



LEAN FIT & BRAINY



BankThai Public Company Limited  
Annual Report 2002





With a keen determination to provide the country with a good bank,  
Today... BankThai Public Company Limited  
Is a Thai financial institution that has undergone a thorough reform.  
As a "Lean, Fit & Brainy" organization equipped with qualified personnel,  
We stand ready to provide efficient services  
And join hands in efforts to reinforce the strength of the Thai business,  
As we strive, collectively, to attain sustainable growth  
On endless economic path in a borderless world.



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# The Bank's Summary of Financial Information

BankThai Public Company Limited

At Year End (Million Baht)	Consolidated			The Bank only		
	2002	2001	2000	2002	2001	2000
<b>Statistics of Result of Operation</b>						
Total assets	270,670	271,832	235,293	271,103	271,202	233,089
Lendings (net)	115,800	128,025	151,309	115,442	127,476	150,857
Liabilities	259,843	260,297	223,030	260,296	259,628	222,416
Deposits	195,215	168,808	172,462	195,345	168,935	172,569
Shareholders' equity	10,826	11,535	12,262	10,807	11,574	10,674
Total interest and dividend income	9,860	12,383	7,078	9,847	12,281	6,977
Total Income	12,902	13,905	8,954	12,474	13,427	7,613
Net earnings for the year	1,907	1,071	(4,782)	1,907	1,071	(4,782)
Basic Earnings Per Share (Baht)	1.33	0.73	(3.88)	1.33	0.73	(3.88)
Book Value (Baht)	8.46	7.74	2.48	8.45	7.75	2.16
<b>Ratios</b>						
Return on Assets (%)	0.70	0.42	(2.01)	0.70	0.42	(2.04)
Return on Equity (%)	17.06	9.00	(31.54)	17.04	9.63	(35.07)
Net Profit (%)	14.78	7.70	(53.40)	15.29	7.98	(62.81)
BIS Ratios (%)	-	-	-	20.93	21.54	21.80
<b>Operational Data</b>						
Number of branches (branches)	81	79	78			
Number of employees (Including short-term employees) (persons)	2,394	2,562	2,534			

Note : Restated financial Statements

สิ่งพิมพ์รัฐบาล  
สมบัติห้องสมุดรัฐสภา

# Message from the Chairman



02 After the slowdown in 2001, the economy of Thailand rebounded strongly in 2002, with growth accelerating to reach 5.2 per cent for the full year, compared with the annual average of 1.9 per cent in 2001. Private consumption expenditure, a major factor in this vigorous growth, was underpinned by encouraging internal economic conditions, combined with a positive balance on the trade and international services in the second half of 2002.

Thailand's inflation stabilized at low levels in 2002 with 0.7 per cent growth rate despite increases in consumer prices, owing to higher oil prices from the second half of 2002 to the beginning of 2003, as a consequence of war uncertainties. Notwithstanding this, Thailand enjoyed a stable economy while the international economies showed signs of a gradual revival, owing to the overall surplus on the balance of trade and current account, along with strong international reserves.

The performance of the financial sector reflected excessive liquidity within commercial banking sector while the credit growth improved in the fourth quarter, along with strengthening of credit arrangements for investment and continued expansion of deposits.

Continued economic expansion in 2003 can be expected for Thailand but at a slower pace, while the vulnerability of the global economy is likely to increase due to the continuing reverberations of war. The factors pre-empting a stronger economic rebound in Thailand include increased public spending and leveling off of the domestic consumption, owing to the absence of wage increase. The investment sector could well be a major driving force behind Thailand's economic growth in 2003. In this respect, the Bank's Research and Planning Office's forecast range for Thailand's growth for 2003 is 3.3-4.6 per cent.

BankThai has taken a more aggressive approach to running its business operations while strengthening the formulation and implementation of prudential and risk management policies. It has also made important headway in restructuring its organization to enhance efficiency and streamline business operations, in line with the current economic and financial conditions including an increasingly competitive finance and banking environment. All things considered, the Bank achieved its stated goals, by registering operating income in the amount of Baht 12,474 million, down by 7.1 per cent over 2001. This decrease was offset by a reduction in operating expenses of Baht 10,567.10 million, down by Baht 1,789.40 million or 14.5 per cent over the year before, along with a net profit which increased to Baht 1,906.9 million in 2002 from Baht 1,071.0 million in 2001.

Turning now to the Bank's assets, credits and deposits. As at 31 December 2002, the Bank's total assets stood at Baht 271,103 million baht, a decrease of Baht 99 million on the previous year, while its net credit (after deducting allowance for doubtful and unrecoverable loans and excluding interest receivables) totaled Baht 108,154.10 million, down by 9.4 per cent. On the deposits side, the Bank's deposits (exclusive of interbank and money market items) amounted to Baht 195,345.4 million, up by 15.6 per cent on the year before.

In 2002, in pursuance of the Government's state enterprise reform policies, the shareholding percentage of the Financial Institution Development Fund (FIDF), the Bank's principal shareholder, was reduced by 48.98 per cent, following the offer of 707 million of the Bank's common shares to the general public, with the remaining 51.02 per cent held by institutional investors, juristic persons and persons.

In addition to the above, the following initiatives were implemented to achieve the Bank's business goals:

- Work continued on the initiative to extend the Bank's customer base, involving an increase in credit facility to Baht 28,000 million, establishment of the SMEs centre, and expediting substandard loan resolution, with the latter having exceeded the target expectation by 38 per cent.

- New products and services were continually developed throughout 2002.

- The Bank achieved greater success than anticipated in reducing the deposit cost by 0.64 per cent.

- The Bank established a new division for project development, to study feasibility of projects and to enhance matchmaking between local and foreign investors.

- The Bank selected Temenos Globus banking software as the foundation for its core banking operations. The expectation is that the system will be put on trial in the year 2003 and will contribute towards improving the Bank's efficiency in managing its operations and putting in place strategies to meet its policy objectives and client needs. The system is scheduled to become operational at the end of 2003 or thereabout.

- By and large, the operations of the following Divisions have achieved ISO 9001: 2000 certification: Domestic Banking Operations Department, International Banking Services & Funds Operations Department, and Electronic Banking Services Department.

- Concerning risk management, the Bank promulgated for use the Risk Grading Tool (RGT) in March 2002, and delegated the concerned Departments and branch offices the responsibility for measuring and managing their own operational risks.

- In the area of research and planning, the Bank produced a range of research studies and rendered services in an assertive manner to the Bank's clients and investors. Additionally, action was taken to disseminate research results via various channels and to organize technical seminars for the benefit of customers on a continuing basis.

- The system for providing data and information was developed as a means of strengthening its strategic management of information systems (MIS).

- The Bank intensified efforts to support and enhance its human capital, by placing special emphasis on courses in the specific areas of management and appraisal systems in the interest of executive officers at all levels.

On behalf of the Board of Directors, I wish to avail myself of this opportunity to express our appreciation to all of you for your continued confidence in and support for the Bank. I refer in particular to our valued customers, the FIDF, the Ministry of Finance, the Bank of Thailand, our shareholders and counterpart financial institutions, both at home and abroad, for their patronage and unwavering support for the Bank. Our special thanks and appreciation also go to all our colleagues for discharging their duties and responsibilities at their best ability to ensure the Bank's progress and expansion.

I am confident that, in 2003, all staff members of BankThai will continue to dedicate their time to further enhance the Bank's ability not only to continue along the path of progress, but also to provide our customers with top quality services and our shareholders with appropriate returns.



**Pramon Sutivong**

Chairman of the Board of Directors

# Board of Directors

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Mr. Pramon Sutivong  
Chairman



Mr. Viset Choopiban  
Vice Chairman



Mr. Dharin Divari  
Independent Director



Mr. Pongpanu Svetarundra  
Director



Mr. Somboon Chitphentom  
Director



**Mr. Pramon Sutivong**  
Chairman

**Mr. Viset Choopiban**  
Vice Chairman

**Mr. Phirasilp Subhapholsiri**  
President

**Dr. Piboon Limprapat**  
Independent Director

**Dr. Sarasin Viraphol**  
Independent Director

**Mr. Dharin Divari**  
Independent Director

**Mr. Pongpanu Svetarundra**  
Director

**Mr. Somboon Chitphentom**  
Director

**Mrs. Nopamart Manoleehagul**  
Director

**Mr. Preecha Oonchitti**  
Director

**Mr. Nopwong Ramakomut**  
Secretary to the board of directors



**Mr. Phirasilp Subhapholsiri**  
President



**Dr. Piboon Limprapat**  
Independent Director



**Dr. Sarasin Viraphol**  
Independent Director



**Mrs. Nopamart Manoleehagul**  
Director



**Mr. Preecha Oonchitti**  
Director



**Mr. Nopwong Ramakomut**  
Secretary to the board of directors

# Management Committee

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Mr. Phirasilp Subhapholsiri  
President



Mr. Ekajai Tivutanond  
Senior Executive Vice President



Mr. Chanindh Homsilpakul  
Senior Executive Vice President



Mr. Surin Premamornkit  
Senior Executive Vice President



**Mr. Phirasilp Subhapholsiri**  
President

**Mrs. Duangphorn Sucharittanuwat**  
Senior Executive Vice President

**Mr. Taveeb Chardtumrong**  
Senior Executive Vice President

**Mr. Manit Jeeradit**  
Senior Executive Vice President

**Mr. Ekajai Tivutanond**  
Senior Executive Vice President

**Mr. Chanindh Homsilpakul**  
Senior Executive Vice President

**Mr. Surin Premamornkit**  
Senior Executive Vice President

**Mr. Phongsuree Bunnag**  
Executive Vice President

**Mr. Prasert Wangrattanapranee**  
Executive Vice President

**Mr. Nopwong Ramakomut**  
Executive Vice President  
Secretary to the Management  
Committee



**Mrs. Duangphorn Sucharittanuwat**  
Senior Executive Vice President



**Mr. Taveeb Chardtumrong**  
Senior Executive Vice President



**Mr. Manit Jeeradit**  
Senior Executive Vice President



**Mr. Phongsuree Bunnag**  
Executive Vice President



**Mr. Prasert Wangrattanapranee**  
Executive Vice President



**Mr. Nopwong Ramakomut**  
Secretary to the Management Committee



# List of Executive Officers

**Mr. Phongsuree Bunnag**  
Executive Vice President

**Mr. Prasert Wangrattanapraee**  
Executive Vice President

**Mr. Chit Chittivaranon**  
Executive Vice President

**Mr. Chamnam Wangtal**  
Executive Vice President

**Mr. Prawit Kijpaisalrattana**  
Executive Vice President

**Mr. Songwud Buakhem**  
Executive Vice President

**Mr. Grant Wattanatham**  
Executive Vice President

**Mr. Nopwong Ramakomut**  
Executive Vice President

**Mr. Narintr Siripruksanukul**  
Executive Vice President

**Pol.Capt. Danai Khaophaisarn**  
Executive Vice President

**Mr. Nuekruk Baingern**  
Executive Vice President

**Mr. Siriyot Srisuksawadi**  
Executive Vice President

**Mr. Pisit Serewiwattana**  
Executive Vice President

**Mrs. Duangchai Valaisathien**  
Executive Vice President

**Mrs. Supaluck Tachasinkul**  
Executive Vice President

**Mr. Kraisorng Pongpun**  
Executive Vice President

**Mr. Prayoon Shiwattana**  
Executive Vice President

**Mr. Witchayarat Usuparat**  
Senior Vice President

**Mrs. Wirongrong Sukying**  
Senior Vice President

**Mr. Samchai Benchapathomrong**  
Senior Vice President

**Mr. Vorakan Dhepchalerm**  
Senior Vice President

**Mr. Wisarn Boornasuntikoon**  
Senior Vice President

**Miss Surat Thepbanchaporn**  
Senior Vice President

## Capital Markets 1 - 3 Division

## Capital Markets 4 & Research Institution Division

## Deposit Mobilization & Private Banking Division

**Miss Ratana Pienprasartsiri**  
Vice President

## Financial Control Division

**Mrs. Karnchana Paiboon**  
First Vice President

**Mr. Sunai Dancharoenvanakij**  
First Vice President

**Miss Kanlaya Anocha**  
Vice President

**Mr. Sutee Tantivanichanon**  
First Vice President

**Mrs. Vilaiwan Tiasiri**  
Vice President

## Project Development Division

**Mr. Watson Chansajcha**  
Vice President

## Accounting Department

**Mr. Pattamakit Rattanakorn**  
Assistant Vice President

**Mrs. Teeraporn Ratanopas**  
Assistant Vice President

## Asset Management Department

**Mr. Aegatip Rattana-Ari**  
First Vice President

**Mr. Kanate Chaudchaay**  
Assistant Vice President

**Mrs. Saovanee Siriveshvarayudh**  
Assistant Vice President

## Business Process Development Department

**Mr. Somkeart Srisuwan**  
Senior Vice President

**Mrs. Benjawun Sidhibhlokorn**  
Assistant Vice President

**Mr. Somchai Kitiporn**  
Assistant Vice President

## Capital Markets 1 Department

**Mr. Chalernpol Tongpaitoon**  
Senior Vice President

**Mr. Jirawatana Chaitantipongse**  
Assistant Vice President

## Capital Markets 2 Department

**Mr. Somkiat Suebsub-Anunt**  
Senior Vice President

**Miss Nauwarat Thamsauydee**  
Vice President

## Capital Markets 3 Department

## Capital Markets 4 Department

## Compliance Department

**Mr. Sinat Prakoonhangsit**  
Senior Vice President

**Mr. Yenchan Kornvichitkul**  
Vice President

## Corporate Planning & Budgeting Department

**Miss Boonya Suphavarodom**  
First Vice President

**Miss Ratana Vatanapukdee**  
Vice President

**Miss Rattana Benjatachah**  
Assistant Vice President

**Mr. Tipakorn Eakatipa**  
Assistant Vice President

## Credit Administration Department

**Mr. Suchart Chandsongsang**  
Senior Vice President

**Mrs. Bulan Nitsayan**  
First Vice President

**Mr. Damrong Boonmalison**  
Vice President

**Mr. Sanya Kichpechr**  
Vice President

**Mr. Somchai Sanehpun**  
Vice President

**Miss Rapeeporn Vanasant**  
Assistant Vice President

**Mr. Chalong Butburut**  
Assistant Vice President

**Mr. Damrongphon Pisanthuksin**  
Assistant Vice President

## Credit Audit Department

**Mr. Pinai Riensavapak**  
Senior Vice President

**Mrs. Kampoo Visuthiphol**  
First Vice President

**Mr. Wichai Kanittaboonyavinit**  
Vice President

**Miss Supaporn Okatcharoen**  
Vice President

**Miss Sumalee Boon-A-Nan**  
Vice President

## Credit Operations Department

**Mr. Thiti Supamane**  
First Vice President

**Mr. Chookiat Yongsomboon**  
Vice President

**Miss Sutasinee Chuennaitum**  
Vice President

**Mr. Narong Jarunpead**  
Assistant Vice President

**Mrs. Nantha Sinprasertat**  
Assistant Vice President

**Miss Prapawadee Tippawanich**  
Assistant Vice President

**Mrs. Kunnida Sangruji**  
Assistant Vice President

### **Deposit Mobilization 1 Department**

**Mrs. Saisamorn Duangmanee**  
First Vice President

**Mrs. Chunil Julniti**  
First Vice President

### **Deposit Mobilization 2 Department**

**Miss Chutamas Sombunyaviroj**  
First Vice President

**Mrs. Oitip Thaiphakdee**  
Assistant Vice President

### **Domestic Banking Operations Department**

**Mr. Chanin Veerawan**  
First Vice President

**Mr. Wiboon Suphanurak**  
Vice President

**Mr. Prasartporn Lukkanakul**  
Vice President

**Mr. Virat Auppathumsirikul**  
Vice President

**Mr. Chyakom Choomsai na ayuthaya**  
Assistant Vice President

**Mr. Somkuan Kahattha**  
Assistant Vice President

**Mr. Ampon Sukumsri**  
Assistant Vice President

**Mr. Suratchai Srisupandit**  
Assistant Vice President

### **Electronic Banking Services Department**

**Mr. Tawich Virangkur**  
First Vice President

**Mrs. Nuannoi Chanakanonth**  
Assistant Vice President

**Mr. Wanchai Rujipipatvong**  
Assistant Vice President

### **Employee Relations Department**

**Mr. Pattanasak Chermchansophon**  
First Vice President

### **Fund Management Department**

**Mrs. Chantana Kanchanagama**  
First Vice President

**Mr. Jerdphan Nithyayon**  
Vice President

**Miss Chatwara Buasap**  
Assistant Vice President

### **General Administration Department**

**Mr. Vicharn Nualsakul**  
First Vice President

**Mr. Tanoo Wongthanyakorn**  
Assistant Vice President

**Mr. Manoon Tumsan**  
Assistant Vice President

### **Human Resources Training & Development Department**

**Dr. Somkiert Kojchavivong**  
First Vice President

**Miss Pongsethida Kasemsin**  
Vice President

**Miss Phailin Komalamisra**  
Vice President

### **Internal Audit Department**

**Mr. Patom Amorndechawat**  
Senior Vice President

**Mr. Boonkeat Ekwanich**  
First Vice President

**Mr. Vichai Pornchaturat**  
Vice President

**Mr. Burana Vamnutjinda**  
Vice President

**Mrs. Malini Apiwatananont**  
Vice President

**Miss Dussadee Phothong**  
Vice President

**Miss Nantiya Mesook**  
Assistant Vice President

**Mr. Santiporn Wongpanchalert**  
Assistant Vice President

**Mr. Aphinan Siriphan**  
Assistant Vice President

**Mr. Parkpoom Bunchasak**  
Assistant Vice President

### **International Banking Services & Funds Operations Department**

**Mrs. Boonyapak Wanichpan**  
Senior Vice President

**Mrs. Rujiporn Promchai**  
Vice President

**Mrs. Ngamghit Wattanaporn**  
Vice President

**Mr. Wanchai Lerttevasiri**  
Vice President

**Miss Wannapa Jarusilawong**  
Assistant Vice President

**Mrs. Arunee Tipprachabal**  
Assistant Vice President

### **Investment Department**

**Mr. Arnon Limmongkol**  
Assistant Vice President

### **Legal Department**

**Mr. Paraadorn Phakaphat**  
Senior Vice President

**Mr. Pongdej Wongpoom**  
Vice President

**Mr. Suwat K.Srisuwan**  
Vice President

**Mr. Thaphop Kleesuwan**  
Vice President

**Mr. Sayan Angsusingha**  
Vice President

**Miss Suvimon Phophonvattanakorn**  
Vice President

**Mr. Vorayuke Kaseamtanaluke**  
Vice President

**Miss Patamavadee Temboonkiat**  
Assistant Vice President

**Mr. Chalong Viseshom**  
Assistant Vice President

**Mrs. Vena Sookpiromkasem**  
Assistant Vice President

**Mrs. Vimolrat Pattichart**  
Assistant Vice President

**Mrs. Wipavee Buranasomphob**  
Assistant Vice President

**Mr. Sakont Srikrissanaruks**  
Assistant Vice President

**Mr. Saharat Sukkul**  
Assistant Vice President

**Miss Wasu Wannaklang**  
Assistant Vice President

**Mr. Jayin Sunthornsingkam**  
Assistant Vice President

**Mr. Chaichana Sakkara**  
Assistant Vice President

### **Management Information Systems Department**

**Mr. Kamol Ruangmanamongkol**  
First Vice President

**Mr. Kriangkrai Wonghom**  
Assistant Vice President

**Miss Siriporn Wongprasert**  
Assistant Vice President

### **Metropolitan Business Development 1 Department**

**Mr. Than Siripokee**  
First Vice President

**Mrs. Siriluck Intuluck**  
Vice President

**Mrs. Laval Singhamany**  
Vice President

**Mrs. Chanyakorn Apiratanapimolchai**  
Assistant Vice President

### **Metropolitan Business Development 2 Department**

**Mr. Nirun Fuganjananon**  
First Vice President

Miss Chatsaral Anantakool  
Vice President

Mr. Parkpoom Hemaraksha  
Assistant Vice President

### Metropolitan Business Development 3 Department

Mrs. Patama Jirakulpattana  
First Vice President

Mr. Wichien Jongpanichkulthorn  
Vice President

Miss Wanida Buranasajja  
Vice President

### Metropolitan Business Development 4 Department

Mr. Sonthit Chukate  
First Vice President

### Metropolitan Business Development 5 Department

Mr. Suchart Tanakulrungsom  
First Vice President

Mr. Boonrat Chuenurajit  
Assistant Vice President

Mr. Kanachai Wiwatwithaya  
Assistant Vice President

### Metropolitan Business Development 6 Department

Mr. Somkiat Sethasompope  
Senior Vice President

Mr. Chalerm Tulatimutti  
Assistant Vice President

### Metropolitan Business Development 7 Department

Mr. Sarnanda Lekhyananda  
First Vice President

Mr. Pradit Limsawat  
Assistant Vice President

### Metropolitan Business Development 8 Department

Miss Suteewan Sirisawat  
Vice President

Mr. Kraiwut Doltada  
Vice President

Miss Oraphan Phanpairoj  
Assistant Vice President

### Metropolitan Business Development 9 Department

Mrs. Pompilai Burasai  
Assistant Vice President

Mr. Pawit Boonyaratavej  
Assistant Vice President

### Metropolitan Business development 10 Department

Miss Noppamas Tamkaongarm  
First Vice President

Miss Siriluck Wongthai  
Vice President

### Office of Public Relations

Mrs. Thapthim Singhaseni  
First Vice President

### Office of the President

Mr. Pramoth Singhanue  
First Vice President

Mr. Somkiat Jitvutthichod  
Vice President

Mr. Manuschai Chindapradist  
Assistant Vice President

Miss Orasa Tavornsatit  
Assistant Vice President

Mr. Chatri Wichatjaeree  
Assistant Vice President

### Personnel Department

Mrs. Phanit Wongphaet  
First Vice President

Miss Nuntawan Sudsataya  
Vice President

Mr. Pachum Pota  
Vice President

Mrs. Maliwan Wongpoom  
Assistant Vice President

Miss Kittima Pisuttharachai  
Assistant Vice President

Mr. Wanchai Sirinijsriwong  
Assistant Vice President

Mrs. Wimonphan Rangponsumrit  
Assistant Vice President

Mr. Suthichai Vongrachit  
Assistant Vice President

### Private Banking Department

Mr. Parames Promburee  
Vice President

### Provincial Business Development 1 Department

Mr. Boripat Kulchartchai  
First Vice President

Mrs. Krongkarn Pichayakul  
Vice President

Mr. Buncha Rujiragonsgula  
Assistant Vice President

Miss Kiktima Likhitanuphap  
Assistant Vice President

### Provincial Business Development 2 Department

Mr. Sathien Kasettratad  
First Vice President

Mr. Pisuth Pitamontrekul  
Vice President

Mrs. Jinida Lakanathampichit  
Assistant Vice President

Mr. Niphan Kamphar  
Assistant Vice President

### Provincial Business Development 3 Department

Mr. Chalernpol Decharit  
First Vice President

Mr. Chamroen Aocharoenyong  
Vice President

### Provincial Business Development 4 Department

### Provincial Business Development 5 Department

Mrs. Orarach Isarangkoon na ayudhaya  
Vice President

Mr. Samran Umasangthongkul  
Assistant Vice President

Mr. Sumrit Nuntawadeepisarn  
Assistant Vice President

### Provincial Business Development 6 Department

Mr. Suwit Chanachol  
First Vice President

Mr. Kusol Sripaoraya  
Vice President

### Provincial Business Development 7 Department

Mr. Wongkasem Karnthanat  
First Vice President

Mr. Vongpat Bhuncharoen  
Vice President

Mr. Sakchai Wongchaisuriya  
Assistant Vice President

Mr. Sombat Sunantapongsak  
Assistant Vice President

### Provincial Business Development 8 Department

Mr. Tara Ratanaphiphob  
First Vice President

Miss Manassa Lertdumrongluck  
Vice President

Mr. Chaityut Dumrongsakdi  
Assistant Vice President

Mr. Sorasri Srisuma  
Assistant Vice President

### Provincial Business Development 9 Department

Mr. Chamnan Ngampojanavong  
First Vice President

Mr. Weera Prushyapomsri  
Assistant Vice President

Mrs. Hathaikorn Wichairatana  
Assistant Vice President

### Provincial Business Development 10 Department

Mr. Pornchai Pongpermkijawattana  
Vice President

Mr. Somphop Phuangphong  
Assistant Vice President

### Quality Assurance Department

Mr. Chaikajohn Thampratheep  
First Vice President

Mr. Krisda Sribunnak  
First Vice President

Mrs. Yuphadee Intharakaset  
Vice President

Mr. Savin Apiwatananont  
Vice President

Mr. Adirek Satphaisarnkit  
Vice President

Mr. Boonchai Wicharnchan  
Vice President

Mr. Wipach Predawut  
Assistant Vice President

Mr. Songkran Wongwachara-Ampon  
Assistant Vice President

### Research Office

Dr. Anusorn Tamajai  
Senior Vice President

Dr. Suchada Thaneepanichskul  
Assistant Vice President

### Risk Management Department

Mr. Nutapat Lakanathampichit  
First Vice President

Mr. Chaiwat Matevelungsun  
First Vice President

Mr. Somsak Chaiyadej  
Vice President

Mr. Anuchart Prakartchai  
Assistant Vice President

Mrs. Tippawan Srikaew  
Assistant Vice President

Miss Chutima Suwannasewog  
Assistant Vice President

Mr. Tawat Jitkraisorn  
Assistant Vice President

Mr. Somboon Maisakun  
Assistant Vice President

### Sales and Trading Department

Mr. Paritat Lerngutai  
Senior Vice President

Mrs. Chalairat Sorasuchart  
Vice President

Miss Uthaiwan Anuchitanukul  
Assistant Vice President

### Staff Credit Department

Mr. Somchai Vongpiyasatit  
First Vice President

Miss Wanna Naluanavanont  
Vice President

Miss Siriporn Sirisingha  
Vice President

Mr. Voraphong Pattanapibul  
Assistant Vice President

### Technology Development Department

Mr. Titivut Rugsaj  
Senior Vice President

Mrs. Nattaya Nipatkusolkit  
Vice President

Miss Suwanna Nimitsurachart  
Vice President

Mrs. Wilaiporn Kasempannarai  
Vice President

Mr. Paiboon Siriprasertkul  
Vice President

Mr. Prathuang Yammonta  
Vice President

Mr. Padet Chumasaratul  
Vice President

Miss Yupa Pipatkornkul  
Vice President

Mr. Wiroom Shinsirikul  
Vice President

Mrs. Nuchjarin Champinyo  
Assistant Vice President

Mrs. Pranee Thitawannonate  
Assistant Vice President

### Technology Production Department

Mr. Paiboon Sirichuchnin  
First Vice President

Mr. Weerarat Ratanamungmekar  
Vice President

Mr. Bundit Sirisathien  
Vice President

Mr. Tawee Ratanawilaiwan  
Vice President

### Treasury Department

Mr. Sutee Losoponkul  
Senior Vice President

Mr. Prawat Rakpatapeesuan  
First Vice President

Miss Sananuch Pramsaneh  
Vice President

Mrs. Datchanee Boonbandam  
Assistant Vice President

### Central Administration Section

Mrs. Napaporn Prapapunsiri  
Vice President

Mr. Adinun Sookmark  
Assistant Vice President

### Metropolitan Office

#### Bang Bon Office

Mr. Chanon Chotevijit  
Area Manager

#### Bangna - Trad Office

Mr. Wiriya Charoensuk  
Area Manager

#### Jawarad Office

Mr. Virat Vilairuangchoowong  
Area Manager

#### New Phetchburi Office

Mr. Hasadin Prothien  
Vice President

#### Rajadamnern Office

Mr. Suriyon Manawapat  
Area Manager

#### Rangsit Office

Mr. Udomsak Lehleakbhai  
Area Manager

#### Sathon Office

Mr. Pakorn Prechaporn  
Area Manager

### Provincial Office

#### Chiang Mai Office

Mr. Surapong Ongchai  
Area Manager

#### Chon Buri Office

Mr. Preecha Karoonvattana  
Area Manager

#### Hatyai Office

Mr. Prasong Eursatidvong  
Area Manager

#### Khon Kaen Office

Mr. Ruangsit Yongpraphat  
Area Manager

#### Nakhon Ratchasima Office

Mr. Thanadej Kanokyurapan  
Area Manager

#### Nakhon Sawan Office

Mr. Wichai Pruksachartanan  
Area Manager

#### Phetchburi Office

Mr. Sutit Upamasintu  
Area Manager

#### Phuket Office

Mr. Kriangsak Suksomboon  
Area Manager

#### Surat Thani Office

Mr. Kowit Nualrod  
Area Manager

#### Ubon Ratchathani Office

Mr. Suthep Phoowaphaisirisan  
Area Manager



# Management's Analysis and Discussion

## 1. Progress report on the Bank's goal of becoming a Wholesale and Investment Bank

The Bank is committed to operate as a wholesale and investment bank, delivering a broad range of banking products and services designed to meet the needs of customers particularly the medium- and large-sized enterprises. Along with that move, the Bank enhanced its ability to improve the efficiency of its services as well as its operation, technology and human capital. In 2002, loans extended to the top 20 beneficiaries of the Bank's loans accounted for 16.58 per cent of the total outstanding portfolio. Those beneficiaries were from the sectors of manufacturing, real estate and wholesale/retail business, in descending order of priority.

