568	714,273,695	758,990,263
Total domestic items	1,721,462,525	855,400,956	2,576,863,481
15.4 Foreign items			
US Dollars	69,992,638	–	69,992,638
Yen	57,672,702	–	57,672,702
Other Currencies	273,453,807	–	273,453,807
Total foreign items	401,119,147	–	401,119,147
Total domestic and foreign items	2,122,581,672	855,400,956	2,977,982,628

Amounts in Baht

**Bank Only Financial Statements**

	<b>2002</b>		
	<b>At call</b>	<b>Time</b>	<b>Total</b>
15.1 Domestic items			
Bank of Thailand and Financial Institutions			
Development Fund	156,396,000	–	156,396,000
Commercial Banks	26,164,619	108,237,892	134,402,511
Other Banks	172,893,180	–	172,893,180
Finance Companies, Finance and Securities Companies, Securities Companies and Credit Foncier Companies	281,385,775	1,604	281,387,379
Other Financial Institutions	189,119,718	191,351,241	380,470,959
Total domestic items	825,959,292	299,590,737	1,125,550,029
15.2 Foreign items			
US Dollars	82,152,930	–	82,152,930
Yen	20,758,569	–	20,758,569
Other Currencies	255,940,683	–	255,940,683
Total foreign items	358,852,182	–	358,852,182
Total domestic and foreign items	1,184,811,474	299,590,737	1,484,402,211

**Bank Only Financial Statements**

	<b>2001</b>		
	<b>At call</b>	<b>Time</b>	<b>Total</b>
15.3 Domestic items			
Bank of Thailand and Financial Institutions			
Development Fund	267,496,000	–	267,496,000
Commercial Banks	10,454,303	110,743,044	121,197,347
Other Banks	1,044,890,735	–	1,044,890,735
Finance Companies, Finance and Securities Companies, Securities Companies and Credit Foncier Companies	348,363,071	30,384,217	378,747,288
Other Financial Institutions	44,716,568	714,273,695	758,990,263
Total domestic items	1,715,920,677	855,400,956	2,571,321,633
15.4 Foreign items			
US Dollars	69,992,638	–	69,992,638
Yen	57,672,702	–	57,672,702
Other Currencies	273,453,807	–	273,453,807
Total foreign items	401,119,147	–	401,119,147
Total domestic and foreign items	2,117,039,824	855,400,956	2,972,440,780

As at December 31, 2002 and 2001, the Bank and its subsidiaries have estimated that 87.29% and 78.26% respectively of the interbank and money market liabilities have residual maturities within one year and that 12.71% and 21.74% have maturities within one to five years from the balance sheet dates.

## 16. Securities Sold Under Repurchase Agreements

Securities sold under repurchase agreements as at December 31 are as follows :

*Amounts in Baht*

	Consolidated and Bank Only Financial Statements	
	2002	2001
Government bonds and Bank of Thailand bonds	400,000,000	–
Total	400,000,000	–

## 17. Long-term Borrowings

Long-term borrowings as at December 31 are as follows :

17.1 Long-term borrowings by types of securities and sources:

*Amounts in Baht*

	Consolidated and Bank Only Financial Statements		
	2002		
	Domestic	Foreign	Total
Subordinated convertible debentures	8,150,000	900,344,650	908,494,650
Subordinated debentures	4,000,000,000	–	4,000,000,000
Others	16,678,000	–	16,678,000
Total	4,024,828,000	900,344,650	4,925,172,650

	Consolidated and Bank Only Financial Statements		
	2001		
	Domestic	Foreign	Total
Subordinated convertible debentures	8,150,000	900,344,650	908,494,650
Subordinated debentures	4,000,000,000	–	4,000,000,000
Others	12,984,667	–	12,984,667
Total	4,021,134,667	900,344,650	4,921,479,317

17.2 Long-term borrowings by types of securities, currency, maturity and interest rate:

Amounts in Baht

Consolidated and Bank Only Financial Statements				
2002				
Types	Currency	Maturity	Interest rate per annum	Amounts (Baht)
Subordinated convertible debentures	USD	Feb. 9, 2004	3.75 %	900,344,650
Subordinated convertible debentures	Baht	Dec. 30, 2003	8.00 %	8,150,000
Subordinated debentures	Baht	Jun. 25, 2006	7.15 %	2,000,000,000
Subordinated debentures	Baht	Aug. 15, 2008	6.50 %	2,000,000,000
Others	Baht	Oct. 31, 2007	-	8,678,000
Others	Baht	Mar. 31, 2009	-	8,000,000
<b>Total</b>				<b>4,925,172,650</b>

Consolidated and Bank Only Financial Statements				
2001				
Types	Currency	Maturity	Interest rate per annum	Amounts (Baht)
Subordinated convertible debentures	USD	Feb. 9, 2004	3.75 %	900,344,650
Subordinated convertible debentures	Baht	Dec. 30, 2003	8.00 %	8,150,000
Subordinated debentures	Baht	Jun. 25, 2006	7.15 %	2,000,000,000
Subordinated debentures	Baht	Aug. 15, 2008	6.50 %	2,000,000,000
Others	Baht	Oct. 31, 2007	-	12,984,667
<b>Total</b>				<b>4,921,479,317</b>

Issuance of subordinated convertible debentures to offshore investors

In 1994, the Bank offered subordinated convertible debentures, which the shareholders passed a resolution to issue on October 15, 1993, to foreign investors amounting to US\$ 75 million at the exchange rate of US\$ 1 to Baht 25.45 or approximately Baht 1,908.75 million, at an interest rate of 3.75 percent per annum and 10-year maturity, with conversion price equal to Baht 66.90 at the exchange rate of US\$ 1 to Baht 25.45 on the condition that the Bank can convert or redeem the debentures before maturity. The debenture holders have the right to convert the debentures into ordinary shares from March 9, 1994 onwards.

As at December 31, 2002 and 2001, the conversion prices were Baht 23 and Baht 24, respectively, per share, calculated in compliance with the conditions in the prospectus. The shareholders passed a resolution to issue 53,727,766 ordinary shares with a par value of Baht 10 per share for conversion of the remaining subordinated convertible debentures.

Up to December 31, 2002 and 2001, the conversion rights had been exercised to convert 39,623 subordinated convertible debentures into 19,272,234 ordinary shares.

Issuance of subordinated convertible debentures to the Bank's management

During 1993 - 1995, the Bank offered 14,000 convertible debentures with no collateral, which the shareholders passed a resolution to issue on November 27, 1992, to the Bank's management at Baht 10,000 par value each, totaling Baht 140 million, with an interest rate of 8 percent per annum and 10-year maturity. The conversion rate was 1 convertible debenture to 1,000 ordinary shares.

The debentureholders have the right to receive any payments from the Bank before ordinary shareholders and preferred shareholders (if any) but after the repayment of debts to all other parties.

On April 25, 1995, the shareholders passed a resolution to issue 1,078,000 ordinary shares with a par value of Baht 10 per share for conversion of the remaining subordinated convertible debentures. In this case 77 ordinary shares will be allocated to support the change in the conversion ratio in one unit of the subordinated convertible debentures issued to management.

On July 31, 1998, the shareholders passed a resolution to issue 2,608,480 ordinary shares with a par value of Baht 10 per share for conversion of the remaining subordinated convertible debentures. In this case 548 ordinary shares will be allocated to support the change in the conversion ratio in one unit of the subordinated convertible debentures issued to management.

On November 3, 1999, the shareholders passed a resolution to issue 289,900 ordinary shares, with a par value of Baht 10 per share for conversion of the remaining subordinated convertible debentures. In this case 260 ordinary shares will be allocated to support the change in the conversion ratio in one unit of the subordinated convertible debentures issued to management.

Up to December 31, 2002 and 2001, the conversion rights had been exercised for 13,185 subordinated convertible debentures into 16,440,105 ordinary shares.

For the remaining subordinated convertible debentures, had these debentureholders exercised their conversion rights as at December 31, 2002 and 2001, the difference between market value and par value of the ordinary shares would amount to Baht 8,203,709 and Baht 7,712,101, respectively.

#### Issuance of subordinated debentures to specific investor

On June 25, 1999, the Bank offered 2 million units of subordinated debentures No.1 of Baht 1,000 per unit, totaling Baht 2,000 million, with 7-year term at the fixed interest rate of 7.15 percent per annum, due for redemption on June 25, 2006 to ABN AMRO Bank N.V., Bangkok Branch.

On August 15, 2001, the Bank offered 2 million units of subordinated debentures No.2 of Baht 1,000 per unit, totaling Baht 2,000 million, with 7-year term at the floating interest rate based on average of one-year deposit rate of four major banks and the Bank plus 2.50 percent per annum with a minimum guaranteed rate of 6.50 percent per annum, due for redemption on August 15, 2008 through private placement.

#### Other long-term borrowings

As at December 31, 2002 and 2001, the Bank has long-term borrowings from the National Science and Technology Development Agency amounting to Baht 16,678,000 and Baht 12,984,667, respectively, which are non-interest bearing and will mature on March 31, 2009 and October 31, 2007, respectively.

## 18. Hedge Accounting

### 18.1 Cash flow hedges for forecast Cash flow

The Bank uses forward foreign exchange contracts to hedge foreign currency exposure relating to highly probable and committed transactions. The following table shows anticipated future cash outflows and corresponding forward contracts executed to hedge the foreign exchange exposure associated with these outflows as at December 31:

	<i>Amounts in Million Baht</i>	
	<b>2002</b>	<b>2001</b>
Anticipated value of transactions	–	311.30
Outstanding forward contracts	–	265.06

In accordance with its accounting policy, the Bank has remeasured the forward contracts at fair value as at December 31, 2001. The entire resulting gain of Baht 1,142,208 has been recognized directly in equity. The anticipated transactions include capital and revenue expenditure to be incurred in July 2002 until the first quarter of 2003.

For the year ended December 31, 2002, the Bank adjusted the corresponding gain recorded in equity to be the initial measurement of the underlying assets and transferred to the income statement when the forecasted expenses occurred, amounting to Baht 1,041,442 and Baht 179,974, respectively.

For the year ended December 31, 2002, the Bank recognized the cumulative gain or loss recorded in equity into the income statement amounting to Baht 3,007,901 since the hedged transactions are no longer expected to occur.

### 18.2 Cash flow hedges of interest rate risk

Interate rate swaps are used to hedge cash flow exposures primarily on floating rate liabilities by changing interest paid to fixed rates. The swap notional amount used as cash flow hedge is Baht 3,000 million. Average pay rate and average receive rate are approximately 4% p.a. and 2% p.a. respectively. Average floating rates are based on rates implied in the yield curve as at December 31, 2002. These may change significantly, affecting future cash flows.

The Bank purchases interest rate swap agreements to fix the long-term cost of funds. Those agreements are normally entered into when the fixed rates available under interest rate swaps are considered too low relative to the Bank's view about the level of future interest rates.

## 19. Share Capital

Issued and paid-up share capital as at December 31 are as follows:

*Amounts in Baht*

	Consolidated and Bank Only Financial Statements	
	2002	2001
Paid-up share capital from shareholders	50,597,343,740	37,918,681,400
Paid-up share capital from conversion of subordinated convertible debentures (domestic)	164,401,050	164,401,050
Paid-up share capital from conversion of subordinated convertible debentures (foreign)	192,722,340	192,722,340
<b>Total</b>	<b>50,954,467,130</b>	<b>38,275,804,790</b>

On April 12, 2002, at the Ordinary General Meeting No.10 held on April 12, 2002, the shareholders resolved the following significant matters :

1. Approval is given to reduce the registered capital of the Bank from Baht 46,613.45 million to Baht 38,828.45 million by cancelling 778,500,561 ordinary shares which have not yet been offered by the Bank for sale.
2. Approval is given to increase the registered capital of the Bank from Baht 38,828.45 million to Baht 53,828.45 million by issuing 1,500 million new ordinary shares, each having a par value of Baht 10, with a total worth of Baht 15,000 million to be offered for sale to all existing shareholders of the Bank.
3. Approval is given to allocate new ordinary shares from the capital increase by authorizing the Board of Directors to issue the new ordinary shares by allotment from time to time, to prescribe details of the issue in respect of price and time of issue or conditions of each allotment until all of the new shares will be fully subscribed, to authorize the Board of Directors to determine the price of new ordinary shares to be offered in each allotment at an amount that may be lower than the par value but not be less than Baht 5 per share, and to authorize the Board of Directors to allocate unsubscribed new ordinary shares from each allotment issued to those oversubscribing shareholders in proportion to their oversubscribed amount of new ordinary shares. Each allotment will be not less than Baht 1,500 million. The amount of new ordinary shares that each shareholder shall be permitted to oversubscribe shall not exceed the amount of shares allocated pursuant to his / her original entitlement to subscribe for new ordinary shares, and if, subsequent to the foregoing allocation, there remain any unsubscribed new ordinary shares, the Board of Directors will (i) offer any unsubscribed new ordinary shares to all existing shareholders as part of the subsequent allotment issue, or (ii) in respect of the final allotment issue, cancel any such unsubscribed new ordinary shares.

At the Board of Directors' Meeting No.535 held on April 24, 2002, the Board of Directors resolved the increase in share capital through the issuance of 1,391,847,447 new ordinary shares, each having a par value of Baht 10 to be offered for sale to the existing shareholders in proportion to their shareholding in the ratio of 2.75 existing shares to 1 new share, at the price of Baht 5 per share according to the Ordinary General Meeting No.10 mentioned above.

On June 18, 2002, the Bank registered the fully paid-up shares of Baht 50,954.47 million with the Registrar of Partnerships and Companies, Ministry of Commerce.



## Capital Fund

The Bank's actual capital amounts and ratios as at December 31, calculated based on Bank of Thailand guidelines are presented below :

*Amounts in Baht*

	<b>Bank Only Financial Statements</b>	
	<b>2002</b>	<b>2001</b>
Tier 1 capital		
Paid-up share capital and premium (discount) on share capital	39,808,629,752	33,469,298,582
Statutory reserve	367,591,201	367,591,201
Other reserve	72,000,000	72,000,000
Deficit	(25,774,268,811)	(21,963,985,714)
Less Loss for the year	(3,898,400,311)	(3,810,283,097)
	<b>10,575,551,831</b>	<b>8,134,620,972</b>
Tier 2 capital		
Unrealized increment on land appraisal (70%)	487,178,803	232,845,053
Unrealized increment on buildings appraisal (50%)	27,856,930	13,953,638
Subordinated convertible debentures	3,380,068,930	3,965,027,860
General provision for pass loans and receivables	1,492,385,080	359,113,329
	<b>5,387,489,743</b>	<b>4,570,939,880</b>
<b>Total Capital Fund</b>	<b>15,963,041,574</b>	<b>12,705,560,852</b>
Tier 1 capital ratio	8.86%	7.00%
Total capital ratio	13.37%	10.93%
Minimum tier 1 capital ratio requirement	4.25%	4.25%
Minimum total capital ratio requirement	8.50%	8.50%

The Bank reappraised its land and buildings in the fourth quarter of 2001. The Bank of Thailand approved an additional surplus on land and buildings amounting to Baht 280,555,552 to count as tier 2 capital commencing from March 29, 2002.

## 20. Statutory Reserve

Under the Public Limited Companies Act, the Bank is required to set aside as statutory reserve at least 5% of its net profit after accumulated deficit brought forward (if any) until the reserve is not less than 10% of the authorized capital, and under the provision of the Civil and Commercial Code of Thailand, subsidiary companies are required to set aside as a legal reserve at least 5% of net income each time a dividend is declared until the reserve reaches 10% of authorized capital. The reserve is not available for dividend distribution.