## 2. Results of operations

### An overview of the results of operations

For the year ended 31 December 2002, the Bank's net profit strengthened to Baht 1,907 million from Baht 1,071 million in 2001, up Baht 836 million or 78.06 per cent, primarily due to higher investment income. On a per share basis, the basic earnings rose from Baht 0.73 in 2001 to Baht 1.33 in 2002.

Over the course of 2002, the Bank figures showed that the payment due from compensation for inferior assets amounted to Baht 3,788 million, and that Baht 5,898 million became due for payment at the beginning of the year. Given that the audited amount of Baht 4,950 million had been received by the Bank from the Financial Institution Development Fund (FIDF) as compensation for inferior assets, an outstanding balance of Baht 4,736 million would become due for payment at the year-end.

### (a) A summary of the Bank's income

As reflected in the **consolidated financial statements** as at 31 December 2002, the Bank's total income amounted to Baht 12,902 million, a decrease of Baht 1,003 million or 7.21 per cent on the previous year's income. Meanwhile, the **Bank's financial statements** showed that, as at 31 December 2002, the Bank's income stood at Baht 12,474 million, down Baht 953 million or 7.10 per cent as compared with 2001. The causal factors for this decrease are discussed below.

The Bank's income consists primarily of interest and dividend income (including income from compensation for inferior assets as prescribed in the agreement on the management of and compensation for inferior assets), as well as non-interest income. In accordance with the **consolidated financial statements** for the year ended 31 December 2002 interests and dividends accounted for 76.42 per cent of the Bank's total income. Specifically, for the years 2002 and 2001, the Bank's interests and dividends amounted to Baht 9,860 million and Baht 12,383 million respectively. This meant that, in 2002, the Bank experienced a Baht 2,523 million or 20.37 per cent decrease in interests and dividends compared with that registered in the same period the year before.

With regard to interests and dividends received, the **Bank's financial statements** showed that for the year ended 31 December 2002 interests and dividends represented 78.94 per cent of the Bank's total income. Specifically, for the years 2002 and 2001, the Bank's interests and dividends amounted to Baht 9,847 million and Baht 12,281 million respectively, thereby reflecting a Baht 2,434 million or 19.82 per cent decrease in interests and dividends in 2002. This was primarily attributable to a Baht 2,110 million reduction in income from compensation for inferior assets from FIDF. The causal factor was a decline in average cost of interest-bearing deposits.

In the **consolidated financial statements**, the Bank's non-interest income for the year ended 31 December 2002 accounted for 23.58 per cent of its total income. For the years 2002 and 2001, the Bank's non-interest income stood at Baht 3,042 million and Baht 1,523 million respectively. This meant that, in 2002, the Bank's non-interest income went up by Baht 1,519 million or 99.78 per cent against a comparable period in 2001.

The **Bank's financial statements** showed that for the year ended 31 December 2002, the Bank's non-interest income represented 21.06 per cent of its total income. Specifically, for the years 2002 and 2001, the Bank's non-interest income totalled Baht 2,627 million and Baht 1,147 million respectively, thereby reflecting an increase in non-interest income at Baht 1,480 million or 129.02 per cent, in 2002, compared with the income registered in the same period the year before. The causal factors for this increase included receipt of profits generated from transfers between investment categories in the amount of Baht 537 million, and reversals of accrued liabilities that were long overdue and contingent liabilities that have expired totalling Baht 640 million.

### (b) Summary of capital funds and operating expenses

As reflected in the **consolidated financial statements** for the year ended 31 December 2002, the Bank's capital funds and operating expenses (incorporating loss and doubtful loans) totalled Baht 10,995 million, down by Baht 1,839 million or 14.33 per cent on the previous year. By the same token, the **Bank's financial statements** for 2002 showed that the Bank's total capital funds and operating expenses stood at Baht 10,567 million, a decrease of Baht 1,789 million or 14.48 per cent on a year earlier. The factors contributing to this decline are discussed below.

The Bank's capital structure and operating expense (incorporating loss and doubtful loans) comprise both interest and non-interest expense, with interest expense constituting the largest share. In the **consolidated financial statements** for the year ended 31 December 2002, the Bank's interest expense accounted for 67.73 per cent of the total expense. Specifically, for the years 2002 and 2001, the Bank incurred interest expense of Baht 7,447 million and Baht 8,677 million respectively. A decrease of Baht 1,230 million or 14.17 per cent in interest expense in 2002 was underpinned by a decline in average cost of interest-bearing deposits.

According to the **Bank's financial statements** for the year ended 31 December 2002, the Bank's interest expense accounted for 70.59 per cent of the total expense. Specifically, for the years 2002 and 2001 the Bank's total interest expense amounted to Baht 7,459 million and Baht 8,652 million respectively. The decrease of Baht 1,193 million or 13.78 per cent in 2002 was primarily attributable to lower deposit costs, which constituted the largest share in the Bank's total expense.

The **consolidated financial statements** for the year ended 31 December 2002 showed that the Bank's non-interest expense accounted for 32.27 per cent of its total expense. Specifically, for the year 2002, the Bank's non-interest expense amounted to Baht 3,548 million (incorporating loss and doubtful loans), declining by Baht 610 million or 14.66 per cent compared to Baht 4,158 million 2001 (incorporating loss and doubtful loans).

Meanwhile, the **Bank's financial statements** for the year ended 31 December 2002 showed that, in 2002, the Bank's non-interest expense accounted for 29.41 per cent of its total expense. Specifically, for the year 2002, the Bank's non-interest expense amounted to Baht 3,108 million, down by Baht 597 million or 16.11 per cent compared to Baht 3,705 million in 2001.

#### (c) Net profit (loss)

For the year ended 31 December 2002 the Bank generated a net operating profit of Baht 1,907 million as against a net profit of Baht 1,071 million in the previous year. This reflected an increase in net profit of Baht 836 million or 78.05 per cent.

#### (d) Rate of returns to shareholders

In 2001, the Bank did not distribute dividend among the shareholders, primarily due to its accumulated losses. In pursuance of the Public Company Limited Act B.E. 2535 and the Bank's Articles of Association, the distribution of dividends is dependable on the Bank's ability to make profits while carrying on no accumulated losses in its books. Moreover, the Bank of Thailand requires the Bank to write-off all worthless or unrecoverable assets upon its books and balance sheets before paying out dividends. Consequently, despite the Bank's ability to generate operating profits for the year ended 31 December 2001, there still remained in its books accumulated losses of Baht 1,786 million (incorporating adjustment of net results of subsidiaries/affiliates and repurchase of warrants). The resolution adopted by the Extraordinary Meeting of Shareholders, 1/2545 session, held on Wednesday, 18 December 2002, requires the Bank to pay out dividends at not less than 40 per cent of its accumulated profits.

### 3. The Bank's financial status

#### 3.1 Assets

The profitability of the Bank's business operations depends primarily on its interest-earning assets, principally loans (loans and net interest receivable), interbank and money market items, investment securities, and purchased securities under the sellback agreement. According to the **Bank's financial statements** as at 31 December 2002, the Bank's credits and interest receivable, interbank and money market items, and investment were up by 4.95 per cent, 0.92 per cent and 11.32 per cent respectively, compared with 2001. In parallel with this, purchased securities under the sellback agreement increased by 133.66 per cent, owing to the transfer of some Baht 4,484 million in additional credits to the Thai Asset Management Corporation (TAMC), in accordance with the rules and procedures as prescribed in The Thai Asset Management Corporation Royal Ordinance B.E. 2544. In addition, investment adjusted downwards by Baht 4,438 million, as the credits that were transferred to the TAMC in the amount of Baht 2,080 million was recorded as investment, in accordance with the guidelines of the Bank of Thailand. During the year, government and state enterprise securities that were classified as held to maturity in the amount of Baht 6,941 million were reclassified as held for trading purposes. The year also saw the purchase and sale of bonds resulting in a balance of Baht 779 million remaining at the end of 2002. At the same time, purchased securities under the sellback agreement increased by Baht 13,500 million as compared with the end of 2001. Given the above factors, the Bank's total assets as at 31 December 2002 amounted to Baht 271,103 million, down by Baht 99 million or 0.4 per cent on the year before.

Meanwhile, in the consolidated financial statements as at 31 December 2002, the Bank's credits and interest receivable amounted to Baht 141,581 million or 4.99 per cent, its interbank and money market items, Baht 13,111 million or 9.46 per cent, and its investment, Baht 33,656 million or 11.90 per cent. Furthermore, purchased securities under the sellback agreement totalled Baht 24,420 million, up by Baht 14,210 million or 139.18 per cent.

#### Asset quality

##### (a) Loan trends

##### Concentration of loans

As at 31 December 2002, top beneficiaries of the Bank's loans were from the sectors of manufacturing which had a 26.17 per cent share of the total, followed by commercial business, 18.55 per cent, and real estate, 15.09 per cent. In this respect, loans extended to the manufacturing sector accounted for Baht 35,350 million of the total, up Baht 79 million or 0.22 per cent as compared with the previous year, and the real estate sector, Baht 20,377 million, a decrease of Baht 4,654 million and 18.59 per cent over the year before. Moreover, loans amounting to Baht 25,058 million were extended to commercial businesses, increasing by Baht 2,122 or 9.25 per cent as against the year before. In this respect, the Bank intends to readjust its lending policy to grant more support to a more diversified range of businesses, and thus avoid concentration on any specific sectors. In this context, emphasis will be on granting loans to important economic sectors that have growth prospects and advantageous potentials, particularly the medium and large-sized enterprises. It is worth mentioning at this juncture that the Bank's loans which make up the bulk (Baht 90,585 million or 67.06 per cent) of the total portfolio carry short-term maturities, and that the percentage of such loans is considered normal in the commercial banking sector. Furthermore, loans in amounts exceeding Baht 10 million comprised Baht 115,722 million or 85.67 per cent of the Bank's total loan portfolio.



### Outstanding loans

As at 31 December 2002 the Bank's loans (excluding accrued interest receivable, including loans to commercial banks) accounted for Baht 135,077 million. Out of the total, juristic person loans accounted for Baht 108,098 million or 80.03 per cent of the outstanding portfolio, and personal loans Baht 26,977 or 19.97 per cent. Moreover, as at 31 December 2002, loans extended to the Bank's top ten borrowers amounted to Baht 14,487 million or 10.72 per cent of the total loans outstanding, but none of them accounted more than 10 per cent of the outstanding portfolio. Consequently, the Bank was able to minimize its exposure to credit risks that could have been posed by major borrowers and in that process, pre-empt any changes occurring in their financial situation from impacting negatively on the Bank's operations.

### Classification of assets

As at 31 December 2002, the Bank's classified assets (including accrued interest receivable, excluding financial institutions) stood at Baht 138,681 million, of which loan-loss provisions accounted for Baht 23,239 million. According to the Bank's financial statements as at 31 December 2002, the ratio of the Bank's loan-loss provisions to total loans (including accrued interest receivable, excluding financial institutions) accounted for 16.76 per cent as against 12.63 per cent the year before. By the same token, according to the consolidated financial statements as at 31 December 2002, the ratio was at 18.21 per cent as against 14.09 per cent a year earlier.

As at 31 December 2002, the Bank's substandard loans classified as non-classified assets (NON CAP) amounted to Baht 54,741 million (including accrued interest receivable, excluding financial institutions). In addition, the Bank set made loan-loss provisions as required by the Bank of Thailand, by setting aside Baht 6,087 million. In parallel with this, the Bank's substandard loans qualified as classified assets (CAP) amounted to Baht 83,940 million (including accrued interest receivable, excluding financial institutions). In this respect, the Bank also made loan-loss provisions as required by the Bank of Thailand, by setting aside Baht 16,491 million. The particulars are given in the table below.

	Loans and accrued interest receivable (Millions of Baht)	Loan valuation after deduction of security (Millions of Baht)	Provisioning rate on the basis of BOT's requirement (in percentage terms)	Booked value (Millions of Baht)
Non-classified assets (NON CAP):				
Classified as passed	44,960	25,779	1	258
Classified as special mention	978	385	2	8
Classified as substandard	675	458	20	92
Classified as doubtful	523	375	50	187
Classified as potentially bad	7,605	4,815	100	4,815
<b>Total</b>	<b>54,741</b>	<b>31,812</b>		<b>5,360</b>
General Reserves for potentially unrecoverable loans				727
Loan-loss provisions for NON CAP				6,087
Loans classified as CAP (1)	83,940	55,172		16,491
<b>Total</b>	<b>138,681</b>	<b>86,984</b>		<b>22,578</b>

(1) Such loans did not call for any classification or additional provisions for loss, as they fall under the purview of the agreement on compensation for and management of inferior assets.

### Criteria for recognizing revenue

In the criteria prescribed by the Bank of Thailand, and other than specified, revenue recognized as having been earned on a cash basis consists principally of accrual basis revenue, including interest income and discount on loans generated on a time proportion basis, taking into account the actual rates of return without regard to the interest accrued on loans that are more than 3 months overdue. Meanwhile, interest income from investment is recognized on a time proportion basis, taking into account the actual rates of return, while dividend income is recognized when received.

With a view to closely monitoring and supervising its lending practices, the Bank's delinquent loans have been grouped under four main categories as follows: (1) 1 to 3 months; (2) 3 to 6 months; (3) 6 to 12 months; and (4) more than 12 months. In addition, work continued on the initiative to regularly update debt-service information at the end of every month. The rationale behind that is to enable the Bank to review debt service schedule and classify loans while following up on and forecasting its non-performing loans.

### Non-performing loans (substandard loans)

As at 31 December 2002, the Bank's non-performing loans that have been classified as NON-CAP accounted for Baht 8,311.77 million or 6.15 per cent of the total loan portfolio (covering only the principal plus financial institutions). As prescribed in the announcement of the Bank of Thailand dated 16 January 2003, NPLs are divided into the following categories: substandard, doubtful and potentially bad, and also include those doubtful loans which have been written off then transferred back to the accounts.

(b) Investment portfolio. According to the consolidated financial statements as at 31 December 2002, the Bank's investment portfolio amounted to Baht 33,656 million, decreasing by Baht 4,546 million or 11.90 per cent as against the previous year. Meanwhile, the Bank's financial statements stated that, in 2002, the Bank's investment portfolio stood at Baht 34,768 million, declining by Baht 4,438 million or 11.32 per cent as compared with 2001. The factor contributing to this decline was acceptance of promissory notes from the Thai Asset Management Corporation as payment for the transfer of inferior assets, including the sale of securities (bond) for trading purposes during the course of the year.

### 3.2 Liabilities and shareholders' equity

In the **Bank's financial statements**, the Bank's liabilities, as at 31 December 2002, increased to Baht 260,296 million, up Baht 669 million or 0.26 per cent compared with the corresponding period a year earlier, primarily due to a Baht 17,536 million decrease in interbank and money market items while deposits increased by Baht 26,410 million increase. According to the **consolidated financial statements**, in 2002, the Bank's liabilities amounted to Baht 259,843 million, down by Baht 454 million or 0.17 per cent compared with the same period the year before.

The **Bank's financial statements** showed that, as at 31 December 2002, shareholders' equity totalled Baht 10,807 million, a drop of Baht 767 million or 6.63 per cent compared with the corresponding period a year earlier. The underlying reason was that, in 2002, the Bank's net operating profit amounted to Baht 1,907 million less repurchase of common shares held by the Bank and its subsidiaries in the amount of Baht 2,174 million. According to the **consolidated financial statements**, in 2002, shareholders' equity amounted to Baht 10,826 million, a decrease of Baht 708 million or 6.14 per cent compared with 2001.

Both the **consolidated financial statements** and the **Bank's financial statements** showed that, as at 31 December 2002, the Bank's total obligation in off-balance-sheet amounted to Baht 48,861 million, decreasing by Baht 51,100 million or 51.12 per cent compared with the corresponding period a year earlier, owing to a decline in the sale of derivative paper instruments.

### 3.3 Liquidity

The consolidated financial statements and the Bank's financial statements indicated that the Bank's net cash flow generated from its operations decreased by Baht 1,134 million to Baht 1,585 million in 2002, and by Baht 1,215 million to Baht 1,221 million in 2001, primarily due to increases in deposits. Similarly, net cash flow generated from the Bank's investment activities increased by Baht 740 million to Baht 1,941 million in 2002, but down by Baht 1,071 million to Baht 187 million in 2001. The causal factors included disposal of investments and sale of land, buildings and equipment of suspended branch offices. Moreover, cash flow spent on fund-raising activities increased by Baht 1,777 million to Baht 3,403 million in 2002, and by Baht 46 million to Baht 1,285 million in 2001.

Meanwhile, cash flow spent on fund raising activities increased by Baht 1,777 million to Baht 3,403 million in 2002, and by Baht 46 million to Baht 1,285 million in 2001, primarily due to repayment of loans and acquisition of the Bank's right to repurchase warrants and common shares.

Given the above, cash flow spent on fund-raising activities amounted to less than that generated from banking operations. The shortfall did not, however, have any material impact on the Bank's cash-in-hand and liquid assets at the end of the accounting period. As a result, the Bank was able to meet the minimum requirement set by the Bank of Thailand.

#### Relationship between sources of capital and uses of funds

The Bank derives its capital from two major sources, namely deposit and loan while credit facility make up the bulk of the Bank's expenditure. In this respect, as at 31 December 2002, the Bank's total deposits amounted to Baht 203,219 million, its loans, Baht 15,698 million, and its credit facility, Baht 135,077 million, as shown in the table below.

Term	Credit facility*		Deposit*		Loan*	
	Amount	%	Amount	%	Amount	%
Payment demanded	-	-	19,869	9.78	0	0.00
Less than 1 year	923,305	68.34	99,315	48.87	1,872	11.93
More than 1 year	42,772	31.66	84,035	41.35	13,826	88.07
<b>Total</b>	<b>135,077</b>	<b>100.00</b>	<b>203,219</b>	<b>100.00</b>	<b>15,698</b>	<b>100.00</b>

\* Including interbank and money market items.

The comparison between term credit facility and deposit reveals a timing mismatch between the receipt of funds and the expenditures. This was primarily due to action taken by the Bank to transfer inferior assets worth Baht 95,220 million to the Thai Asset Management Corporation (TAMC) over the period from the end of 2001 to the end of 2002. In this respect, the Thai Asset Management Corporation Royal Ordinance B.E. 2544 requires financial institutions to transfer inferior assets including any other inherent rights of collateralized debt obligations, to the TAMC within the prescribed conditions and timeframe.

The Bank's sources of capital in the form of term deposit can be classified according to types as follows.

Type of Deposit	2002		2001		2000	
	Amount	%	Amount	%	Amount	%
Current and savings accounts	19,869	14.01	13,826	7.76	9,261	5.04
Long-term deposit accounts	183,350	85.99	164,240	92.24	174,669	94.96
<b>Total deposit</b>	<b>203,219</b>	<b>100.00</b>	<b>178,066</b>	<b>100.00</b>	<b>183,930</b>	<b>100.00</b>

Over the past three years, the Bank has placed special emphasis on reducing the deposit cost, by lessening the share of long-term deposit and augmenting the share of current and savings deposit.

#### Maintenance of ratio

##### Maintenance of capital to risk assets ratio

As at 31 December 2002, the Bank maintained a ratio of capital to risk assets of 20.93 percent, lower than the ratio maintained in 2001 at 21.54 per cent. Despite this, the ratio so maintained still exceeded the regulatory minimum set for commercial banks by the Bank of Thailand at 8.5 per cent.

### Maintenance of liquid assets ratio

In accordance with the Bank of Thailand, all commercial banks are required to maintain the minimum liquid assets ratio at not less than 6 per cent of the total deposit and offshore loan with less than one-year maturity. At the end of 2002, the Bank's total liquid assets amounted to Baht 39,835 million. The Bank's loan-to-deposit ratio stood at 66.47 per cent, its liquid assets to total assets ratio stood at 14.69 per cent, and liquid assets to deposit at 19.60 per cent.

### 3.4 Investment cost

In 2002, the Bank did not embark on any new investment ventures except to strengthen the efforts to convert debts into equity through debt restructurings. This represented a marketing mechanism, and was accounted for as investments.

### 3.5 Sources of capital

#### Capital structure

The Bank's capital structure is composed of 92.83 per cent deposit and 7.17 per cent loan as well as local and foreign bond.

## The Bank's Development and Activities

In today's competitive environment, the Bank's focus is on enhancing the efficiency of its business operations, by continually improving the range and efficiency of a broad range of demand-driven banking products and services. Presented below is a comprehensive account of the achievements and efforts made by the Bank in the pursuit of its goals.

#### Recent Developments in Customer Services :

- In 2002, the Bank opened two new branches, namely, Central Plaza Sub-branch, Rama II, and GMM Grammy Place Sub-branch, in the interest of improving client access to its facilities and services.
- In cooperation with the Revenue Department and through e-Pay, an initiative was taken by the Bank to provide operators with tax pay services. The transaction involves a debit from a given operator's account and a credit to the deposit account of the Revenue Department held with the Bank. This system employs a powerful security technology using PKI.
- For the convenience of clients with deposit accounts, the Bank launched a scheme called "Cheque collection through BankThai's branch network with immediate results". The scheme gives clients the benefit of collecting BankThai cheques at any of the Bank's branches, together with prompt access to information on the cheque status. Furthermore, the Bank launched the "Post-dated Cheque Depository Center", to facilitate the deposit of post-dated cheques by clients with current accounts, savings accounts, and business savings account in the Greater Bangkok area. This facility enables clients to collect post-dated cheques from the Electronic Clearing House. It also allows the deposit of cheques drawn on other banks for unlimited amounts provided that the cheques in question are post-dated a minimum 2 working days after the deposit.
- The Bank expanded its scope of operations by establishing a new division for project development, to focus attention on the development of new investment projects that are concerned with, in particular, the promotion of science, technology and new inventions. In this context, the Bank plays a role in conducting feasibility studies and formulating project proposals, to enhance match-making between Thai and foreign investors. It also provides financial support to the company concerned and helps facilitate the listing of the same on the Securities Exchange of Thailand. In addition to the above, work has commenced on the initiative to provide the Business Development Department with consulting services on technical sign-off in support of project loan consideration.
- The Bank has dedicated its efforts to improve the quality of its researches, for the benefit of clients, investors, and Thai society at large. In that light, work has been undertaken by the Bank on a continuing basis in conducting researches and providing clients and affiliated companies with up-to-date data and information on the economic and investment climate. As a complementary measure, the use of the Internet as a tool for timely dissemination of data and information was greatly enhanced through the efforts of the Research and Planning Office. That Office is also responsible for disseminating research results via the e-mail. Alongside this move, the Bank organized seminars for the benefit of clients, as well as produce and publish reports on economic and industrial trends.

#### Development of Operational System

To enhance operational efficiency while progressing towards further business expansion, the Bank's attention is directed towards improving the effectiveness of its information system and in that process to foster the system's alignment with international standards. This initiative has enabled the Bank to manage its operations effectively, and to put in place strategies to ensure attainment of the desired objectives while increasing customer satisfaction. To that end, the Bank has chosen Temenos Globus banking software as the foundation for its core banking operations. The expectation is that the system will be put on trial in the year 2003.

The operations of the following Departments have achieved ISO 9001: 2000 certification: Domestic Banking Operations Department, International Banking Services & Funds Operations Department, and Electronic Banking Services Department. The main services of those Divisions achieved compliance with ISO 9001: 2000 standards in 2001.

With regard to risk management, the Bank promulgated for use the Risk Grading Tool (RGT) in March 2002, as a mechanism for measuring risk imposed by juristic persons. In addition, notable progress has been achieved in the conduct of a study on classification of the Bank's new business functions. In the area of operational risk, the Bank delegated the concerned departments and branch offices responsibility for assessing and managing their own risks.

### Organizational Structure and Human Resources Development

The Bank has put in place an organizational structure and corporate environment that are conducive to the Bank's system of internal control. To support this, the Bank has made it a practice to document established policies and procedures while maintaining the operational manual. Simultaneously, on-going efforts were made by the Bank to attain further improvements in its transaction procedures.

As at 31 December 2002, the Bank employed 2,327 staff (excluding short-term employees). Of this total, 190 new staff members were recruited in 2002. In the evaluations of job applicants, the Bank took into careful consideration the individuals' academic qualifications, skills, experience and expertise necessary for fulfilling the responsibilities and functions specifically delegated by the Bank. Furthermore, the Bank built on its past achievements in the efforts to support and enhance its human capital by instilling a culture of continuous-learning, and affording staff at all levels opportunities to increase their knowledge and develop their skills. In 2002, the Bank organized training courses and seminars for staff at the average of 5.32 days per person. This entailed 57 internal training courses, focusing on firstly, credit analysis, secondly, business operations in branch offices, and thirdly, the Bank's array of products and services. In addition, the year saw the participation of staff in 183 external training courses in the specific areas of technological infrastructure and information technology, finance and accounting, audit, legal interest, and marketing, in descending order of priority. Moreover, to increase the effectiveness of human resources development programmes, an initiative was taken by the Bank to use trend analysis to monitor results of staff training initiatives such as credit training.

### Research and Development

For 2002 as a whole, the Research Office prioritized for attention the improvements in the quality, and an increase in the number, of research studies, to meet the needs and requirements of various Departments of the Bank, as well as those of its affiliated companies and investors. To that end, new research studies were prepared and disseminated via electronic means and other channels while work continued on the initiative to conduct analyses of industrial and business trends, to facilitate the extension of credit and manage overall Bank's risk. In parallel with this, the Office is responsible for providing advisory services to various Departments to improve their abilities to conduct research studies particularly in relation to the specific aspects of market research, which is a mechanism for implementing continual improvements in the Bank's business functions. Alongside such moves, the Office took concrete steps to improve efficiency in all areas of its work, focusing in particular on improving its own database and web site services, so as to facilitate more effective data searches by the staff concerned while serving as the source of important economic and business data and information for clients and all Departments of the Bank.

### Public relations

In 2002, the Bank built on its past achievements in the efforts to enhance its corporate image. During the first half of the year, and as part of its corporate advertising, the Bank employed various types of media such as television and radio broadcasts, magazine ads, and outside billboards, to pave the way for the launch of an advertising campaign entitled, "BankThai... Gives Back to the People". The rationale behind that was to increase corporate awareness, engender trust and generate interest among the public, clients and investors in holding the shares of BankThai. Specifically, in the process of selling shares, the Bank used the different advertising means to activate the said campaign and in that process, to underpin its image as the "Lean, Fit & Brainy" organization. This involved the release of two commercials, namely "Lean, Fit & Brainy" (in the interest of shares sales), and "Phoenix" (to enhance corporate image). In addition, the Bank used other types of media to increase the impact of that campaign such as radio broadcasts, newspapers ads, magazine ads, Internet sites, cinema commercials, and outside billboards. To complement that, the Bank organized road show in five different venues in Bangkok and upcountry, encompassing seminars to provide information to, and improve the understanding of, clients and other interested parties about subscribing to the Bank's shares. Furthermore, a combination of advertising products including radio broadcasts, posters and cloth-banners, was used to reach out to a broader spectrum of target clients/general public including the parties interested in subscribing to the Bank's shares.

### Community Service Programmes

In order to underpin its role as the Bank of the Thai People, the Bank heightened the priority for increasing its contributions to the community, in 2002, by organizing an array of community projects and social events. This included the third charity concert under the theme, "BankThai ... the pride of Thailand", held in August 2002. The total proceeds of the concert in the amount of Baht 863,533 were donated to the Narcotics Control Foundation while the concert itself played a role in preserving Thailand's cultural heritage. Furthermore, as in previous years, work continued on the initiative to organize a series of technical seminars to provide information on the latest issues to the clients.

Another highlight during the year was a project under the theme, "BankThai ... Blood Drive", which provided the staff of the Bank and affiliated companies as well as the general public the opportunity to donate blood to the Thai Red Cross Society. The year also saw the Bank organizing "Kathin" offerings at, for example, Baan None Muang Temple, Nakorn Ratchasima province.

In addition to the above, the Bank gave support to a variety of community service activities organized by public and private entities in the areas of education, religion, arts and culture, and sports. This included the development of libraries and teaching and learning tools, as well as scholarships for various educational institutions. Moreover, the Bank provided support to: (a) Marching Band of Santa Cruz School for its participation in the Marching Band World Championship; (b) Thailand Tobacco Monopoly Football Team for its participation in the 7<sup>th</sup> Thai League Football Tournament; and (c) seminars organized by Technology Promotion Association (Thai-Japan). Last but not least, the Bank made cash donations to various charities and organizations, including Hornbill Research Foundation, Foundation for the Mentally Retarded of Thailand, Rural Area Teacher Foundation, Pridi Banomyong Institute, etc. ❁




BankThai Public Company Limited and Its Subsidiaries

# Report and Financial Statements

31 December 2002



## Responsibility of the Board of Directors for the Bank's Financial Disclosure Statement

 18 The Board of Directors is responsible for the financial statements of BankThai Public Co. Ltd. and its subsidiaries, and the financial data presented in the annual report. Consistent with past practice, the said financial statements have been prepared in accordance with the accounting principles and practices generally accepted in Thailand as well as international accounting standard. Appropriate accounting policies have also been selected to deliver the statements in a prudent manner, using the best forecast possible. To complement this, important data has been disclosed in a supplementary note to the financial statements and action taken to comply with the regulations and requirements of the Bank of Thailand, the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission.

The Board of Directors has provided and ensured the adequacy and effectiveness of the Bank's system of internal control, thereby equipping with the Board with the means necessary for providing reasonable assurance that the Bank's accounting data are complete and free of material misstatement. This is an important precondition not only for maintaining the Bank's assets, but also for determining and closing any loopholes thereby preventing major frauds or irregular operations.

In accordance with the above purposes, the Board of Directors has appointed the Audit Committee comprising independent Directors, to ensure the quality of the financial statements and internal control system. The views of the Audit Committee on this matter are presented in the Report of the Audit Committee, which forms an integral part of the annual report.

The Bank's Board of Directors is of the opinion that the Bank's system of internal control is adequate and efficient and therefore provides reasonable assurance that the financial statements of the Bank and its subsidiaries as at 31 December 2002, are free of material misstatement.

Mr. Pramon Sutivong  
Chairman

Mr. Phirasilp Subhapholsiri  
President

# Report of Independent Auditor

## To the Board of Directors and Shareholders of BankThai Public Company Limited

I have audited the consolidated balance sheet of BankThai Public Company Limited and its subsidiaries as at 31 December 2002, and the related consolidated statements of earnings, changes in shareholders' equity, and cash flows for the year then ended, and the separate financial statements of BankThai Public Company Limited for the same period. These financial statements are the responsibility of the Bank's management as to their correctness and the completeness of the presentation. My responsibility is to report on these financial statements based on my audit. The consolidated financial statements of BankThai Public Company Limited and its subsidiaries and the separate financial statements of BankThai Public Company Limited as at and for the year ended 31 December 2001, as presented herein for comparative purpose, were audited and reported on by another auditor who under her report dated 22 February 2002, expressed a qualified opinion which stated that except for the effect to the financial statements of the understatement of earnings by approximately Baht 35,305 million as a result of the allowance for doubtful accounts being offset against deficit instead of included in earnings for 2001. In addition, she drew attention to the fact that the amount to be compensated under the Gain/Loss Sharing and Yield Maintenance Agreement is subject to the results of examination by the Financial Institutions and Development Fund and the additional amendments to such agreement.

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

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of BankThai Public Company Limited and its subsidiaries and of BankThai Public Company Limited as at 31 December 2002, the results of its operations, and cash flows for the year then ended in accordance with generally accepted accounting principles.

Without qualifying my opinion on the financial statements referred to above, I draw attention to the matters discussed under (a) Note 1.2 to the financial statements regarding the uncertainty in the economic situation, which may have an impact on the recoverable value of assets, (b) Note 5 to the financial statements, regarding (i) the gain / loss sharing which may arise as a result of assets under the Gain/Loss Sharing and Yield Maintenance Agreement made with the Financial Institutions and Development Fund being irrecoverable, which is to be determined at the end of such contract period and the possible future impact of the price of repurchasing non-performing assets in accordance with the conditions of the agreement, and (ii) the amount of yield maintenance income, which is subject to the results of examination by the Financial Institutions and Development Fund and additional amendments to the agreement, meaning that the actual yield maintenance income to be received may differ from that already recorded, and (c) Note 6 to the financial statements relating to the gain/loss sharing which may arise from non performing loans transferred to Thai Asset Management Corporation. The Bank is not yet able to estimate the amount of potential gain/loss.



Ruth Chaowanagawi

Certified Public Accountant (Thailand) No. 3247

# Balance Sheets

BankThai Public Company Limited and Its Subsidiaries

As at 31 December 2002 and 2001

(Unit : Baht)

	Note	Consolidated		The Bank only	
		2002	2001	2002	2001
<b>ASSETS</b>					
<b>CASH</b>		782,367,433	659,554,889	781,967,526	659,293,442
<b>INTERBANK AND MONEY MARKET ITEMS</b>					
Domestic items					
Interest bearing		6,016,305,607	5,799,775,760	6,912,694,357	5,516,884,191
Non-interest bearing		5,385,520,672	6,317,392,091	5,333,122,201	6,204,785,691
Foreign items					
Interest bearing		1,579,012,712	2,298,210,902	1,579,012,712	2,298,210,902
Non-interest bearing		129,749,267	64,412,959	129,749,267	64,412,959
<b>Interbank and money market items - net</b>	7	13,110,588,258	14,479,791,712	13,954,578,537	14,084,293,743
<b>SECURITIES PURCHASED UNDER RESALE AGREEMENTS</b>	8	24,420,000,000	10,210,000,000	23,600,000,000	10,100,000,000
<b>INVESTMENTS</b>					
Short-term investments - net	9.1	4,793,127,679	5,935,615,978	4,608,349,502	5,131,255,072
Long-term investments - net	9.1	28,793,517,323	31,650,798,730	28,647,035,163	31,381,725,563
Investments in subsidiaries and associated companies - net	9.5	59,107,329	605,442,184	1,512,911,176	2,693,702,361
<b>Investments - net</b>	9	33,645,752,331	38,191,856,892	34,768,295,841	39,206,682,996
<b>LOANS AND ACCRUED INTEREST RECEIVABLES</b>					
Loans		134,180,851,443	140,853,799,835	131,393,384,586	137,853,791,172
<b>Accrued interest receivables</b>		7,400,196,475	8,164,075,711	7,287,461,496	8,047,624,603
Total loans and accrued interest receivables		141,581,047,918	149,017,875,546	138,680,846,082	145,901,415,775
Less : Allowance for doubtful debts	11	(25,101,556,492)	(20,005,710,892)	(22,578,347,758)	(17,465,713,597)
Revaluation allowance for debt restructuring	12	(679,840,945)	(987,207,889)	(660,950,583)	(959,243,368)
<b>Loans and accrued interest receivables - net</b>	10	115,799,650,481	128,024,956,765	115,441,547,741	127,476,458,810
<b>PROPERTIES FORECLOSED - Net</b>	13	11,017,453,036	10,813,071,114	11,013,966,439	10,802,545,452
<b>CUSTOMERS' LIABILITY UNDER ACCEPTANCE</b>		498,203,057	240,605,590	498,203,057	240,605,590
<b>PREMISES AND EQUIPMENT - Net</b>	14	3,072,990,800	3,605,510,953	3,002,019,151	3,517,518,357
<b>RECEIVABLES FROM THE FINANCIAL INSTITUTIONS AND DEVELOPMENT FUND UNDER GAIN/LOSS SHARING AND YIELD MAINTENANCE AGREEMENT</b>					
	15	61,511,671,945	58,066,793,174	61,511,819,582	58,045,567,071
<b>YIELD MAINTENANCE INCOME RECEIVABLES</b>	5	4,741,796,387	5,871,386,685	4,735,755,651	5,898,231,877
<b>OTHER ASSETS</b>	16	2,069,110,722	1,668,233,086	1,794,876,196	1,170,824,069
<b>TOTAL ASSETS</b>		<b>270,669,584,450</b>	<b>271,831,760,860</b>	<b>271,103,029,721</b>	<b>271,202,021,407</b>

# Balance Sheets (Continued)

สมบัติห้องสมุดรัฐสภา

BankThai Public Company Limited and Its Subsidiaries  
As at 31 December 2002 and 2001

(Unit : Baht)

	Note	Consolidated		The Bank only	
		2002	2001	2002	2001
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
<b>DEPOSITS</b>					
Deposits in Baht		195,157,582,748	168,787,415,566	195,287,887,122	168,915,049,805
Deposits in foreign currencies		57,540,327	20,126,178	57,540,327	20,126,177
<b>Total deposits</b>	17	195,215,123,075	168,807,541,744	195,345,427,449	168,935,175,982
<b>INTERBANK AND MONEY MARKET ITEMS</b>					
Domestic items					
Interest bearing		17,391,447,192	35,544,488,812	18,182,718,971	35,544,488,812
Non-interest bearing		89,434,582	153,994,957	99,362,275	153,992,015
Foreign items					
Interest bearing		485,450,512	601,564,149	485,450,512	601,564,149
Non-interest bearing		17,315	3,731,753	17,315	3,731,753
<b>Total interbank and money market items</b>	18	17,966,349,601	36,303,779,671	18,767,549,073	36,303,776,729
<b>LIABILITY PAYABLE ON DEMAND</b>		155,841,364	643,112,851	155,841,364	643,112,851
<b>BORROWINGS</b>					
	19				
Short-term borrowings		2,044,502,520	74,124,308	2,044,502,520	-
Long-term borrowings		2,759,660,000	5,691,152,779	2,759,660,000	5,688,702,520
<b>Total borrowings</b>		4,804,162,520	5,765,277,087	4,804,162,520	5,688,702,520
<b>BANK'S LIABILITY UNDER ACCEPTANCE</b>		498,203,057	240,605,590	498,203,057	240,605,590
<b>ACCRUED INTEREST EXPENSES</b>		2,315,233,067	4,352,430,441	2,321,961,411	4,354,346,230
<b>NOTES PAYABLE TO THE FINANCIAL INSTITUTIONS AND DEVELOPMENT FUND</b>					
		37,068,000,000	40,143,180,574	37,068,000,000	40,143,180,575
<b>OTHER LIABILITIES</b>	20	1,820,236,422	4,041,002,266	1,335,002,380	3,318,708,537
<b>TOTAL LIABILITIES</b>		259,843,149,106	260,296,930,224	260,296,147,254	259,627,609,014

# Balance Sheets (Continued)

BankThai Public Company Limited and Its Subsidiaries

As at 31 December 2002 and 2001

(Unit : Baht)

	Note	2002	2001	2002	2001
		Consolidated		The Bank only	
<b>LIABILITIES AND SHAREHOLDERS'</b>					
<b>EQUITY (Continued)</b>					
<b>SHAREHOLDERS' EQUITY</b>					
<b>Share capital</b>					
<b>Registered</b>					
3,706,800,000 preference shares of Baht 10 each	21	37,068,000,000	37,068,000,000	37,068,000,000	37,068,000,000
1,493,450,000 ordinary shares of Baht 10 each	21	14,934,500,000	14,934,500,000	14,934,500,000	14,934,500,000
<b>Issued and paid-up share capital</b>					
1,493,450,000 ordinary shares of Baht 10 each	21	14,934,500,000	14,934,500,000	14,934,500,000	14,934,500,000
<b>Share discounts</b>	21	(1,123,608,592)	(1,123,608,592)	(1,123,608,592)	(1,123,608,592)
<b>Revaluation surplus on assets</b>		330,473,960	682,028,275	330,473,960	682,028,275
<b>Revaluation deficit on investments</b>	24	(1,277,176,460)	(1,451,315,191)	(1,277,176,460)	(1,425,618,918)
<b>Unrealised losses on future contracts</b>		(4,313,190)	(8,154,353)	(4,313,190)	(8,154,353)
<b>Retained earnings, unappropriated (deficit)</b>		121,069,673	(1,484,734,085)	121,069,673	(1,484,734,085)
<b>Treasury stocks</b>	22				
- held by the Bank		(100,705,223)	-	(100,705,223)	-
- held by the subsidiaries		(2,073,357,701)	(32,120,340)	(2,073,357,701)	-
<b>EQUITY ATTRIBUTABLE TO THE BANK'S SHAREHOLDERS</b>		<b>10,806,882,467</b>	<b>11,516,595,714</b>	<b>10,806,882,467</b>	<b>11,574,412,327</b>
<b>MINORITY INTERESTS</b>		<b>19,552,877</b>	<b>18,234,922</b>	<b>-</b>	<b>66</b>
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>10,826,435,344</b>	<b>11,534,830,636</b>	<b>10,806,882,467</b>	<b>11,574,412,393</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>270,669,584,450</b>	<b>271,831,760,860</b>	<b>271,103,029,721</b>	<b>271,202,021,407</b>
<b>OFF-BALANCE SHEET ITEMS - COMMITMENTS</b>					
<b>Aval to bills and guarantees of loans</b>	34	<b>547,984,484</b>	<b>526,954,849</b>	<b>547,984,484</b>	<b>526,954,849</b>
<b>Liability under unmatured import bills</b>		<b>269,804,051</b>	<b>86,903,166</b>	<b>269,804,051</b>	<b>86,903,166</b>
<b>Letter of credits</b>		<b>992,234,529</b>	<b>212,464,096</b>	<b>992,234,529</b>	<b>212,464,096</b>
<b>Other commitments</b>		<b>47,051,132,200</b>	<b>99,134,437,532</b>	<b>47,051,132,200</b>	<b>99,134,437,532</b>



Mr. Phirasilp Subhapholsiri  
President



Mr. Preecha Oonchitti  
Director

# Statements of Earnings

BankThai Public Company Limited and Its Subsidiaries  
For the Years Ended 31 December 2002 and 2001

(Unit : Baht)


		Consolidated		The Bank only	
	Note	2002	2001	2002	2001
<b>INTEREST AND DIVIDEND INCOME</b>					
Loans		4,160,282,253	4,510,179,255	4,169,877,684	4,430,840,185
Interbank and money market items		450,304,448	955,523,621	458,846,788	967,253,389
Hire purchase and finance lease income		6,423,809	35,191,125	-	-
Investments		1,463,119,536	1,010,660,234	1,430,952,415	984,276,224
Yield maintenance income	5	3,780,273,152	5,871,386,685	3,787,732,504	5,898,231,877
<b>Total interest and dividend income</b>		<b>9,860,403,198</b>	<b>12,382,940,920</b>	<b>9,847,409,391</b>	<b>12,280,601,675</b>
<b>INTEREST EXPENSES</b>					
Deposits		5,811,290,672	6,417,666,690	5,815,197,127	6,417,666,690
Interbank and money market items		404,169,427	487,134,664	412,700,646	503,721,306
Borrowing fees		-	4,598,203	-	-
Short-term borrowings		-	36,738,025	-	-
Long-term borrowings		179,244,876	313,462,270	179,244,876	313,462,270
Notes payable to the Financial Institutions and Development Fund		1,052,322,322	1,417,189,545	1,052,322,322	1,417,189,545
<b>Total interest expenses</b>		<b>7,447,027,297</b>	<b>8,676,789,397</b>	<b>7,459,464,971</b>	<b>8,652,039,811</b>
Net interest and dividend income		2,413,375,901	3,706,151,523	2,387,944,420	3,628,561,864
<b>REVERSAL OF ALLOWANCE FOR DOUBTFUL</b>					
ACCOUNTS (BAD DEBT AND DOUBTFUL ACCOUNTS)		(5,410,830)	209,482,684	-	-
<b>Net interest and dividend income after bad debt and doubtful accounts</b>		<b>2,407,965,071</b>	<b>3,915,634,207</b>	<b>2,387,944,420</b>	<b>3,628,561,864</b>
<b>NON - INTEREST INCOME</b>					
Gains on investments	27	943,100,361	84,256,532	894,649,211	92,759,041
Share of profits from investments in subsidiaries and associated companies		-	25,412,100	302,060,190	485,612,905
Fees and charges					
Acceptances, aval and guarantees		67,816,014	156,852,994	67,816,014	65,117,869
Others		706,287,342	481,694,876	338,300,967	236,320,653
Gains on exchange rates		35,367,470	13,915,854	35,367,470	13,915,854
Gains on disposals of properties foreclosed		40,846,808	-	40,846,808	-
Gains on transfer of revaluation surplus on sold assets	13	172,707,305	-	172,707,305	-
Income from reversal of non-obligated liabilities	28	639,772,141	-	639,772,141	-
Other income		435,875,590	760,419,255	135,128,359	253,158,485
<b>Total non-interest income</b>		<b>3,041,773,031</b>	<b>1,522,551,611</b>	<b>2,626,648,465</b>	<b>1,146,884,807</b>

# Statements of Earnings (Continued)

BankThai Public Company Limited and Its Subsidiaries  
For the Years Ended 31 December 2002 and 2001

(Unit : Baht)

	Note	Consolidated		The Bank only	
		2002	2001	2002	2001
<b>NON - INTEREST EXPENSES</b>					
Personnel expenses		1,292,849,014	1,342,795,223	1,102,574,780	1,147,752,202
Contribution fee to the Financial Institutions Development Fund		843,726,150	883,444,512	843,726,150	883,444,512
Premises and equipment expenses		665,888,705	661,803,919	602,959,619	580,820,413
Taxes and duties		211,228,560	54,240,838	206,344,986	48,846,632
Fees and charges		111,465,877	60,248,188	98,872,827	58,771,539
Directors' remuneration	29	16,665,765	15,286,242	11,932,000	11,136,000
Losses on impairment of assets		-	658,405,835	-	658,405,835
Other expenses		386,430,732	616,483,832	241,263,042	315,287,490
<b>Total non - interest expenses</b>		<b>3,528,254,803</b>	<b>4,292,708,589</b>	<b>3,107,673,404</b>	<b>3,704,464,623</b>
<b>EARNINGS BEFORE CORPORATE INCOME TAX</b>		<b>1,921,483,299</b>	<b>1,145,477,229</b>	<b>1,906,919,481</b>	<b>1,070,982,048</b>
<b>CORPORATE INCOME TAX</b>	30	<b>(13,109,201)</b>	<b>(30,856,864)</b>	<b>-</b>	<b>-</b>
<b>EARNINGS BEFORE MINORITY INTERESTS</b>		<b>1,908,374,098</b>	<b>1,114,620,365</b>	<b>1,906,919,481</b>	<b>1,070,982,048</b>
<b>MINORITY INTERESTS</b>		<b>(1,454,617)</b>	<b>(43,638,317)</b>	<b>-</b>	<b>-</b>
<b>NET EARNINGS FOR THE YEAR</b>		<b>1,906,919,481</b>	<b>1,070,982,048</b>	<b>1,906,919,481</b>	<b>1,070,982,048</b>
<b>EARNINGS PER SHARE</b>	4.18				
Basic Earnings per Share		1.33	0.73	1.33	0.73
<b>Weighted Average Number of</b>					
Ordinary Shares (shares)		1,431,279,441	1,471,115,284	1,431,279,441	1,471,115,284



Mr. Phirasilp Subhapholsiri  
President



Mr. Preecha Oonchitti  
Director

# Statements of Changes in Shareholders' Equity

BankThai Public Company Limited and Its Subsidiaries  
For the Years Ended 31 December 2002 and 2001

(Unit : Baht)

## Consolidated

	Issued and paid-up share capital	Share premium (discounts)	Revaluation surplus on assets	Revaluation deficit on investments	Unrealised losses on future contracts	Retained earnings (deficit)	Treasury stocks held by the bank	Treasury stocks held by the subsidiaries	Minority interests	Total
<b>Balance as at 31 December 2000</b>	49,402,000,000	2,131,395,000	713,702,627	(1,580,294,132)	-	(37,870,113,542)	-	-	8,856,376	12,805,546,329
<b>Accumulated results from error correction</b>	-	-	-	-	-	9,111,319	-	-	(552,567,940)	(543,456,621)
<b>Balance after adjustments</b>	49,402,000,000	2,131,395,000	713,702,627	(1,580,294,132)	-	(37,861,002,223)	-	-	(543,711,564)	12,262,089,708
<b>Capital increase (decrease) during the year</b>										
Preference shares	(37,068,000,000)	-	-	-	-	-	-	-	-	(37,068,000,000)
Ordinary shares	2,600,500,000	-	-	-	-	-	-	-	-	2,600,500,000
Share discounts	-	(3,255,003,592)	-	-	-	-	-	-	-	(3,255,003,592)
Revaluation surplus on assets	-	-	(31,674,352)	-	-	-	-	-	-	(31,674,352)
Revaluation surplus on investments	-	-	-	128,978,941	-	-	-	-	-	128,978,941
Unrealised losses on future contracts	-	-	-	-	(8,154,353)	-	-	-	-	(8,154,353)
Decrease deficit by the Cabinet's resolution	-	-	-	-	-	35,304,912,756	-	-	-	35,304,912,756
Written off long-outstanding accrued directors' remuneration	-	-	-	-	-	373,334	-	-	-	373,334
Net earnings for the year	-	-	-	-	-	1,070,982,048	-	-	-	1,070,982,048
Treasury stocks held by the subsidiaries	-	-	-	-	-	-	-	(32,120,340)	-	(32,120,340)
Minority interests	-	-	-	-	-	-	-	-	561,946,486	561,946,486
<b>Balance as at 31 December 2001</b>	14,934,500,000	(1,123,608,592)	682,028,275	(1,451,315,191)	(8,154,353)	(1,484,734,085)	-	(32,120,340)	18,234,922	11,534,830,636
<b>Balance as at 31 December 2001</b>	14,934,500,000	(1,123,608,592)	682,028,275	(1,451,315,191)	(8,154,353)	(1,484,734,085)	-	(32,120,340)	18,234,922	11,534,830,636
<b>Accumulated results from error correction</b>	-	-	-	-	-	(1,115,723)	-	-	-	(1,115,723)
<b>Balance after adjustments</b>	14,934,500,000	(1,123,608,592)	682,028,275	(1,425,618,918)	(8,154,353)	(1,485,849,808)	-	-	-	11,573,296,604
Revaluation surplus on assets	-	-	(351,554,315)	-	-	-	-	-	-	(351,554,315)
Revaluation surplus on investments	-	-	-	174,138,731	-	-	-	-	-	174,138,731
Unrealised gains on future contracts	-	-	-	-	3,841,163	-	-	-	-	3,841,163
Payments for option to buyback warrants	-	-	-	-	-	(300,000,000)	-	-	-	(300,000,000)
Net earnings for the year	-	-	-	-	-	1,906,919,481	-	-	-	1,906,919,481
Treasury stocks										
- held by the bank	-	-	-	-	-	-	(100,705,223)	-	-	(100,705,223)
- held by the subsidiaries	-	-	-	-	-	-	-	(2,041,237,361)	-	(2,041,237,361)
Minority interests	-	-	-	-	-	-	-	-	1,317,955	1,317,955
<b>Balance as at 31 December 2002</b>	14,934,500,000	(1,123,608,592)	330,473,960	(1,277,176,460)	(4,313,190)	121,069,673	(100,705,223)	(2,073,357,701)	19,552,877	10,826,435,344

# Statements of Changes in Shareholders' Equity (Continued)

BankThai Public Company Limited and Its Subsidiaries  
For the Years Ended 31 December 2002 and 2001

(Unit : Baht)

## The Bank only

	Issued and paid-up share capital	Share premium (discounts)	Revaluation surplus on assets	Revaluation deficit on investments	Unrealised losses on future contracts	Retained earnings (deficit)	Treasury stocks held by the bank	Treasury stocks held by the subsidiaries	Minority interests	Total
<b>Balance as at 31 December 2000</b>	49,402,000,000	-	713,702,627	(1,580,930,352)	-	(37,870,113,542)	-	-	-	10,664,658,733
<b>Accumulated results from</b>										
error correction	-	-	-	-	-	9,111,319	-	-	-	9,111,319
Balance after adjustments	49,402,000,000	-	713,702,627	(1,580,930,352)	-	(37,861,002,223)	-	-	-	10,673,770,052
<b>Capital increase (decrease)</b>										
during the year										
Preference shares	(37,068,000,000)	-	-	-	-	-	-	-	-	(37,068,000,000)
Ordinary shares	2,600,500,000	-	-	-	-	-	-	-	-	2,600,500,000
Share discounts	-	(1,123,608,592)	-	-	-	-	-	-	-	(1,123,608,592)
Revaluation surplus on assets	-	-	(31,674,352)	-	-	-	-	-	-	(31,674,352)
Revaluation surplus on investments	-	-	-	155,311,434	-	-	-	-	-	155,311,434
Unrealised losses on future contracts	-	-	-	-	(8,154,353)	-	-	-	-	(8,154,353)
Decrease deficit by the Cabinet's resolution	-	-	-	-	-	35,304,912,756	-	-	-	35,304,912,756
<b>Written off long-outstanding accrued</b>										
directors' remuneration	-	-	-	-	-	373,334	-	-	-	373,334
Net earnings for the year	-	-	-	-	-	1,070,982,048	-	-	-	1,070,982,048
Treasury stocks held by the subsidiaries	-	-	-	-	-	-	-	-	-	-
Minority interests	-	-	-	-	-	-	-	-	66	66
<b>Balance as at 31 December 2001</b>	14,934,500,000	(1,123,608,592)	682,028,275	(1,425,618,918)	(8,154,353)	(1,484,734,085)	-	-	66	11,574,412,393
<b>Balance as at 31 December 2001</b>	14,934,500,000	(1,123,608,592)	682,028,275	(1,425,618,918)	(8,154,353)	(1,484,734,085)	-	-	66	11,574,412,393
<b>Accumulated results from error correction</b>	-	-	-	-	-	(1,115,723)	-	-	(66)	(1,115,789)
<b>Balance after adjustments</b>	14,934,500,000	(1,123,608,592)	682,028,275	(1,425,618,918)	(8,154,353)	(1,485,849,808)	-	-	-	11,573,296,604
Revaluation surplus on assets	-	-	(351,554,315)	-	-	-	-	-	-	(351,554,315)
Revaluation surplus on investments	-	-	-	148,442,458	-	-	-	-	-	148,442,458
Unrealised gains on future contracts	-	-	-	-	3,841,163	-	-	-	-	3,841,163
Payments for option to buyback warrants	-	-	-	-	-	(300,000,000)	-	-	-	(300,000,000)
Net earnings for the year	-	-	-	-	-	1,906,919,481	-	-	-	1,906,919,481
<b>Treasury stocks</b>										
- held by the bank	-	-	-	-	-	-	(100,705,223)	-	-	(100,705,223)
- held by the subsidiaries	-	-	-	-	-	-	-	(2,073,357,701)	-	(2,073,357,701)
<b>Balance as at 31 December 2002</b>	14,934,500,000	(1,123,608,592)	330,473,960	(1,277,176,460)	(4,313,190)	121,069,673	(100,705,223)	(2,073,357,701)	-	10,806,882,467

# Statements of Cash Flows

BankThai Public Company Limited and Its Subsidiaries  
For the Years Ended 31 December 2002 and 2001

(Unit : Baht)

	Consolidated		The Bank only	
	2002	2001	2002	2001
<b>Cash flows from operating activities</b>				
Net earnings for the year	1,906,919,481	1,070,982,048	1,906,919,481	1,070,982,048
Adjustments to reconcile net earnings for the year to net cash provided by (used in) operating activities :-				
Earnings attributable to minority interests	1,454,617	43,638,317	-	-
Negative goodwill amortisation	(50,241,272)	-	-	-
Share of profit from investments in subsidiaries and associated companies	-	(25,412,100)	(302,060,190)	(485,612,905)
Depreciation and amortization	295,360,686	404,188,499	237,562,602	275,684,437
Bad debt and doubtful accounts (reversal of allowance for doubtful accounts)	5,410,830	(209,482,684)	-	-
Loss on impairment of investments	62,223,293	113,052,310	62,223,293	113,052,310
Unrealised (gains) losses on exchange rates	(20,463,021)	8,481,107	(20,463,021)	8,481,107
(Gain) loss on disposal of property foreclosed	(40,846,808)	48,790,093	(40,846,808)	48,790,093
(Gain) losses on reversal of revaluation surplus of sold assets	(172,707,305)	658,405,835	(172,707,305)	658,405,835
Unrealised (gains) losses on revaluation of investments	(15,782,469)	-	(606,872)	-
Gains on sale of investments	(452,081,150)	(197,308,841)	(418,805,597)	(205,811,351)
Unrealised gain on reclassification of investment types	(537,460,035)	-	(537,460,035)	-
Gain on disposal of premises and equipment	(30,612,205)	(118,687,673)	(23,049,213)	(113,416,913)
Gain on disposal of assets under operating lease contracts	(250,728)	(19,292,419)	-	-
Decrease in accrued interest receivables	763,880,952	7,268,898,867	760,164,823	7,230,338,000
Income from reversal of non-obligated liabilities	(639,772,141)	-	(639,772,141)	-
(Increase) decrease in yield maintenance income receivables	1,129,590,298	(5,871,386,685)	1,162,476,226	(5,898,231,877)
Increase (decrease) in unearned premium reserves	(38,114,874)	36,346,297	-	-
Increase (decrease) in accrued interest payable	(2,037,197,374)	2,263,374,688	(2,032,384,820)	2,267,655,125
Increase (decrease) in accrued expenses	(34,590,510)	(45,634,365)	1,526,509	(71,506,902)
Net earnings from operations before changes in operating assets and liabilities	94,720,265	5,428,953,294	(57,283,068)	4,898,809,007
(Increase) Decrease in operating assets				
Interbank and money market items	327,522,914	2,486,158,620	(911,965,334)	1,773,477,437
Securities purchased under resale agreements	(14,210,000,000)	1,865,000,000	(13,500,000,000)	1,840,000,000
Investments held for trading	6,898,068,232	(403,604,197)	6,701,239,147	-
Loans	3,186,027,494	660,268,649	2,992,766,559	326,869,939
Properties foreclosed	1,762,396,510	(3,708,743,593)	1,755,357,446	(3,722,469,452)
Receivables from the Financial Institutions and Development Fund under Gain/Loss sharing and Yield Maintenance Agreement	(143,197,826)	-	(143,197,826)	-
Other assets	(342,243,792)	(1,090,394,096)	(621,802,013)	(1,151,767,723)