## 21. Contingencies

As at December 31, in the ordinary course of business the Bank had the following contractual contingencies:

*Amounts in Baht*

<b>Consolidated and Bank Only Financial Statements</b>			
<b>2002</b>			
	<b>Baht Currency</b>	<b>Foreign Currencies</b>	<b>Total</b>
Aval to bills	677,759,316	–	677,759,316
Guarantees of loans	75,035,505	107,633,327	182,668,832
Other guarantees	8,747,192,887	576,675,308	9,323,868,195
Letters of credit	207,929,714	3,186,424,083	3,394,353,797
Forward exchange			
- Forward exchange bought	19,724,398,503	11,133,158,807	30,857,557,310
- Forward exchange sold	8,021,382,417	22,815,650,861	30,837,033,278
Interest rate swap contract	3,000,000,000	–	3,000,000,000
Undrawn overdraft amount	16,088,064,337	–	16,088,064,337
Others	2,529,000	1,825,193,793	1,827,722,793
<b>Total</b>	<b>56,544,291,679</b>	<b>39,644,736,179</b>	<b>96,189,027,858</b>

<b>Consolidated and Bank Only Financial Statements</b>			
<b>2001</b>			
	<b>Baht Currency</b>	<b>Foreign Currencies</b>	<b>Total</b>
Aval to bills	754,792,556	–	754,792,556
Guarantees of loans	93,048,560	95,331,596	188,380,156
Other guarantees	8,251,187,421	521,485,525	8,772,672,946
Letters of credit	114,924,718	2,351,007,083	2,465,931,801
Forward exchange			
- Forward exchange bought	24,240,683,899	14,810,706,983	39,051,390,882
- Forward exchange sold	13,081,274,677	25,794,662,812	38,875,937,489
Undrawn overdraft amount	15,475,624,746	–	15,475,624,746
Others	8,660,387	1,309,837,797	1,318,498,184
<b>Total</b>	<b>62,020,196,964</b>	<b>44,883,031,796</b>	<b>106,903,228,760</b>

The forward foreign exchange contracts entered into by the Bank relate primarily to purchases and sales of US dollars against the Thai Baht. As at December 31, 2002 and 2001, all such forward foreign exchange contracts had residual maturities of less than one year from the balance sheet date. In respect of the Bank's other commitments, the notional amounts do not necessarily reflect future cash requirements as the facilities may expire without being drawn upon.

## 22. Assets Used As Collateral

Assets used as collateral as at December 31 are as follows:

	<i>Amounts in Baht</i>	
	<b>Consolidated and Bank Only Financial Statements</b>	
	<b>2002</b>	<b>2001</b>
Government bonds		
- deposited as collateral for securities sold under repurchase agreement	4,579,185,000	1,988,500,000
Government bonds		
- deposited as collateral for Government departments	1,670,000,000	1,670,000,000
Promissory notes		
- deposited as collateral for borrowings from Export-Import Bank of Thailand	-	1,476,409,400

## 23. Litigation

In the ordinary course of business, the Bank is a defendant in a number of lawsuits against the Bank. These include a case of wrongful acts brought against the Bank, claiming Baht 390.56 million and Baht 339.01 million as at December 31, 2002 and 2001, respectively. Management believe that the liability, if any, resulting from the lawsuits will not be material to the Bank's financial position or results of operations.

## 24. Related Party Transactions

The Bank has business transactions with related companies. These transactions are with companies that have joint directors and/or shareholders with the Bank. The financial statements reflect the effects of these transactions in the normal course of business, and the price, interest rates, terms and conditions are considered to be at arm's length except for loans to certain subsidiary and related companies upon which the Bank calculated interest at a lower interest rate than the market rate.

The significant transactions with related companies for the years ended December 31 are as follows:

24.1 Loans to and commitments with certain officers from the levels of departmental chief upwards and the companies in which they and/or the Bank's directors and/or the Bank hold 10% or more of each company's paid up capital at December 31 are as follows:

	Consolidated Financial Statements		Bank Only Financial Statements	
	2002	2001	2002	2001
Loans				
Ending balance	3,828,687,476	3,812,412,748	5,610,755,372	5,392,412,748
Average balance	4,131,780,373	2,297,760,046	5,479,036,031	3,842,962,797
Commitments				
Ending balance	310,664,185	45,446,410	310,664,185	45,446,410
Average balance	283,743,490	34,073,905	283,743,490	34,073,905

As at December 31, 2002 and 2001, the Bank has staff loans with certain officers from the levels of department chief upwards amounting to Baht 22,366,635 and Baht 14,700,042, respectively.

Certain information related to the aforementioned loans and commitments of the Bank is as follows:

	Amounts (Baht)	Interest Rate % per annum	Maturity Date	Amounts	
				Secured (Million Baht)	Unsecured (Million Baht)
Loan	5,610,755,372	1.75 - 19.00	Apr. 23, 1993 to Dec. 31, 2030	3,827	2,095
Commitments	310,664,185	1.00 - 2.50	Jan. 16, 1996 to Dec. 31, 2030		

	Amounts (Baht)	Interest Rate % per annum	Maturity Date	Amounts	
				Secured (Million Baht)	Unsecured (Million Baht)
Loans	5,392,412,748	2.00 - 19.00	Apr. 23, 1993 to Nov. 15, 2020	3,259	2,179
Commitments	45,446,410	1.00 - 2.50	Jan. 16, 1996 to Dec. 31, 2030		

24.2 Significant transactions with the related companies whose shares are more than 20 percent owned by the Bank consisted mainly of the following at December 31:

*Amounts in Baht*

Consolidated Financial Statements							
2002							
Type of Business	Relationship	Paid-up Share Capital	Holding %	Investment Cost Method	Equity Method	Dividend	
<b>INVESTMENT</b>							
ASSOCIATED COMPANY							
Axa Insurance Public Co., Ltd.	Non-life insurance	Shareholder	352,642,100	22.06	121,117,516	147,842,296	5,055,590

Consolidated Financial Statements							
2001							
Type of Business	Relationship	Paid-up Share Capital	Holding %	Investment Cost Method	Equity Method	Dividend	
<b>INVESTMENT</b>							
ASSOCIATED COMPANY							
Axa Insurance Public Co., Ltd.	Non-life insurance	Shareholder	352,642,100	22.06	121,117,516	137,041,583	–

Amounts in Baht

**Bank Only Financial Statements**  
2002

Type of Business	Relationship	Paid-up Share Capital	Holding %	Investment Cost Method	Equity Method	Dividend	
<b>INVESTMENT</b>							
<b>SUBSIDIARY COMPANIES</b>							
Asia Property Co., Ltd.	Asset management	Shareholder	40,000,000	99.99	109,354,000	(42,271,978)	–
BOA Leasing Co., Ltd.	leasing	Shareholder	800,000,000	99.99	799,999,930	323,591,309	–
BOA Asset Management Co., Ltd.	Fund management	Shareholder	100,000,000	99.99	135,725,724	61,092,393	–
Asia Leasehold Co., Ltd.	Real estate	Shareholder	1,000,000	99.93	999,300	(28,393,370)	–
<b>ASSOCIATED COMPANY</b>							
Axa Insurance Public Co., Ltd.	Non-life insurance	Shareholder	352,642,100	22.06	121,117,516	147,842,296	–

Amounts in Baht

<b>LOANS</b>						
<b>SUBSIDIARY COMPANIES</b>						
BOA Leasing Co., Ltd.						1,782,067,896

Amounts in Baht

<b>INVESTMENT FROM DEBT RESTRUCTURING</b>						
N.Y.Sugar Co., Ltd.						Book Value
Acquired 30.00% of the registered share capital (par value of Baht 900 million)						–
Loans (before net of allowance for doubtful accounts)						2,213,109,295
Commitment						4,318,000
High-Rise Development Co., Ltd.						
Acquired 72.09% of the registered share capital (par value of Baht 115.46 million)						–
Loans (before net of allowance for doubtful accounts)						729,880,325
Commitment						1,440,000

The above investments are classified as general investments, which are stated at cost net of allowance for impairment of securities.

Amounts in Baht

Bank Only Financial Statements

2001

Type of Business	Relationship	Paid-up Share Capital	Holding %	Investment Cost Method	Equity Method	Dividend	
<b>INVESTMENT</b>							
<b>SUBSIDIARY COMPANIES</b>							
Asia Property Co., Ltd.	Asset management	Shareholder	40,000,000	99.99	109,354,000	(50,844,024)	–
BOA Leasing Co., Ltd.	Leasing	Shareholder	200,000,000	99.99	199,999,930	(309,493,402)	–
BOA Asset Management Co., Ltd.	Fund management	Shareholder	100,000,000	99.99	135,725,724	54,369,361	–
Asia Leasehold Co., Ltd.	Real estate	Shareholder	1,000,000	99.93	999,300	(28,472,935)	–
<b>ASSOCIATED COMPANY</b>							
Axa Insurance Public Co., Ltd.	Non-life insurance	Shareholder	352,642,100	22.06	121,117,516	137,041,583	–

Amounts in Baht

<b>LOANS</b>						
<b>SUBSIDIARY COMPANIES</b>						
BOA Leasing Co., Ltd.						1,580,000,000

Amounts in Baht

<b>INVESTMENT FROM DEBT RESTRUCTURING</b>						
N.Y.Sugar Co., Ltd.						Book Value
Acquired 30.00% of the registered share capital (par value of Baht 900 million)						–
Loans (before net of allowance for doubtful accounts)						2,345,590,375
Commitment						16,364,622

The above investment is classified as general investment, which is stated at cost net of allowance for impairment of securities.

24.3 As at December 31, significant transactions with the related companies whose shares are 10 - 20 percent owned by the Bank and its subsidiaries consisted mainly of the following :

*Amounts in Baht*

**Consolidated Financial Statements**

**2002**

	Type of Business	Relationship	Paid-up Share Capital	Holding %	Investment (Cost Method)	Dividend
<b>INVESTMENT</b>						
Asia Dhanavadh						
	Warehouse Co., Ltd.	Warehouse shareholder	30,000,000	13.33	4,232,000	320,000
	Piyalai Holdings Co., Ltd.	Real estate shareholder	600,000,000	10.00	60,000,000	-
	J.A.T. Leasing Co., Ltd.	Hire-purchase shareholder	90,000,000	10.00	9,000,000	-

*Amounts in Baht*

<b>LOANS</b>						
	Wing Fat Co., Ltd.					287,060,738
	Piyalai Holdings Co., Ltd.					418,150,000
	J.A.T. Leasing Co., Ltd.					287,546

**Consolidated Financial Statements**

**2001**

	Type of Business	Relationship	Paid-up Share Capital	Holding %	Investment (Cost Method)	Dividend
<b>INVESTMENT</b>						
Asia Dhanavadh						
	Warehouse Co., Ltd.	Warehouse shareholder	30,000,000	13.33	4,232,000	160,000
	Piyalai Holdings Co., Ltd.	Real estate shareholder	600,000,000	10.00	60,000,000	-
	J.A.T. Leasing Co., Ltd.	Hire-purchase shareholder	90,000,000	10.00	9,000,000	-

*Amounts in Baht*

<b>LOANS</b>						
	Wing Fat Co., Ltd.					287,060,738
	Piyalai Holdings Co., Ltd.					418,150,000
	J.A.T Leasing Co., Ltd.					1,186,032



Amounts in Baht

Bank Only Financial Statements

2002

	Type of Business	Relationship	Paid-up Share Capital	Holding %	Investment (Cost Method)	Dividend
<b>INVESTMENT</b>						
Asia Dhanavadh Warehouse Co., Ltd.	Warehouse	shareholder	30,000,000	13.33	4,232,000	320,000
Piyalai Holdings Co., Ltd.	Real estate	shareholder	600,000,000	10.00	60,000,000	-

Amounts in Baht

<b>LOANS</b>						
Wing Fat Co., Ltd.						287,060,738
Piyalai Holdings Co., Ltd.						418,150,000

Amounts in Baht

Bank Only Financial Statements

2002

	Type of Business	Relationship	Paid-up Share Capital	Holding %	Investment (Cost Method)	Dividend
<b>INVESTMENT</b>						
Asia Dhanavadh Warehouse Co., Ltd.	Warehouse	shareholder	30,000,000	13.33	4,232,000	160,000
Piyalai Holdings Co., Ltd.	Real estate	shareholder	600,000,000	10.00	60,000,000	-

Amounts in Baht

<b>LOANS</b>						
Wing Fat Co., Ltd.						287,060,738
Piyalai Holdings Co., Ltd.						418,150,000

24.4 Other significant items with related parties are as follows :

*Amounts in Baht*

	Consolidated Financial Statements				
	2002		2001		
	Associated Company	Major Shareholder	Associated Company	Major Shareholder	
		Total		Total	
Interbank and money market items (Assets)	-	497,877,803	497,877,803	1,811,239,796	1,811,239,796
Deposits	5,789,907	-	5,789,907	41,459,431	41,459,431
Interbank and money market items (Liabilities)	-	54,502,756	54,502,756	32,979,243	32,979,243
Borrowings	-	2,000,000,000	2,000,000,000	2,000,000,000	2,000,000,000
Other liabilities	-	38,719,070	38,719,070	4,815,000	4,815,000

	Consolidated Financial Statements For the years ended December 31,				
	2002		2001		
	Associated Company	Major Shareholder	Associated Company	Major Shareholder	
		Total		Total	
Interest income	-	43,080,944	43,080,944	67,334,960	67,334,960
Other income	-	-	-	959,424	959,424
Interest expenses	-	141,051,048	141,051,048	143,104,072	143,104,072
Insurance expenses	26,753,800	-	26,753,800	10,849,658	10,849,658
Commission and service expenses	-	76,918,036	76,918,036	46,829,184	46,829,184

Amounts in Baht

Bank Only Financial Statements  
As at December 31,

	2002			2001			Total
	Subsidiaries	Associated Company	Major Shareholder	Subsidiaries	Associated Company	Major Shareholder	
Interbank and money market items (Assets)	-	-	497,877,803	-	-	1,811,239,796	1,811,239,796
Loans	1,782,067,896	-	-	1,580,000,000	-	-	1,580,000,000
Accrued interest receivables	3,538,671	-	-	3,080,918	-	-	3,080,918
Deposits	77,311,116	5,789,907	-	56,642,265	41,459,431	-	98,101,696
Interbank and money market items (Liabilities)	9,600,793	-	54,502,756	1,188,364	-	32,979,243	34,167,607
Borrowings	-	-	2,000,000,000	-	-	2,000,000,000	2,000,000,000
Accrued interest expenses	1,027,559	-	-	1,172,045	-	-	1,172,045
Other liabilities	-	-	38,719,070	-	-	4,815,000	4,815,000

Amounts in Baht

**Bank Only Financial Statements**  
For the year ended December 31,

	2002				2001			
	Subsidiaries	Associated Company	Major Shareholder	Total	Subsidiaries	Associated Company	Major Shareholder	Total
Interest income	53,578,044	-	43,080,944	96,658,988	74,753,195	-	67,334,960	142,088,155
Other income	10,429,806	-	-	10,429,806	7,847,933	959,424	-	8,807,357
Interest expenses	1,143,551	-	141,051,048	142,194,599	2,947,512	-	143,104,072	146,051,584
Rental expenses	39,170,646	-	-	39,170,646	84,690,202	-	-	84,690,202
Insurance expenses	-	26,753,800	-	26,753,800	-	10,849,658	-	10,849,658
Commission and service expenses	-	-	76,918,036	76,918,036	-	-	46,829,184	46,829,184
Premises and equipment expenses	13,206,000	-	-	13,206,000	13,800,000	-	-	13,800,000
Purchases of fixed assets	300,000	-	-	300,000	650,000	-	-	650,000

## 24.5 Management cost allocation charged to related company

For the years ended December 31, 2002 and 2001, the Bank recorded the cost allocation by the major shareholder and a subsidiary of the major shareholder of Baht 68.18 million and Baht 30.56 million, respectively, as expenses in the statements of income.

## 25. LONG-TERM LEASES

The Bank has entered into lease agreements for branches' land and buildings. Lease terms range from 3 - 30 years which are renewable.