# Statements of Cash Flows (Continued)

BankThai Public Company Limited and Its Subsidiaries

For the Years Ended 31 December 2002 and 2001

(Unit : Baht)

	Consolidated		The Bank only	
	2002	2001	2002	2001
Increase (decrease) in operating liabilities				
Deposits	26,407,587,509	(3,759,140,308)	26,410,257,644	(3,633,877,136)
Interbank and money market items	(18,328,941,870)	(1,108,138,924)	(17,527,739,455)	(1,103,513,324)
Liability payable on demand	(487,271,487)	562,802,214	(487,271,487)	562,802,214
Notes payable to the Financial Institutions and Development Fund	(2,738,422,974)	-	(2,738,422,974)	-
Other liabilities	(841,171,018)	(482,580,970)	(651,362,215)	215,948,777
Net cash provided by operating activities	1,585,073,957	450,580,689	1,220,576,424	6,279,739
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Decrease in investment in fixed deposits	-	150,000,171	-	-
Decrease in investments	2,194,836,666	927,662,370	439,569,292	1,093,465,682
Purchases of equipment	(309,172,805)	(295,071,615)	(283,924,284)	(247,455,841)
Proceeds from disposals of premises and equipment	55,131,877	417,883,975	31,697,875	411,940,201
Net cash provided by investing activities	1,940,795,738	1,200,474,901	187,342,883	1,257,950,042
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Decrease in short term borrowings	(74,124,308)	(322,823,277)	-	-
Decrease in long term borrowings	(886,990,259)	(1,351,167,969)	(884,540,000)	(1,274,990,000)
Payments for option to buy back warrants	(300,000,000)	-	(300,000,000)	-
Proceeds from Issuance of share capital	-	48,120,340	-	36,120,340
Payments for treasury stocks	(2,141,942,584)	-	(100,705,223)	-
Net cash used in financing activities	(3,403,057,151)	(1,625,870,906)	(1,285,245,223)	(1,238,869,660)
Net increase in cash and cash equivalents	122,812,544	25,184,684	122,674,084	25,360,121
Cash and cash equivalents at beginning of the year	659,554,889	634,370,205	659,293,442	633,933,321
Cash and cash equivalents at the end of the year	782,367,433	659,554,889	781,967,526	659,293,442
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOWS INFORMATION</b>				
Cash paid during the year for :				
Interest expenses	9,484,224,671	6,428,282,087	9,491,849,791	6,384,384,686
Withholding tax deducted at source	103,238,006	22,435,375	79,150,923	29,093,085
Non-cash transactions				
Properties foreclosed in settlement of debts	1,493,964,664	4,323,962,292	1,493,964,664	4,323,962,292
Investments received in settlement of debts	537,460,035	-	537,460,035	-
Reclassification of investment types	940,721,759	593,453,216	931,340,696	593,453,216

# Notes to Financial Statements

BankThai Public Company Limited and Its Subsidiaries



## 1. General Information

### 1.1 The Bank's information

BankThai Public Company Limited (hereinafter referred to as "the Bank") was incorporated as a public limited company under Thai law. The Bank operates in Thailand and has been licensed by the Ministry of Finance to operate banking businesses since 8 March 1949. The Bank's head office is located on 44 North Sathon Road, Bangrak, Bangkok, and has branches all over Thailand. As at 31 December 2002 and 2001, the Bank had a total employees including temporary staff of 2,394 persons and 2,562 persons, respectively. (Total number of employees and temporary staffs of the Bank and its subsidiaries as at 31 December 2002 and 2001 were 2,695 persons and 3,008 persons, respectively).

All subsidiaries was incorporated as a limited company and/or a public limited company under Thai law. All those operates in Thailand by engaging mainly in finance and securities business, insurance business and leasing.

### 1.2 The economic situation

Although Thailand's economic crisis has eased to a certain extent in the current year, financial restructuring within the business community is still prevalent and subject to readjustment. The residual effects of the crisis could affect the recoverable value of assets and the collection of loans and receivable. However, the financial statements reflect management's current assessment of the impact to date of the economic situation on the financial positions of the Bank. Actual results could differ from management's current assessments.

## 2. Basis for Preparation of Financial Statements

### 2.1 Basis for presentation of financial statements

The consolidated financial statements of the Bank and its subsidiaries and the separate financial statements of the Bank have been presented in compliance with the requirement of the Notification of the Bank of Thailand ("the BOT") dated 10 May 2001 relating to the format of the balance sheet and statement of earnings of commercial banks. They have also been presented in accordance with the regulations of the Stock Exchange of Thailand and the Notifications of the Office of the Securities and Exchange Commission with regard to the preparation and submission of financial statements and reports on financial position and operating results of listed companies.

### 2.2 Basis of consolidation

The consolidated financial statements as at 31 December 2002 and 2001 include the financial statements of BankThai Public Company Limited and the following subsidiaries :-

Nature of business	Percentage of shares held by the Bank		Percentage of Assets included as a percentage to the consolidated totals		Revenue included as a percentage to the consolidated totals	
	2002	2001	2002	2001	2002	2001
BT Insurance Company Limited (Formerly known as Thaithanakit Insurance Company Limited)	100	100	0.09	0.11	0.94	1.50
BT Leasing Company Limited	100	100	0.06	0.12	0.62	1.58
BT Consultant Company Limited (Formerly known as S.C. Settakarn Company Limited)	100	100	-	-	0.03	-
Krungthai Thanakit Finance Public Company Limited	99	99	0.37	0.95	1.53	3.91
BT Securities Company Limited (Formerly known as Thaithanakit Securities Company Limited) (2001: 100% held by Krungthai Thanakit Finance Public Company Limited)	100	-	0.43	-	2.56	-

Significant intercompany balances and transactions among the Bank and its subsidiaries have already been eliminated from the consolidated financial statements.

The consolidated financial statements as at 31 December 2002 do not include the financial statements of 2 subsidiaries (2001: 7 subsidiaries) in which the Bank has a percentage shareholding greater than 50 percent because those subsidiaries are in the process of being liquidated and/or awaiting disposal. However, the Bank has made fully allowance for impairment in the value its investments in those subsidiaries.



### 3. Change in reporting entities, Accounting policies and errors correction

#### 3.1 Change in reporting entities and accounting policies

For the year ended 31 December 2001, the Bank included the financial statements of BT Consultant Company Limited, a wholly-owned subsidiary of the Bank, in the Bank's consolidated financial statements, and changed the accounting policy for investment in such subsidiary from the cost method to the equity method because such subsidiary has changed and resumed its business operations. The Bank retroactively adjusted the effects of such change to both consolidated and the Bank's separate financial statements, causing an increase in the net earnings of 2001 by approximately Baht 0.04 million.

#### 3.2 Error corrections

In 2001, the Bank made an error correction regarding calculation of amortisation of negative goodwill to income, resulting in an increase in net earnings for the year ended 31 December 2001 by Baht 57 million.

Furthermore in 2002, the Bank made another error correction regarding its over-recording of share of profit from investments in subsidiaries for the year ended 31 December 2001 by approximately Baht 1.12 million. Due to the immateriality of the amount, the Bank directly adjusted it against the beginning balance of the 2002 retained earnings rather than retroactively adjusting to the 2001 financial statements.

### 4. Significant accounting policies

The financial statements have been prepared in accordance with accounting standards pronounced by the Institute of Certified Accountants and Auditors of Thailand, which are effective under the Accounting Act B.E. 2543, and with reference to the principles stipulated by the Bank of Thailand.

Significant accounting policies adopted by the Bank and its subsidiaries are summarised below :-

#### 4.1 Revenue recognition

##### (a) Interest and discount on loans

The Bank and its subsidiaries recognise interest and discounts on loans as income on an accrual basis, based on the amount of principal outstanding. For loans on which principal or interest payments have been defaulted for more than three months from the due date, the Bank and its subsidiaries ceases accrual of interest income, recognises interest income on a cash basis and reverses the interest previously accrued as income for such defaulted loans from their accounts, in accordance with the Notification of the Bank of Thailand.

Interest income on restructured loans is recognised on the same accrual basis as used for loans discussed above, with the exception of loans that are subject to monitoring for compliance with restructuring conditions, on which the Bank and its subsidiaries recognise interest income on a cash basis until the borrower has been able to comply with the restructuring conditions for a period of not less than three consecutive months or three consecutive instalments, whichever is longer.

##### (b) Interest on margin loans

Interest is recognised over the term of the loans based on the amount of principal outstanding. For delinquent margin loans on which interest is overdue for more than three months, it is the subsidiary's policy to stop recognising income on an accrual basis and adopt a cash basis in recognising income for such delinquent margin loans.

##### (c) Yield maintenance income

Yield maintenance income is recognised on an accrual basis based on the conditions stipulated in the contract and other subsequent amendments. Yield maintenance income on the portion of non-performing loans transferred to TAMC is also recognised on the accrual basis as mentioned above. However, such yield maintenance income is in the process of being considered and approved by the Ministry of Finance. Yield maintenance income is presented as part of interest income.

##### (d) Interest and dividends on investment

Interest on investments is recognised as income on an accrual basis, based on the effective yield rates and proportionate to the holding period. Dividends from securities are recognised as income when the dividends are received.

##### (e) Gains (losses) on sale of investment

Gains (losses) on sale of investments are recognised as income / expenses on the transaction dates.

##### (f) Fees and service income

Fees and service income are recognised as income on an accrual basis.

##### (g) Brokerage fee

Brokerage fees on securities trading are recognised as income on the transaction dates.

#### (h) Insurance premium

For insurance policies with the coverage periods of less than 1 year, premium income is recognised on the date the insurance policy comes into effect, after deducting premium ceded and cancelled. For long-term insurance policies with coverage periods of longer than 1 year, related revenues and expenses are recorded as unearned and prepaid items and gradually recognised as income and expenses on an annual basis over the coverage period.

#### (i) Reinsurance premium

Reinsurance premium income is recognised when the reinsurer places the reinsurance application or statement of accounts with the subsidiary.

#### (j) Income under lease contracts

Income under financial lease contracts is recorded under the financing method of accounting, whereby the excess of the aggregate amount of rental plus estimated residual value over the cost of the leased assets represents unearned lease income, which is gradually taken up as income over the term of the lease on an annuity method.

Income under operating lease contracts is recorded under the operating method of accounting, whereby rentals are recorded as income based on the lease terms, excluding value added tax.

### 4.2 Expense recognition

#### (a) Interest expenses

Interest expenses, based on the effective yield rates, are charged to earnings on an accrual basis. Interest on notes payable included in the face value is recorded as deferred interest and amortised to expenses evenly throughout the term of the notes.

#### (b) Unearned premium reserve

Unearned premium reserve is set aside as follows, in compliance with the Notification of the Ministry of Commerce regarding the appropriation of unearned premium reserve :-

Fire, motor and miscellaneous	-	Monthly average basis (the one-twenty fourth basis)
Marine and transportation (Cargo)	-	Net premium written for the last ninety days
Travelling accident	-	Net premium written for the last thirty days

#### (c) Loss reserve and outstanding claims

Outstanding claims are provided for upon receipt of claim advice from the insured. Loss reserve is provided based on estimates made by the Subsidiary's management. In addition, in 2002, in order to comply with a notification of the Ministry of Commerce, dated 17 December 2000 regarding unearned premium reserve and provision for losses incurred but not yet reported (IBNR), which effectives since 1 January 2002, a subsidiary set up additional provision for losses incurred but not yet reported (IBNR) at 2.5 percent of net premium written for the last twelve months.

### 4.3 Assets under the Gain/Loss Sharing and Yield Maintenance Agreement

The Bank and its subsidiaries record non-performing assets under the Gain/Loss sharing and Yield Maintenance Agreement at the transfer price. Additional allowances for doubtful debts and impairment are not provided for the Bank and its subsidiaries' assets under the Gain/Loss Sharing and Yield Maintenance Agreement, which are comprise of loans and receivables, securities business receivables, investments in securities and properties foreclosed as the management believes the incurred loss will be fully compensated for.

Gain/loss from management of non-performing assets, including from disposals of assets and debt restructuring is not realised in the statements of earnings but will be deferred as awaiting compensation from the Financial Institutions and Development Fund and recorded under the caption of "Receivables from the Financial Institutions and Development Fund under the Gain/Loss Sharing and Yield Maintenance Agreement" in the balance sheets.

### 4.4 Investments

The Bank and its subsidiaries record investments which are not to be compensated for under the Gain/Loss Sharing and Yield Maintenance Agreement, as follows.

Investments in securities held for trading are determined at fair value. Gains or losses arising from changes in the value of such securities are included in determining earnings.

Investments in available-for-sale securities, both held for short-term and long-term investment, are determined at fair value. Changes in the value of such securities are shown as separate items in shareholders' equity until the securities are sold, when the changes are then included in determining earnings.

Investments in debt securities expected to be held to maturity are determined at amortised cost. Premiums/ discounts on debt securities are amortised based on the effective yield rates for government and state enterprise securities and on a straight-line basis over the remaining period to maturity for other debt securities. The amortised amount is presented as an adjustment to the interest income.



The fair value of marketable securities is based on the latest bid price on the last working day of the year as quoted on the Stock Exchange of Thailand. The fair value of government and state enterprise securities, and private sector debt securities is determined using the formula determined by the BOT and the yield rates quoted by the Thai Bond Dealing Center or other financial institutions, adjusted by an appropriate risk factor. The fair value of unit trusts is determined based on their net asset value.

Investments in non-marketable equity securities which are classified as general investments are valued at cost.

Losses on impairment (if any) of investments are included in determining earnings.

The weighted average method is used for computation of the cost of investments.

In cases where there is reclassification of investment type, the investments are valued at their fair value prevailing on the reclassification date. Differences between the carrying amount of the investments and their fair value on that date are included in determining earnings or recorded as revaluation surplus (deficit) of investments and presented as a separate item in shareholders' equity to be amortised over the remaining period to maturity of the debt securities, as the case may be.

#### 4.5 Promissory notes received in connection with transfer of non-performing loans to TAMC

Promissory notes received in connection with transfer of non-performing loans to Thai Asset Management Corporation ("TAMC"), and which are avaled by the Financial Institutions Development Fund ("the FIDF"), are regarded as investments in debt securities expected to be held to maturity and therefore stated at cost. Interest income on the promissory notes is recognised on an accrual basis using the weighted average interest rate announced by 5 commercial banks for the previous quarter. The Bank will recognise income or expenses with respect to gain or loss sharing from the management of non-performing loans at the end of the fifth and tenth years, when the Bank receives allocation from the TAMC.

#### 4.6 Investment in subsidiaries and associated companies

Investments in subsidiaries and associated companies, except for investments that the Bank intends to hold temporarily, are accounted for under the equity method. Under this method, investments are initially recorded at the acquisition cost and are adjusted to reflect the attributable share of the profits or losses from the operations of each subsidiary and associated company, in proportion to the investment. The difference between the cost of the investment and the net book value at the acquisition date is amortised over 3 - 10 years.

If the Bank receives shares as a result of debt restructuring of a borrower and as a result of such acquisition holds more than 20 percent of the shares of such company, the Bank will not treat the Company as a subsidiary or associated company as it intends to hold such investments temporarily.

If the Bank has no commitments or guarantee obligations to its subsidiaries and associated companies, losses are recognised only to the extent that they do not exceed the outstanding balance of investments.

#### 4.7 Loans/securities business receivables

The Bank and its subsidiary present loans at the principal balances excluding accrued interest receivable, with the exception of bank overdrafts, which present at the principal balance including accrued interest receivable. Unrealised deferred income and discounts on loans are deducted from the loan balances.

Securities business receivables consist of cash customer balances, credit balance receivables and margin loans.

#### 4.8 Allowance for doubtful accounts

##### (a) For loans of banking and finance businesses

The Bank and its subsidiary provide allowances for doubtful accounts which are not to be compensated for under the Gain/Loss Sharing and Yield Maintenance Agreement, in accordance with the notifications of the Bank of Thailand.

The criteria for loan loss provisioning as determined by the Bank of Thailand include loan classification criteria, loan loss provisioning rates, valuation of collateral to be used in determining allowance for doubtful debts, and criteria for reclassification of restructured loans to normal classification.

Additional allowance for doubtful accounts is included in expenses for the year.

Amounts written off as bad debts are deducted from the allowance for doubtful accounts and in case of recovery being made from bad debts, the recovered amount is added to the allowance for doubtful accounts.

##### (b) For securities business receivables

A subsidiary provides allowance for doubtful debts which are not to be compensated for under the Gain/Loss Sharing and Yield Maintenance Agreement based on a review of debtor's ability to make repayment, taking into consideration recovery risk and the value of the collateral. Allowance is set aside for doubtful debts not fully covered by collateral and/or those expected not to be fully recoverable. Debt classifications and provisions are made in accordance with the guidelines laid down in the Notification No. Kor. Thor. 33/2543, dated 25 August 2000, as amended by the Notification No. Kor. Thor. 5/2544, dated 15 February 2001, of the Office of the Securities and Exchange Commission, and consideration of other relevant factors.

#### 4.9 Troubled debt restructuring and losses from troubled debt restructuring

The Bank and its subsidiary record troubled debt restructuring transactions and relevant losses which are not to be compensated for under the Gain/Loss Sharing and Yield Maintenance Agreement with reference to the notifications of the Bank of Thailand.

##### (a) For loans of banking and finance businesses

In cases where the troubled debt restructuring involves modifications of the terms or relaxation of the repayment conditions, the fair value of loans after restructuring is determined based on the net present value of expected future cash flows, discounted by the Minimum Loan Rate (MLR) being quoted to the debtors at the restructuring date. The difference between the fair value of loans and receivables at the restructuring date and the previous book value is accounted for as revaluation allowance for debt restructuring and included as expenses in the statements of earnings of the period. The Bank and its subsidiary adjust the revaluation allowance for debt restructuring at the end of every period by re-calculating the net present value of expected cash flows, discounted by the Minimum Loan Rate (MLR) being quoted to the debtor at the end of the period.

Losses arising from debt restructuring through waiver of part of the principal or recorded accrued interest receivable after deduction the provided allowance (if any) will be charged against the statements of earnings when debtors have completely complied with all conditions as stipulated in the agreements.

##### (b) For margin loans of securities business

Under the subsidiary's accounting policy for troubled debt restructuring, if payment of debt is received through the transfer of property, or financial instruments, or if share capital of the debtor is received as a result of a debt to equity swap, the subsidiary records the assets received at their fair value. Losses arising from differences between the book value of the debt and the fair value of the assets, debt collection expenses and allowances for doubtful debts which are to be compensated for under the Gain/Loss Sharing and Yield Maintenance Agreement are recorded as assets/liabilities in the balance sheet to be used in determining gain/loss sharing with the Financial Institutions Development Fund ("the FIDF") on 31 December 2005.

If debt restructuring includes the provision of a waiver of debt repayment conditions to the debtor, the subsidiary records the loss arising from the revaluation of the book value of the debtor, determined on the basis of the present value of the future cash flows to be received under the new conditions, and using the Minimum Loan Rate (MLR) in discounting, or the fair value of the collateral. Any amount by which the newly determined book value is lower than the previous book value, including interest receivables, is recorded as revaluation allowance for debt restructuring by transferring from allowance for doubtful accounts except that the allowance for doubtful accounts is inadequate, then shortage will be recognised as expenses for such period.

#### 4.10 Properties foreclosed

Properties foreclosed which are not to be compensated for under the Gain/Loss Sharing and Yield Maintenance Agreement are stated at the lower of cost (Net balances of loans not including non booked interest) or net realisable value with reference to the latest available appraisal value. Gains or losses on disposal of properties foreclosed are recorded as income or expenses when ownership is transferred. Impairment loss is recognised in the statements of earnings.

#### 4.11 Premises and equipment

Equipment is stated at cost less accumulated depreciation and allowance for impairment (if any).

Land and buildings are stated at cost/reappraised value less accumulated depreciation and allowance for impairment (if any).

Premises and equipment acquired as a result of merger are stated at their book value on the transfer date, which is regarded as the new acquisition cost, less accumulated depreciation and allowance for impairment (if any).

The Bank carries out an asset appraisal on land and buildings at least every 5 years, in accordance with the guidelines announced by the Bank of Thailand, with revaluation surplus on land and buildings presented in shareholders' equity. The Bank carried out the latest revaluation for its land and buildings in 1999. The appraisal values of land were based on those assessed by state officials whilst those of buildings were appraised by external independent appraisers.

Depreciation of building and equipment is calculated by reference to their costs on a straight-line basis over the following estimated useful lives.

Buildings	-	20 - 40 years
Equipment	-	5 years

No depreciation is determined for land and assets under construction.

#### 4.12 Leasehold rights

Leasehold rights are stated at cost less accumulated amortisation. Leasehold rights are amortised on a straight-line basis over the lease periods and are included as expenses in the statements of earnings.



#### 4.13 Expenses in connection with development or improvement of computer systems

Expenses in connection with development or improvement of computer systems are regarded as assets only to the extent that such expenses materially improve the capability or efficiency of the computer systems. They are amortised to expenses in the statements of earnings on a straight-line basis over a period of 5 years.

#### 4.14 Foreign currencies

Foreign currency transactions during the year have been translated into Baht at the rates ruling on the transaction dates. Assets, liabilities and forward contracts in foreign currencies outstanding on the balance sheet dates have been translated into Baht at the rates announced by the Bank of Thailand ruling on the balance sheet dates.

Exchange gains and losses are included in determining earnings.

#### 4.15 Financial derivatives

Obligations under financial derivatives contracts are regarded as off-balance sheet items.

##### (a) Forward contracts

Premiums or discounts occurring as a result of differences between the forward rates committed under forward contracts and the spot rates, are recognized as income or expense over the contracted periods.

##### (b) Futures / Cross - currency and interest rate swaps

The accounting treatments for futures and currency and interest rate swaps transactions depend on the purpose of the transaction.

##### \* For hedging purposes

Gains/losses on changes in fair value of the contracts are recognised as income/expenses to correspond with the recognition of gains/losses on the underlying assets and liabilities, as follows :-

If the underlying assets or liabilities are determined at fair value, gains or losses arising from changes in their value are recognised over a period corresponding to the contracted period of the financial derivatives used to hedge such underlying assets or liabilities.

If gains/losses on the underlying assets or liabilities are recognized on an accrual basis, interest income/expenses are recognised over a period corresponding to the contracted period of the financial derivatives used to hedge such underlying assets or liabilities.

##### \* For trading purposes

Obligations under financial derivatives contracts originated for trading purposes are determined at fair value. Gains/losses arising from changes in value are included in determining earnings.

#### 4.16 Pension fund

The Bank has a policy to pay pension benefits to employees with more than 10 years of service and who resign in accordance with the rules and conditions stipulated by the Bank. Pension funds are reserved and charged to expenses in the statements of earnings based on the number of years of service by each employee. In the event that any employee resigns and is not entitled to receive pension benefits, the Bank will reverse the pension fund contributions already reserved for such employee and charge the amount against the statement of earnings for the year in which he/she resigns.

Such pension benefit only provides to employees who are former employees of the Union Bank of Bangkok Public Company Limited.

#### 4.17 Provident fund

The Bank and its employees have jointly established a provident fund scheme under the Provident Fund Act B.E. 2530, and the fund was registered with and approved by the Ministry of Finance on 29 December 1999. The employees contribute to the fund at rates of between 3-5 percent of their basic salaries and the Bank contributes at the rate of 5 percent, according to the following conditions :-

1. Employees who had officially joined the Bank and applied for membership of the fund before 31 December 1999 will receive one hundred percent of the contributions and all benefits upon termination of this membership.

2. For employees who officially joined the Bank and applied for membership of the fund since 31 December 2000, the Bank will make contributions and pay benefits from the fund according to the following conditions :-

Years of service	Percentage of benefits received (Percent)
Less than 5 years	0
5 years or more	100

Some subsidiaries and their employees have jointly established a provident fund scheme under the Provident Fund Act B.E. 2530. The employees contribute to the fund at rates of 3-5 percent of their basic salaries and the subsidiaries contribute at the rate of 5 percent, with rates of contribution depending upon the number of years of service of each employee. The fund will be paid to the employees upon termination in accordance with the rules of the fund.

#### 4.18 Earnings per share

Earnings per share as presented in the statements of earnings is basic earnings per share which is calculated by dividing net earnings for the year by the weighted average number of ordinary shares in issue and held by third parties during the year.

The Bank did not present diluted earnings per share for 2002 as the exercise price of a warrant to buy convertible preference share is higher than the fair value of the Bank's ordinary share. The fair value used to compare to the exercise price is the fair value averaging from the public offering date the major shareholder offered its existing shares held in the Bank of 47 percent of the paid-up share capital to the public, to the year-end date. The Bank did not perform a whole year average of fair value since before the public offering, the major shareholder held 96 percent of the paid-up share capital, which were not traded in the market. Therefore, it is more prudent to use the trading prices after the public offering date to reflect the fair value of the shares.

#### 4.19 Use of accounting estimates

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

### 5. Compensation of Covered Asset Pool

On 1 February 2001, the Bank entered into the Gain/Loss Sharing and Yield Maintenance Agreement with the Financial and Institutions Development Fund ("the FIDF") in accordance with the terms and conditions unanimously approved by the cabinet on 19 September 2000 for the provision of compensation for the non-performing assets of the Bank and the 12 finance companies ordered closed, on the basis of yield maintenance and gain/loss sharing. Significant contents stipulated in the agreement are described below:-

1. The period for compensating the Bank for the non-performing assets is 5 years, commencing as from 1 January 2001.

2. The non-performing assets for which the Bank is to be compensated by the FIDF (collectively the "Covered Asset Pool" or "CAP") comprise:

2.1 Classified loans and margin loans of the Bank and the 12 finance companies which were classified from substandard to bad debts in accordance with the Bank of Thailand's classification criteria.

2.2 Investments in securities of which the book value was higher than the market value.

2.3 Additional loans granted to restructured debtors in the CAP in an amount not exceeding Baht 50 million per debtor or 15 percent of the outstanding balance of restructured debts, whichever is lower. Approval from the FIDF is required for any excess beyond the mentioned amounts.

2.4 Commitments of the Bank in respect of debtors in the CAP, which were due and have been paid by the Bank. However such commitments must have been accounted for by the Bank prior to 31 December 1999.

The total outstanding balance of non-performing assets to be compensated under the Gain/Loss Sharing and Yield Maintenance Agreement in accordance with 2.1 and 2.2 above, are the amounts of non-performing assets transferred from the Union Bank of Bangkok Public Company Limited and the 12 finance companies as at 31 December 1999, totaling approximately Baht 197,462 million. This consists of loans classified as substandard, doubtful and bad debt amounting to approximately Baht 188,690 million, margin loans retained at Krungthai Thanakit Finance Public Company Limited and Thaithanakit Securities Company Limited (now known as BT Securities Company Limited) amounting to approximately Baht 3,020 million, and investments in securities with net book value higher than market value amounting to Baht 5,752 million. Provisions totaling Baht 112,495 million were made against those non-performing assets (so called "Notional Provision").

#### 3. Yield maintenance

The FIDF agreed to pay compensation, after deducting other income received from assets in the CAP, to the Bank to maintain the yield from the CAP at the rate of the average deposit interest rate of the Bank over the relevant period plus 1 percent, based on the average outstanding balance of CAP less related provisions. Income from sales of the securities licenses and 85 percent of gain from sales of land and business premises of the 12 finance companies and the Union Bank of Bangkok Public Company Limited are to be deducted from the balance in the period in which the Bank records such gains, in accordance with the details stipulated in the agreement.

#### 4. Gain/loss sharing

If the Recovery from assets in the CAP is less than their net book value (representing the outstanding balance less provision), resulting in losses to the Bank, FIDF will share such losses with the Bank using the gain/loss sharing method detailed below, by means of a one time compensation payment made at the end of compensation period in the fifth year.

(a) If accumulated losses exceed booked provisions but are not greater than the Notional Provision of Baht 112,495 million, the FIDF will accept 100 percent of the losses.

(b) If accumulated losses exceed the Notional Provision, the FIDF will accept 85 percent of the excess losses and the Bank will take 15 percent accordingly.

(c) The Bank will receive 5 percent of income collected in excess of expected recovery (outstanding balance after deducting Notional Provision).

The Recovery includes :

(a) Cash from payments of principal, recognised interest income, fees and expenses, proceeds from sales or disposal of assets in the CAP, investments in securities, collateral and other assets transferred from debtors for debt settlement.

(b) Cash from the auction of reclassified loans after restructuring and investments in any security to be received after the end of the compensation period.

(c) The net present value of restructured loans of which the outstanding balance at the end of the compensation period is not less than Baht 25 million.

(d) The net book value, after related provisions, of restructured loans of which the outstanding balance at the end of the compensation period is less than Baht 25 million.

(e) The fair market value, as determined by a specialist at the end of the compensation period, of investments in securities and unsold foreclosed collateral obtained during the compensation period. This includes collateral or payments which the Bank is to receive upon completion of the foreclosure process, conditioned that the foreclosure process begins before the end of the compensation period.

According to the Gain/Loss Sharing and Yield Maintenance Agreement, the Bank, in accordance with the resolution of the cabinet, has to complete the following :-

(a) Return the FIDF's fund used to invest in the 12 finance companies

The Bank is to return the FIDF's fund of Baht 28,215 million, used to invest in 12 finance companies in the form provision reserves, to the FIDF. The return was made by a reversal of an equal amount of reserves, transferred to the Bank, against the promissory notes and related accrued interest (availed by the FIDF) issued by the 12 finance companies to cover the excess of liabilities over assets transferred to the Bank. If the outstanding balances of promissory notes together with accrued interest are inadequate, the Bank is to settle the shortage in cash.

(b) Redemption of subordinated debentures transferred from the 12 finance companies

The Bank is to redeem the subordinated debentures transferred from the 12 finance companies, which have a combined face value of Baht 4,346 million, at a price not exceeding 80 percent of their face value before the announcement of the capital refund. However, such redemption can only be performed on the condition that all subordinated debenture holders agree to sell the debentures back at this price.

(c) Redemption of preference shares held by the FIDF

\* The Bank is to reverse its reserves to income in order to eliminate the amount of deficit incurred from the assets of the 12 finance companies and the Union Bank of Bangkok Public Company Limited, leaving only the deficit of Krungthai Thanakit Finance Public Company Limited.

\* The Bank is to redeem the Baht 37,068 million of preference shares held by the FIDF.

\* If the Bank has insufficient cash for the redemption and wishes to settle by issuance of promissory notes, interest is to be charged at the average deposit interest rate of the Bank and the term of the notes, which can be repaid periodically, is not to exceed 5 years.

\* The Bank is to issue 3,706.8 million non-transferable, 10-year, convertible preference share warrants to the FIDF. The warrants are to have an exercise price of Baht 10 each and to mature on 8 May 2011.

During 2001, the Bank implemented the following in accordance with the cabinet resolution and the Gain/Loss Sharing and Yield Maintenance Agreement.

(a) The refund of the FIDF's investments of Baht 28,215 million in the 12 finance companies was accounted for by recording the FIDF as a creditor and reducing allowance for doubtful debts by the same amount. The FIDF was paid by offsetting against promissory notes plus accrued interest totaling Baht 25,140 million receivable from the FIDF, leaving the difference of Baht 3,075 million still recorded as liabilities. The Bank will request the FIDF to offset such liabilities against the yield maintenance payment or issue promissory notes bearing interest at the average deposit interest rate of the Bank.

(b) Allowance for doubtful accounts of Baht 35,305 million was reversed to eliminate deficit of the Bank incurred from the assets of the 12 finance companies and the Union Bank of Bangkok Public Company Limited. The remaining deficit in the statements of earnings represents the deficit of Krungthai Thanakit Finance Public Company Limited, amounting to Baht 2,576 million.

Under (a) and (b) above, the Bank's total allowance for doubtful accounts was reduced by Baht 63,520 million.

(c) Baht 37,068 million of preferred shares held by the FIDF were redeemed and the FIDF was recorded as a creditor as the Bank issued a promissory note bearing interest at the average deposit interest rate of the Bank payable on a semi-annual basis in June and December and maturing on 1 January 2006, for such redemption.

(d) 3,706.8 million non-transferable, 10-year, convertible preference share warrants were issued to the FIDF. The warrants have an exercise price of Baht 10 each and mature on 8 May 2011.

As at 31 December 2002 and 2001, the outstanding balance of the CAP assets in the Bank and subsidiaries' books comprises :-

	Consolidated <sup>(1)</sup>		The Bank only <sup>(1)</sup>	
	2002	2001	2002	2001
Loans and interest receivables	84,279	97,583	83,940	97,239
Margin loans	2,227	2,289	-	-
Investments in securities	4,154	4,811	4,342	4,999
Properties foreclosed	6,252	6,370	6,252	6,370
Losses from management of assets in CAP which is presented as receivables from the FIDF (Note 15)	61,512	58,068	61,512	58,045
<b>Total</b>	<b>158,424</b>	<b>169,121</b>	<b>156,046</b>	<b>166,653</b>
Provision already set up	19,804	21,194	18,169	18,932

(1) Does not include non-performing loans in CAP which were transferred to TAMC. Accumulated transfer prices as at 31 December 2002 and 2001 were Baht 20,372 million and Baht 18,421 million, respectively.

As at 31 December 2002, the Bank had certain commitments and contingent liabilities under the Gain/Loss Sharing and Yield Maintenance Agreement referred to above in respect of the risk from its sharing of 15 percent of the losses arising as a result of the estimated irrecoverable value of assets as calculated at the end of the compensation period exceeding the Notional Provision of Baht 112,495 million and the risk that the net realisable value of the restructured debts may be lower than their net present value as calculated at the end of the compensation period.

As at 31 December 2002, the amount of such gains/losses cannot be estimated, and the Bank has therefore not provided for any gains/losses that may occur as a result of the above obligations in its accounts.

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#### Yield maintenance income

Yield maintenance income is calculated in accordance with the conditions stipulated in the Gain/Loss Sharing and Yield Maintenance Agreement dated 1 February 2001 and their amendments dated 9 October 2002. The transfer of the non-performing assets under CAP to Thai Asset Management Corporation ("TAMC") are not referred to in the agreement. However, the Bank's management believes that the FIDF is still to compensate for these transferred assets in accordance with the conditions stipulated in the existing agreement, and interest income from promissory notes issued by TAMC for transferred non-performing loans was thus included in income in the calculation of yield maintenance income, in accordance with the guidelines laid down by the Bank of Thailand. The Bank is aware that the FIDF's Board of Directors has approved the aforementioned principle and the FIDF's legal department has been assigned to consider amendments to the existing agreement, and to provide detailed guidelines for determining the outstanding balance to be used as the basis for computing yield maintenance income.

For the years ended 31 December 2002 and 2001, the yield maintenance income recognised by the Bank and its subsidiaries and the amounts already examined by the FIDF can be summarised as follows :-

	Consolidated		The Bank only	
	2002	2001	2002	2001
Yield maintenance income receivables- beginning of the year	5,871	-	5,898	-
Yield maintenance income recognised during the year				
- Recognised as income by the Bank during the year	3,788	5,898	3,788	5,898
- Recognised as income by the subsidiaries during the year	1	1	-	-
- Recognised as expense by the subsidiaries during the year	(9)	(28)	-	-
Net yield maintenance income realised during the year	3,780	5,871	3,788	5,898
Less : Yield maintenance income, which had been examined and received	(4,909)	-	(4,950)	-
<b>Yield maintenance income receivables - end of the year</b>	<b>4,742</b>	<b>5,871</b>	<b>4,736</b>	<b>5,898</b>

As at 31 December 2002, the balance of yield maintenance income receivable is as detailed below :-

(Unit: Million Baht)

	Consolidated	The Bank only
Yield maintenance income for the period from 1 July to 31 December 2002 not yet examined by the FIDF (including yield maintenance income amounting to approximately Baht 1,432 million of which final resolution is still under negotiation)	1,965	1,967
Yield maintenance income for prior periods has yet to be examined (mainly consists of overdrafts and credit card receivables, for which additional documentation for examination is in the process of being prepared)	552	552
Yield maintenance income for prior periods, which are in the process of negotiations for final resolution with the FIDF		
- loans being transferred to TAMC	2,128	2,128
- others	97	89
<b>Total yield maintenance income receivables as at 31 December 2002</b>	<b>4,742</b>	<b>4,736</b>

Although, the actual amount of yield maintenance income will depend on the results of examination by the FIDF, the amendments made to the conditions stipulated in the Gain/Loss Sharing and Yield Maintenance Agreements and the negotiation to resolve outstanding matters, the Bank's management believes that the actual amount to be received will not significantly differ from that recorded as income by the Bank.

## 6. Agreement to Transfer of Non-performing Loans to TAMC

On 12 October 2001, the Bank entered into an agreement to transfer non-performing loans to Thai Asset Management Corporation ("TAMC") in accordance with the Emergency Decree establishing TAMC. As at 31 December 2002, the total booked value of non-performing loans transferred to TAMC was Baht 95,220 million with the transfer prices, based on the appraisal value of the collateral underlying such non-performing loans, totaling Baht 23,958 million. The losses of approximately Baht 71,262 million from the transfer comprised loss of approximately Baht 59,378 million from the transfer of non-performing loans in the CAP, presented as an asset under the caption of "Receivables from the Financial and Institutions Development Fund under Gain/Loss Sharing and Yield Maintenance Agreement" in the balance sheets, and losses of approximately Baht 11,884 million from the transfer of non-performing loans not in Cover Asset Pool (NON CAP), which will not be compensated were recorded as a deduction against the allowance for doubtful.

As at 31 December 2002, non-performing loans transferred to TAMC can be classified as follows :-

(Unit : Million Baht)

Loans transferred to TAMC	Booked value	Transfer Price	Losses from transfer of loans	Accounting for losses from transfer
CAP	79,750	20,372	59,378	Suspended as receivables from the FIDF awaiting compensation
NON CAP	15,470	3,586	11,884	Reduction of allowance for doubtful accounts
<b>Total</b>	<b>95,220</b>	<b>23,958</b>	<b>71,262</b>	

The Bank will receive payment in the form of non-transferable, 10-year promissory notes, availed by the FIDF and bearing interest at the average deposit rate of the 5 major banks. Interest is payable annually. TAMC will pay interest by issuing non-transferable promissory notes maturing within one year from the issue date, and it will reserve the right to roll-over such notes as it considers appropriate. As at 31 December 2002, the Bank had received promissory notes from TAMC totaling Baht 10,065 million in payment for transferred non-performing loans which already been examined. The remaining Baht 13,893 million is pending examination and confirmation by TAMC. The total amount of Baht 23,958 million was presented as long-term investments in debt securities, to accord with the substance of the notes to be received. During 2002 and 2001, the Bank recognised interest income totaling of Baht 427 million and Baht 84 million, respectively from TAMC promissory notes as interest income from investments.

Under the agreement to transfer non-performing loans to TAMC, the Bank also has joint responsibility with TAMC for a share of the gains and losses arising from TAMC's management of the non-performing loans, to be allocated at the end of the fifth and tenth years, commencing from 1 July 2001. In case of losses, the Bank is liable for all initial losses up to 20 percent of the transfer price. Further losses of up to another 20 percent of the transfer price are to be shared equally between the Bank and TAMC, while TAMC is liable for all remaining losses. According to the agreement, expenses of TAMC and the interest expenses of promissory notes issued by TAMC will be included in the calculation of

the gain/loss sharing. In case of gains, initial profits of up to 20 percent of the transfer price are to be shared equally between the Bank and TAMC. Further gains, when combined with the initial portion do not exceed the difference between the book value of the transferred non-performing assets and their transfer price, belong to the Bank. All remaining gains will belong to TAMC.

As at 31 December 2002, the amount of such gains/losses cannot be estimated, and the Bank has therefore not provided for any gains/losses that may occur as a result of the above obligations in its accounts.

## 7. Interbank and Money Market Items (Assets)

(Unit: Million Baht)

	Consolidated					
	31 December 2002			31 December 2001		
	At call	Term	Total	At call	Term	Total
<b>Domestic :-</b>						
Bank of Thailand and the Financial Institutions Development Fund	1,988	-	1,988	1,806	-	1,806
Commercial banks	99	4,352	4,451	172	3,846	4,018
Other banks	607	50	657	2	-	2
Finance, finance and securities, securities, and credit foncier companies	173	3,529	3,702	486	5,717	6,203
Other financial institutions	533	32	565	25	18	43
<b>Total domestic items</b>	<b>3,400</b>	<b>7,963</b>	<b>11,363</b>	<b>2,491</b>	<b>9,581</b>	<b>12,072</b>
Add : Accrued interest receivables	-	59	59	1	64	65
Less : Allowance for doubtful debts	-	(20)	(20)	-	(20)	(20)
<b>Domestic items - net</b>	<b>3,400</b>	<b>8,002</b>	<b>11,402</b>	<b>2,492</b>	<b>9,625</b>	<b>12,117</b>
<b>Foreign :-</b>						
US dollar	135	1,232	1,367	118	2,078	2,196
Yen	10	-	10	11	-	11
Other currencies	145	179	324	143	-	143
<b>Total foreign items</b>	<b>290</b>	<b>1,411</b>	<b>1,701</b>	<b>272</b>	<b>2,078</b>	<b>2,350</b>
Add : Accrued interest receivables	-	8	8	-	13	13
Less : Allowance for doubtful debts	-	-	-	-	-	-
<b>Foreign items - net</b>	<b>290</b>	<b>1,419</b>	<b>1,709</b>	<b>272</b>	<b>2,091</b>	<b>2,363</b>
<b>Domestic and foreign items - net</b>	<b>3,690</b>	<b>9,421</b>	<b>13,111</b>	<b>2,764</b>	<b>11,716</b>	<b>14,480</b>

(Unit: Million Baht)

	The Bank only					
	31 December 2002			31 December 2001		
	At call	Term	Total	At call	Term	Total
<b>Domestic :-</b>						
Bank of Thailand and the Financial Institutions Development Fund	1,988	-	1,988	1,806	-	1,806
Commercial banks	37	4,061	4,098	50	3,608	3,658
Other banks	603	-	603	2	-	2
Finance, finance and securities, securities, and credit foncier companies	173	4,774	4,947	486	5,702	6,188
Other financial institutions	533	32	565	26	-	26
<b>Total domestic items</b>	<b>3,334</b>	<b>8,867</b>	<b>12,201</b>	<b>2,370</b>	<b>9,310</b>	<b>11,680</b>
Add : Accrued interest receivables	-	65	65	-	62	62
Less : Allowance for doubtful debts	-	(20)	(20)	-	(20)	(20)
<b>Domestic items - net</b>	<b>3,334</b>	<b>8,912</b>	<b>12,246</b>	<b>2,370</b>	<b>9,352</b>	<b>11,722</b>
<b>Foreign :-</b>						
US dollar	135	1,232	1,367	117	2,078	2,195
Yen	10	-	10	11	-	11
Other currencies	145	179	324	143	-	143
<b>Total foreign items</b>	<b>290</b>	<b>1,411</b>	<b>1,701</b>	<b>271</b>	<b>2,078</b>	<b>2,349</b>
Add : Accrued interest receivables	-	8	8	-	13	13
Less : Allowance for doubtful debts	-	-	-	-	-	-
<b>Foreign items - net</b>	<b>290</b>	<b>1,419</b>	<b>1,709</b>	<b>271</b>	<b>2,091</b>	<b>2,362</b>
<b>Domestic and foreign items - net</b>	<b>3,624</b>	<b>10,331</b>	<b>13,955</b>	<b>2,641</b>	<b>11,443</b>	<b>14,084</b>

## 8. Securities Purchased Under Resale Agreements

(Unit: Million Baht)

	Consolidated 31 December		The Bank only 31 December	
	2002	2001	2002	2001
Government bonds and Bank of Thailand bonds	11,505	10,100	10,985	10,100
Bonds issued by the Financial Institutions Development Fund	9,133	-	8,833	-
State enterprise bonds	3,782	110	3,782	-
<b>Total securities purchased under resale agreements</b>	<b>24,420</b>	<b>10,210</b>	<b>23,600</b>	<b>10,100</b>

## 9. Investments

Investments, which will not be compensated for under the Gain/Loss Sharing and Yield Maintenance Agreement, are presented in the manners discussed in the accounting policies, whilst investments included in the Covered Asset Pool under such agreement are presented at the book value, transferred at as a result of a merger. The Bank and its subsidiaries do not revalue their investments under CAP to be stated at fair value as the management expects to recoup the whole amount at the end of the above agreement.

As at 31 December 2002 and 2001, investments can be classified into investments under the Covered Asset Pool ("CAP") and those not under the Covered Asset Pool ("NON CAP") as summarised below :-

(Unit: Million Baht)

	Consolidated				The Bank only			
	31 December 2002		31 December 2001		31 December 2002		31 December 2001	
	CAP	NON CAP	CAP	NON CAP	CAP	NON CAP	CAP	NON CAP
Cost	4,154	31,878	4,811	36,379	4,339	32,822	5,000	37,184
Less : Allowance for revaluation	(1,005)	(268)	(1,215)	(249)	(1,005)	(286)	(1,215)	(239)
Less: Allowance for impairment	(674)	(439)	(1,229)	(305)	(674)	(428)	(1,229)	(294)
<b>Book value</b>	<b>2,475</b>	<b>31,171</b>	<b>2,367</b>	<b>35,825</b>	<b>2,660</b>	<b>32,108</b>	<b>2,556</b>	<b>36,651</b>

### 9.1 Classified by types of investment

(Unit: Million Baht)

	Consolidated							
	31 December 2002				31 December 2001			
	Cost / Amortised cost		Fair value		Cost / Amortised cost		Fair value	
	CAP	NON CAP	CAP	NON CAP	CAP	NON CAP	CAP	NON CAP
<b>Short-term investments :-</b>								
<b>Securities held for trading</b>								
Government and state enterprises securities	-	778	-	779	-	-	-	-
Domestic marketable equity securities	-	169	-	185	-	302	-	290
<b>Total</b>	-	<b>947</b>	-	<b>964</b>	-	<b>302</b>	-	<b>290</b>
Add (Less) : Allowance for revaluation	-	17	-	-	-	(12)	-	-
<b>Securities held for trading - net</b>	-	<b>964</b>	-	<b>964</b>	-	<b>290</b>	-	<b>290</b>
<b>Available-for-sale securities</b>								
Government and state enterprises securities	-	2,984	-	2,984	-	4,275	-	4,291
Private sector debt securities	347	280	-	251	313	118	-	89
Overseas debt securities	-	175	-	175	-	-	-	-
<b>Total</b>	<b>347</b>	<b>3,439</b>	-	<b>3,410</b>	<b>313</b>	<b>4,393</b>	-	<b>4,380</b>
Add (Less) : Allowance for revaluation	-	(6)	-	-	-	10	-	-
Less : Allowance for impairment	(27)	(23)	-	-	(27)	(23)	-	-
<b>Available-for-sale securities - net</b>	<b>320</b>	<b>3,410</b>	-	<b>3,410</b>	<b>286</b>	<b>4,380</b>	-	<b>4,380</b>
<b>Held-to-maturity debt securities</b>								
Government and state enterprises securities	-	100	-	101	-	970	-	984
Private sector debt securities	-	-	-	-	-	10	-	10
<b>Total held-to-maturity debt securities</b>	-	<b>100</b>	-	<b>101</b>	-	<b>980</b>	-	<b>994</b>
<b>Short - term investments - net</b>	<b>320</b>	<b>4,474</b>	-	<b>4,475</b>	<b>286</b>	<b>5,650</b>	-	<b>5,664</b>

## Consolidated

	31 December 2002				31 December 2001			
	Cost / Amortised cost		Fair value		Cost / Amortised cost		Fair value	
	CAP	NON CAP	CAP	NON CAP	CAP	NON CAP	CAP	NON CAP
<b>Long - term investments :</b>								
<b>Available-for-sale securities</b>								
Government and state enterprises securities	-	262	-	271	-	30	-	31
Private sector debt securities	114	45	-	25	348	214	167	199
Overseas debt securities	-	978	-	979	-	-	-	-
Domestic marketable equity securities	1,798	687	1,063	418	1,803	1,028	628	794
Others	-	-	-	-	-	20	-	21
<b>Total</b>	<b>1,912</b>	<b>1,972</b>	<b>1,063</b>	<b>1,693</b>	<b>2,151</b>	<b>1,292</b>	<b>795</b>	<b>1,045</b>
Less : Allowance for revaluation	(1,005)	(279)	-	-	(1,215)	(247)	-	-
Less : Allowance for impairment	-	-	-	-	(90)	-	-	-
<b>Available-for-sale securities - net</b>	<b>907</b>	<b>1,693</b>	<b>1,063</b>	<b>1,693</b>	<b>846</b>	<b>1,045</b>	<b>795</b>	<b>1,045</b>
<b>Held-to-maturity debt securities</b>								
Government and state enterprises securities	-	24,062	-	24,070	-	28,479	-	29,086
Private sector debt securities	-	31	-	32	-	30	-	30
<b>Total</b>	<b>-</b>	<b>24,093</b>	<b>-</b>	<b>24,102</b>	<b>-</b>	<b>28,509</b>	<b>-</b>	<b>29,116</b>
Less : Allowance for impairment	-	-	-	-	-	-	-	-
<b>Held-to-maturity debt securities - net</b>	<b>-</b>	<b>24,093</b>	<b>-</b>	<b>24,102</b>	<b>-</b>	<b>28,509</b>	<b>-</b>	<b>29,116</b>
<b>General investment</b>								
Private sector debt securities	-	243	-	-	-	-	-	-
Domestic marketable equity securities	-	11	-	-	-	-	-	-
Domestic non-marketable equity securities	1,821	970	-	-	1,563	434	-	-
Overseas non-marketable equity securities	-	8	-	-	-	8	-	-
Investments in receivables	13	2	-	-	16	151	-	-
<b>Total</b>	<b>1,834</b>	<b>1,235</b>	<b>-</b>	<b>-</b>	<b>1,579</b>	<b>593</b>	<b>-</b>	<b>-</b>
Less : Allowance for impairment	(645)	(323)	-	-	(773)	(149)	-	-
<b>Other investment - net</b>	<b>1,189</b>	<b>911</b>	<b>-</b>	<b>-</b>	<b>806</b>	<b>444</b>	<b>-</b>	<b>-</b>
<b>Long - term investments - net</b>	<b>2,096</b>	<b>26,697</b>	<b>-</b>	<b>-</b>	<b>1,652</b>	<b>29,998</b>	<b>-</b>	<b>-</b>

## The Bank Only

	31 December 2002				31 December 2001			
	Cost / Amortised cost		Fair value		Cost / Amortised cost		Fair value	
	CAP	NON CAP	CAP	NON CAP	CAP	NON CAP	CAP	NON CAP
<b>Short-term investments :</b>								
Securities held for trading								
Government and state enterprise securities	-	778	-	779	-	-	-	-
<b>Total</b>	<b>-</b>	<b>778</b>	<b>-</b>	<b>779</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Add : Allowance for revaluation	-	1	-	-	-	-	-	-
<b>Securities held for trading - net</b>	<b>-</b>	<b>779</b>	<b>-</b>	<b>779</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Available-for-sale securities</b>								
Government and state enterprises securities	-	2,984	-	2,984	-	4,125	-	4,141
Private sector debt securities	347	280	-	251	313	84	-	55
Overseas debt securities	-	175	-	175	-	-	-	-
<b>Total</b>	<b>347</b>	<b>3,439</b>	<b>-</b>	<b>3,410</b>	<b>313</b>	<b>4,209</b>	<b>-</b>	<b>4,196</b>
Add (Less) : Allowance for revaluation	-	(6)	-	-	-	10	-	-
Less : Allowance for impairment	(27)	(23)	-	-	(27)	(23)	-	-
<b>Available-for-sale securities - net</b>	<b>320</b>	<b>3,410</b>	<b>-</b>	<b>3,410</b>	<b>286</b>	<b>4,196</b>	<b>-</b>	<b>4,196</b>

	The Bank Only									
	31 December 2002					31 December 2001				
	Cost / Amortised cost		Fair value		Cost / Amortised cost		Fair value			
	CAP	NON CAP	CAP	NON CAP	CAP	NON CAP	CAP	NON CAP		
<b>Held-to-maturity debt securities</b>										
Government and state enterprises securities	-	100	-	101	-	649	-	660		
Private sector debt securities	-	-	-	-	-	-	-	-		
Total	-	100	-	101	-	649	-	660		
Less : Allowance for impairment	-	-	-	-	-	-	-	-		
Held-to-maturity debt securities - net	-	100	-	101	-	649	-	660		
<b>Short-term investments - net</b>	320	4,289	-	4,290	286	4,845	-	4,856		
<b>Long - term investments :</b>										
<b>Available-for-sales securities</b>										
Government and state enterprises securities	-	223	-	232	-	10	-	11		
Private sector debt securities	114	45	-	25	348	59	167	43		
Overseas debt securities	-	978	-	979	-	-	-	-		
Domestic marketable equity securities	1,798	667	1,063	396	1,803	1,028	628	794		
Total	1,912	1,913	1,063	1,632	2,151	1,097	795	848		
Add : Allowance for revaluation	(1,005)	(281)	-	-	(1,215)	(249)	-	-		
Less : Allowance for impairment	-	-	-	-	(90)	-	-	-		
Available-for-sale securities - net	907	1,632	1,063	1,632	846	848	795	848		
<b>Held-to-maturity debt securities</b>										
Government and state enterprises securities	-	24,008	-	24,013	-	28,439	-	29,046		
Private sector debt securities	-	-	-	-	-	-	-	-		
Total	-	24,008	-	24,013	-	28,439	-	29,046		
Less : Allowance for impairment	-	-	-	-	-	-	-	-		
Held-to-maturity debt securities - net	-	24,008	-	24,013	-	28,439	-	29,046		
<b>General investment</b>										
Private sector debt securities	-	243	-	-	-	-	-	-		
Domestic marketable equity securities	-	11	-	-	-	-	-	-		
Domestic non-marketable equity securities	1,821	959	-	-	1,563	422	-	-		
Overseas non-marketable equity securities	-	8	-	-	-	8	-	-		
Investments in receivables	13	2	-	-	16	151	-	-		
Total	1,834	1,223	-	-	1,579	581	-	-		
Less : Allowance for impairment	(645)	(312)	-	-	(773)	(138)	-	-		
Other investment - net	1,189	911	-	-	806	443	-	-		
<b>Long-term investments - net</b>	2,096	26,551	-	-	1,652	29,730	-	-		

As at 31 December 2002, held-to-maturity debt securities classified as long-term investments included promissory notes of Baht 23,958 million (2001: Baht 21,878 million) which were received or are to be received from TAMC in settlement for non-performing loans transferred to TAMC. To date the Bank has received only partial settlement because it is in the process of examining the transfer price to be settled by TAMC. As at 31 December 2002, the Bank had received promissory notes totaling approximately Baht 10,065 million from TAMC. Such promissory notes are non-transferable and availed by the Financial Institutions Development Fund.

During 2002 and 2001, the Bank has the following significant transactions regarding investments :-

(a) On 25 September 2002 (subsequent to the Bank being granted a license for debt securities trading), the Bank transferred debt securities with fair value and book value on the transfer date amounting to approximately Baht 7,478 million and Baht 6,941 million, respectively, from the held-to-maturity portfolio to the trading portfolio. The difference of approximately Baht 537 million was included in determining earnings for the year. Subsequent to the transfer date, the Bank has disposed of most of such investments.

(b) On 30 September 2002, the Bank sold investment in marketable equity securities held as available-for-sale securities to BT Securities Company Limited, a subsidiary, at their fair value on the transfer date of Baht 173 million. The gain on the sale was included in determining earnings for the year. Subsequent to the transfer date till February 2003, the subsidiary has disposed of most of such investments.

(c) In late 2002, the Bank reviewed the valuation of its investments in debt securities of which restructuring was finalised during the current year. Such investments were valued at zero since their impairment had been fully provided for in the past. Under the restructuring plan, such securities are convertible to ordinary shares of a company listed on the Stock Exchange of Thailand and the market price of the securities became available for reference. The Bank therefore recorded an additional value of investment by reversing Baht 243 million allowance for loss on impairment of the investments to income totaling for the year, on the basis of the fair value of such securities.

On 26 December 2002, the Bank sold these debt securities, of which the book value, after reversal of allowance for loss on impairment amounted to approximately Baht 123 million, to a securities company for approximately Baht 50 million. Subsequently on 3 January 2003, those securities were bought back from such securities company at the same price by BT Securities Company Limited, a subsidiary of the Bank. The loss on the sales of such investment was eliminated from the consolidated financial statements and the separate financial statements under the equity accounting method because of such buyback.