Details of long-term leases as at December 31 are as follows:

*Amounts in Baht*

Type of Lease	Consolidated Financial Statements	
	2002	Remaining
	Period	Rental Expenses
Office buildings	2003 – 2007	122,620,973
Office buildings	2008 – 2012	55,403,742
Office buildings	2013 – 2017	28,579,872
Office buildings	2018 – 2022	19,415,070
Office buildings	2023 – 2027	1,089,372
Land	2003 – 2020	1,500,000

Type of Lease	Consolidated Financial Statements	
	2001	Remaining
	Period	Rental Expenses
Office buildings	2002 – 2006	102,796,603
Office buildings	2007 – 2011	45,288,099
Office buildings	2012 – 2016	29,225,516
Office buildings	2017 – 2021	24,711,494
Office buildings	2022 – 2026	1,799,267
Land	2002 – 2020	1,572,000

Amounts in Baht

**Bank Only Financial Statements**

**2002**

**Type of Lease**

**Period**

**Remaining  
Rental Expenses**

Office buildings	2003 – 2007	100,738,153
Office buildings	2008 – 2012	55,403,742
Office buildings	2013 – 2017	28,579,872
Office buildings	2018 – 2022	19,415,070
Office buildings	2023 – 2027	1,089,372

**Bank Only Financial Statements**

**2001**

**Type of Lease**

**Period**

**Remaining  
Rental Expenses**

Office buildings	2002 – 2006	94,416,745
Office buildings	2007 – 2011	45,288,099
Office buildings	2012 – 2016	29,225,516
Office buildings	2017 – 2021	24,711,494
Office buildings	2022 – 2026	1,799,267

## 26. Classified Assets

Classified assets by customer in the Bank's financial statements as at December 31 are as follows:

*Amounts in Million Baht*

	Bank Only Financial Statements				
	Investments	Loans*	Properties Foreclosed	Other Assets	Total
Classifications					
Pass	–	91,858	–	8	91,866
Special mention	–	3,018	–	1	3,019
Substandard	–	1,099	–	10	1,109
Doubtful	–	2,569	–	73	2,642
Doubtful of loss	898	15,867	332	621	17,718
<b>Total</b>	<b>898</b>	<b>114,411</b>	<b>332</b>	<b>713</b>	<b>116,354</b>

	Bank Only Financial Statements				
	Investments	Loans*	Properties Foreclosed	Other Assets	Total
Classifications					
Pass	–	87,307	–	10	87,317
Special mention	–	2,008	–	1	2,009
Substandard	–	2,802	–	28	2,830
Doubtful	–	3,998	–	110	4,108
Doubtful of loss	1,594	14,120	385	699	16,798
<b>Total</b>	<b>1,594</b>	<b>110,235</b>	<b>385</b>	<b>848</b>	<b>113,062</b>

\* includes interbank and money market loans.

## 27. Basic Loss Per Share

For the years ended December 31, the Bank had the following basic loss per share:

Amounts in Baht

	Consolidated and Bank Only Financial Statements	
	2002	2001
Net loss for the year (Baht)	(3,029,511,825)	(3,812,027,686)
Weighted average number of ordinary shares calculated by using number of ordinary share issued, including those from conversion of debentures upon cash received (shares)	4,557,037,764	3,827,580,479
Basic loss per share (Baht)	(0.66)	(1.00)

## 28. Fully Diluted Loss Per Share

For the years ended December 31, the Bank had the following fully diluted loss per share:

Amounts in Baht

	Consolidated and Bank Only Financial Statements	
	2002	2001
- Calculation of net loss		
Net loss for the year	(3,029,511,825)	(3,812,027,686)
Plus : Interest paid on debenture, saved from conversion [assumed that all remaining debentures were converted on January 1,] Interest expense		
- debentures issued in Thailand	650,214	644,855
- debentures issued outside Thailand	58,248,400	57,438,155
Total interest expense	58,898,614	58,083,010
Income tax	–	–
Calculated net loss for fully diluted loss per share	(2,970,613,211)	(3,753,944,676)
- Calculation of weighted number of ordinary shares		
Number of weighted average ordinary shares during the year (shares)	4,557,037,764	3,827,580,479
Number of shares from conversion of remaining debentures in Thailand (shares) of Baht 8,150,000	1,536,275	1,536,275
Number of shares from conversion of remaining debentures outside Thailand (shares) of Baht 900,344,650	39,145,420	37,514,360
Total weighted average number of ordinary shares during the year (shares)	4,597,719,459	3,866,631,114
Fully diluted loss per share (Baht)	(0.65)	(0.97)



## 29. Financial Position And Results Of Operations Classified By Domestic And Foreign Businesses

(1) Financial positions as at December 31, classified by type of business segment :

*Amounts in Baht*

	Consolidated Financial Statements		
	2002		
	Domestic	Foreign	Total
Total assets	160,318,020,281	952,880,258	161,270,900,539
Interbank and money market items (assets)	10,486,234,990	164,487,941	10,650,722,931
Investments - net	22,176,182,388	–	22,176,182,388
Loans	114,303,738,057	–	114,303,738,057
Deposits	138,455,302,376	–	138,455,302,376
Interbank and money market items (liabilities)	1,494,601,469	–	1,494,601,469
Borrowings	4,024,828,000	900,344,650	4,925,172,650
Total contingencies	96,189,027,858	–	96,189,027,858

	Consolidated Financial Statements		
	2001		
	Domestic	Foreign	Total
Total assets	158,069,318,263	952,844,712	159,022,162,975
Interbank and money market items (assets)	11,519,833,024	188,293,101	11,708,126,125
Investments - net	21,825,400,876	–	21,825,400,876
Loans	108,438,202,355	–	108,438,202,355
Deposits	139,362,603,919	–	139,362,603,919
Interbank and money market items (liabilities)	2,977,982,628	–	2,977,982,628
Borrowings	4,021,134,667	900,344,650	4,921,479,317
Total contingencies	106,903,228,760	–	106,903,228,760

(2) Results of operations for the years ended December 31, classified by type of business segment :

*Amounts in Baht*

**Consolidated Financial Statements  
2002**

	<b>Domestic</b>	<b>Foreign</b>	<b>Total</b>
Interest and dividend income	6,667,533,759	605	6,667,534,364
Interest expenses	(2,967,759,175)	(58,248,400)	(3,026,007,575)
Net interest income	3,699,774,584	(58,247,795)	3,641,526,789
Non-interest income	2,431,315,277	38,207,177	2,469,522,454
Non-interest expenses	(9,136,340,075)	(3,808,103)	(9,140,148,178)
Income before tax	(3,005,250,214)	(23,848,721)	(3,029,098,935)

**Consolidated Financial Statements  
2001**

	<b>Domestic</b>	<b>Foreign</b>	<b>Total</b>
Interest and dividend income	7,108,088,291	12,681	7,108,100,972
Interest expenses	(3,762,730,390)	(57,438,155)	(3,820,168,545)
Net interest income	3,345,357,901	(57,425,474)	3,287,932,427
Non-interest income	1,483,373,454	38,203,221	1,521,576,675
Non-interest expenses	(8,623,465,486)	(2,082,190)	(8,625,547,676)
Income before tax	(3,794,734,131)	(21,304,443)	(3,816,038,574)

### 30. Disclosure Of Financial Instruments

The Bank is a party to financial instruments with off-balance sheet risk in the normal course of business to meet the financing needs of its customers and to reduce its own exposure to fluctuations in interest rates and foreign exchange rates. These financial instruments with off-balance sheet risk include commitments to extend credit, standby letters of credit and financial guarantees, and forward foreign exchange contracts. These instruments involve, to varying degrees, elements of credit and foreign exchange risk in excess of the amount recognized in the consolidated financial statements. The contract or notional amounts of those instruments reflect the extent of the Bank's involvement in particular classes of financial instruments.

The Bank enters into forward foreign exchange contracts as part of its risk management strategy primarily to manage the market risk arising from the Bank's underlying assets and liabilities and to offset risk created by its customers. The utilization of forward foreign exchange contracts for these purposes is governed by the Board's approved guidelines and parameters set by the Assets and Liabilities Committee.

The Bank does not heavily speculate in or engage in the trading of any derivative financial instruments except forward foreign exchange which the Bank will speculate from time to time when opportunity arises within the predefined limit setting.

#### **Accounting Policies**

Details of significant accounting policies and methods adopted, including criteria for recognition, the basis of measurement and the basis on which revenues and expenses are recognized, in respect of each class of financial assets and financial liabilities are disclosed in Note 4.

## Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Bank and its subsidiaries. The Bank and its subsidiaries have adopted the policy of only dealing with creditworthy counterparts and obtaining sufficient collateral or other security, where appropriate, as a means of mitigating the risk of financial losses from defaults.

In the case of recognized financial assets, the carrying amount of the assets recorded in the consolidated balance sheet, net of allowance for doubtful accounts (see Notes 4.7 and 10), represents the Bank and its subsidiaries' maximum exposure to credit risk.

The Bank's exposure to credit loss in the event of nonperformance by the counterparty to the financial instrument for commitments to extend credit, standby letters of credit, and financial guarantees written is represented by the contractual notional amount of those instruments. The Bank uses the same credit policies in making commitments and conditional obligations as it does for on balance sheet instruments. For forward foreign exchange contracts, the contract or notional amounts do not represent exposure to credit loss. The Bank controls the credit risk of its derivatives instruments through credit approvals, limits, and monitoring procedures set by its Assets and Liabilities Committee. Credit risk also arises from the possibility that the counterparty to off-balance sheet financial instruments will not adhere to the terms of the contract with the Bank when settlement becomes due.

For the purpose of calculating the credit risk associated with the Bank's off-balance sheet financial instruments which are not foreign exchange contracts, the Bank applies a credit conversion factor to the notional amount in order to determine a credit equivalent amount in accordance with regulations established by the Bank of Thailand. However, in case of foreign exchange contracts, the Bank applies a credit conversion factor of between 8% to 50% to the notional amount of the contracts depending on the type of currency and the residual maturity of the contract, compared to the Bank of Thailand's prescribed credit conversion factors of 2% and 5% for contracts with a residual maturity of less than one year and greater than one year, respectively.

The following table shows the credit equivalent of unmatured off balance sheet financial instruments at December 31:

	<i>Amounts in Million Baht</i>	
	<b>Consolidated and Bank Only Financial Statements</b>	
	<b>2002</b>	<b>2001</b>
Forward foreign exchange contracts (Foreign currencies)	3,989	8,014
Interest Rate Swap Contracts	510	-
Avals to bills	678	755
Acceptances	326	233
Guarantees of loans	183	188
Performance guarantees	591	772
Bid guarantees	357	308
Import letters of credit	1,044	757
Others	3,603	3,257
<b>Total</b>	<b>11,281</b>	<b>14,284</b>

### **Interest Rate Risk**

Interest rate risk in the balance sheet arises from the potential for a change in interest rates to have an adverse effect on the net interest earnings of the Bank and its subsidiaries in the current reporting period, and in future years. Interest rate risk arises from the structure and characteristics of the Bank and its subsidiaries' assets, liabilities and equity, and in the mismatch in repricing dates of its assets and liabilities.

The Bank and its subsidiaries' exposure to interest rate risk showing the contractual repricing dates or maturity dates, whichever dates are earlier, and effective weighted average interest rates, where applicable, for classes of financial assets and financial liabilities subject to interest rate risk is set out below:

Period to earlier of contractual repricing date or maturity

	2002							Total	Weighted average effective interest rate per annum (%)
	Call	Within 3 months	More than 3-12 months	More than 1-5 years	> 5 years	Non-int. bearing/sensitive	Non-accrual loans		
Financial Assets									
Cash	-	-	-	-	-	3,265	-	3,265	n/a
Interbank and money market items - net	158	7,648	855	-	-	1,990	-	10,651	1.37
Securities purchased under resale agreement	-	300	-	-	-	-	-	300	1.78
Investments - net	-	3,787	982	3,539	11,350	2,518	-	22,176	3.01
Loans	25,695	26,469	9,914	15,773	6,370	-	30,083	114,304	4.18
Financial Liabilities									
Deposits	59,291	45,240	15,554	14,628	-	3,742	-	138,455	1.77
Interbank and money market items	513	242	194	20	-	526	-	1,495	1.15
Liabilities payable on demand	-	-	-	-	-	1,188	-	1,188	n/a
Securities sold under repurchased agreement	-	400	-	-	-	-	-	400	1.56
Long-term borrowings	-	-	8	2,900	2,000	17	-	4,925	6.33

Note : No interest rate risk disclosure has been provided in respect of off-balance sheet financial instruments as they are not subject to interest rate risk.

Period to earlier of contractual repricing date or maturity

	2001						Total	Weighted average effective interest rate per annum (%)	
	Call	Within 3 months	More than 3-12 months	More than 1-5 years	> 5 years	Non-int. bearing/sensitive			Non-accrual loans
Financial Assets									
Cash	-	-	-	-	-	2,122	-	2,122	n/a
Interbank and money market items - net	708	6,704	1,589	1,028	-	1,669	10	11,708	2.31
Securities purchased under resale agreement	-	900	-	-	-	-	-	900	2.50
Investments - net	-	6,519	240	3,671	9,414	1,981	-	21,825	3.81
Loans	17,080	29,048	10,257	9,880	8,844	-	33,329	108,438	4.46
Financial Liabilities									
Deposits	52,610	57,305	12,219	14,056	-	3,173	-	139,363	2.17
Interbank and money market items	568	702	1,012	170	-	526	-	2,978	2.27
Liabilities payable on demand	-	-	-	-	-	848	-	848	n/a
Long-term borrowings	-	-	2,000	2,908	-	13	-	4,921	6.70

Note : No interest rate risk disclosure has been provided in respect of off-balance sheet financial instruments as they are not subject to interest rate risk.

Off-balance sheet financial instruments classified by maturity date as at December 31, are as follows :

*Amounts in Million Baht*

**Consolidated and Bank Only Financial Statements  
2002**

	<b>within 1 year</b>	<b>more than 1 year</b>	<b>Total</b>
Avals to bills and guarantees of loans	351	509	860
Forward foreign exchange contracts	33,949	–	33,949

**Consolidated and Bank Only Financial Statements  
2001**

	<b>within 1 year</b>	<b>more than 1 year</b>	<b>Total</b>
Avals to bills and guarantees of loans	432	511	943
Forward foreign exchange contracts	40,605	–	40,605

### **Maturities of Financial Assets and Liabilities**

Details of the maturities of financial instruments have been provided in the relevant notes to the financial statements.

### **Hedging**

The Bank uses derivative financial instruments, including forward contracts and interest rate swaps, to manage the potential earnings impact of foreign currency movements and floating interest rates. The purpose of the Bank's hedging activities is to protect the Bank from the risk that net cash outflows will be affected by changes in exchange rates and risk from floating interest rates. The Bank enters into transactions to ensure that it is economically hedged in accordance with risk management policies. For qualifying hedge relationships, the Bank uses hedge accounting.

Each qualifying hedge accounting relationship is evidenced and driven by management's approach to risk management and the decision to hedge the particular risk. Where hedge accounting is applied, the Bank assesses, at the inception of the hedge relationship and on an on-going basis, whether the derivatives used as hedges are highly effective in offsetting the changes in the value or cash flows associated with the hedged item. A hedge is normally regarded as highly effective if changes in fair value or cash flows of the hedged item are expected to almost fully offset the changes in fair value or cash flows of the hedging instrument. The designation and effectiveness measurement follows the methodologies that management has in place for risk identification and measurement. The ineffective portion of any gain or loss on a hedging instrument is recognized in the income statement.

### **Estimated Fair Value of Financial Instruments**

The fair values of financial instruments have been estimated by the Bank and its subsidiaries using available market information and appropriate valuation methodologies.