(d) On 31 March 2001, the Bank transferred certain debt securities with fair value and book value at the transfer date amounting to approximately Baht 1,291 million and Baht 1,237 million, respectively from the held-to-maturity portfolio to the available-for-sale portfolio. Difference of approximately Baht 54 million was presented under shareholders' equity.

## 9.2 Classified by the remaining period to maturity of the debt securities

(Unit: Million Baht)

	31 December 2002				31 December 2001			
	1 year*	1-5 years	Over 5 years	Total	1 year*	1-5 years	Over 5 years	Total
<b>Consolidated</b>								
<b>Available-for-sale securities</b>								
Government and state enterprises securities	2,984	60	202	3,246	4,275	30	-	4,305
Private sector debt securities	627	103	56	786	431	439	123	993
Overseas debt securities	175	552	426	1,153	-	-	-	-
<b>Total</b>	<b>3,786</b>	<b>715</b>	<b>684</b>	<b>5,185</b>	<b>4,706</b>	<b>469</b>	<b>123</b>	<b>5,298</b>
Add (less) : Allowance for revaluation	(6)	2	(12)	(16)	10	3	(16)	(3)
Less : Allowance for impairment	(50)	-	-	(50)	(50)	(90)	-	(140)
<b>Total</b>	<b>3,730</b>	<b>717</b>	<b>672</b>	<b>5,119</b>	<b>4,666</b>	<b>382</b>	<b>107</b>	<b>5,155</b>
<b>Held-to-maturity securities</b>								
Government and state enterprises securities	100	104	23,958	24,162	970	6,600	21,879	29,449
Private sector debt securities	-	31	-	31	10	30	-	40
<b>Total</b>	<b>100</b>	<b>135</b>	<b>23,958</b>	<b>24,193</b>	<b>980</b>	<b>6,630</b>	<b>21,879</b>	<b>29,489</b>
<b>General investment</b>								
Private sector debt securities	243	-	-	243	-	-	-	-
<b>Total debt securities</b>	<b>4,073</b>	<b>852</b>	<b>24,630</b>	<b>29,555</b>	<b>5,646</b>	<b>7,012</b>	<b>21,986</b>	<b>34,644</b>
* Include defaulted debt securities	563	-	-	563	286	-	-	286

(Unit: Million Baht)

	31 December 2002				31 December 2001			
	1 year*	1-5 years	Over 5 years	Total	1 year*	1-5 years	Over 5 years	Total
<b>The Bank only</b>								
<b>Available-for-sales securities</b>								
Government and state enterprises securities	2,984	21	202	3,207	4,125	10	-	4,135
Private sector debt securities	627	103	56	786	397	284	123	804
Overseas debt securities	175	552	426	1,153	-	-	-	-
<b>Total</b>	<b>3,786</b>	<b>676</b>	<b>684</b>	<b>5,146</b>	<b>4,522</b>	<b>294</b>	<b>123</b>	<b>4,939</b>
Add (less) : Allowance for revaluation	(6)	2	(12)	(16)	10	1	(16)	(5)
Less : Allowance for impairment	(50)	-	-	(50)	(50)	(91)	-	(141)
<b>Total</b>	<b>3,730</b>	<b>678</b>	<b>672</b>	<b>5,080</b>	<b>4,482</b>	<b>204</b>	<b>107</b>	<b>4,793</b>
<b>Held-to-maturity securities</b>								
Government and state enterprises securities	100	50	23,958	24,108	649	6,560	21,879	29,088
Private sector debt securities	-	-	-	-	-	-	-	-
<b>Total</b>	<b>100</b>	<b>50</b>	<b>23,958</b>	<b>24,108</b>	<b>649</b>	<b>6,560</b>	<b>21,879</b>	<b>29,088</b>

	The Bank only							
	31 December 2002				31 December 2001			
	1 year*	1-5 years	Over 5 years	Total	1 year*	1-5 years	Over 5 years	Total
<b>General Investment</b>								
Private sector debt securities	243	-	-	243	-	-	-	-
<b>Total debt securities</b>	<b>4,073</b>	<b>728</b>	<b>24,630</b>	<b>29,431</b>	<b>5,131</b>	<b>6,764</b>	<b>21,986</b>	<b>33,881</b>
* Include defaulted debt securities	563	-	-	563	286	-	-	286

### 9.3 Equity securities classified by types of industry

The following are equity securities, classified by types of industry, in which the Bank and its subsidiaries hold more than 10% of the paid-up share capital of the investee companies but those companies were not classified as subsidiaries and associated companies :-

	Consolidated and The Bank only	
	31 December 2002	31 December 2001
Manufacturing	46	24
Commercial business	4	4
Property development	404	128
Public utilities and services	69	-
Banking and finance businesses	201	70
Others	37	39
<b>Total</b>	<b>761</b>	<b>265</b>
Less : Allowance for revaluation	(142)	-
Allowance for impairment	(398)	(182)
<b>Net</b>	<b>221</b>	<b>83</b>

### 9.4 Investments in companies having problems relating to financial position and operating results

As at 31 December 2002 and 2001, the Bank and its subsidiaries have the following investments in companies, which have problems relating to financial positions and operating results :-

	Consolidated									
	31 December 2002					31 December 2001				
	Number of companies	Cost	Allowance for revaluation and impairment	Book value	Fair value	Number of companies	Cost	Allowance for revaluation and impairment	Book value	Fair value
<b>Investments under Covered Asset Pool (CAP)</b>										
Listed companies under delisting conditions	11	155	(11)	144	317	4	17	(13)	4	4
Companies with problems regarding business continuity or weak financial status and operating performance	73	920	(255)	665		64	1,354	(592)	762	
Defaulted debt securities	13	347	(27)	320		8	313	(27)	286	
<b>Investments under Non Covered Asset Pool (NON CAP)</b>										
Closed financial institutions	6	11	(11)	-		6	11	(11)	-	
Listed companies under delisting conditions	13	352	(180)	172	172	8	402	(225)	177	177
Companies with problems regarding business continuity or weak financial status and operating performance	88	516	(398)	118		60	256	(220)	36	
Defaulted debt securities	32	273	(30)	243		4	29	(29)	-	

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	31 December 2002					31 December 2001				
	Number of companies	Cost	Allowance for revaluation and impairment	Book value	Fair value	Number of companies	Cost	Allowance for revaluation and impairment	Book value	Fair value
<b>Investments under Covered Asset Pool (CAP)</b>										
Listed companies under delisting conditions	11	155	(11)	144	317	4	17	(13)	4	4
Companies having problems regarding to business continuity or weak financial status and operating performance	73	920	(256)	664		64	1,354	(592)	762	
Defaulted debt securities	13	347	(27)	320		8	313	(27)	286	
<b>Investments under Non Covered Asset Pool (NON CAP)</b>										
Listed companies under delisting conditions	12	347	(180)	167	167	8	402	(225)	177	177
Companies having problems regarding to business continuity or weak financial status and operating performance	85	516	(398)	118		59	255	(220)	35	
Defaulted debt securities	32	273	(30)	243		4	29	(29)	-	

## 9.5 Investment in subsidiaries and associated companies

As at 31 December 2002 and 2001 the Bank and its subsidiaries have investments in ordinary shares of subsidiaries and associated companies as summarised below :-

Company name	Nature of business	Paid-up share capital		Percentage of holding		Investment value				Dividend received for the year ended	
		31 December		31 December		Cost method		Equity method		31 December	
		2002	2001	2002	2001	2002	2001	2002	2001	2002	2001
		Million Baht	Million Baht	%	%	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
<b>Subsidiaries - not included in consolidated financial statements</b>											
Dhana Siam Securities Co., Ltd.	Securities	-	375	-	100	-	705	-	705	448	-
Nava Factoring Co., Ltd.	Services	100	100	90	90	93	93	93	93	-	-
Vajira Securities Co., Ltd.	Securities	-	300	-	100	-	-	-	-	-	-
P.C. Pattanasub Co., Ltd.	Commerce	1	1	100	100	1	1	1	1	-	-
R.S. Sahakij Co., Ltd.	Commerce	-	1	-	100	-	1	-	1	-	-
S.S. Subtavee Co., Ltd.	Commerce	-	1	-	100	-	1	-	1	-	-
L.K. Business Co., Ltd.	Commerce	-	1	-	100	-	1	-	1	-	-
<b>Associated companies</b>											
Nava Leasing Plc.	Leasing	-	500	-	23	-	223	-	176	5	133
Garden City Lagoon Club Co., Ltd.	Real estate	-	300	-	25	-	40	-	40	-	-
Worldclass Rent a Car Co., Ltd.	Car rental	100	100	20	20	60	60	60	60	-	-
Total						154	1,125	154	1,078	453	133
Less : Allowance for impairment						(95)	(472)	(95)	(472)		
<b>Investment in subsidiaries and associated companies - net</b>						<b>59</b>	<b>653</b>	<b>59</b>	<b>606</b>		

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Company name	Nature of business	Paid-up share capital		Percentage of holding		Investment value				Dividend received for the year ended	
		31 December		31 December		Cost method		Equity method		31 December	
		2002	2001	2002	2001	2002	2001	2002	2001	2002	2001
		Million Baht	Million Baht	%	%	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
<b>Subsidiaries - included in consolidated financial statements</b>											
BT Insurance Co., Ltd	Non-life insurance	300	300	100	100	504	504	174	179	-	-
BT Securities Co., Ltd.	Securities	1,200	-	100	-	1,174	-	1,244	-	-	-
Krunghthai Thanakit Finance Plc.	Finance	2,003	10,770	99	99	1,448	1,448	2,080	1,897	-	-

Company name	Nature of business	Paid-up share capital		Percentage of holding		Investment value				Dividend received for the year ended	
		31 December		31 December		Cost method		Equity method		31 December	
		2002	2001	2002	2001	31 December		31 December		2002	2001
		Million Baht	Million Baht	%	%	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
BT Consultant Co., Ltd.	Consultant	13	13	100	100	13	13	9	12	-	-
BT Leasing Co., Ltd.	Leasing/ hire purchase	200	200	100	100	200	200	19	-	-	-
<b>Subsidiaries - not included in consolidated financial statements</b>											
Dhana Siam Securities Co., Ltd.	Securities	-	375	-	100	-	705	-	705	448	-
Nava Factoring Co., Ltd.	Services	100	100	90	90	93	93	93	93	-	-
Vajira Securities Co., Ltd.	Securities	-	300	-	100	-	-	-	-	-	-
P.C. Pattanasub Co., Ltd.	Commerce	1	1	100	100	1	1	1	1	-	-
R.S. Sahakij Co., Ltd.	Commerce	-	1	-	100	-	1	-	1	-	-
S.S. Subtavee Co., Ltd.	Commerce	-	1	-	100	-	1	-	1	-	-
L.K. Business Co., Ltd.	Commerce	-	1	-	100	-	1	-	1	-	-
<b>Associated companies</b>											
Nava Leasing Plc.	Leasing	-	500	-	23	-	223	-	176	5	133
Garden City Lagoon Club Co., Ltd.	Real estate	-	300	-	25	-	40	-	40	-	-
Worldclass Rent a Car Co., Ltd.	Car rental	100	100	20	20	60	60	60	60	-	-
Total						3,493	3,290	3,680	3,166	453	133
Less: Allowance for impairment						(95)	(472)	(95)	(472)		
Investment in subsidiaries and associated companies						3,398	2,818	3,585	2,694		
Less : Shares of the Bank held by its subsidiaries								(2,073)	-		
<b>Investment in subsidiaries and associated companies - net</b>								1,512	2,694		

During 2002, the Bank purchased all shares of BT securities Company Limited from Krungthai Thanakit Finance Public Company Limited with the purchase price of Baht 1,174 million (119,999,993 shares at purchase price of Baht 9.79 per share). The purchase price was calculated based on a book value of such company.

During 2002, the Bank disposed the following investments in subsidiaries and associated companies :-

(a) The Bank sold its investments in Garden City Lagoon Club Company Limited to a company for a price of approximately Baht 12 million. The gain on the sale of the investment in the same amount was included in determining earnings for the year.

(b) The Bank sold investments in two subsidiaries, Dhana Siam Securities Company Limited and Vajira Securities Company Limited, which were included in assets under the Gain/Loss Sharing and Yield Maintenance Agreement to other parties for a price totaling approximately Baht 620 million. The a gain of approximately Baht 250 million on the sale of those investments was recorded as "Receivables from the Financial Institutions and Development Fund under Gain/Loss Sharing and Yield Maintenance Agreement" to await gain/loss sharing at the end of such agreement.

(c) The Bank sold certain shares in Nava Leasing Public Company Limited at market value, causing its holding in such company to be reduced to 19.98 percent. The Bank therefore transferred its remaining investment in such company to available-for-sale securities.

(d) The Bank has also written off investments in 3 subsidiaries, which had been fully provided for in the accounts, since the court has already declared those companies bankrupt under the Bankruptcy Act.

In 2002 the Bank did not record investments in 2 subsidiaries and 1 associated company (2001 : 7 subsidiaries and 2 associated companies) under the equity method as the Bank intends to hold those investments temporarily and/or such companies are in the process of being liquidated. However, the Bank has already provided for the impairment of such investments.

## 10. Loans and Accrued Interest Receivables

As at 31 December 2002 and 2001, loans and accrued interest receivables can be categorised as assets under the Covered Asset Pool ("CAP") and those not under the Covered Asset Pool ("NON CAP") as summarised below :-

(Unit: Million Baht)

	Consolidated					
	31 December 2002			31 December 2001		
	CAP	NON CAP	Total	CAP	NON CAP	Total
Loans	80,300	53,881	134,181	92,561	48,293	140,854
Accrued interest receivables	6,206	1,194	7,400	7,311	853	8,164
Total loans and accrued interest receivables	86,506	55,075	141,581	99,872	49,146	149,018
Less : Allowance for doubtful debts	(18,726)	(6,375)	(25,101)	(18,751)	(1,255)	(20,006)
Revaluation allowance for debt restructuring	-	(680)	(680)	-	(987)	(987)
<b>Net book value</b>	<b>67,780</b>	<b>48,020</b>	<b>115,800</b>	<b>81,121</b>	<b>46,904</b>	<b>128,025</b>

(Unit: Million Baht)

	The Bank only					
	31 December 2002			31 December 2001		
	CAP	NON CAP	Total	CAP	NON CAP	Total
Loans	77,830	53,563	131,393	90,027	47,827	137,854
Accrued interest receivables	6,110	1,178	7,288	7,212	836	8,048
Total loans and accrued interest receivables	83,940	54,741	138,681	97,239	48,663	145,902
Less : Allowance for doubtful debts	(16,491)	(6,087)	(22,578)	(16,488)	(978)	(17,466)
Revaluation allowance for debt restructuring	-	(661)	(661)	-	(959)	(959)
<b>Net book value</b>	<b>67,449</b>	<b>47,993</b>	<b>115,442</b>	<b>80,751</b>	<b>46,726</b>	<b>127,477</b>

## 10.1 Classified by loan type

(Unit: Million Baht)

	Consolidated				The Bank only	
	31 December		31 December		31 December	
	2002	2001	2002	2001	2002	2001
Bank overdrafts	6,433	9,755	6,440	9,761		
Loans	95,461	89,368	92,573	86,181		
Bills	31,080	39,738	31,173	39,919		
Others	1,207	1,993	1,207	1,993		
Total loans	134,181	140,854	131,393	137,854		
Add : Accrued interest receivables	7,400	8,164	7,288	8,048		
Total loans and accrued interest receivables	141,581	149,018	138,681	145,902		
Less : Allowance for doubtful debts	(25,101)	(20,006)	(22,578)	(17,466)		
Less : Revaluation allowance for debt restructuring	(680)	(987)	(661)	(959)		
<b>Loans and accrued interest receivables - net</b>	<b>115,800</b>	<b>128,025</b>	<b>115,442</b>	<b>127,477</b>		

During 2002, the Bank write-back loans classified as doubtful loss totaling approximately Baht 5,134 million (consisting of loan principal of approximately Baht 4,669 million and accrued interest receivables of approximately Baht 465 million), which had been fully provided for and written off from the accounts in previous years, and allowance for doubtful accounts in the same amount. The write-back was made in accordance with the Notification of the Bank of Thailand regarding worthless or irrecoverable assets and doubtful assets that may be worthless or irrecoverable, dated 18 February 2002.

## 10.2 Classified by remaining period of contract

(Unit: Million Baht)

	Consolidated				The Bank only	
	31 December		31 December		31 December	
	2002	2001	2002	2001	2002	2001
Not over 1 year*	68,215	77,384	65,315	74,294		
Over 1 year	73,366	71,634	73,366	71,608		
<b>Total loans and accrued interest receivables</b>	<b>141,581</b>	<b>149,018</b>	<b>138,681</b>	<b>145,902</b>		

\* Includes loans for which the debtors have been unable to comply with the agreement and of which the Bank has the right to demand payment at call.

### 10.3 Classified by currency and residency of debtors

(Unit : Million Baht)

	Consolidated					
	31 December 2002			31 December 2001		
	Domestic	Overseas	Total	Domestic	Overseas	Total
Baht	140,575	-	140,575	148,482	-	148,482
US dollar	783	202	985	327	206	533
Other currencies	21	-	21	3	-	3
<b>Total loans and accrued interest receivables</b>	<b>141,379</b>	<b>202</b>	<b>141,581</b>	<b>148,812</b>	<b>206</b>	<b>149,018</b>

(Unit : Million Baht)

	The Bank only					
	31 December 2002			31 December 2001		
	Domestic	Overseas	Total	Domestic	Overseas	Total
Baht	137,675	-	137,675	145,365	-	145,365
US dollar	783	202	985	327	206	533
Other currencies	21	-	21	4	-	4
<b>Total loans and accrued interest receivables</b>	<b>138,479</b>	<b>202</b>	<b>138,681</b>	<b>145,696</b>	<b>206</b>	<b>145,902</b>

### 10.4 Classified by types of business and loan classification

(Unit : Million Baht)

	Consolidated						
	31 December 2002						
	NON CAP						
	CAP	Normal	Special mention	Sub standard	Doubtful	Bad debts	Total
Agricultural and mining	2,035	1,738	3	4	74	162	4,016
Manufacturing and commerce	36,953	21,492	634	338	330	3,698	63,445
Real estate and construction	19,738	6,732	8	207	6	1,580	28,271
Public utilities and services	8,779	12,194	295	21	66	544	21,899
Housing loans	5,808	1,061	34	69	31	438	7,441
Others	13,193	1,680	5	92	22	1,517	16,509
<b>Total loans and interest receivables</b>	<b>86,506</b>	<b>44,897</b>	<b>979</b>	<b>731</b>	<b>529</b>	<b>7,939</b>	<b>141,581</b>

(Unit : Million Baht)

	Consolidated						
	31 December 2001						
	NON CAP						
	CAP	Normal	Special mention	Sub standard	Doubtful	Bad debts	Total
Agricultural and mining	2,377	1,855	55	5	27	29	4,348
Manufacturing and commerce	40,456	18,321	84	1,108	649	674	61,292
Real estate and construction	24,302	8,613	32	176	46	696	33,865
Public utilities and services	11,438	11,066	6	333	17	241	23,101
Housing loans	6,117	1,538	53	77	110	250	8,145
Others	15,182	1,995	51	145	23	871	18,267
<b>Total loans and interest receivables</b>	<b>99,872</b>	<b>43,388</b>	<b>281</b>	<b>1,844</b>	<b>872</b>	<b>2,761</b>	<b>149,018</b>

(Unit : Million Baht)

	The Bank only						
	31 December 2002						
	NON CAP						
	CAP	Normal	Special mention	Sub standard	Doubtful	Bad debts	Total
Agricultural and mining	2,035	1,738	3	4	74	162	4,016
Manufacturing and commerce	36,953	21,492	634	338	330	3,698	63,445
Real estate and construction	19,738	6,732	8	207	6	1,580	28,271
Public utilities and services	8,779	12,194	295	21	66	544	21,899
Housing loans	5,808	1,061	34	69	31	438	7,441
Others	10,627	1,743	4	36	16	1,183	13,609
<b>Total loans and interest receivables</b>	<b>83,940</b>	<b>44,960</b>	<b>978</b>	<b>675</b>	<b>523</b>	<b>7,605</b>	<b>138,681</b>

**The Bank only**  
**31 December 2001**  
**NON CAP**

	CAP	Normal	Special mention	Sub standard	Doubtful	Bad debts	Total
Agricultural and mining	2,377	1,855	55	5	27	29	4,348
Manufacturing and commerce	40,456	18,321	84	1,108	649	674	61,292
Real estate and construction	24,302	8,613	32	176	46	696	33,865
Public utilities and services	11,438	11,066	6	333	17	241	23,101
Housing loans	6,117	1,538	53	77	110	250	8,145
Others	12,549	1,933	31	89	16	533	15,151
<b>Total loans and interest receivables</b>	<b>97,239</b>	<b>43,326</b>	<b>261</b>	<b>1,788</b>	<b>865</b>	<b>2,423</b>	<b>145,902</b>

### 10.5 Classified by loan classification

The Bank and its subsidiaries classified loans which are not to be compensated for under the Gain/Loss Sharing and Yield Maintenance Agreement (NON CAP) by loan classification, as summarized below :-

	<b>Consolidated</b>							
	<b>31 December 2002</b>				<b>31 December 2001</b>			
	Loans and accrued interest receivables	Balance after collateral	Loan loss provisioning rate per BOT	Amount provided in the accounts	Loans and accrued interest receivables	Balance after collateral	Loan loss provisioning rate per BOT	Amount provided in the accounts
	Million Baht	Million Baht	%	Million Baht	Million Baht	Million Baht	%	Million Baht
<b>Loans and accrued interest receivables - NON CAP</b>								
Normal	44,897	25,780	1	258	43,387	24,343	1	243
Special-mention	979	386	2	8	281	103	2	2
Sub-standard	731	462	20	92	1,846	1,369	20	274
Doubtful	529	380	50	190	871	541	50	270
Bad debts	7,939	5,080	100	5,080	2,761	266	100	266
<b>Total</b>	<b>55,075</b>	<b>32,088</b>		<b>5,628</b>	<b>49,146</b>	<b>26,622</b>		<b>1,055</b>
General provision for any further losses				747				200
Total provision for NON CAP loans				6,375				1,255
<b>Loans and accrued interest receivables - CAP<sup>(1)</sup></b>	<b>86,506</b>	<b>57,570</b>		<b>18,726</b>	<b>99,872</b>	<b>62,963</b>		<b>18,751</b>
<b>Total</b>	<b>141,581</b>	<b>89,658</b>		<b>25,101</b>	<b>149,018</b>	<b>89,585</b>		<b>20,006</b>

(1) No classification or providing further provision since the loans are to be compensated for under CAP.

	<b>The Bank only</b>							
	<b>31 December 2002</b>				<b>31 December 2001</b>			
	Loans and accrued interest receivables	Balance after collateral	Loan loss provisioning rate per BOT	Amount provided in the accounts	Loans and accrued interest receivables	Balance after collateral	Loan loss provisioning rate per BOT	Amount provided in the accounts
	Million Baht	Million Baht	%	Million Baht	Million Baht	Million Baht	%	Million Baht
<b>Loans and accrued interest receivables - NON CAP</b>								
Normal	44,960	25,779	1	258	43,326	24,098	1	241
Special-mention	978	385	2	8	261	83	2	2
Sub-standard	675	458	20	92	1,789	1,351	20	270
Doubtful	523	375	50	187	864	534	50	267
Bad debts	7,605	4,815	100	4,815	2,423	-	100	-
<b>Total</b>	<b>54,741</b>	<b>31,812</b>		<b>5,360</b>	<b>48,663</b>	<b>26,066</b>		<b>780</b>
General provision for any further losses				727				198
Total provision for NON CAP loans				6,087				978
<b>Loans and accrued interest receivables - CAP<sup>(1)</sup></b>	<b>83,940</b>	<b>55,172</b>		<b>16,491</b>	<b>97,239</b>	<b>60,534</b>		<b>16,488</b>
<b>Total</b>	<b>138,681</b>	<b>86,984</b>		<b>22,578</b>	<b>145,902</b>	<b>86,600</b>		<b>17,466</b>

(1) No classification or providing further provision since the loans are to be compensated for under CAP.

As at 31 December 2002, part of general provision of NON CAP loans of Baht 499 million represents allowance for additional losses from debt restructuring which the Bank may have to recognise due to further reduction of outstanding principal or accrued interest receivable if the restructured debtors are able to comply with the conditions as stipulated in the debt restructuring agreements.

Loans and accrued interest receivables under Covered Asset Pool in the Gain/Loss Sharing and Yield Maintenance Agreement are stated at the transfer price. The Bank does not perform debts reclassification or provide additional allowance for doubtful debts against those loans and receivables subsequent to the transfer date, since it believes that any loss will be compensated for in full.

#### 10.6 Non-performing loans

As at 31 December 2002 and 2001, the Bank and its subsidiaries (Krungthai Thanakit Finance Public Company limited and BT Securities Company Limited) had the following non-performing loans which are not to be compensated (NON CAP) according to the criteria set up by of the BOT and the office of the securities and Exchange Commission :-

	Consolidated		The Bank only	
	31 December 2002	2001	31 December 2002	2001
Non-performing loan - NON CAP (principal only)	8,667	5,265	8,312	4,905

(Unit: Million Baht)

Non-performing loans as at 31 December 2002, according to the BOT's criteria, as mentioned above were presented in accordance with the notification of the BOT dated 16 January 2003 with the definition of the non-performing loans as the debts classified as substandard, doubtful and doubtful loss and also includes the debts write-back classified as doubtful loss.

#### 10.7 Troubled debt restructuring

During the years 2002 and 2001, the Bank entered into troubled debt restructuring agreements with debtors. The number of debtors and their debt balances (including recorded accrued interest receivables) before restructuring can be summarised below :-

	Consolidated			
	31 December 2002		31 December 2001	
	No. of debtors*	Debt balance (Million Baht)	No. of debtors*	Debt balance (Million Baht)
Covered Asset Pool (CAP)	464	7,942	675	13,961
Non Covered Asset Pool (NON CAP)	329	4,836	170	2,875
<b>Total consolidated</b>	<b>793</b>	<b>12,778</b>	<b>845</b>	<b>16,836</b>

\* When certain debtors have debt balances outstanding under both CAP and NON CAP, the debtor is counted under CAP only.

	The Bank Only			
	31 December 2002		31 December 2001	
	No. of debtors*	Debt balance (Million Baht)	No. of debtors*	Debt balance (Million Baht)
Covered Asset Pool (CAP)	459	7,915	665	13,901
Non Covered Asset Pool (NON CAP)	329	4,836	170	2,875
<b>Total for the Bank only</b>	<b>788</b>	<b>12,751</b>	<b>835</b>	<b>16,776</b>

\* When certain debtors have debt balances outstanding under both CAP and NON CAP, the debtor is counted under CAP only.

The restructured debtors referred to above can be classified by method of troubled debt restructuring as described below :-

**Consolidated**  
**31 December 2002**

	Number of debtor*	Debt balances		Type of assets transferred	Fair value	Loss on troubled debt restructuring
		Before restructuring	After restructuring			
		Million Baht	Million Baht			
<b>Covered Asset Pool (CAP)</b>						
Transfer of assets	10	101	-	- Land and land with premises - Ordinary shares - Others	62 - 39	-
Modification of terms of payments	247	4,448	3,065			1,383
Combination of methods	207	3,393	2,927	- Land and land with premises - Ordinary shares - Others	322 95 -	49
<b>Total</b>	<b>464</b>	<b>7,942</b>	<b>5,992</b>		<b>518</b>	<b>1,432</b>
<b>Non Covered Asset Pool (NON CAP)</b>						
Transfer of assets	-	-	-	- Land and land with premises - Ordinary shares - Others	- - -	-
Modification of terms of payments	184	765	632			133
Combination of methods	145	4,071	2,959	- Land and land with premises - Ordinary shares - Others	870 220 -	22
<b>Total</b>	<b>329</b>	<b>4,836</b>	<b>3,591</b>		<b>1,090</b>	<b>155</b>
<b>Total restructured debts during the year</b>	<b>793</b>	<b>12,778</b>	<b>9,583</b>		<b>1,608</b>	<b>1,587</b>
Loans and interest receivable as at 31 December 2002	24,049		141,581			

\* When certain debtors have debt balances outstanding under both CAP and NON CAP, the debtor is counted under CAP only.

**Consolidated**  
**31 December 2001**

	Number of debtor*	Debt balances		Type of assets transferred	Fair value	Loss on troubled debt restructuring
		Before restructuring	After restructuring			
		Million Baht	Million Baht			
<b>Covered Asset Pool (CAP)</b>						
Transfer of assets	32	1,545	-	- Land and land with premises - Ordinary shares - Others	1,397 - 148	-
Modification of terms of payments	354	1,389	1,247			142
Combination of methods	289	11,027	9,305	- Land and land with premises - Ordinary shares - Others	1,559 78 6	79
<b>Total</b>	<b>675</b>	<b>13,961</b>	<b>10,552</b>		<b>3,188</b>	<b>221</b>
<b>Non Covered Asset Pool (NON CAP)</b>						
Transfer of assets	3	94	-	- Land and land with premises - Ordinary shares - Others	55 - 39	-
Modification of terms of payments	96	655	600			55
Combination of methods	71	2,126	1,077	- Land and land with premises - Ordinary shares - Others	949 1 -	99
<b>Total</b>	<b>170</b>	<b>2,875</b>	<b>1,677</b>		<b>1,044</b>	<b>154</b>
<b>Total restructured debts during the year</b>	<b>845</b>	<b>16,836</b>	<b>12,229</b>		<b>4,232</b>	<b>375</b>
Loans and interest receivable as at 31 December 2001	28,778		149,018			

\* When certain debtors have debt balances outstanding under both CAP and NON CAP, the debtor is counted under CAP only.

**The Bank only**  
**31 December 2002**

	Number of debtor*	Debt balances		Type of assets transferred	Fair value Million Baht	Loss on troubled debt restructuring Million Baht
		Before restructuring	After restructuring			
		Million Baht	Million Baht			
<b>Covered Asset Pool (CAP)</b>						
Transfer of assets	10	101	-	- Land and land with premises - Ordinary shares - Others	62 - 39	-
Modification of terms of payments	242	4,421	3,052			1,369
Combination of methods	207	3,393	2,927	- Land and land with premises - Ordinary shares - Others	322 95 -	49
<b>Total</b>	<b>459</b>	<b>7,915</b>	<b>5,979</b>		<b>518</b>	<b>1,418</b>
<b>Non Covered Asset Pool (NON CAP)</b>						
Transfer of assets	-	-	-	- Land and land with premises - Ordinary shares - Others	- - -	-
Modification of terms of payments	184	765	632			133
Combination of methods	145	4,071	2,959	- Land and land with premises - Ordinary shares - Others	870 220 -	22
<b>Total</b>	<b>329</b>	<b>4,836</b>	<b>3,591</b>		<b>1,090</b>	<b>155</b>
<b>Total restructured debts during the year</b>	<b>788</b>	<b>12,751</b>	<b>9,570</b>		<b>1,608</b>	<b>1,573</b>
Loans and interest receivable as at 31 December 2002	23,433		138,681			

\* When certain debtors have debt balances outstanding under both CAP and NON CAP, the debtor is counted under CAP only.

**The Bank only**  
**31 December 2001**

	Number of debtor*	Debt balances		Type of assets transferred	Fair value Million Baht	Loss on troubled debt restructuring Million Baht
		Before restructuring	After restructuring			
		Million Baht	Million Baht			
<b>Covered Asset Pool (CAP)</b>						
Transfer of assets	32	1,545	-	- Land and land with premises - Ordinary shares - Others	1,397 - 148	-
Modification of terms of payments	344	1,329	1,218			111
Combination of methods	289	11,027	9,305	- Land and land with premises - Ordinary shares - Others	1,559 78 6	79
<b>Total</b>	<b>665</b>	<b>13,901</b>	<b>10,523</b>		<b>3,188</b>	<b>190</b>
<b>Non Covered Asset Pool (NON CAP)</b>						
Transfer of assets	3	94	-	- Land and land with premises - Ordinary shares - Others	55 - 39	-
Modification of terms of payments	96	655	600			55
Combination of methods	71	2,126	1,077	- Land and land with premises - Ordinary shares - Others	949 1 -	99
<b>Total</b>	<b>170</b>	<b>2,875</b>	<b>1,677</b>		<b>1,044</b>	<b>154</b>
<b>Total restructured debts during the year</b>	<b>835</b>	<b>16,776</b>	<b>12,200</b>		<b>4,232</b>	<b>344</b>
Loans and interest receivable as at 31 December 2001	27,811		145,902			

\* When certain debtors have debt balances outstanding under both CAP and NON CAP, the debtor is counted under CAP only.

The debts restructured by means of modification of the term of repayment and combination of methods referred to above can be classified by the term of repayment under the restructuring agreements as follows :-

(Unit : Million Baht)

Term of repayment according to restructuring agreements	Consolidated					
	Number of Debtors*	31 December 2002 Debt balances		Number of Debtors*	31 December 2001 Debt balances	
		Before Restructuring	After restructuring		Before restructuring	After restructuring
<b>Covered Asset Pool (CAP)</b>						
Not more than 5 years	309	5,959	4,247	430	4,213	3,137
5 - 10 years	93	614	579	127	4,838	4,118
10 - 15 years	37	1,133	1,053	63	2,444	2,380
More than 15 years	15	135	113	23	921	917
<b>Total</b>	<b>454</b>	<b>7,841</b>	<b>5,992</b>	<b>643</b>	<b>12,416</b>	<b>10,552</b>
<b>Non Covered Asset Pool (NON CAP)</b>						
Not more than 5 years	151	1,568	1,193	116	1,773	708
5 - 10 years	88	1,999	1,162	32	505	504
10 - 15 years	42	725	692	11	373	335
More than 15 years	48	544	544	8	130	130
<b>Total</b>	<b>329</b>	<b>4,836</b>	<b>3,591</b>	<b>167</b>	<b>2,781</b>	<b>1,677</b>
<b>Total restructured debts</b>	<b>783</b>	<b>12,677</b>	<b>9,583</b>	<b>810</b>	<b>15,197</b>	<b>12,229</b>

\* When certain debtors have debt balances outstanding under both CAP and NON CAP, the debtor is counted under CAP only.

(Unit : Million Baht)

Term of repayment according to restructuring agreements	The Bank only					
	Number of Debtors*	31 December 2002 Debt balances		Number of Debtors*	31 December 2001 Debt balances	
		Before Restructuring	After restructuring		Before restructuring	After restructuring
<b>Covered Asset Pool (CAP)</b>						
Not more than 5 years	304	5,932	4,234	420	4,153	3,108
5 - 10 years	93	614	579	127	4,838	4,118
10 - 15 years	37	1,133	1,053	63	2,444	2,380
More than 15 years	15	135	113	23	921	917
<b>Total</b>	<b>449</b>	<b>7,814</b>	<b>5,979</b>	<b>633</b>	<b>12,356</b>	<b>10,523</b>
<b>Non Covered Asset Pool (NON CAP)</b>						
Not more than 5 years	151	1,568	1,193	116	1,773	708
5 - 10 years	88	1,999	1,162	32	505	504
10 - 15 years	42	725	692	11	373	335
More than 15 years	48	544	544	8	130	130
<b>Total</b>	<b>329</b>	<b>4,836</b>	<b>3,591</b>	<b>167</b>	<b>2,781</b>	<b>1,677</b>
<b>Total restructured debts</b>	<b>778</b>	<b>12,650</b>	<b>9,570</b>	<b>800</b>	<b>15,137</b>	<b>12,200</b>

\* When certain debtors have debt balances outstanding under both CAP and NON CAP, the debtor is counted under CAP only.

Supplemental information for the years ended 31 December 2002 and 2001 relating to the restructured debts is as follow :-

(Unit : Million Baht)

	The Bank only					
	CAP	2002 NON CAP	Total	CAP	2001 NON CAP	Total
Loss on debt restructuring due to debtors being able to comply with restructuring conditions (Hair cut Loss)	1,463	160	1,623	313	154	467
Cash settlement by debtors						
Principal	3,953	3,324	7,277	2,650	2,507	5,157
Interest	1,368	949	2,317	1,467	1,137	2,604

As at 31 December 2002, the troubled debtors of which the Bank completed their debt restructuring can be summarised as follow :-

	Consolidated						
	Number of Debtors*			Debt balances before restructuring Million Baht			
	CAP	NON CAP	Total	CAP	NON CAP	Total	
Restructured debts - 1 January 2002	2,187	1,045	3,232	52,487	30,136	82,623	
Less : Debtors unable to comply with restructuring conditions	(696)	(189)	(885)	(7,230)	(3,548)	(10,778)	
Restructured debts transferred to TAMC	(17)	-	(17)	(477)	(42)	(519)	
Net Restructured debts - 1 January 2002	1,474	856	2,330	44,780	26,546	71,326	
Troubled debts restructured during the year	530	363	893	8,372	4,926	13,298	
Less : Debtors unable to comply with restructuring conditions	(65)	(34)	(99)	(398)	(90)	(488)	
Restructured debts transferred to TAMC	(1)	-	(1)	(32)	-	(32)	
Net Troubled debts restructured during the year	464	329	793	7,942	4,836	12,778	
Net Restructured debts - 31 December 2002	1,938	1,185	3,123	52,722	31,382	84,104	
Less : Settlement by debtors during the year	(656)	(240)	(896)	(8,592)	(7,213)	(15,805)	
<b>Ending balance of restructured debts as at 31 December 2002</b>	<b>1,282</b>	<b>945</b>	<b>2,227</b>	<b>44,130</b>	<b>24,169</b>	<b>68,299</b>	

\* When certain debtors have debt balances outstanding under both CAP and NON CAP, the debtor is counted under CAP only.

	The Bank only						
	Number of Debtors*			Debt balances before restructuring Million Baht			
	CAP	NON CAP	Total	CAP	NON CAP	Total	
Restructured debts - 1 January 2002	2,172	1,033	3,205	52,450	29,966	82,416	
Less : Debtors unable to comply with restructuring conditions	(695)	(178)	(873)	(7,230)	(3,378)	(10,608)	
Restructured debts transferred to TAMC	(17)	-	(17)	(477)	(42)	(519)	
Net Restructured debts - 1 January 2002	1,460	855	2,315	44,743	26,546	71,289	
Troubled debts restructured during the year	525	363	888	8,345	4,926	13,271	
Less : Debtors unable to comply with restructuring conditions	(65)	(34)	(99)	(398)	(90)	(488)	
Restructured debts transferred to TAMC	(1)	-	(1)	(32)	-	(32)	
Net Troubled debts restructured during the year	459	329	788	7,915	4,836	12,751	
Net Restructured debts - 31 December 2002	1,919	1,184	3,103	52,658	31,382	84,040	
Less : Settlement by debtors during the year	(656)	(240)	(896)	(8,592)	(7,213)	(15,805)	
<b>Ending balance of restructured debts as at 31 December 2002</b>	<b>1,263</b>	<b>944</b>	<b>2,207</b>	<b>44,066</b>	<b>24,169</b>	<b>68,235</b>	

\* When certain debtors have debt balances outstanding under both CAP and NON CAP, the debtor is counted under CAP only.

As at 31 December 2002, the Bank had outstanding commitments to provide the follow additional facilities under the restructuring agreements :-

(Unit : Million Baht)

	The Bank only		
	CAP	NON CAP	Total
Loans	33	521	554
Other guarantee and commitments	-	10	10

In cases where the troubled debt restructuring involves modifications of the terms and the repayment conditions, the fair value of the loans after restructuring is determined based on the net present value of expected future cash flows, discounted by the market interest rate. As at 31 December 2002, the Bank has losses from the revaluation of restructured NON CAP debts (NPV Loss) of Baht 661 million, for which the Bank had provided full allowance for revaluation as a result of debt restructuring. Such amount comprises loss from revaluation for the current year of Baht 261 million and losses of previous years amounting to Baht 400 million.

In addition, the Bank may have to realise additional losses from debt restructuring through waiver of part of the principal or interest receivables if the restructured debtors are able to comply with the conditions as stipulated in the debt restructuring agreements. These consist of losses from restructured debts under CAP of approximately Baht 2,699 million, of which to be included in a calculation of gain/loss sharing under the Gain/Loss Sharing and Yield Maintenance Agreement. For the possible further losses from NON CAP debts amounting to approximately Baht 499 million, the Bank had already provided general provision for such losses as part of the allowance for doubtful debt in the balance sheets.

### 10.8 Debtors with weak financial status and operating performance problems

As at 31 December 2002 and 2001, the Bank and its subsidiaries have debt balances (including accrued interest receivables) granted to debtors with weak financial status and operating performance problems, which can be summarised below :-

#### Consolidated and the Bank only

	Number of debtors		Debt balances		Collateral Value		Allowance for doubtful accounts under BOT's regulations as provided in the accounts	
	31 December		31 December		31 December		31 December	
	2002	2001	2002	2001	2002	2001	2002	2001
			Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
<b>Covered Asset Pool (CAP)</b>								
Closed financial institutions	10	10	1,153	1,165	-	-	1,153	1,165
Listed companies under delisting conditions	19	23	2,576	4,445	38	1,088	58	201
	29	33	3,729	5,610	38	1,088	1,211	1,366
<b>Non Covered Asset Pool (NON CAP)</b>								
Closed financial institutions	1	1	1	1	-	-	1	1
Listed companies under delisting conditions	6	11	975	990	229	310	39	61
Financial institutions with problems regarding business continuity or weak financial status and operating performance	1	1	173	177	-	-	-	2
	8	13	1,149	1,168	229	310	40	64
	37	46	4,878	6,778	267	1,398	1,251	1,430

## 11. Allowance for Doubtful Debts

(Unit : Million Baht)

	Consolidated		The Bank only	
	2002	2001	2002	2001
<b>Balance - beginning of the year</b>	20,006	87,224	17,466	84,363
Add : Increase during the year	6	-	-	-
Bad debts reversed in accordance with BOT's criteria (Note 10.1)	5,134	6,768	5,134	6,768
Bad debt recovery	1	6	-	6
Transferred from revaluation allowance for debt restructuring	559	1,863	559	1,863
Less : Bad debt written off	(182)	(295)	(159)	(183)
Reversal of bad debts	(1)	(209)	-	-
Written off due to loans being transferred to TAMC	(161)	(11,724)	(161)	(11,724)
Transferred to revaluation allowance for debt restructuring	(261)	(107)	(261)	(107)
Written off to offset deficit and return capital invested by the FIDF in 12 finance Companies	-	(63,520)	-	(63,520)
<b>Balance - end of the year</b>	<b>25,101</b>	<b>20,006</b>	<b>22,578</b>	<b>17,466</b>

During 2001, the Bank implemented the cabinet resolutions as discussed in the Note 5 to the financial statements. As a result, allowance for doubtful debts decreased by Baht 63,520 million, comprising a reduction of approximately Baht 35,305 million in deficit and the return of capital of approximately Baht 28,215 million used to invest in 12 finance companies to the FIDF.

## 12. Revaluation Allowance for Debt Restructuring

(Unit : Million Baht)

	Consolidated 31 December		The Bank only 31 December	
	2002	2001	2002	2001
Balance - beginning of the year	987	2,752	959	2,715
Add : Revaluation allowance transferred from allowance for doubtful accounts	261	107	261	107
Less : Written off during the year	(9)	(9)	-	-
Revaluation allowance transferred to allowance for doubtful accounts	(559)	(1,863)	(559)	(1,863)
<b>Balance - end of the year</b>	<b>680</b>	<b>987</b>	<b>661</b>	<b>959</b>

## 13. Properties Foreclosed

Properties foreclosed represent properties foreclosed from debtors as a result of debt restructuring, or properties obtained as a result of a successful bid for the mortgaged assets of debtors at auction, or assets transferred as a result of merger and awaiting disposal.

Properties foreclosed which will not be compensated for under the Gain/Loss Sharing and Yield Maintenance Agreement are presented in the manners discussed in the accounting policies. Properties foreclosed included in the Covered Asset Pool under such agreement are presented at book value as they were transferred as a result of the merger. The Bank and its subsidiaries do not provide for additional impairment loss of the CAP portion as the management expects to recoup the whole amount at the end of the agreement.

As at 31 December 2002 and 2001, properties foreclosed can be classified as properties foreclosed in the Covered Asset Pool ("CAP") and those not in the Covered Asset Pool ("NON CAP") as summarised below :-

(Unit : Million Baht)

	Consolidated				The Bank only			
	31 December 2002		31 December 2001		31 December 2002		31 December 2001	
	CAP	NON CAP	CAP	NON CAP	CAP	NON CAP	CAP	NON CAP
Cost	6,252	5,603	6,370	5,554	6,252	5,595	6,370	5,533
Less: Allowance for impairment	-	(837)	-	(1,111)	-	(833)	-	(1,101)
<b>Book value</b>	<b>6,252</b>	<b>4,766</b>	<b>6,370</b>	<b>4,443</b>	<b>6,252</b>	<b>4,762</b>	<b>6,370</b>	<b>4,432</b>

Under the debt restructuring agreements, in cases where the debtors restructure their debts by means of a debt/asset swap, the Bank grants buyback options or first refusal rights to certain debtors for a certain period, at prices as agreed in the debt restructuring agreements. The buyback prices are normally agreed to be the transfer prices of the properties on the restructuring dates.

(Unit : Million Baht)

	Consolidated For the year ended 31 December 2002				Obligations with regard to buyback options or first refusal rights
	Beginning balances	Additions	Disposals	Ending balances	
<b>Properties foreclosed under Covered Assets Pool</b>					
Immovable	6,370	570	(688)	6,252	4,630
<b>Properties foreclosed under Non Covered Assets Pool</b>					
Immovable	5,533	1,651	(1,589)	5,595	3,355
Movable	21	-	(13)	8	-
Total	5,554	1,651	(1,602)	5,603	3,355
Less : Allowance for impairment	(1,111)	-	274	(837)	(276)
Net	4,443	1,651	(1,328)	4,766	3,079
<b>Properties foreclosed - net</b>	<b>10,813</b>	<b>2,221</b>	<b>(2,016)</b>	<b>11,018</b>	<b>7,709</b>

	Consolidated				Obligations with regard to buyback options or first refusal rights
	For the year ended 31 December 2001				
	Beginning balances	Additions	Disposals	Ending balances	
<b>Propertied foreclosed under Covered Assets Pool</b>					
Immovable	3,337	3,479	(446)	6,370	4,832
<b>Properties foreclosed under Non Covered Assets Pool</b>					
Immovable	4,183	2,211	(861)	5,533	2,711
Movable	35	7	(21)	21	-
Total	4,218	2,218	(882)	5,554	2,711
Less : Allowance for impairment	(792)	(596)	277	(1,111)	(425)
Net	3,426	1,622	(605)	4,443	2,286
<b>Properties foreclosed - net</b>	<b>6,763</b>	<b>5,101</b>	<b>(1,051)</b>	<b>10,813</b>	<b>7,118</b>

(Unit : Million Baht)

	The Bank only				Obligations with regard to buyback options or first refusal rights
	For the year ended 31 December 2002				
	Beginning balances	Additions	Disposals	Ending balances	
<b>Propertied foreclosed under Covered Assets Pool</b>					
Immovable	6,370	570	(688)	6,252	4,630
<b>Properties foreclosed under Non Covered Assets Pool</b>					
Immovable	5,533	1,651	(1,589)	5,595	3,355
Less : Allowance for impairment	(1,101)	-	268	(833)	(276)
Net	4,432	1,651	(1,321)	4,762	3,079
<b>Properties foreclosed - net</b>	<b>10,802</b>	<b>2,221</b>	<b>(2,009)</b>	<b>11,014</b>	<b>7,709</b>

(Unit : Million Baht)

	The Bank only				Obligations with regard to buyback options or first refusal rights
	For the year ended 31 December 2001				
	Beginning balances	Additions	Disposals	Ending balances	
<b>Propertied foreclosed Covered Assets Pool</b>					
Immovable	3,337	3,479	(446)	6,370	4,832
<b>Properties foreclosed Non Covered Assets Pool</b>					
Immovable	4,183	2,211	(861)	5,533	2,711
Less : Allowance for impairment	(779)	(596)	274	(1,101)	(425)
Net	3,404	1,615	(587)	4,432	2,286
<b>Properties foreclosed - net</b>	<b>6,741</b>	<b>5,094</b>	<b>(1,033)</b>	<b>10,802</b>	<b>7,118</b>

During 2002, the Bank disposed of unutilised land and office buildings thereon to a state enterprise for approximately Baht 415 million. The total book values of such assets on the agreement date amounted to Baht 580 million, consisting of historical depreciated costs of Baht 264 million and revaluation surplus of Baht 316 million. In the earnings statement for the year, the Bank realised net gain from a transfer of revaluation surplus as income as a result of sales of such assets.

## 14. Premises and Equipment

In 1999, the Bank arranged to have its land and buildings revalued. The appraisal values of land were based on the values assessed by state officials whilst those for buildings were based on the fair value as determined under the Market Value approach by the external independent appraisers. The resulting revaluation surplus was recorded as a separate item in shareholders' equity.

	Consolidated				Total
	Land	Buildings	Equipment	Assets in process	
<b>Cost :</b>					
31 December 2001	1,165	2,996	1,773	148	6,082
Additions	4	7	239	59	309
Disposals	(4)	(5)	(118)	-	(127)
Transfer in	-	27	2	-	29
Transfer out	(368)	(671)	-	(30)	(1,069)
31 December 2002	797	2,354	1,896	177	5,224
<b>Reappraised value - incremental :</b>					
31 December 2001	326	24	-	-	350
Transfer out	(1)	-	-	-	(1)
31 December 2002	325	24	-	-	349
<b>Reappraised value - devalue :</b>					
31 December 2001	(32)	-	-	-	(32)
Transfer in	(1)	-	-	-	(1)
31 December 2002	(33)	-	-	-	(33)
<b>Accumulated depreciation :</b>					
31 December 2001	-	(418)	(1,217)	-	(1,635)
Disposals	-	-	91	-	91
Transfer out	-	16	-	-	16
Depreciation charged for the year	-	(86)	(174)	-	(260)
31 December 2002	-	(488)	(1,300)	-	(1,788)
<b>Allowance for damage, loss and impairment :</b>					
31 December 2001	(172)	(882)	(106)	-	(1,160)
Written off	-	6	8	-	14
Transfer out	18	449	-	-	467
31 December 2002	(154)	(427)	(98)	-	(679)
<b>Net book value :</b>					
31 December 2001	1,287	1,720	450	148	3,605
31 December 2002	935	1,463	498	177	3,073
Net book value as at 31 December 2001 of unutilised fixed assets consisted of :-					
- assets unutilised but being leased by others	348	233	-	-	581
- assets awaiting disposal	225	22	-	-	247
Net book value as at 31 December 2002 of unutilised fixed assets consisted of :-					
- assets awaiting disposal	3	8	-	-	11
Depreciation included in the statements of earnings for the year					
2001					236
2002					260

	The Bank only				Total
	Land	Buildings	Equipment	Assets in process	
<b>Cost :</b>					
31 December 2001	1,165	2,918	1,500	148	5,731
Additions	-	3	221	59	283
Disposals	-	-	(77)	-	(77)
Transfer in	-	27	3	-	30
Transfer out	(368)	(671)	-	(31)	(1,070)
31 December 2002	797	2,277	1,647	176	4,897

(Unit : Million Baht)

	The Bank only				Total
	Land	Buildings	Equipment	Assets in process	
<b>Reappraised value - increment value :</b>					
31 December 2001	326	24	-	-	350
Transfer out	(1)	-	-	-	(1)
31 December 2002	325	24	-	-	349
<b>Reappraised value - devalue portion :</b>					
31 December 2001	(32)	-	-	-	(32)
Transfer in	(1)	-	-	-	(1)
31 December 2002	(33)	-	-	-	(33)
<b>Accumulated depreciation :</b>					
31 December 2001	-	(358)	(1,014)	-	(1,372)
Disposals	-	-	61	-	61
Transfer in	-	15	-	-	15
Depreciation charged for the year	-	(83)	(153)	-	(236)
31 December 2002	-	(426)	(1,106)	-	(1,532)
<b>Allowance for damage, loss and impairment :</b>					
31 December 2001	(172)	(882)	(106)	-	(1,160)
Written off	-	6	8	-	14
Transfer out	18	449	-	-	467
31 December 2002	(154)	(427)	(98)	-	(679)
<b>Net book value :</b>					
31 December 2001	1,287	1,702	380	148	3,517
31 December 2002	935	1,448	443	176	3,002
Net book value as at 31 December 2001 of unutilised fixed assets consisted of :-					
- unutilised assets but being leased by others	348	233	-	-	581
- assets awaiting disposal	225	22	-	-	247
Net book value as at 31 December 2002 of unutilised fixed assets consisted of :-					
- assets awaiting disposal	3	8	-	-	11
Depreciation included in the statements of earnings for the year					
2001					225
2002					236

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## 15. Receivables from The Financial Institutions and Development Fund Under The Gain/Loss Sharing and Yield Maintenance Agreement

Under the Gain/Loss Sharing and Yield Maintenance Agreement as discussed in the Note 5 to the financial statements, the Financial Institutions and Development Fund ("the FIDF") is obliged to compensate losses incurred from the non-performing assets under such agreement based on the conditions stipulated in the agreement. Therefore, the Bank then recorded loss actually incurred and realised from such non-performing assets as assets under the caption of "Receivables from the Financial Institutions and Development Fund under Gain/Loss Sharing and Yield Maintenance Agreement" awaiting compensation, which are to be determined at the end of the contract period. As at 31 December 2002 and 2001, the outstanding balances of such account are as follows :-

(Unit : Million Baht)

	Consolidated		The Bank only	
	2002	2001	2002	2001
Losses from non-performing loans transferred to TAMC	59,409	57,197	59,378	57,157
Losses from debt restructuring	1,871	317	1,871	317
Gains from debt settlement	(31)	(19)	-	-
(Gains) losses from sale of investments	(283)	116	(283)	116
(Gains) losses from disposal of properties foreclosed	(34)	19	(34)	19
Advance payments for court cases which are reimbursable under the agreement	580	437	580	437
<b>Accumulated losses suspended</b>	<b>61,512</b>	<b>58,067</b>	<b>61,512</b>	<b>58,046</b>

## 16. Other Assets

(Unit : Million Baht)

	Consolidated		The Bank only	
	31 December		31 December	
	2002	2001	2002	2001
Accrued interest receivables	626	323	622	291
Assets awaiting transferred to proper accounts	452	585	518	585
Other receivables	267	-	238	-
Intangible asset - computer system and software development cost	204	-	204	-
Withholding income taxes	131	140	126	140
Accounts with securities companies	122	16	-	-
Advances	120	135	102	122
Receivables under financial and operating lease contracts - net	93	127	-	-
Assets under operating lease contracts - net	65	177	-	-
Leasehold rights	38	62	38	62
Advances for 12 finance companies	17	50	17	50
Others	130	244	69	78
	2,265	1,859	1,934	1,328
Less : Allowance for doubtful accounts /impairment	(196)	(191)	(139)	(157)
	<b>2,069</b>	<b>1,668</b>	<b>1,795</b>	<b>1,171</b>

## 17. Deposits

### 17.1 Classified by type of deposits

(Unit : Million Baht)

	Consolidated		The Bank only	
	31 December		31 December	
	2002	2001	2002	2001
At call	949	728	949	728
Savings	17,526	11,526	17,548	11,558
Fixed				
- Less than 6 months	40,164	35,958	40,182	35,958
- 6 months and up to 1 year	20,302	25,665	20,332	25,665
- Over 1 year	113,830	91,889	113,890	91,984
Promissory notes	2,444	3,042	2,444	3,042
<b>Total deposits</b>	<b>195,215</b>	<b>168,808</b>	<b>195,345</b>	<b>168,935</b>

### 17.2 Classified by the remaining period of contracts

(Unit : Million Baht)

	Consolidated		The Bank only	
	31 December		31 December	
	2002	2001	2002	2001
Not over 1 year*	139,044	128,794	139,162	128,825
Over 1 year	56,171	40,014	56,183	40,110
<b>Total</b>	<b>195,215</b>	<b>168,808</b>	<b>195,345</b>	<b>168,935</b>

\* Included expired contracts

### 17.3 Classified by currency and residency of depositors

(Unit : Million Baht)

	Consolidated					
	31 December 2002			31 December 2001		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	194,837	320	195,157	168,599	189	168,788
US dollar	55	2	57	18	2	20
Other currencies	-	1	1	-	-	-
<b>Total</b>	<b>194,892</b>	<b>323</b>	<b>195,215</b>	<b>168,617</b>	<b>191</b>	<b>168,808</b>

(Unit : Million Baht)

**The Bank only**

	31 December 2002			31 December 2001		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	194,967	320	195,287	168,726	189	168,915
US dollar	55	2	57	18	2	20
Other currencies	-	1	1	-	-	-
<b>Total</b>	<b>195,022</b>	<b>323</b>	<b>195,345</b>	<b>168,744</b>	<b>191</b>	<b>168,935</b>

**18. Interbank and Money Market Items (Liabilities)**

(Unit : Million Baht)

**Consolidated**

	31 December 2002			31 December 2001		
	At call	Term	Total	At call	Term	Total
<b>Domestic :-</b>						
Bank of Thailand and the FIDF	-	71	71	-	66	66
Commercial banks	2	2	4	1	-	1
Other banks	55	4,430	4,485	141	137	278
Finance, finance and securities, securities, credit foncier companies	129	1,139	1,268	332	22,401	22,733
Other financial institutions	1,108	10,544	11,652	1,032	11,588	12,620
<b>Total domestic items</b>	<b>1,294</b>	<b>16,186</b>	<b>17,480</b>	<b>1,506</b>	<b>34,192</b>	<b>35,698</b>
<b>Foreign :-</b>						
US dollar	58	372	430	32	570	602
Other currencies	11	45	56	4	-	4
<b>Total foreign items</b>	<b>69</b>	<b>417</b>	<b>486</b>	<b>36</b>	<b>570</b>	<b>606</b>
<b>Total domestic and foreign items</b>	<b>1,363</b>	<b>16,603</b>	<b>17,966</b>	<b>1,542</b>	<b>34,762</b>	<b>36,304</b>