The following is a summary of carrying amounts and estimated fair values of financial instruments as at December 31:

*Amounts in Baht*

	2002			
	Consolidated Financial Statements		Bank Only Financial Statements	
	Carrying Amounts	Fair Value	Carrying Amounts	Fair Value
Financial Assets :				
Cash	3,264,613,897	3,264,613,897	3,264,525,615	3,264,525,615
Interbank and money market items	10,650,722,931	10,650,722,931	10,587,504,049	10,587,504,049
Securities purchased under resale agreements	300,000,000	300,000,000	300,000,000	300,000,000
Investments - net	22,176,182,388	22,386,921,857	22,533,806,370	22,744,545,839
Loans	114,303,738,057	107,595,168,716	114,404,439,608	107,863,698,021
Financial Liabilities :				
Deposits	138,455,302,376	138,351,468,289	138,532,613,492	138,428,779,405
Interbank and money market items	1,494,601,469	1,494,601,469	1,484,402,211	1,484,402,211
Liabilities payable on demand	1,187,756,390	1,187,756,390	1,187,756,390	1,187,756,390
Securities sold under repurchased agreements	400,000,000	400,000,000	400,000,000	400,000,000
Long-term borrowings	4,925,172,650	5,851,523,315	4,925,172,650	5,851,523,315

	2001			
	Consolidated Financial Statements		Bank Only Financial Statements	
	Carrying Amounts	Fair Value	Carrying Amounts	Fair Value
Financial Assets :				
Cash	2,121,910,769	2,121,910,769	2,121,828,462	2,121,828,462
Interbank and money market items	11,708,126,125	11,708,126,125	11,681,548,019	11,681,548,019
Securities purchased under resale agreements	900,000,000	900,000,000	900,000,000	900,000,000
Investments - net	21,825,400,876	22,111,545,251	21,853,736,977	22,085,499,271
Loans	108,438,202,355	105,012,727,581	109,106,483,288	105,853,880,191
Financial Liabilities :				
Deposits	139,362,603,919	139,264,014,699	139,419,246,184	139,320,656,964
Interbank and money market items	2,977,982,628	2,977,982,628	2,972,440,780	2,972,440,780
Liabilities payable on demand	848,450,571	848,450,571	848,450,571	848,450,571
Long-term borrowings	4,921,479,317	5,339,836,179	4,921,479,317	5,339,836,179

The fair values of off-balance sheet financial instruments as at December 31 are as follows:

*Amounts in Million Baht*

**Consolidated and Bank Only Financial Statements**

**2002**

	<b>Notional Value</b>	<b>Fair Value</b>
Forward foreign exchange contracts (Foreign currencies)	33,949	33,966

**Consolidated and Bank Only Financial Statements**

**2001**

	<b>Notional Value</b>	<b>Fair Value</b>
Forward foreign exchange contracts (Foreign currencies)	40,605	40,771

**Methods and assumptions in estimating market value or fair value of financial instruments.**

The following methods and assumptions were used by the Bank and its subsidiaries in estimating market value or fair value of financial instruments as disclosed herein:

- Cash, interbank and money market items - The carrying amounts of cash and short-term instruments which have remaining maturities of less than 90 days or bear variable rates of interest approximate their fair value. Fair value for fixed rate instruments with remaining maturities greater than 90 days is estimated by using a discounted cash flow calculation applying interest rates currently being offered on similar instruments.
- Securities purchased under resale agreements - The carrying value of securities purchased under resale agreements estimates fair value.

- Investments - Fair value for securities, is based on quoted market prices, where available. If quoted market prices are not available, market value is based on quoted market prices of comparable instruments after adjusting for risk involved or the net asset values of such securities.
- Loans - For variable-rate loans that reprice frequently and have no significant change in credit risk, fair value is based on carrying values. The fair value of fixed rate loans that reprice within 90 days from the balance date is the carrying value at the balance sheet date. Fair value for the other fixed interest loan is estimated using discounted cash flow analysis and using interest rates currently being offered for loans with similar terms to borrowers of similar credit quality.

Fair value of hire-purchase receivables is estimated by using discounted cash flow analysis and using interest rates currently being offered with average remaining years to maturity.

- Accrued interest receivables - The carrying amount of accrued interest receivables approximates fair value.
- Deposit liabilities - The fair value disclosed for deposits which is payable on demand by the depositor, is equal to the carrying value of such deposits. The carrying amounts of variable-rate, fixed-term money-market accounts, certificates of deposit (CDs) and fixed rate deposits repricing within 90 days approximate their fair value at the reporting date. Fair value for other deposits is estimated using a discounted cash flow calculation that applies interest rates currently being offered on certificates to a schedule of aggregate expected monthly maturities on time deposits.
- Interbank and money market items (Liabilities) - The carrying amount of interbank and money market items which have remaining maturities of less than 90 days and/or bear variable rates of interest approximates their fair value at the reporting date. Fair value for fixed rate instruments with remaining maturities greater than 90 days is estimated by using a discounted cash flow calculation applying interest rates currently being offered on similar instruments.
- Securities sold under repurchase agreements - The carrying value of securities sold under repurchase agreements approximates fair value.

- Long-term borrowings - The fair value of long-term borrowings is estimated using discounted cash flow analysis based on the average current borrowing rates for similar types of borrowing arrangements.
- Financial assets carried in the financial statements at amounts in excess of their fair values represent fixed interest rate loans and debt instruments that are being held to maturity and non-listed equity investments that are being held for long term purposes. On the basis of the information available to the Bank's management as to the financial soundness of the respective corporations to which these assets relate and the provisions for loss that have already been made, it is management's opinion that the net carrying amounts of these assets, as reflected in the balance sheet, will be recovered.
- Fair value of off-balance sheet financial instruments  
Commitments to extend credit, letters of credit, aval and guarantees - These financial instruments are generally not sold or traded such that estimated fair values are not readily ascertainable. Fair value of these items was not calculated for the following reasons:
  - (i) very few of the commitments extending beyond 90 days would commit the Bank to a predetermined rate of interest;
  - (ii) the fees attaching to these commitments are the same as those currently charged to enter into similar arrangements; and
  - (iii) the quantum of fees collected under these arrangements, upon which fair value would be determined, is not material.
- Other off-balance sheet financial instruments  
The fair values of foreign exchange contracts were obtained from quoted market prices.

### 31. Reclassification Of Accounts

Certain comparative information for the year ended December 31, 2001 has been reclassified to conform with the presentation adopted for the year ended December 31, 2002.

# Other Information

## 1. Companies in which Bank of Asia holds 10% or more of the paid-up capital.

### 1. BOA Asset Management Co., Ltd.

Business:	Provides asset management for funds, including mutual funds (equity and fixed income) and provident funds
Location:	5th Fl., Bangkok City Tower, 179/6-10 South Sathon Road, Thungmahamek, Sathon, Bangkok 10120
Tel:	+66 (0) 2679-5577
Fax:	+66 (0) 2679-5571-5
Paid-up Capital:	Baht 100,000,000 (10,000,000 ordinary shares)
BOA's Holding:	99.99%

### 2. BOA Leasing Co., Ltd.

Business:	Provides leasing, car fleet management and factoring services, primarily to small and medium-sized companies
Location:	29th Fl., United Center Building, 323 Silom Road, Bangrak, Bangkok 10500
Tel:	+66 (0) 2266-7290-9
Fax:	+66 (0) 2266-7300
Paid-up Capital:	Baht 800,000,000 (80,000,000 ordinary shares)
BOA's Holding:	99.99%

### 3. Asia Property Co., Ltd.

Business:	Manages premises and real estate properties of Bank of Asia and subsidiaries. Provides consultant services and collects rental fees for such properties on behalf of the Bank
Location:	8th Fl., Bank of Asia Head Office, 191 South Sathon Road, Yannawa, Sathon, Bangkok 10120
Tel:	+66 (0) 2285-1619
Fax:	+66 (0) 2285-1501
Paid-up Capital:	Baht 40,000,000 (400,000 ordinary shares)
BOA's Holding:	99.99%

#### 4. Asia Leasehold Co., Ltd.

Business:	In the process of liquidation
Location:	8th Fl., Bank of Asia Head Office, 191 South Sathon Road, Yannawa, Sathon, Bangkok 10120
Tel:	+66 (0) 2287-2211-3 ext. 1220
Fax:	+66 (0) 2285-1501
Paid-up Capital:	Baht 1,000,000 (10,000 ordinary shares)
BOA's Holding:	99.93%

#### 5. AXA Insurance PCL

Business:	Operates as a non-life insurance company
Location:	23rd Fl., Lumpini Tower, 1168/67 Rama IV Road, Thungmahamek, Sathon, Bangkok 10120
Tel:	+66 (0) 2285-6376-82
Fax:	+66 (0) 2285-6383
Paid-up Capital:	Baht 352,642,100 (3,526,421 ordinary shares)
BOA's Holding:	22.06%

#### 6. ASIA Dhanavadh Warehouse Co., Ltd.

Business:	Provides warehousing services
Location:	2194/97 Charoen Krung Road, Bang Khoe Laem, Bangkok 10120
Tel:	+66 (0) 2289-4610-1
Fax:	+66 (0) 2291-9860
Paid-up Capital:	Baht 30,000,000 (30,000 ordinary shares)
BOA's Holding:	13.33%

#### 7. Piyalai Holdings Co., Ltd.

Business:	Engages in activities related to properties and real estate developments
Location:	22nd Fl., Wall Street Tower, 33/114, Surawong Road, Bangkok 10500
Tel:	+66 (0) 2233-1666 ext 2220-1
Fax:	+66 (0) 2233-3895
Paid-up Capital:	Baht 600,000,000 (6,000,000 ordinary shares)
BOA's Holding:	10.00%

#### 8. High Rise Development Co., Ltd.

Business:	Provides services apartment
Location:	J.B. Place Building, 189 Sukhumvit 21 Road, Klong Toey Nuar, Wattana, Bangkok, 10110
Tel:	+ 66 (0) 2670-0791-3
Fax:	-
Paid-up Capital:	Baht 115,462,320 (11,546,232 ordinary shares)
BOA's Holding:	72.09% (Debt Restructuring)

#### 9. N.Y. Sugar Co., Ltd.

Business:	Sugar Mill
Location:	164 Soi Sukhumvit 23 (Prasarnmitt), Sukhumvit Road, Klong Toey Nuar, Wattana, Bangkok, 10110
Tel:	+ 66 (0) 2260-4951-9
Fax:	+ 66 (0) 2260-4950
Paid-up Capital:	Baht 900,000,000 (90,000 ordinary shares)
BOA's Holding:	30.00% (Debt Restructuring)

## 2. Directors and Senior Managements

### 2.1 Information on Directors and Senior Managements

Name	Age	Education	Position	Position/Experience
1. Chavalit Thanachanan	72	Bachelor Degree	Position 1997 - Present 2001 - Present 1999 - Present	Chairman of the Board of Directors (Authorised Signature) Chairman of the Board of Directors, Bank of Asia PCL Chairman, The Stock Exchange of Thailand Chairman, Institute of Directors
2. Ammar Siamwalla	63	Doctorate	Position 2000 - Present	Director (Authorised Signature) and Director of the Audit Committee Director, Bank of Asia PCL
3. Chulakorn Singhakowin	52	Master Degree	Position 1992 - Present	Director (Authorised Signature) and President & CEO President & CEO, Bank of Asia PCL
4. Felix Alexander van Kleef	47	Master Degree	Position 2002 - Present 2002 - Present 2001  1999	Director Director, Bank of Asia PCL EVP, C&CC, Special Projects SBU, ABN AMRO Bank C&CC Clients SBU/BU Rest of World, CEO LA (Spanish Speaking), Sao Paulo, EVP, C&C Clients SBU, Regional Manager Advisory Branches Utrecht, ABN AMRO Bank Regional Manager Latin America, Sao Paulo, ABN AMRO Bank
5. Herman Mulder	56	Master Degree	Position 1998 - Present 1998 - Present	Director Director, Bank of Asia PCL Senior Executive Vice President, ABN AMRO Bank
6. James Parks Stent	57	Master Degree	Position 2002 - Present 2002 - Present 1998 - 2002	Director and Director of the Audit Committee Director, Bank of Asia PCL International Water Management Institute, Beijing, China Senior Executive Vice President, Bank of Asia PCL
7. Jan Joost Oyevaar	62	Bachelor Degree	Position 1998 - Present 1986 - Present	Director Director, Bank of Asia PCL Senior Executive Vice President, ABN AMRO Bank
8. Jan Peter Schmittmann	46	Master Degree	Position 2002 - Present 2001 - Present  2000 - 2001  1998 - 2000	Director Director, Bank of Asia PCL SEVP, Private Clients Asset Management, SBU/Private Clients and Consumer & Commercial Clients, SBU/New Growth Markets, ABN AMRO Bank SEVP, Consumer & Commercial Clients, SBU/New Growth Market, ABN AMRO Bank EVP, Netherlands/ Special Credits, ABN AMRO Bank
9. Jerry Letendre	37	Bachelor Degree	Position 2002 - Present 2001 - Present  1999 - 2000  1999 1998 - 1999	Director Director, Bank of Asia PCL Chief Executive Officer, Greater China, ABN Amro Consumer & Commercial Bank (Taipei Head Office) Regional Vice President, Citibank - Asia Pacific Consumer Bank (Singapore) Vice President, Citibank - Japan Consumer Bank (Tokyo) Regional Vice President, Citibank- Asia Pacific Consumer Bank (Singapore)



## 2.1 Information on Directors and Senior Managements (continued)

Name	Age	Education	Position	Position/Experience
10. Paul C.A. Lembrechts	45	Master Degree	Position 2002 - Present 2000 - Present  1995 - 1999	Director Director, Bank of Asia PCL Managing Director Business Development Private Clients/ New Growth Markets, ABN AMRO Bank General Manager Group Marketing, Generale Bank
11. Pichai Vasnasong	73	Bachelor Degree	Position  1999 - Present 2000 - Present	Director (Authorised Signature) and Chairman of Director of the Audit Committee Director, Bank of Asia PCL Honourary Member, Institute of Directors
12. Chitraporn Tangsuwan	53	Master Degree	Position 2001 - Present 1995 - 2001	Senior Executive Vice President Senior Executive Vice President Executive Vice President, Bank of Asia PCL
13. Gert Jan van der Putten	54	Master Degree	Position 2002 - Present 1979 - 2001	Senior Executive Vice President Senior Executive Vice President, Bank of Asia PCL ABN AMRO Bank
14. Aart Jongejans	51	Bachelor Degree	Position 1999 - Present 1998 - 1999 1981 - 1998	Executive Vice President Executive Vice President Senior Vice President, Bank of Asia PCL ABN AMRO Bank
15. Chris Power	41	Master Degree	Position 2000 - Present 1998 - 2000 1994 - 1998	Executive Vice President Executive Vice President Senior Vice President, Bank of Asia PCL ABN AMRO Bank
16. Egge de Vries	54	Bachelor Degree	Position 2000 - Present 1989 - 2000	Executive Vice President Executive Vice President, Bank of Asia PCL ABN AMRO Bank
17. Jonathan Truslow	42	Master Degree	Position 2001 - Present 2000 - 2001 1997 - 2000	Executive Vice President Executive Vice President, Bank of Asia PCL Deloitte Consulting, Bangkok Booz Allen & Hamilton
18. Ko van der Meer	55	Master Degree	Position 2001 - Present 1972 - 2000	Executive Vice President Executive Vice President, Bank of Asia PCL ABN AMRO Bank
19. Pimolrat Tangkosakul	49	Master Degree	Position 2000 - Present 2000 1999 - 2000 1994 - 1999	Executive Vice President Executive Vice President Senior Vice President, Bank of Asia PCL Coca Cola Service Asia Ltd. Inchape (Thai) Ltd.
20. Thammasak Jittimaporn	41	Master Degree	Position 2001 - Present 1995 - 2001	Executive Vice President Executive Vice President, Bank of Asia PCL Green Spot (Thailand) Ltd.
21. Vilawan Vanadurongvan	55	Master Degree	Position 1997 - Present 1994 - 1997	Executive Vice President Executive Vice President Senior Vice President, Bank of Asia PCL

## 2.2 Shares in Bank of Asia's Subsidiaries and Associated Companies held by Senior Management

Unit : Share(s)

	BOA Leasing	Asia Property	Asia Leasehold	BOA Asset Management
1. Chitraporn Tangsuwan	-	-	1	-
2. Jonathan Truslow	-	-	-	1

### 3. Director's remunerations in 2002

		Salaries	Meeting Allowance
Board of Directors (5 persons)	Baht	5,240,000	-
Audit Committee (3 persons)	Baht	-	550,000

### 4. Management's remunerations in 2002

- Management's remunerations (40 persons) 248,309,000 Baht
- Other benefits

As part of remuneration, middle management receives the right to purchase subordinated convertible debentures of Baht 10,000 par value. As at 31 December 2002, 7 officers held subordinated convertible debentures of Bank of Asia totalling 815 units, with a conversion ratio of one debenture unit to 1,000 shares and the right to buy 885 shares at Baht 10 per share.

## 5. Structure of Group's revenue

Type of revenue	Serviced by	% Holding by Bank of Asia	2002		2001		2000		
			Amounts in Baht	% of total revenue	Amounts in Baht	% of total revenue	Amounts in Baht	% of total revenue	
Interest and dividend income	Bank of Asia		6,576,822,750	107.62	7,003,372,197	139.53	7,244,078,510	142.61	
	BOA Asset Management	99.99	499,848	0.01	555,922	0.01	1,577,356	0.03	
	BOA Leasing	99.99	90,211,767	1.48	79,723,461	1.59	72,842,818	1.43	
	BOA Finance	75.00	–	–	24,449,392	0.49	45,258,652	0.89	
Total interest and dividend income			6,667,534,365	109.11	7,108,100,972	141.61	7,363,757,335	144.97	
Interest expenses			3,026,007,575	49.52	3,820,168,545	76.11	4,654,632,640	91.64	
Net interest and dividend income			3,641,526,789	59.59	3,287,932,427	65.50	2,709,124,695	53.33	
Bad debt and doubtful accounts and loss on debt restructuring			4,456,047,670	72.92	4,317,941,848	86.03	4,719,721,497	92.92	
Fees and service income	Bank of Asia		1,238,321,379	20.26	914,738,970	18.22	725,081,369	14.27	
	BOA Asset Management	99.99	90,488,593	1.48	66,823,948	1.33	50,232,318	0.99	
	BOA Leasing	99.99	–	–	–	–	308,670	0.01	
	BOA Finance	75.00	–	–	–	–	6,827,692	0.13	
				1,328,809,971	21.74	981,562,918	19.56	782,450,049	15.40
Gain on exchange	Bank of Asia		233,913,527	3.83	240,580,531	4.79	266,312,578	5.24	
			233,913,527	3.83	240,580,531	4.79	266,312,578	5.24	
Investment in securities	Bank of Asia		461,946,414	7.56	224,968,232	4.48	1,084,827,399	21.36	
	BOA Asset Management	99.99	–	–	1,613,394	0.03	–	–	
	BOA Finance	75.00	–	–	39,560,202	0.79	(53,622)	–	
				461,946,414	7.56	266,141,828	5.30	1,084,773,777	21.36
Other income	Bank of Asia		244,154,638	4.00	101,567,362	2.02	66,103,633	1.30	
	BOA Asset Management	99.99	505,100	0.01	628,307	0.01	596,931	0.01	
	BOA Leasing	99.99	199,708,351	3.27	138,654,194	2.76	162,038,848	3.19	
	Asia Property	99.99	484,454	0.01	1,264,931	0.03	7,128,434	0.14	
	BOA Finance	75.00	–	–	1,063,415	0.02	937,020	0.02	
				444,852,543	7.28	243,178,210	4.84	236,804,866	4.66
				6,111,049,244	100.00	5,019,395,914	100.00	5,079,465,965	100.00

# Report of the Board of Directors

The Board of Directors is responsible for financial statements and financial information of Bank of Asia Public Company Limited and its subsidiaries presented in this annual report. The aforementioned financial statements are in line with the accounting standards defined by the Institute of Certified Accountants and Auditors of Thailand, using appropriate accounting policy consistently employed by the Bank as well as applying careful judgment and best estimation. Important information is adequately disclosed in the notes to financial statement.

The Board of Directors has appointed an audit committee, which consists of independent directors responsible for the quality of financial statements and internal control system, whose comments on these issues are included in the Audit Committee Report in this annual report.

The Board of Directors is satisfied that an efficient internal control system is in place to ensure that accounting records are accurate, complete and adequate to protect its assets and uncover weaknesses in order to prevent fraud or materially irregular operation. In addition, the Board of Directors is of the opinion that the internal control system provides credibility and reliability to financial statements of the Bank and its subsidiaries for the year ended December 31, 2002.



(Chavalit Thanachanan)  
*Chairman*



(Chulakorn Singhakowin)  
*President*

# Report of the Audit Committee

The Bank of Asia Audit Committee comprises of three independent directors. They are Mr. Pichai Vasnasong, the Chairman of the Audit Committee and two members, Mr. Ammar Siamwalla, and Mr. James Stent. All Audit Committee members are non-executive directors and non-employees of the Bank.

The Audit Committee met at four meetings to review the Bank's internal controls and discussed financial and operational audit issues with the internal auditors and the Bank's external auditors. Furthermore, the Committee approved the Internal Audit Year Plan and reviewed the assessment of the internal control system, the compliance to the internal and external regulations, and the quarterly Internal Audit reports prepared by the Bank of Asia's Audit Division.

The Audit Committee has undertaken to continually review and assess the Bank's key risks, controls and monitoring system through the Bank of Asia's Audit Division. From the evaluation of the Bank's internal control system, it concluded that the Bank's internal controls in the area of financial reporting and risk management are both adequate and reliable and that the Bank continues to improve the overall control framework for all divisions within the Bank.

As for the 2003 financial statements, the committee has recommended Mr. Nirand Lilamethwat, certified public accountant ID number 2316 of KPMG Audit (Thailand) Limited, as the Bank's auditor with a Baht 6.8 million fee for the Bank. The matter will be put forward to the shareholders' meeting for its approval.



Pichai Vasnasong

*Chairman of the Audit Committee*

*February 19, 2003*

# Opinion of the Audit Committee on the Bank's Internal Control System

The Board of Directors has reviewed the opinion and the Assessment Form on the Adequacy of Internal Control System prepared by the Audit Committee during the Board of Directors' Meeting no. 539 held on February 19, 2003. Participants in the meeting included the Audit Committee members comprising three independent directors and non-employees of the Bank.

The Audit Committee's opinion on the Bank's internal control system was summarized from the evaluation of the Bank's internal control system in five sections as follows:

- Organization Control and Environment Measure
- Risk Management Measure
- Management Control Activities
- Information and Communication Measure
- Monitoring

The Audit Committee is of the opinion that the Bank has in place adequate internal control system. The Audit Committee has been regularly notified of ongoing issues as they arise.

The auditor of the Bank is Mr. Nirand Lilamethwat, certified public accountant ID number 2316 of KPMG Audit (Thailand) Limited which examined the Financial Statements as at December 31, 2002. KPMG has given the opinion in the Audit Report as at the year ended December 31, 2002 that the financial statements present fairly, in all material respects, the financial position of the Bank, the results of operations and cash flows for the years then ended in conformity with generally accepted accounting principles.



Pichai Vasnasong

*Chairman of the Audit Committee*

# Corporate Governance

Corporate Governance is an area where the Bank is very proud of its achievements. As a member of ABN AMRO, for example, Bank of Asia has enthusiastically adopted and implemented the corporate governance standards of its parent. In terms of Tier-one capital, ABN AMRO Bank N.V. is one of the strongest financial status in the world, with more than 110,000 employees in more than 3,400 branches across sixty countries globally. And, as it is listed on the world major stock markets in Amsterdam, London and New York, it is obligated to meet with the corporate governance standards of these major markets, which are among the strictest in the world. Consequently, the standard of Bank of Asia's corporate governance policies and operating structure are among the highest in the Kingdom.

## **Bank of Asia's Corporate Governance Policy**

The Board, the management and the employees base their operational functions on trustworthiness, integrity and high ethical standards, in the best interests of both the Bank and in terms of accountability to our shareholders. Bank of Asia has had a significant role in Thai Society for a long time, with a wide range of stakeholders that include not only its Board of Directors, management, employees, business partners, shareholders and government agencies but also more than one million customers. Internally, the Board recognizes that it is vital to strike the right balance between the rights and claims of management, the Board, the shareholders, and clients, as well as those of the employees. We believe that best practice in corporate governance promotes the interests of the Bank as a whole, as well as supporting a sustainable business culture and working environment. We have given unequivocally support, therefore, and, in fact, have adopted all of the Stock Exchange of Thailand's (SET) fifteen principles of Good Corporate Governance as recommended in the August 2001 "Report on Corporate Governance."

Having embraced the international standards of good corporate governance set by ABN AMRO, the Board of Directors has also ensured that these are aligned with both the SET's and the Bank of Thailand's regulations. Furthermore, to sustain this good corporate governance through the rapid changes in the business environment, the Bank is in the process of revising its code of conduct to comply with the principles of good corporate governance that Bank of Thailand plans to publish in 2003.

Moreover, the Board of Directors has recognized the critical importance of having good internal control systems, risk management, compliance and internal audit. Besides setting up a Crisis Management Team and IT Steering Committee in 2002, the Bank also established an Operational Risk Management Committee in addition to the six existing committees, with each committee responsible for a business unit, in order to ensure the Bank objectives are accomplished. The Operational Risk Management Committee has been instructed to reduce the level of risk in day-to-day banking activities, maintain the Bank's reputation as well as prepare for the new Bank for International Settlements' (BIS) regulations that will come into force in the near future. Accordingly, the Bank has announced a Code of Conduct exercise for all staff to follow and familiarize them with the Bank's Regulations.

### **Supervision of the Use of Inside Information**

Both the Board of Directors and senior management fully understand and appreciate the vital role of confidentiality in regard to the Bank's inside information. The Bank places comprehensive restrictions on the disclosure and use of inside information to ensure confidentiality for the Bank, its clients and business partners. Using such information for individual benefit is strictly prohibited.

In fact, the restriction on disclosure and use of inside information for individual benefit is integral to the Bank's Code of Conduct, and included in the Rules and Regulations for Securities Investment used by the Bank's staff. They are strictly prohibited from using any confidential information for selling, buying, and transferring of securities issued by the Bank prior to general public disclosure, in line with the laws and regulations on securities business. The Board and senior management are obligated to report any securities investments by the Bank to the Office of the Securities and Exchange Commission on every occasion that there is any selling, buying, or transfer of securities issued by the Bank.

### **Shareholders: Rights and Equitable Treatment**

The Board organizes an Annual Shareholders' Meeting every April to inform and to ensure equal treatment for all shareholders. Our policy ensures that shareholders' meeting are readily accessible and all shareholders receive reasonable notice of any impending shareholders' meetings.

### **Right of Various Groups of Stakeholders**

The Bank continues its participation in a wide range of charitable and social programs aimed at supporting the best interests of the country. It has initiated policies that endeavor to address the concerns of all stakeholders and strictly follows all local regulatory procedures. At one point, for example, the Consumer Protection Board made inquiries into the Bank's consumer loan and credit card servicing contracts. As a result of this investigation, the Bank received recognition from this government agency in terms of impartiality when dealing with these types of consumer contracts.

### **Leadership and Vision**

The Board of Directors' duties are to set out the Bank's policies and operational objectives. These include overseeing management to ensure they operate in accordance with the Bank's policies, relevant laws, articles of association and any policies passed at shareholders' meetings. Electing an independent director as Chairman of the Board is a Bank policy. The Board itself manages the Bank through the Executive Committee whose main responsibility involves monitoring the Bank's progress in carrying out the business plan.



A Management Committee is responsible for determining the Bank's strategy for achieving its operational objectives. This committee also approves the Bank's financial budget and major investments as well as supervising and monitoring the progress of work done in each business group, plus other committees or working groups appointed for specific projects.

### **Conflict of Interest and Business Transparency**

The Bank regards conflicts of interest as a factor that can have a profoundly negative impact on the Bank's good reputation as well as being contrary to bank policy, which is to operate its various businesses with integrity, transparency, morality and good business ethics. The Bank has established a Code of Conduct in 2002 as a set of principles that apply to employees at all levels in regard to not only investment in securities, but also in relation to gifts and entertainment, the prevention of money-laundering, and external functions and employment. To avoid any conflicts of interest, all employees are required to follow this code of conduct under the supervision and control of the Bank's Office of Compliance. The Office of Compliance is responsible for giving consultation, training and supervision of the Code of Conduct and promoting its content to all employees as part of the Bank's organizational culture from the very beginning of their employment.

### **Business Ethics and Employee's Code of Conducts**

The Bank recognizes the significance of maintaining and expanding its good reputation, and retaining the trust and confidence of its customers, business partners, and shareholders, as well as the various regulatory agencies. Consequently, the Board, management and employees are obligated to conduct themselves in ways that comply with the professional standards of the banking industry.

### **Balance of Power for Non-Executive Directors**

The Board of Directors' meetings take place once every three months in line with the Public Limited Companies Act B.E. 2535. The Board is comprised of eleven directors, with the chairman and two others as independent directors, one executive director who is also the President & CEO, and seven non-executive directors. No fewer than half of the total constitute a quorum for meetings. The Secretary of the Board is obliged to send an invitation to board members to attend the meeting at least seven days prior to the date of the meeting. However, in the case of an urgency, a meeting can take place at an earlier time using direct methods for sending the invitation. The minutes of the meeting shall be kept at the Bank's Head Office.

### **Aggregation or Segregation of Positions**

Different persons will occupy the positions of Chairman, and President/CEO. The chairman of the Bank will be an independent and non-executive director. The President/CEO will serve as the head of the Management Committee that is responsible for implementing and fulfilling the business plan.

### **Committees**

The Board of Directors has established an Audit Committee and a Compensation Committee, with an independent and non-executive director serving as the chairman of each committee.

### **Remuneration of Directors and the Management**

The Compensation Committee, which is appointed by the Board of Directors, is responsible for considering and reviewing appropriate levels of remuneration, as well as other benefits, for directors and senior executives. These remuneration packages are then disclosed in the other information section of this Annual Report.

### **Controlling Systems and Internal Audit**

The Audit Division is an independent unit that reports directly to the Chairman of the Board. The Audit Committee is responsible for reviewing and assessing the Bank's key risk control mechanisms, as well as monitoring the internal audit system through the Audit Division. ABN AMRO Bank, as our major shareholder, has endorsed these auditing operations, which are based on its standards.

### **Investor Relations**

The Bank established an Investor Relations Department in 1999, which represents the Bank when announcing or disclosing any information by the Bank to investors, shareholders and analysts.

# Management Structure

The Bank's management structure consists of the Board of Directors, Executive Committee, Audit Committee and Compensation Committee. In addition, the Bank has instated eight other major committees to direct various businesses of the Bank. These are the Management Committee, Assets and Liabilities Committee (ALCO), Risk Management Committee, Financial Restructuring & Recovery Committee, Business Development Committee, Operational Risk Management Steering Committee, IT Steering Committee and Crisis Management Team.

## Board of Directors

The Board of Directors comprises at least seven directors, three of whom are independent directors. The Board meets at least once every three months and no fewer than half of the total number shall constitute a quorum for meetings.

The Board of Directors' duties are to set the Bank's policies and operational objectives, and to oversee management to ensure it operates in accordance with the Bank's policies, relevant laws, articles of association, and the shareholders' resolutions.

The Board of Directors consists of:

1. Chavalit	Thanachanan	Chairman (Independent Director)
2. Ammar	Siamwalla	Independent Director
3. Chulakorn	Singhakowin	Director
4. Felix	Alexander van Kleef	Director
5. Herman	Mulder	Director
6. James	Parks Stent	Director
7. Jan Joost	Oyevaar	Director
8. Jan Peter	Schmittmann	Director
9. Jerry	Letendre	Director
10. Paul	C.A. Lembrechts	Director
11. Pichai	Vasnasong	Independent Director
Ekchai	Chansue	Secretary

## Executive Committee

The Board of Directors manages the Bank through the Executive Committee, whose main responsibility includes monitoring progress of the Bank in carrying out its business plan.

The committee consists of:

1. Chavalit	Thanachanan	Chairman
2. Chulakorn	Singhakowin	Director
3. Chitraporn	Tangsuwan	Director
4. Gert Jan	van der Putten	Director
5. Jan Joost	Oyevaar	Director
M.R. Rajanikorn	Rajani	Secretary

### **Audit Committee**

The Audit Committee is nominated by the Board of Directors. Its main responsibilities are to ensure that the Bank has an adequate internal audit system and operates in accordance with the regulations imposed by the Securities and Exchange Commission and other governing laws. The committee is also responsible for the nomination of the Bank's auditors, determining the auditors' remuneration and for the accuracy of the disclosure of information on related-party transactions or transactions where conflict of interest may occur.

The Audit Committee consists of:

1. Pichai	Vasnasong	Chairman
2. Ammar	Siamwalla	Director
3. James	Parks Stent	Director
Ko	van der Meer	Secretary

### **Compensation Committee**

The Compensation Committee is responsible for considering and making recommendations on Directors' emoluments. It designates which managers will come under the authority of the committee and considers and reviews their appropriate remuneration and other benefits. It also considers and decides issues relating to separation payments in the case of early termination or dismissals of the designated managers.

The committee consists of:

1. Chavalit	Thanachanan	Chairman
2. Chulakorn	Singhakowin	Director
3. Jan Joost	Oyevaar	Director

### **Management Committee**

The Management Committee is responsible for establishing the Bank's strategy in carrying out its businesses in order to achieve operational objectives. The committee also approves the Bank's financial budget and major investments as well as supervising and monitoring the progress of work done by each business group, other committees or working groups appointed to specific projects.

The committee consists of:

1. Chulakorn	Singhakowin	President and CEO	as	Chairman
2. Chitraporn	Tangsuwan	Senior Executive Vice President	as	Vice Chairman
3. Gert Jan	van der Putten	Senior Executive Vice President	as	Vice Chairman
4. Aart	Jongejans	Executive Vice President	as	Director
5. Chris	Power	Executive Vice President	as	Director
6. Egge	de Vries	Executive Vice President	as	Director

7. Jonathan	Truslow	Executive Vice President	as Director
8. Ko	van der Meer	Executive Vice President	as Director
9. Pimolrat	Tangkosakul	Executive Vice President	as Director
10. Thammasak	Jittimaporn	Executive Vice President	as Director
11. Vilawan	Vanadurongvan	Executive Vice President	as Director
M.R. Rajanikorn	Rajani	Vice President	as Secretary

#### **Assets and Liabilities Committee (ALCO)**

The Assets and Liabilities Committee is responsible for identifying and managing the associated risks (i.e. market risk, liquidity risk, interest rate risk, etc.) inherent in the Bank's balance sheet and income statement. It also determines interest rate and pricing strategy, reviews and determines asset and liability structures, and approves the Bank's major strategic investments.

The committee consists of:

1. Chulakorn	Singhakowin	President and CEO	as Chairman
2. Chitraporn	Tangsuwan	Senior Executive Vice President	as Director
3. Gert Jan	van der Putten	Senior Executive Vice President	as Director
4. Egge	de Vries	Executive Vice President	as Director
5. Jonathan	Truslow	Executive Vice President	as Director
6. Thammasak	Jittimaporn	Executive Vice President	as Director
7. Dhirajai	Yongkittikul	Senior Vice President	as Director
Sanchai	Apisaksirikul	Senior Vice President	as Secretary

#### **Risk Management Committee**

The committee is responsible for formulating the Bank's risk management policies, credit procedures and processes as well as approving credit applications.

The committee consists of:

1. Gert Jan	van der Putten	Senior Executive Vice President	as Chairman
2. Aart	Jongejans	Executive Vice President	as Vice Chairman
3. Vilawan	Vanadurongvan	Executive Vice President	as Director
4. Chongrak	Politanont	Senior Vice President	as Director
5. Maleewan	Phongsathorn	Senior Vice President	as Director
6. Mark	Chen	Senior Vice President	as Director
7. Poonnis	Sakuntanaga	Senior Vice President	as Director

### Financial Restructuring & Recovery Committee

The committee is responsible for approving the terms and conditions for the Bank's impaired loans.

The committee consists of:

1. Gert Jan	van der Putten	Senior Executive Vice President	as	Chairman
2. Aart	Jongejans	Executive Vice President	as	Vice Chairman
3. Suthep	Dansiriviroj	Senior Vice President	as	Director
4. Vajee	Pramualrat	Senior Vice President	as	Director

### Business Development Committee

The committee is responsible for formulating the Bank's marketing and distribution strategies. It ensures that the objectives of individual lines of business are aligned with the overall banks' direction. In addition, the committee approves the features of new products and services, new distribution channels as well as oversees service quality of its service networks so as to ensure a standard of excellence to customers.

The committee consists of:

1. Chulakorn	Singhakowin	President and CEO	as	Chairman
2. Chitraporn	Tangsuwan	Senior Executive Vice President	as	Director
3. Thammasak	Jittimaporn	Executive Vice President	as	Director
4. Vilawan	Vanadurongvan	Executive Vice President	as	Director
5. Jonathan	Truslow	Executive Vice President	as	Director and secretary

### Operational Risk Management Steering Committee

The committee is responsible for setting the policy and guidelines of the Bank's Operational Risk Management (ORM). It is also in charge of developing, and improving the (bank-wide) ORM process. In addition, the committee provides support with implementing the process and interpreting related policy and guidelines. This includes developing and rolling out the risk assessment methodology.

The committee consists of:

1. Chulakorn	Singhakowin	President and CEO	as	Chairman
2. Aart	Jongejans	Executive Vice President	as	Director
3. Chris	Power	Executive Vice President	as	Director
4. Ko	van der Meers	Executive Vice President	as	Director
5. Thammasak	Jittimaporn	Executive Vice President	as	Director
6. Yongyut	Yodinlom	Senior Vice President	as	Director
Napaporn	Patoomban	Vice President	as	Secretary

### IT Steering Committee

The committee is responsible for formulating the Bank's IT plan to be aligned with the Bank's overall direction before submitting for approval from the Management Committee. The committee also considers and monitors the capital expenditure and expense related to the IT plan. In addition, the committee provides support to the Bank's MIS project and monitors the progress of information system development projects.

The committee consists of:

1. Chitraporn	Tangsuwan	Senior Executive Vice President	as Chairman
2. Vilawan	Vanadurongvan	Executive Vice President	as Vice Chairman
3. Aart	Jongejans	Executive Vice President	as Director
4. Chris	Power	Executive Vice President	as Director
5. Egge	de Vries	Executive Vice President	as Director
6. Pimolrat	Tangkosakul	Executive Vice President	as Director
7. Benjana	Asavametha	Senior Vice President	as Director
8. Chaveephan	Huntrakul	Senior Vice President	as Director
9. Somkid	Jiranuntarat	Senior Vice President	as Director
10. Wanvimol	Kanoktanaporn	Senior Vice President	as Director
11. Yongyut	Yodinlom	Senior Vice President	as Director and Secretary

### Crisis Management Team

The committee is responsible for considering and analyzing Bank's crisis in order to coordinate and solve those crises with any related units. The committee also selects the place for being crisis management center and organizes team and required equipment, as well as reports the current situation and loss to the Management Committee.

The committee consists of:

1. Chitraporn	Tangsuwan	Senior Executive Vice President	as Chairman
2. Vilawan	Vanadurongvan	Executive Vice President	as Vice Chairman
3. Pimolrat	Tangkosakul	Executive Vice President	as Director
4. Sewsin	Singprasong	Senior Vice President	as Director
5. Chavalit	Timpitaya	Vice President	as Director
6. Duangjai	Amatyakul	Vice President	as Director
7. Somdul	Chatunart	Vice President	as Director
8. Benjana	Asavametha	Senior Vice President	as Director and Secretary

# Management List

## **President and CEO**

Mr. Chulakorn Singhakowin

## **Senior Executive Vice President**

Mrs. Chitraporn Tangsuwan

Mr. Gert Jan van der Putten

Operations Group

Risk Management Group

## **Executive Vice President**

Mr. Aart Jongejans

Mr. Chris Power

Mr. Egge de Vries

Mr. Jonathan Truslow

Mr. Ko van der Meer

Mrs. Pimolrat Tangkosakul

Mr. Thammasak Jittimaporn

Risk Management Division

Central Operations Division

Treasury Management Division

Strategic Planning Project

Audit Division

Human Resources Division

Retail Sales and Customer Services Division and  
(Act.) Products and Marketing Group

e-Channels and Commercial Products Group and  
Commercial Sales Division

Ms. Vilawan Vanadurongvan



## Products and Marketing Group

### ■ Card Products and Personal Loans Division

*Senior Vice President*

Ms. Wanvimol Kanoktanaporn

Acquisition

*Vice President*

Mrs. Anchalee Samsen

Portfolio Management

*Vice President*

Mr. Bansit Chittipanich

### ■ Retail Credit Products Division

Housing Loans

*Vice President*

Mrs. Suwannee Sitthichaiviset

SME Products

*Vice President*

Ms. Ratanachon Thanyodom

### ■ Liability/Advisory Products Division

*Vice President*

Mr. Thai Wangbunyen

Deposit/Payment Products

*Vice President*

Mrs. Raviwan Khomson

### ■ Database Marketing

*Vice President*

Ms. Navaporn Thongnumtago

### ■ Advertising and Brand Management

*Vice President*

Ms. Passara Intanok

## e-Channels and Commercial Products Group

### ■ e-Commerce and e-Banking Division

*Senior Vice President*

Mr. Apirom Noi-am

e-Strategy

*Vice President*

Mr. Piyachart Ratanaprasartporn

e-Sales and Support

*Vice President*

Ms. Chupun Gowanit

e-Partnership Management

*Vice President*

Ms. Chonchanok Viravan

### ■ Cash Management Division

*Senior Vice President*

Mr. Silawat Santiviset

Cash Management Product Development

*Vice President*

Ms. Ninlawan Jeeraboon

Cash Management Consultant

*Vice President*

Mr. Tongchai Suntirumjairucksa

Mrs. Wareemon Niyomthai

Cash Management Implementation & Support

*Vice President*

Mr. Tongchai Suntirumjairucksa

### ■ e-International Trade Division

*Senior Vice President*

Ms. Jittima Pongpojkasem

### ■ Correspondent Banking

*Vice President*

Ms. Suwanna Mongkolchai

## Commercial Sales Division

Commercial Sales

*Senior Vice President*

Ms. Bussakorn Pao-in

Mrs. Chongrak Politanont

Mr. Mark Chen

Mr. Poonnis Sakuntanaga

*Vice President*

Ms. Kornpranom Wongmongkol

Ms. Piyaporn Ratanaprasartporn

Ms. Pojanee Rungsang

Mrs. Suree Wipatakanok

Mrs. Yingluk Kongkasai

Commercial Sales Region

*Vice President*

Mr. Damri Limmahakhun

Mr. Kriengsak Tananuwat

Mr. Pravitt Tangkaratt

Commercial Sales Service and Support

*Vice President*

Mrs. Sasitorn Rattanukul

**Retail Sales and Customer Services Division**

■ Retail Sales Division

*Senior Vice President*

Mrs. Sewsinn Singprasong

*Vice President*

Mr. Danucha Verapong

Mrs. Napasri Wongsankakorn

Mr. Pansak Ratanapasagorn

Mr. Sangkhom Siripun

Mr. Wisanu Hutagoon

■ Centralised Customer Services Division

*Senior Vice President*

Mrs. Chaveephan Huntrakul

Call Centre

*Vice President*

Ms. Piyawan Laosumrit

■ Direct Sales Division

Sales Teams

*Vice President*

Ms. Patcharin Techakehakit

Mr. Sumongkol Singprasonk

■ Channel Strategy and Marketing

*Vice President*

Mr. Sakchai Pinyovitayawong

**Operations Group**

■ Customer Relationship Management Project

*Senior Vice President*

Ms. Ngamjitt Sirijindalert

*Vice President*

Mrs. Lalita Chandaragga

Ms. Sudaporn Kaewchindoung

ACU Project

*Vice President*

Mr. Kittiphon Siripoonya

■ Central Operations Division

*Senior Vice President*

Mr. Civic Leung

Trade Services Department

*Senior Vice President (Act.)*

Mr. Dhirajai Yongkittikul

Retail Credit Department

*Vice President*

Mrs. Suntree Sirikulbordee

Loan Services Department

*Vice President*

Mrs. Waraporn Namwong

Treasury Services Department

*Vice President*

Ms. Amaraluck Limpianunchai

Domestic Banking Services Department

*Vice President*

Ms. Preeyarat Poomdontri

Operational Risk Management

*Vice President*

Ms. Napaporn Patoomban

Card Processing Department

*Vice President*

Mrs. Jintana Chutanant

Organisation and Procedure Division

*Senior Vice President*

Mrs. Benjana Asavametha

System Co-ordination

*Vice President*

Mrs. Chasima Kusakul

Costing Analysis

*Vice President*

Mrs. Nunthavadee Sangsumran

Operational Procedure

*Vice President*

Mr. Somchai Pavitpok

■ Information Technology Division

*Senior Vice President*

Mr. Somkid Jiranuntarat

IT Strategic System Division

*Senior Vice President*

Mr. Teeramanop Fukdongphan

*Vice President*

Mr. Sindhu Pornsawangroj

Core Systems Development Division

*Senior Vice President*

Mr. Anupon Censarn

*Vice President*

Ms. Vipavadee Champrasith

Mr. Wannachai Bangwiroonrag

IT Quality Assurance

*Vice President*

Mrs. Suvanee Panubuse

IT Services Department

*Vice President*

Mr. Somdul Chatunart

■ Financial Control Division

Financial Control and Group Reporting Department

*Vice President*

Mrs. Manaschan Linananda

■ Collection Division

*Senior Vice President*

Mr. Prasert Larppipitmongkol

Appraisal and Legal Registration Department

*Vice President*

Mr. Ponglert Roeksasut

Credit Collection Department

*Vice President*

Mrs. Walaiporn Panyadhanya

Credit Cycle Department

*Senior Vice President*

Ms. Onanong Udomkantong

Unsecured Loan Collection

*Vice President*

Mr. Amnuay Anan-naweenusorn

Card Security Management

*Vice President*

Ms. Pranee Nernsawai

Litigation Department

*Vice President*

Mr. Bunchong Purirakpitikorn

■ Legal Advisory

*Senior Vice President*

Mrs. Vimonrat Aumpunsang

*Vice President*

Mr. Senut Chavana

■ Information Management Division

*Senior Vice President*

Mr. Yongyut Yodinlom

*Vice President*

Mrs. Sirirat Sayasilpi

Business & Application Analyst

*Vice President*

Mrs. Sunee Ahkuptra

■ Budgeting and Planning Division

*Senior Vice President*

Mr. Sanchai Apisaksirikul

*Vice President*

Ms. Suwanna Lappayanant

■ Corporate Secretariat

*Vice President*

M.R. Rajanikorn Rajani

■ General Administration Department

*Vice President*

Mr. Chavalit Timpitaya

**Risk Management Group**

■ Risk Management Division

Risk Analysis Division

*Senior Vice President*

Ms. Maleewan Phongsathorn

Risk Analysis Teams

*Vice President*

Mrs. Dakanee Singmaneechai

Mr. Pansalit Trakarnkijvichit

Risk Inspection and Trading Risk Management Division

*Senior Vice President*

Mr. Dhirajai Yongkittikul

Risk Inspection

*Vice President*

Ms. Nara Sanghirundwathana

Trading Risk Management

*Senior Vice President (Act.)*

Mr. Dhirajai Yongkittikul

Risk Management Information

*Vice President (Act.)*

Ms. Nara Sanghirundwathana

Credit Administration

*Vice President*

Ms. Puntipa Phetply

■ Financial Restructuring and Recovery Division

*Senior Vice President*

Mr. Suthep Dansiriviroj

Financial Restructuring and Recovery

*Senior Vice President*

Ms. Vajee Pramualrat

*Vice President*

Mr. Paiboon Fuengfuskul

Ms. Saviga Chittabuddhi

Ms. Suppaluck Sripirom

Legal Administration

*Senior Vice President*

Mr. Suthep Dansiriviroj

■ Asset Sales Management Division

*Senior Vice President*

Mr. Thanapol Sirithanachai

Asset Sales Management

*Vice President*

Mr. Chairat Sangtong

■ Consumer Risk Management

*Senior Vice President*

Mr. Ajay Verma

*Vice President*

Mr. Florentino T. Gonzalez III

## **Human Resources Division**

*Senior Vice President*

Mr. Sematat Chuntamongkol

*Vice President*

Mr. Charoenchai Charoensettasilp

### ■ Human Resources Advisors & Operations Division

*Senior Vice President*

Mrs. Anoma Sukhasvasti Na Ayudhya

Human Resources Advisors

*Vice President*

Ms. Chanjala Ngaosuvan

Mr. Jesda Klaharn

Ms. Sasivimol Arayawattanapong

Human Resources Operations

*Vice President*

Mrs. Pranee Narongkhananukul

Employee Relations

*Vice President*

Mr. Saroj Kijjanont

Compensation and Career Planning

*Vice President*

Ms. Sallaya Ratanopas

### ■ Learning and Development Division

*Senior Vice President*

Ms. Poonsup Janyasupab

*Vice President*

Mr. Jongdee Dechasakulsom

Mr. Suwat Thiticprechar

## **Treasury Management Division**

### ■ Treasury and Fixed Income Division

*Senior Vice President*

Ms. Montira Utarapichat

Money Market Team

*Vice President*

Ms. Benjaporn Manussuntornvut

Fixed Income Team

*Vice President*

Ms. Jirawan Suthiwanich

Treasury Marketing Team

*Vice President*

Mr. Phiset Prakongtham

Foreign Exchange Team

*Vice President*

Mrs. Anna Kongsanisara

## **Audit Division**

Head Office Audit

*Vice President*

Mrs. Thientong Saenghiranwatana

Branch Audit

*Assistant Vice President*

Mrs. Prisna Tungkruekaew

Information Technology Audit

*Vice President*

Mr. Manit Panichakul

## **Directly Report to President and CEO**

Office of the President

*Vice President*

Ms. Chompoonuth Thutiyakoon

Office of Corporate Communications

*Vice President*

Mrs. Duangjai Amatyakul

Ms. Sutasnee Rojanasoonthon

Compliance

*Vice President*

Ms. Piyanart Asavajindakorn

# Contact

Branch	Location	Telephone (+66)	Fax (+66)
Sathon (9.30 am - 5.00 pm)	191 South Sathon Road, Sathon, Bangkok 10120	0-2287-2211-3 Ext.1001	0-2287-2973-4
<b>BANGKOK METROPOLITAN BRANCH OFFICES</b>			
1. Amarin Plaza (Mon. - Fri. 9.30 am - 5.00 pm) (Sat. 11.00 am - 5.00 pm)	500 1st Floor, Amarin Plaza, Ploenchit Road, Pathum Wan, Bangkok 10500	0-2252-6292-3, 0-2251-8579, 0-2256-9045-6	0-2252-7871
2. Anusavaree Chaisamorphoom	911/1-3 Phaholyothin Road, Phaya Thai, Bangkok 10400	0-2271-0089, 0-2271-3447, 0-2271-2662, 0-2619-5916	0-2271-0088
3. Bang Bon	72/65-68 Mu 6, Eakchai-Bangbon Road, Bang Bon, Bangkok 10150	0-2898-0423-5, 0-2415-6984	0-2898-0426
4. Bang Kapi (Sub Branch)	177/22-23 Mu 3, Ladphrao Road, Bang Kapi, Bangkok 10240	0-2378-0973-4, 0-2375-0201, 0-2375-0203	0-2378-0975
5. Bangrak	1249/19, 1249/50, 1249/59 Jems Tower, Charoen Krung Road, Bangrak, Bangkok 10500	0-2237-5050-1, 0-2237-8577-8, 0-2234-5265, 0-2266-9896-7	0-2266-9667
6. Bangna KM.2	21/235-236 Mu 12, Bangna, Bangkok 10260	0-2396-1931, 0-2393-9825, 0-2399-0178-81	0-2393-6147
7. BTS Mochit (SubBranch) (everyday 9.30 am - 8.00 pm)	BTS Mochit, Phaholyothin Road, Chatujak, Bangkok 10900	0-2617-4005-6, 0-2617-4009	0-2617-4007
8. BTS Onnuch (Sub Branch) (everyday 9.30 am - 8.00 pm)	BTS Onnuch, Sukhumvit Road, Klong Toey, Bangkok 10110	0-2741-4206-7, 0-2741-4210	0-2741-4208
9. Buntudthong	56/20, 56/59-62 Rama I Road, Pathum Wan, Bangkok 10330	0-2214-1733, 0-2214-2067, 0-2214-2252, 0-2214-1292	0-2215-4836
10. Chaengwatana	99/349 Mu 2, Chaengwatana Road, Donmuang, Bangkok 10210	0-2576-1057-60, 0-2576-1490, 0-2576-1544-5	0-2576-1533
11. City Complex (Mon. - Fri. 9.30 am - 5.00 pm) (Sat. 11.00 am - 5.00 pm)	831 City Complex Building, Petchburi Road, Rajathevee, Bangkok 10400	0-2255-0746, 0-2255-0749, 0-2653-8522, 0-2252-1211	0-2255-0748
12. Dao Khanong (Sub Branch)	1057/9-10 Taksin Road, Thon Buri, Bangkok 10600	0-2460-0157, 0-2460-0159, 0-2460-0243	0-2460-0245
13. Department of Industrial Works (Sub Branch)	75/6 Department of Industrial Works Building, Rama VI Road, Rajathevee, Bangkok 10400	0-2640-9723-4, 0-2640-9727	0-2640-9725
14. Hua Mark	1929/3-5 Ramkhamhaeng Road, Bang Kapi, Bangkok 10240	0-2318-8561-4, 0-2718-4624, 0-2319-3062	0-2318-0139
15. Imperial (Ladphrao 81)	2539 Basement Floor, Imperial World Department Store, Ladphrao Road, Wang Thong Lang, Bangkok 10310	0-2934-8686-9, 0-2934-8691	0-2934-8690

Branch	Location	Telephone (+66)	Fax (+66)
16. Klong Toey	1472-1474 Rama IV Department Store, Rama IV Road, Klong Toey, Bangkok 10110	0-2249-0886-9	0-2249-4075
17. Ladphrao	1558 Ladphrao Road, Wang Thong Lang, Bangkok 10310	0-2514-2709, 0-2514-2964, 0-2539-5800, 0-2530-1120	0-2539-2003
18. Ngam Wong Wan (Sub Branch)	207/15 Mu 6, Ngam Wong Wan Road, Luksi, Bangkok 10210	0-2591-7902, 0-2591-0770, 0-2591-0772	0-2591-0771
19. Nong Khaem	77/207 Mu 2, Phetkasem Road, Nong Khaem, Bangkok 10160	0-2420-7941-4	0-2420-7940
20. Nonthaburi	32/16-19 Bangkok-Nonthaburi Road, Muang, Nonthaburi 11000	0-2525-1770-2, 0-2968-4592-4	0-2526-2993
21. Onnuch	1468, 1470 Onnuch Road, Suan Luang, Bangkok 10250	0-2332-3134-7	0-2331-8519
22. Phaholyothin KM.26	1/737 Mu 17, Soi Amporn, Lam Luk Ka, Pathum Thani 12150	0-2532-3645-50, 0-2532-3644	0-2532-3641
23. Phaholyothin Soi 19	555 Rasa Tower, Phaholyothin Road, Chatujak, Bangkok 10900	0-2937-0300-4	0-2937-0305
24. Phahurad (Mon. - Fri. 9.30 am - 5.00 pm) (Sat. 11.00 am - 5.00 pm)	2/30-33, 4/11-14 The Old Siam Plaza, Burapa Road, Phra Nakhon, Bangkok 10200	0-2222-0176-9, 0-2222-4113-4, 0-2223-1854-5, 0-2223-6233, 0-2221-7236	0-2223-0708
25. Phetchakasem 35 (Mon.-Fri. 9.30 am - 5.00 pm) (Sat. 11.00 am - 5.00 pm)	110 Mu 9, Future Park-Robinson Bangkae, Phetchakasem 35 Road, Phasi Charoen, Bangkok 10160	0-2454-8690-5	0-2454-8695
26. Phra Pinklao	30 Charansanidvongs Road, Bangplad, Bangkok 10700	0-2434-7110-3	0-2434-7114
27. Ramintra KM.9 (Mon. - Fri. 9.30 am - 5.00 pm) (Sat. - Sun. 11.00 am - 5.00 pm)	5/5 Mu 7, Fashion Island Building, Ramintra Road, Kunyayao, Bangkok 10240	0-2947-5307-9, 0-2947-5311	0-2947-5310
28. Ratchada-Huay Khwang	167/8 Ratchadaphisek Road, Din Daeng, Bangkok 10320	0-2276-9408-11, 0-2276-9414	0-2276-9413
29. Ratchada-Sathupradit	127/1 Nonsee Road, Yannawa, Bangkok 10120	0-2681-1111-5	0-2681-1110
30. Rangsit (Mon. - Fri. 9.30 am - 5.00 pm) (Sat. - Sun. 11.00 am - 5.00 pm)	161 Mu 2, Future Park Rangsit, Tanya Buri, Pathum Thani 12110	0-2958-0562-7	0-2958-0568
31. Sam Yaek	601 Charoen Krung Road, Samphanthawong, Bangkok 10100	0-2222-5111-6	0-2222-1354
32. Samrong	999/99 Mu 1, Sukhumvit Road, Muang, Samut Prakan 10270	0-2384-7656, 0-2384-4510, 0-2394-0422, 0-2394-0428	0-2384-4352
33. Saphan Khao	325/168 Lukluang Road, Dusit, Bangkok 10300	0-2282-3665, 0-2282-3796, 0-2282-4374, 0-2282-3694-5	0-2282-1914
34. Sathon 2	179/3 Bangkok City Tower, South Sathon Road, Sathon, Bangkok 10120	0-2679-5700-2, 0-2679-5704	0-2679-5703
35. Si Phraya (9.30 am - 5.00 pm)	295 Si Phraya Road, Bangrak, Bangkok 10500	0-2235-2884-7, 0-2236-6805	0-2235-2882
36. Siam Square (Sub Branch) (Mon. - Fri. 9.30 am - 5.00 pm) (Sat. 11.00 am - 5.00 pm)	410-410/1 Siam Square Soi 3, Rama I Road, Pathum Wan, Bangkok 10500	0-2251-3343, 0-2251-2145, 0-2251-2278, 0-2254-6800	0-2251-2280
37. Silom Complex (Sub Branch) (9.30 am - 5.00 pm)	191 Silom Complex Building, Silom Road, Bangrak, Bangkok 10500	0-2231-3139-40, 0-2231-3100-1	0-2231-3137

Branch	Location	Telephone (+66)	Fax (+66)
38. Soi Chokechai 4 (Sub Branch)	141/3-4 Soi Chokechai 4 (Ladphrao 53), Wang Thong Lang, Bangkok 10310	0-2539-6111-3	0-2539-3500
39. Soi Sukhumvit 101/1 (9.30 am - 5.00 pm)	339/101-102 Sukhumvit 101/1 Road, Pra Khanong, Bangkok 10260	0-2361-6418-20, 0-2393-9952, 0-2399-4968	0-2399-5132
40. Soi Yoo Dee	597/113-114 Trok Watchannai, Chan Road, Bang Khoe Laem, Bangkok 10120	0-2292-1627-8, 0-2291-4904-5	0-2291-4906
41. Songwad	1252-4 Songwad Road, Samphanthawong, Bangkok 10100	0-2225-6254-7, 0-2226-3606-7	0-2225-6256
42. Sri Yan (Sub Branch)	468-468/1 Nakhon Chai Sri Road, Dusit, Bangkok 10300	0-2243-0914-5, 0-2241-3467, 0-2243-3725	0-2241-3425
43. St.Louis 3 (Sub Branch)	9/10 Trok Chan Saphan 3, Chan Road, Sathon, Bangkok 10120	0-2212-7024, 0-2211-1407	0-2211-0815
44. Sukhumvit 4 (Sub Branch) (9.30 am - 5.00 pm)	142 Sukhumvit Road, Klong Toey, Bangkok 10110	0-2653-2178-9, 0-2253-5137, 0-2653-2218	0-2653-2181
45. Sukhumvit 25	1 Ban Chang Glass House Building, Sukhumvit 25 Road, Klong Toey, Bangkok 10110	0-2258-0270-1, 0-2260-6117-9, 0-2258-9330-2	0-2258-4582
46. Sukhumvit 83	2149 2nd Floor, Market Plus Building, Sukhumvit Road, Pra Khanong, Bangkok 10260	0-2742-5812-5, 0-2742-5818	0-2742-5816
47. Sukhumvit 101 (Piyarom Park) (Mon. - Fri. 9.30 am - 5.00 pm) (Sat. 11.00 am - 5.00 pm)	3079/25 Soi Piyabuttra, Sukhumvit Road, Pra Khanong, Bangkok 10260	0-2730-5100-3, 0-2730-5105	0-2730-5106
48. Suksawat	86/17-19 Suksawat Road, Rat Burana, Bangkok 10140	0-2468-4797, 0-2477-2411-2, 0-2477-2408	0-2468-6028
49. Taksin	43,45,47 Taksin Road, Thon Buri, Bangkok 10600	0-2438-6429, 0-2438-0063, 0-2439-1864, 0-2437-2387	0-2438-6426
50. Talard Si Mummuang	355/33-35 Mu 8, Phaholyothin Road, Lam Luk Ka, Pathum Thani 12130	0-2536-7850, 0-2536-7852, 0-2536-7854-6	0-2536-7853
51. Thai Wah Tower (Sub Branch)	21/63-66 Thai Wah Tower 1, South Sathon Road, Sathon, Bangkok 10120	0-2285-0092-4	0-2285-0095
52. Thanon Khaolarm (Sub Branch)	2214, 2216 Khaolarm Road, Samphanthawong, Bangkok 10100	0-2238-2540-2	0-2238-2543
53. Thanon Phaholyothin 8 (Sub Branch) (9.30 am - 5.00 pm)	414 G Floor, Shinawatra Tower 1, Phaholyothin Road, Bangkok 10400	0-2616-9760-2, 0-2357-1690	0-2357-1490
54. Thanon Phraram 4	956 Udom Wittaya Building, Rama IV Road, Bangrak, Bangkok 10500	0-2636-2513-7	0-2636-2518
55. Thanon Phraram 6 (Sub Branch)	118/1 Tipco Tower, Rama VI Road, Phaya Thai, Bangkok 10400	0-2357-3460-3	0-2357-3464
56. Thanon Phraram 9	100/123 2nd Floor, Vong Vanich Complex, Rama IX Road, Huay Khwang, Bangkok 10320	0-2245-5326-8, 0-2245-5117-8, 0-2245-9395	0-2245-9458
57. Thanon Pracha-U-Thit	147/1-4 Mu 8, Pracha-U-Thit Road, Rat Burana, Bangkok 10140	0-2873-1457-60, 0-2873-1439	0-2873-1440
58. Thanon Ramkhamhaeng 2 (Sub Branch) (9.30 am - 5.00 pm)	143 Mu 8, Ramkhamhaeng 2 Road, Pravej, Bangkok 10260	0-2316-9735-6	0-2316-9739
59. Thanon Srinakarin (Sub Branch) (Mon. - Fri. 9.30 am - 5.00 pm) (Sat. - Sun. 11.00 am - 5.00 pm)	12/90 Mu 6, Seree Center Building, Srinakarin Road, Pravej, Bangkok 10260	0-2746-0816-8	0-2746-0819



Branch	Location	Telephone (+66)	Fax (+66)
60. Thanon Sri Wara	314 Soi Ladphrao 94 (Panjamit), Sri Wara Road, Wang Thong Lang, Bangkok 10310	0-2559-3600-5, 0-2935-6025-6	0-2559-3606
61. Thanon Vorachak (Sub Branch)	94-96 Vorachak Road, Pom Prap Sattru Phai, Bangkok 10100	0-2221-5223, 0-2225-9086, 0-2225-9088	0-2225-9087
62. Thanon Yaowaraj (Sub Branch) <i>(Mon. - Fri. 9.30 am - 5.00 pm)</i> <i>(Sat. 11.00 am - 5.00 pm)</i>	422, 424 Yaowaraj Road, Samphanthawong, Bangkok 10100	0-2226-2930-1, 0-2226-5855	0-2226-2933
63. Thonglor	283/15-17, 283/65, Soi Thonglor 13, Sukhumvit 55 Road, Wattana, Bangkok 10250	0-2712-7150-5	0-2712-7156
64. Tops Bangna (Sub Branch) <i>(everyday 9.30 am - 8.00 pm)</i>	1090 Mu 12, Central City Department Store, Bangna-Trad Road, Bangna, Bangkok 10260	0-2361-7851-3	0-2361-7854
65. Tops Bangrak (Sub Branch) <i>(everyday 9.30 am - 8.00 pm)</i>	1522 Robinson Bangrak Department Store, Charoen Krung Road, Bangrak, Bangkok 10500	0-2630-6482-3	0-2630-6484
66. Tops Chidlom (Sub Branch) <i>(everyday 9.30 am - 8.00 pm)</i>	22 Central Chidlom Department Store, Ploenchit Road, Pathum Wan, Bangkok 10330	0-2254-7120-2	0-2254-7123
67. Tops Lad Phrao <i>(everyday 9.30 am - 8.00 pm)</i>	1697 Central Lad Phrao Department Store, Phaholyothin Road, Chatujak, Bangkok 10900	0-2937-1727-9	0-2937-1730
68. Tops Phra Pra Daeng <i>(everyday 9.30 am - 8.00 pm)</i>	360/14 Mu 7, Major Phra Pra Daeng Building, Suksawat Road, Ratburana, Bangkok 10140	0-2818-1970-2	0-2818-1973
69. Tops Pinklao (Sub Branch) <i>(everyday 9.30 am - 8.00 pm)</i>	7/1 Central Pinklao Department Store, Baromratchonnane Road, Bangkok-noi, Bangkok 10700	0-2884-8030-2	0-2884-8033
70. Tops Ramintra (Sub Branch) <i>(everyday 10.00 am - 8.00 pm)</i>	109/9 Mu 3, Central Ramintra Department Store, Ramintra Road, Bangkhen, Bangkok 10220	0-2522-6646-8	0-2522-6649
71. Tops Ratchadaphisek (Sub Branch) <i>(everyday 9.30 am - 8.00 pm)</i>	139 Robinson Ratchadaphisek Department Store, Ratchadaphisek Road, Din Daeng, Bangkok 10310	0-2246-5058-9, 0-2246-5101	0-2246-5578
72. Tops Thanon Witthayu (Sub Branch) <i>(everyday 9.30 am - 8.00 pm)</i>	231 2nd Floor, CRC Tower, 87/2 Wireless Road, Pathum Wan, Bangkok 10330	0-2255-5392-4	0-2255-5395
73. Wiphawadi-Rangsit 9 (Sub Branch)	21 T.S.T. Tower, Wiphawadi-Rangsit Road, Chatujak, Bangkok 10900	0-2273-8120-1, 0-2273-8939-40	0-2273-8122

#### **UPCOUNTRY BRANCH OFFICES**

##### **CENTRAL AREA**

1. Damnoen Saduak	234 Mu 8, Bangpare-Samut Songkhram Road, Damnoen Saduak, Ratchaburi 70130	0-3225-4444, 0-3225-4930, 0-3225-4332, 0-3224-1333	0-3225-4913
2. Nakhon Pathom <i>(8.30 am - 5.00 pm)</i>	63-65 Rajvithi Road, Muang, Nakhon Pathom 73000	0-3425-1184-6, 0-3425-1178	0-3425-1187
3. Phetchaburi	28 Panich Charoen Road, Muang, Phetchaburi 76000	0-3241-5883-4, 0-3242-5169, 0-3242-5959	0-3242-8517
4. Phra Nakhon Si Ayutthaya	255 Mu 5, Rojana Road, Phra Nakhon Si Ayutthaya, Phra Nakhon Si Ayutthaya 13000	0-3524-6116, 0-3524-6030, 0-3522-9049	0-3524-1546
5. Sam Chuk	225/2 Mu 2, Sam Chuk, Suphan Buri 72130	0-3557-1055, 0-3557-1980, 0-3557-1990	0-3557-1044
6. Samut Sakhon	927/403 Sethakit 1 Road, Muang, Samut Sakhon 74000	0-3442-7139-40, 0-3481-0514, 0-3481-0516, 0-3481-0275	0-3481-0513
7. Samut Songkhram (Sub Branch)	125/104 Tang Khao Muang Road, Muang, Samut Songkhram 75000	0-3471-8111, 0-3471-8222, 0-3471-8626	0-3471-8627

Branch	Location	Telephone (+66)	Fax (+66)
8. Saraburi	427 Phaholyothin Road, Muang, Saraburi 18000	0-3621-2137-8, 0-3631-2055-6	0-3622-1636
9. Tops Ratchaburi (everyday 9.30 am - 8.00 pm)	265 Robinson Ratchaburi Department Store, Srisuriyawong Road, Muang, Ratchaburi 70000	0-3231-0321-3	0-3231-0324
<b><u>EASTERN AREA</u></b>			
10. Baan Bung	403 Chonburi- Baan Bung Road, Baan Bung, Chonburi 20170	0-3844-3628, 0-3844-3072, 0-3875-0979-80, 0-3875-1118-9	0-3844-3039
11. Baan Chang	51/12 Mu 5, Sukhumvit Road, Baan Chang, Rayong 21130	0-3860-3120-3	0-3860-3119
12. Bang Lamung	90/27 Pattaya-Naglua Road, Bang Lamung, Chonburi 20150	0-3842-8418, 0-3842-9333, 0-3842-7748-9, 0-3842-0273	0-3842-3332
13. Bang Pakong	139 Mu 9, Bang Pakong, Chachoengsao 24130	0-3853-1297-8, 0-3853-2882	0-3853-2086
14. Chachoengsao	94/3 Chumphon Road, Muang, Chachoengsao 24000	0-3851-1621-2, 0-3881-8149, 0-3851-4627-8	0-3851-1623
15. Chanthaburi	82/9 Thachalab Road, Muang, Chanthaburi 22000	0-3931-2822, 0-3934-6616, 0-3934-6434-5	0-3932-1201
16. Chonburi	804 Kor. Chetchamnong Road, Muang, Chonburi 20000	0-3827-3601-6	0-3827-3607
17. Chonburi 2	116/110 Mu 3, Sukhumvit Road, Muang, Chonburi 20000	0-3879-7457-9, 0-3879-7462	0-3879-7461
18. Eastern Seaboard	24/1 Mu 4, Thanon Hemaraj Avenue, Pluak Daeng, Rayong 21140	0-3895-5284-6, 0-3895-5288	0-3895-5287
19. Pattaya (Sub Branch) (8.30 am - 5.00 pm)	325/115-116 Mu 10, Pattaya Sai 2 Road, Bang Lamung, Chonburi 20260	0-3842-9464, 0-3871-0414, 0-3841-0027	0-3842-9400
20. Rayong	144/39-41 Sukhumvit Road, Muang, Rayong 21000	0-3861-4730-3, 0-3861-4735-6	0-3861-4734
21. Sriracha	135/19 Sukhumvit Road, Sriracha, Chonburi 20110	0-3832-4500-2, 0-3832-4504	0-3832-4503
22. Tops Sriracha (Sub Branch) (everyday 10.00 am - 8.00 pm)	90/1 Robinson Sriracha Department Store, Sukhumvit Road, Sriracha, Chonburi 20110	0-3832-8458, 0-3832-8459-60	0-3832-8461
<b><u>NORTHERN AREA</u></b>			
23. Chiang Mai	149-149/1-3 Chang-Klarn Road, Muang, Chiang Mai 50100	0-5327-0029-30, 0-5328-2903, 0-5382-1080-1	0-5328-2015
24. Chiang Rai	643/5 Mu 3, Utrakit Road, Muang, Chiang Rai 57000	0-5371-6786, 0-5371-1414, 0-5371-6557, 0-5371-6777	0-5371-5429
25. Lampang	255 Boonwat Road, Muang, Lampang 52000	0-5421-8383, 0-5422-7383, 0-5421-8454, 0-5421-8373	0-5422-7637
26. Nakhon Sawan	532-534 Kosi Road, Muang, Nakhon Sawan 60000	0-5621-4109, 0-5621-4690, 0-5621-4709, 0-5631-4234-5	0-5621-3224
27. Pa Sang	232 Mu 1, Lamphun-Pa Sang Road, Pa Sang, Lamphun 51120	0-5352-0282, 0-5352-0337	0-5352-0283
28. Phitsanulok	112/39-41 Akartodsrod Road, Muang, Phitsanulok 65000	0-5522-5153-5	0-5522-5156
29. Thanon Highway - Chiang Mai	1/99 Chiang Mai-Lampang Road, Muang, Chiang Mai 50000	0-5330-4701-4, 0-5330-4706	0-5330-4705

Branch	Location	Telephone (+66)	Fax (+66)
<b><u>NORTH EAST AREA</u></b>			
30. Khon Kaen	34, 34/1-2 Namuang Road, Muang, Khon Kaen 40000	0-4323-7620-1, 0-4333-4577, 0-4323-7609	0-4323-7435
31. Nakhon Ratchasima	2-4 Choempol Road, Muang, Nakhon Ratchasima 30000	0-4426-8873-7	0-4425-5476
32. Nakhon Ratchasima 2	545 Friendship Highway, Muang, Nakhon Ratchasima 30000	0-4426-3487-91	0-4426-3493
33. Surin	79, 81, 83 Chitbunrung Road, Muang, Surin 32000	0-4453-8384, 0-4451-1848	0-4451-1081
34. Ubon Ratchathani	177 Uparat Road, Muang, Ubon Ratchathani 34000	0-4524-3830-1, 0-4524-4270-1	0-4524-3832
35. Udon Thani (8.30 am - 5.00 pm)	359 Phosri Road, Muang, Udon Thani 41000	0-4222-1333, 0-4222-3613, 0-4234-3425, 0-4224-9590	0-4224-4062
36. Waeng Yai (Sub Branch)	209 Mu 3, Sai Chonbod-Kudul Road, Waeng Yai, Khon Kaen 40330	0-4349-6124-5	0-4349-6126
<b><u>SOUTHERN AREA</u></b>			
37. Hat Pa Tong (Sub Branch)	97/4 Thawiwong Road, Krathu, Phuket 83150	0-7634-0489, 0-7634-0142-3	0-7634-1169
38. Hat Yai	164 Nipat-utit 1 Road, Hat Yai, Songkhla 90110	0-7424-3032, 0-7424-5033, 0-7424-3810	0-7423-5606
39. Nakhon Sri Thammarat	1719-1721 Rajdamnern Road, Muang, Nakhon Sri Thammarat 80000	0-7535-6112, 0-7535-6860-1	0-7531-1691
40. Pak Phanang	415/1 Chainam Road, Pak Phanang, Nakhon Sri Thammarat 80140	0-7551-7324, 0-7551-7064, 0-7533-3886	0-7551-7248
41. Phuket	206 Phuket Road, Muang, Phuket 83000	0-7621-1566, 0-7621-1577, 0-7621-4901-2, 0-7621-0970-1	0-7621-4903
42. Surat Thani	191/1-3 Chonkasem Road, Muang, Surat Thani 84000	0-7728-6292-7	0-7728-6298
43. Tops Hat Yai Thanon Sanehanusorn (Sub Branch) (everyday 9.30 am - 8.00 pm)	1 Central Hat Yai Department Store, Sanehanusorn Road, Hat Yai, Songkhla 90110	0-7422-5441-3	0-7422-5444
44. Tops Phuket (Sub Branch) (everyday 9.30 am - 8.00 pm)	36 Robinson Ocean Phuket Department Store, Thilok-Utit 1 Road, Muang, Phuket 83000	0-7621-0492, 0-7621-0526, 0-7621-0534, 0-7621-0575	0-7621-0596
45. Yala	8-12 Pipitpakdi Road, Muang, Yala 95000	0-7321-2218, 0-7321-2414	0-7321-3764
<b><u>INTERNATIONAL BRANCH</u></b>			
Cayman Islands	Scotiabank Building, Cardinal Avenue, George Town, Cayman Island	0-2287-3054	0-2285-1445
Contact address:	191 South Sathon Road, Sathon, Bangkok 10120 Thailand Telex. 84351 BKASIA TH S.W.I.F.T. BKASTHBK		
<b><u>DISTRIBUTION CHANNELS</u></b>			
	Branches	119	
	ATM	277	
	Foreign Exchange Kiosks	13	
	Mobile Banking	7	
	ASIA Phone	0-2285-1555	
	Homepage	www.BankAsia4U.com	

# Other Referred Persons

## **Auditor**

Nirand Lilamethwat  
Certified Public Accountant ID # 2316  
KPMG Audit (Thailand) Limited  
21st - 22nd Fl., Empire Tower  
195 South Sathon Road, Sathon, Bangkok 10120  
Tel. +66 (0) 2677-2000  
Fax. +66 (0) 2677-2222

## **Legal Adviser**

Freshfields  
175 Sathorn City Tower  
10th Fl., South Sathon Road,  
Khet Sathon, Bangkok 10120  
Tel. +66 (0) 2679-6121-32  
Fax. +66 (0) 2679-6133 -4

## **Principal Paying and Conversion**

### **Agent-Euro Convertible Bonds**

Citibank, N.A.  
Citibank House  
336 Strand, London WC2R 1 HB UK  
Tel. (44) 171 5001655  
Fax. (44) 171 5000483

## **Registrar**

Thailand Securities Depository Co., Ltd.  
62 The Stock Exchange of Thailand Building 4, 6-7th Fl,  
Ratchadapisek Road, Khet Klong Toey, Bangkok 10110  
Tel. +66 (0) 2229-2800, +66 (0) 2654-5599  
Fax. +66 (0) 2359-1262-3

# Company Information

Name	Bank of Asia Public Company Limited
Public Company Registration Number	50
Nature of Business	Commercial Bank
Registration Address	191 South Sathon Road, Sathon, Bangkok 10120
Telephone	+66 (0) 2287-2211-3
Facsimile	+66 (0) 2287-2973-4
Telex	84351 BKASIA TH
S.W.I.F.T.	BKASTHBK
Homepage	www.BankAsia4U.com
Number of Employees	3,018 persons

	2002	2001	2000
<b>Share Capital</b>			
Registered Capital (Shares)	5,382,844,520	4,661,345,081	4,661,345,081
Paid-up Capital (Shares)	5,095,446,713	3,827,580,479	3,827,580,479
<b>Trading Information</b>			
Average Daily Turnover (Shares)	5,482,307	5,978,643	3,022,893
High/Low Price (Baht)	6.70 / 4.42	10.50 / 4.30	24.75 / 6.50
Closing Price (Baht)	4.66	4.98	6.70
Market Capitalization (Million Baht)	23,745	19,061	20,811

## Bank of Asia's Shareholders as at 9 May 2002

(The latest closing date of the shareholder register book)

	No. of Shares Held	% of Total Shares
ABN AMRO Holdings (Thailand) Limited	3,018,231,096	78.85
Nongluk Phatraprasit	63,849,566	1.67
Supachai Ampuch	44,488,753	1.16
Bank Thai Public Company Limited	25,702,400	0.67
Vilaphan Euarchukiati	21,890,380	0.57
Songsak Jitjuarjun	20,300,000	0.53
Euarchukiati Co., Ltd.	20,229,753	0.53
Phatraprasit Holdings Co., Ltd.	20,000,000	0.52
Thai NVDR Co., Ltd.	13,152,290	0.34
Luckana Naviroj	11,799,700	0.31
	3,259,643,938	85.16

## Credit Ratings

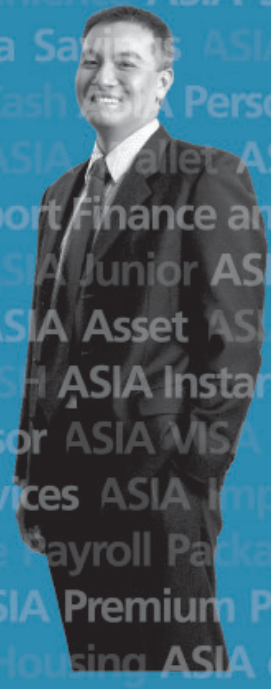
### International Ratings

	Long-term	Short-term
Moody's	Ba1	Not prime
S & P	BB	B
Fitch	BBB-	F3
Capital Intelligence	BB+	B

### National Ratings

	Senior Debt		Subordinated Debt (Bt. 2.0 bn, due 2008)
	Long-term	Short-term	
Fitch	AA+ (tha)	F1+ (tha)	AA (tha)





Member of  ABN-AMRO

[www.BankAsia4U.com](http://www.BankAsia4U.com)

191 South Sathon Road, Sathon, Bangkok 10120 Thailand Tel: +66(0) 2287-2211-3 Fax: +66(0) 2287-2973-4  
P.O. Box 112, Bangkok 10501 ASIA Phone +66(0) 2285-1555