(Unit : Million Baht)

**The Bank only**

	31 December 2002			31 December 2001		
	At call	Term	Total	At call	Term	Total
<b>Domestic :-</b>						
Bank of Thailand and the FIDF	-	71	71	-	66	66
Commercial banks	1	-	1	1	-	1
Other banks	55	4,430	4,485	141	137	278
Finance, finance and securities, securities, credit foncier companies	139	1,933	2,072	332	22,401	22,733
Other financial institutions	1,109	10,544	11,653	1,032	11,588	12,620
<b>Total domestic items</b>	<b>1,304</b>	<b>16,978</b>	<b>18,282</b>	<b>1,506</b>	<b>34,192</b>	<b>35,698</b>
<b>Foreign :-</b>						
US dollar	58	372	430	32	570	602
Other currencies	11	45	56	4	-	4
<b>Total foreign items</b>	<b>69</b>	<b>417</b>	<b>486</b>	<b>36</b>	<b>570</b>	<b>606</b>
<b>Total domestic and foreign items</b>	<b>1,373</b>	<b>17,395</b>	<b>18,768</b>	<b>1,542</b>	<b>34,762</b>	<b>36,304</b>

**19. Borrowings**

(Unit : Million Baht)

**Consolidated**

	31 December 2002			31 December 2001		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Long-term loans, due in 2003 at 14.75% - 15.25% per annum	-	-	-	76	-	76
Subordinated debentures of USD 20 million, for a period of 5 years and 6 months, due in 2002, at LIBOR+1.50% per annum	-	-	-	-	885	885
Non-interest bearing subordinated debentures of USD 63 million for a period of 10 years, due in 2003	544	-	544	544	-	544

(Unit : Million Baht)

	Consolidated					
	31 December 2002			31 December 2001		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Subordinated debentures of Baht 1,500 million for a period of 7 years, due in 2003, at 11% per annum	1,500	-	1,500	1,500	-	1,500
Non-interest bearing subordinated debentures of Baht 2,760 million for a period of 10 years, due in 2009	2,760	-	2,760	2,760	-	2,760
<b>Total</b>	<b>4,804</b>	<b>-</b>	<b>4,804</b>	<b>4,880</b>	<b>885</b>	<b>5,765</b>
Less : Current portion of long-term borrowings	(2,044)	-	(2,044)	(74)	-	(74)
<b>Long-term borrowings - net</b>	<b>2,760</b>	<b>-</b>	<b>2,760</b>	<b>4,806</b>	<b>885</b>	<b>5,691</b>

(Unit : Million Baht)

	The Bank only					
	31 December 2002			31 December 2001		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Subordinated debentures of USD 20 million, for a period of 5 years and 6 months, due in 2002, at LIBOR+1.50% per annum	-	-	-	-	885	885
Non-interest bearing subordinated debentures of USD 63 million for a period of 10 years, due in 2003	544	-	544	544	-	544
Subordinated debentures of Baht 1,500 million for a period of 7 years, due in 2003, at 11% per annum	1,500	-	1,500	1,500	-	1,500
Non-interest bearing subordinated debentures of Baht 2,760 million for a period of 10 years, due in 2009	2,760	-	2,760	2,760	-	2,760
<b>Total</b>	<b>4,804</b>	<b>-</b>	<b>4,804</b>	<b>4,804</b>	<b>885</b>	<b>5,689</b>
Less : Current portion of long-term borrowings	(2,044)	-	(2,044)	-	-	-
<b>Long-term borrowings - net</b>	<b>2,760</b>	<b>-</b>	<b>2,760</b>	<b>4,804</b>	<b>885</b>	<b>5,689</b>

## 20. Other Liabilities

(Unit : Million Baht)

	Consolidated		The Bank only	
	31 December		31 December	
	2002	2001	2002	2001
Accrued expenses	362	456	281	292
Accrued provident fund and pension fund reserve	299	334	299	334
Other liabilities awaiting accounts transfers	287	1,842	287	1,842
Deposits received in advance	275	77	266	77
Accrued taxes payable	100	609	87	588
Customers' accounts	76	186	-	-
Accounts with securities companies	-	69	-	-
Others	421	468	115	186
<b>Total</b>	<b>1,820</b>	<b>4,041</b>	<b>1,335</b>	<b>3,319</b>

## 21. Share Capital

On 22 February 2001, the Bank registered an increase in its issued and paid up capital of Baht 2,600.5 million (260.05 million ordinary shares at par value of Baht 10 per share) with the Ministry of Commerce. Of these shares 256,437,966 shares at a price of Baht 5.6184 per share were issued for a share swap with the shareholders of Krung Thai Thanakit Finance Public Company Limited, resulting in share discount of approximately Baht 1,124 million. In addition 3,612,034 of the shares were offered for sale to BT Securities at par value of Baht 10 each.

On 4 May 2001, the Bank registered the reduction in its registered and paid-up capital of Baht 37,068 million (3,706.8 million preference shares of Baht 10 each) with the Ministry of Commerce as a result of the cancellation all preference shares in order to return capital funds to the preference shareholder, the Financial Institutions Development Fund.

On 9 May 2001, the Bank registered an increase in its registered capital of Baht 37,068 million (3,706.8 million preference shares at par value of Baht 10 each) with the Ministry of Commerce. The capital increase was made to support the exercise of the warrants to purchase the Bank's such preference shares. The preference shares are non-cumulative, convertible to ordinary shares, and entitled to be affected from capital reduction after the ordinary shares.

## 22. Treasury Stock

### 22.1 Ordinary shares bought back by the Bank

On 13 November 2002, the Bank's board of directors meeting passed a resolution for the Bank to buy back not more than 10 percent of its registered and paid up share capital, or an amount of not more than Baht 1,538.25 million from the main board of the Stock Exchange of Thailand. The buyback period is from 27 November 2002 to 26 May 2003. The Bank intends to hold this treasury stocks for 6 months commencing from the buyback date and will then completing the sale within 3 years of the last buyback date. The treasury stocks have no voting right and no right to receive dividend.

As at 31 December 2002, the Bank has treasury stocks of 10,946,600 shares with the buyback cost totaling approximately Baht 101 million, which was presented as a deduction item in the shareholders' equity.

Subsequent to 31 December 2002 till the audit report date, the Bank has acquired additional treasury stocks of 15,188,300 shares for the total cost of approximately Baht 137 million.

### 22.2 The Bank's ordinary shares held by its subsidiaries

As at 31 December 2002, BT Securities Company Limited and Krungthai Thanakit Finance Public Company, subsidiaries of the Bank, respectively held 148,801,937 and 54,382,000 of the Bank's ordinary shares, with costs of Baht 1,522 million and Baht 551 million, respectively, and these amounts were presented as a deduction item in shareholders' equity.

## 23. Warrant to Purchase Convertible Preference Shares

As discussed under Note 5 to the financial statements, on 9 May 2001 the Bank issued 3,706.8 million non-transferable, 10-year warrants, maturing on 8 May 2011 to the Financial Institutions Development Fund ("the FIDF"). One warrant is convertible to one preference share of the Bank at an exercise price equal to the par value of Baht 10 per share.

On 28 August 2002, the Bank's Board of Directors meeting passed a resolution to cancel the warrants by means of buying them back from the FIDF. Subsequently, on 23 September 2002, the Bank entered into a warrant buyback option agreement with the FIDF whereby the Bank is entitled to gradually buy 3,706.8 million of the warrants back at a price of Baht 0.27907 per warrant plus interest (determined at the average funding cost of the Bank from the agreement date to the buyback date), starting from the agreement date to 8 May 2010, and the FIDF agrees not to exercise its conversion rights for the duration of the reacquisition period. If any warrants remain at the end of the reacquisition period, the FIDF may exercise its conversion right in accordance with the original conditions of the warrant.

The Bank paid a total of Baht 300 million to the FIDF for the above reacquisition rights. Such amount was charged directly against the Bank's retained earnings.

## 24. Revaluation Deficit on Investments

(Unit : Million Baht)

	Consolidated		The Bank only	
	31 December 2002	31 December 2001	31 December 2002	31 December 2001
<b>Revaluation surplus on investments :-</b>				
Debt securities	11	24	11	24
Equity securities	40	139	40	164
<b>Total</b>	<b>51</b>	<b>163</b>	<b>51</b>	<b>188</b>
<b>Revaluation deficit on investments :-</b>				
Debt securities	(28)	(29)	(28)	(29)
Equity securities	(1,300)	(1,585)	(1,300)	(1,585)
<b>Total</b>	<b>(1,328)</b>	<b>(1,614)</b>	<b>(1,328)</b>	<b>(1,614)</b>
<b>Revaluation deficit on investments</b>	<b>(1,277)</b>	<b>(1,451)</b>	<b>(1,277)</b>	<b>(1,426)</b>

## 25. Statutory Reserve

Under the Public Company Limited Act B.E. 2535, the Bank is required to set aside to a statutory reserve at least 5 percent of its net profit for the year, after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of its registered share capital. Each allocation to the reserve is required to be approved through the resolution passed by a meeting of the Bank's shareholders and will then be recorded in the accounts when it is already approved.

## 26. Capital Funds

As at 31 December 2002 and 2001, the capital funds maintained by the Bank in accordance with Section 4 of the Banking Business Undertaking Act B.E. 2505, as reported to the Bank of Thailand under Thor Por 10 Report, were as follows :-

	31 December	
	2002	2001
(Unit : Million Baht)		
<b>Tier I</b>		
Issued and paid up share capital	14,935	14,935
Treasury stock by the Bank	(101)	-
Share discount	(1,124)	(1,124)
Statutory reserve	-	-
General and other reserves	-	-
Deficit	(1,171)	(1,997)
<b>Total</b>	<b>12,539</b>	<b>11,814</b>
<b>Tier II</b>		
Revaluation surplus on land and buildings	198	522
Reserve for classified assets	291	246
<b>Total</b>	<b>489</b>	<b>768</b>
<b>Total Tier I and Tier II capital funds</b>	<b>13,028</b>	<b>12,582</b>
Less : Other assets	-	-
<b>Total capital funds</b>	<b>13,028</b>	<b>12,582</b>

Net earnings for the year 2002 will be counted as part of Tier I after receiving an approval of a shareholder meeting.

## 27. Gains on Investments

Gains on investments as presented in the statements of earnings for the years ended 31 December 2002 and 2001 consisted of the following :-

	Consolidated		The Bank only	
	31 December		31 December	
	2002	2001	2002	2001
Unrealised gain (losses) on revaluation of investments	16	(13)	1	-
Additional allowance for impairment of investments - net of the reversal amount	(62)	(113)	(62)	(113)
Gains on reclassification of investment	628	-	628	-
Realised gains on securities trading				
Trading securities	27	1	9	-
Available-for-sale securities	334	209	319	206
<b>Gains on investments</b>	<b>943</b>	<b>84</b>	<b>895</b>	<b>93</b>

## 28. Income from Reversal of Non-Obligated Liabilities

During 2002, the Bank reviewed its outstanding liabilities and decided to reverse certain long-outstanding liabilities and liabilities under guarantee obligations, which the Management believes that the Bank has no obligation to pay in the future, to income for the year. The major transactions are outlined below :-

(a) The Bank has guarantee obligations totaling Baht 380 million to a company as a result of its merger with the 12 finance companies and recorded this as a liability in its accounts. Such company is in the process of liquidation. During the year, the Bank had negotiated and made a payment of Baht 202 million for such obligation. The difference of Baht 178 million was reversed to income in the statement of earnings for the year.

(b) During the year, the Bank made a tax payment of Baht 157 million to the Revenue department. Such tax obligation was belonged to a finance company which the Bank merged. In relating to this transaction, the Bank provided an accrued expenses in its accounts of Baht 253 million. As the completion of this payment, the Bank therefore reversed the

remaining accrued expense amounting to approximately Baht 96 million to income in the statement of earnings for the year.

During the year, the Bank reversed approximately Baht 245 million of long-outstanding tax payable, since based on the review, the Management believes that the Bank has no obligation to pay such amount.

(c) The Bank reversed accrued expenses, liabilities and deferred income amounting to approximately Baht 120 million, which were mostly transferred as a result of merger and have been long-outstanding for more than 2-3 years, to income in the statement of earnings for the year.

## 29. Directors' Remuneration

Directors' remuneration represents the benefits paid to the Bank's and its subsidiaries' directors in accordance with Section 90 of the Public Company Limited Act, exclusive of salaries and related benefits payable to directors who hold executive positions.

## 30. Corporate Income Tax

No corporate income tax was payable on the Bank's net earnings for the years ended 31 December 2002 and 2001, after adding back certain expenses and provisions non-deductible for tax computation purposes and deducting tax exempted income, as the tax losses brought forward by the Bank exceeded net earnings for the years.

According to the corporate income tax returns for the years ended 31 December 2001 and 2000, the Bank had tax losses which can be carried forward for up to 5 accounting periods, amounting to approximately Baht 33,158 million and Baht 33,830 million, respectively.

## 31. Pension Fund

The Bank has a policy to pay pension benefits to employees with more than 10 years of services and who resign in accordance with the rules and conditions stipulated by the Bank. Pension funds are reserved and charged to expenses in the statements of earnings based on number of years of service by each employee. In the event that any employee resigns and is not entitled to receive pension benefits, the Bank will reverse the pension fund contribution's already reserved for such employee and charge the amount against the statements of earnings for the year in which he/she resigns. Such pension benefit only provides to employees who are former employees of the Union Bank of Bangkok Public Company Limited.

## 32. Provident Fund

The Bank, its subsidiaries and its employees have jointly established a provident fund schemes under the Provident Fund Act B.E. 2530. The employees contribute to the fund at rate of 3 - 5 percent of their basic salaries and the Bank and its subsidiaries contribute at rate of 5 percent depending on years of services. The fund will be paid to the employees upon termination in accordance with the rules of the fund. For the years ended 31 December 2002 and 2001, respective amounts of Baht 42 million and Baht 41 million were contributed to the fund by the Bank and its subsidiaries (The Bank only : Baht 37 million and Baht 36 million, respectively).

## 33. Encumbrance of Assets

### 33.1 Assets used as collateral

The Bank and its subsidiaries placed assets such as cash at banks, government and state enterprises bonds as collateral against the following :-

(Unit : Million Baht)

	Consolidated		The Bank only	
	31 December		31 December	
	2002	2001	2002	2001
Utilities usage	13	13	13	13
Court cases	5	-	5	-
Others	32	-	-	-
<b>Total</b>	<b>50</b>	<b>13</b>	<b>18</b>	<b>13</b>

### 33.2 Assets subject to obligation

The Bank has long-term investments in certain equity securities obtained as a result of debt restructuring which, under the debt restructuring agreements, it is obligated to dispose of after agreed periods, which range from 1 year to 20 years commencing from the date of the debt restructuring agreements. As at 31 December 2002, the investments subject to such obligation are as follows :-

(Unit: Million Baht)

Year of maturity	Number of companies	Book value
2003	3	241
2004	3	218
2005	-	-
2006 onwards	6	169
<b>Total</b>	<b>12</b>	<b>628</b>

## 34. Commitments and Contingent Liabilities

### 34.1 Commitments

As at 31 December 2002 and 2001, significant commitments of the Bank consist of :-

(Unit : Million Baht)

	Consolidated and the Bank only					
	31 December 2002			31 December 2001		
	Baht	Foreign currency	Total	Baht	Foreign currency	Total
Avals to bills	88	-	88	65	-	65
Guarantees of loans	455	5	460	455	7	462
	543	5	548	520	7	527
Liability under unmatured import bills	1	269	270	-	87	87
Letters of credits	35	957	992	3	210	213
<b>Other commitments :-</b>						
Other guarantees	3,280	185	3,465	2,840	271	3,111
Forward and spot contracts						
- Bought	-	4,644	4,644	-	1,872	1,872
- Sold	-	7,498	7,498	-	3,249	3,249
Foreign currency swap contracts						
- Bought	1,100	337	1,437	-	-	-
- Sold	89	1,348	1,437	-	-	-
Interest rate futures						
- Bought	-	-	-	-	44,294	44,294
- Sold	-	1,266	1,266	-	41,188	41,188
Interest rate swap contracts						
- Fixed rate payer	1,150	2,929	4,079	-	-	-
- Floating rate payer	3,950	2,929	6,879	-	-	-
- Fixed rate payee	3,950	2,929	6,879	-	-	-
- Floating rate payee	1,150	2,929	4,079	-	-	-
Obligations under discounted bills	725	-	725	838	-	838
Undrawn bank overdrafts	4,663	-	4,663	4,582	-	4,582
	20,057	26,994	47,051	8,260	90,874	99,134
<b>Total</b>	<b>20,636</b>	<b>28,225</b>	<b>48,861</b>	<b>8,783</b>	<b>91,178</b>	<b>99,961</b>

### 34.2 Contingent liabilities

As at 31 December 2002 and 2001, the Bank and its subsidiaries had the following contingent liabilities in connection with court cases in which the Bank or its subsidiaries have been sued as defendants in the Civil Court. The lawsuits were mainly lodged to claim compensation and the Management believes that they will have no significant impact on the Bank and its subsidiaries once they are finalised :-

(Unit : Million Baht)

	Consolidated and the Bank only	
	2002	2001
Sum claimed in cases where the Bank and its subsidiaries are direct defendants	973	768
Sum claimed in cases where the Bank and its subsidiaries are co-defendants with others		
- Sum of claims that can be specifically attributed to the Bank and its subsidiaries	316	1,576
- Sum claims that cannot be specifically attributed to the Bank and its subsidiaries and for which the total sum claimed is therefore presented.	324	612
<b>Total</b>	<b>1,613</b>	<b>2,956</b>

### 34.3 Commitments under long - term leases

As at 31 December 2002, the Bank and its subsidiaries had entered into a number of agreements to lease land, buildings and vehicles for periods of longer than 1 year, under which future rental fees can be summarised as follows :-

Lease periods	Consolidated	The Bank only
	Million Baht	Million Baht
1 - 3 years	305	274
4 - 5 years	54	51
6 - 10 years	12	12
11 - 30 years	25	25
<b>Total</b>	<b>396</b>	<b>362</b>

Furthermore, the Bank has commitments in respect of the gain/loss sharing under the Gain/Loss Sharing and Yield Maintenance Agreement made with the FIDF as discussed under Note 5 to the financial statements and the Non-performing Loan Management Agreement made with TAMC as discussed under Note 6 to the financial statements.

On 5 March 2001, the Bank entered into an agreement to hire a company as a for computer system development consultant, with a contract value of Baht 194 million. As at 31 December 2002, the Bank is obligated to pay a further Baht 24 million under such consultancy agreement. The Bank also entered into a Computer System and Software Development and Installation Agreement with another company on 10 May 2002, with a total contract value of USD 4 million. To date, the payments have not yet come due as the system development is still in progress.

The Bank has entered into contracts with various subcontractors for the renovation of the Bank's branches. As at 31 December 2002, there are outstanding future payment commitments totaling Baht 28 million.

## 35. Related Party Transactions

### 35.1 Related entities

During the years, the Bank had significant business transactions with its subsidiary, associated and related companies (related by way of common shareholders and/or common directors). Such transactions, which have been concluded on the terms and basis as determined by the Bank and those companies, are summarised below :-

	Consolidated		The Bank only	
	For the year ended 31 December		For the year ended 31 December	
	2002	2001	2002	2001
(Unit : Million Baht)				
<b>Subsidiaries</b>				
<b>Revenues :-</b>				
Interest income	2	8	35	22
Dividend income	448	-	448	-
<b>Expenses :-</b>				
Other expenses	1	1	9	1
<b>Associated companies</b>				
<b>Revenue :-</b>				
Interest income	3	3	3	3
Dividend income	5	133	5	133
<b>Related companies</b>				
<b>Revenue :-</b>				
Interest income	164	92	164	92
Fees income	15	8	15	8
<b>Expenses :-</b>				
Other expenses	10	3	10	3

During the year 2002, the Bank paid interest expense to its subsidiaries of approximately Baht 16 million.

The Bank and its subsidiaries had significant intercompany investment trading transaction in 2002, as discussed under Note 9 to the financial statements.

In addition, the Bank also conducted securities trading through a subsidiary company engaged in the securities business. The volume of such trades for the year ended 31 December 2002 and 2001 was Baht 580 million and Baht 468 million, respectively, and related commission fees for the same years amounted Baht 1.4 million and Baht 0.7 million, respectively.

The outstanding balances of significant related party transactions as at 31 December 2002 and 2001 are as follows :-

(Unit : Million Baht)

	Consolidated					
	31 December 2002			31 December 2001		Pricing policy
	Average loans Outstanding	Outstanding loans	Obligations	Outstanding loans	Obligations	
<b>Subsidiary companies</b>						
Vajira Securities Co., Ltd. (as at 31 December 2002, was not considered as a subsidiary)	-	-	-	177	-	No interest charged
Nava Factoring Co., Ltd.	42	32	-	85	-	MOR - 2%
		32	-	262	-	
<b>Associated company</b>						
Worldclass Rent a Car Co., Ltd.	34	40	-	30	-	MOR
		40	-	30	-	
<b>Related companies</b>						
Thai Olefins Co.,Ltd.	701	753	-	-	-	MLR
Thaioil Power Co.,Ltd.	633	616	74	645	74	5.9%
Ruampol Enterprise Co.,Ltd.	249	362	43	86	-	2.2-7.1%
Burapa Steel Industries Co., Ltd.	297	297	-	297	-	0.1-7.25%
The New Imperial Hotel Plc.	304	278	-	335	-	MLR, MOR
S-ONE Capital Co., Ltd.	264	264	-	264	-	3%
Sunshine Plc.	255	255	-	255	-	15-21%
Delta Engineering Construction Plc.	221	221	95	211	95	3.33-15%
Kaset Thai Sugar Co.,Ltd.	160	180	-	128	-	3.2-6.7%
Maxwin Buiders Ltd.	164	164	-	164	-	MLR
Thai Oil Co.,Ltd.	64	120	-	-	-	MLR
Others	397	369	31	362	32	Fixed rate, MLR, MOR
		3,879	243	2,747	201	

(Unit : Million Baht)

	The Bank only					
	31 December 2002			31 December 2001		Pricing policy
	Average loans Outstanding	Outstanding loans	Obligations	Outstanding loans	Obligations	
<b>Subsidiary companies</b>						
BT Securities Co., Ltd.	422	1,260	-	-	-	MLR+1%
BT Leasing Co., Ltd.	137	93	-	183	-	MLR-0.5%
Krungthai Thanakit Finance Public Company Limited	-	-	-	107	-	3 months fixed deposit rate + 1%
Vajira Securities Co., Ltd. (as at 31 December 2002, was not considered as a subsidiary)	-	-	-	177	-	No interest charged
Nava Factoring Co., Ltd.	42	32	-	85	-	MOR - 2%
		1,385	-	552	-	
<b>Associated company</b>						
Worldclass Rent a Car Co., Ltd.	34	40	-	30	-	MOR
		40	-	30	-	
<b>Related companies</b>						
Thai Olefins Co.,Ltd.	701	753	-	-	-	MLR
Thaioil Power Co.,Ltd.	633	616	74	645	74	5.9%
Ruampol Enterprise Co.,Ltd.	249	362	43	86	-	2.2-7.1%
Burapa Steel Industries Co., Ltd.	297	297	-	297	-	0.1-7.25%
The New Imperial Hotel Plc.	304	278	-	335	-	MLR, MOR
S-ONE Capital Co., Ltd.	264	264	-	264	-	3%
Sunshine Plc.	255	255	-	255	-	15-21%

(Unit : Million Baht)

	The Bank only						Pricing policy
	31 December 2002			31 December 2001			
	Average loans Outstanding	Outstanding loans	Obligations	Outstanding loans	Obligations		
<b>Related companies</b>							
Delta Engineering Construction Plc.	221	221	95	211	95		3.33-15%
Kaset Thai Sugar Co.,Ltd.	160	180	-	128	-		3.2-6.7%
Maxwin Builders Ltd.	164	164	-	164	-		MLR
Thai Oil Co.,Ltd.	64	120	-	-	-		MLR
Others	397	369	31	362	32		Fixed rate, MLR, MOR
		<b>3,879</b>	<b>243</b>	<b>2,747</b>	<b>201</b>		

Furthermore, as at 31 December 2002, the Bank has outstanding deposits from its subsidiaries and other related companies of Baht 282 million and Baht 4,135 million, respectively.

### 35.2 Related persons

As at 31 December 2002 and 2001, the outstanding balances of loans, commitments and contingent liabilities granted to the Bank's executives from the level of vice president upward and to the companies in which their directors or executives from level of vice president upward have shareholdings together exceeding 10 percent of the paid-up share capital are as follows :-

	Consolidated		The Bank only	
	2002	2001	2002	2001
<b>Loans</b>				
To executives from level of vice president upward	8	13	8	13
To companies in which their directors executives from level of vice president upward have shareholdings exceeding 10%	2,109	1,280	2,109	1,280
<b>Commitments and contingent liabilities</b>				
To executives from level of vice president upward	-	-	-	-
To companies in which their directors or executives from level of vice president upward have shareholdings exceeding 10%	74	1	74	1

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## 36. Financial Information by Segment

The Bank and its subsidiaries' business are carried on exclusively in Thailand. As a result, all the revenues, operating profits and assets as reflected in these financial statements pertain to the aforementioned geographic area.

## 37. Financial Instruments

Financial instruments are any contract which gives rise to both a financial asset of one enterprise and a financial liability or equity security of another enterprise.

### 37.1 Credit risk

Credit risk is the risk that the counterparty to a financial instrument or a borrower fails or intends to fail to comply with the conditions or agreements specified in the financial instruments, and consequently causes the Bank to incur a financial loss.

The Bank has implemented a credit risk management process, covering both credit risk measurement and control. The Bank uses credit risk rating tools to measure credit risk, taking into account the quality of the borrower, which is determined based on the probability of default within 12 months commencing as from the balance sheet date and expected loss given default. The application of credit risk rating tools helps support the quality of the Bank's credit approval process in order to increase an efficiency of credit control and monitoring, and in the future will enable it to determine the return or interest rate appropriate to the level of credit risk determined.

The Bank has a Risk Management Committee which is responsible for setting up and developing credit policies and credit underwriting guidelines, so that the credit approval procedures are systematic, transparent and in compliance with the Bank's risk management principles, the Banking Business Undertaking Act B.E. 2505, regulations of the Securities and Exchange Commissions and the Stock Exchange of Thailand, and other related legislation, as well as responsive to changes in circumstances.

When deciding whether to approve the underwriting of loans, the Bank takes into account the repayment capability of the borrowers, with consideration given to credit type, the financial status of the borrowers, and the economic situations and the status of industry. Furthermore, the Bank has set up the Credit Audit Unit, which is an independent unit, to ensure that the credit approval processes are transparent and effective.

The maximum credit risk exposure is the carrying value of the financial assets after deducting by allowance for losses as stated in the balance sheet, and the risk of off-balance sheet commitments incurred as a result of loan guarantees and other guarantees. As at 31 December 2002 and 2001, the Bank had the following off-balance sheet commitments as summarised by the period to maturity of the contracts :-

(Unit : Million Baht)

	Consolidated and the Bank only					
	31 December 2002			31 December 2001		
	Not more than 1 year	Over 1 year	Total	Not more than 1 year	Over 1 year	Total
Aval to bills	78	10	88	65	-	65
Guarantees of loans	460	-	460	462	-	462
Liabilities under unmatured import bills	270	-	270	87	-	87
Other guarantees	3,275	190	3,465	2,914	197	3,111
Letters of credit	387	605	992	50	163	213

### 37.2 Market risk

Market risk is the risk that changes in interest rates, foreign exchange rates and securities prices may have an effect on the Bank's foreign currency position and investment status, and consequently causes the Bank to incur a financial loss. As such, market risk consists of interest rate risk, foreign exchange risk and equity position risk.

The Bank has a Market Risk Management Unit and Asset and Liability Management Unit, which are responsible for assessment of the risk resulting from fluctuations in foreign exchange rates and interest rates. The Bank has implemented a market risk management process which covers both the measurement and control of such risks. The Bank has adopted the Value at Risk (VaR) model together with other factors sensitivity, such as DV01, for risk measurement, to determine and report on the acceptable and pre-warning levels of market risk for its trading portfolio, enabling the Bank to take action to adjust its market risk to an appropriate level in a timely manner.

#### 37.2.1 Structured interest risk

Interest rate risk is the risk that changes in market interest rates may lead to changes in the value of financial instruments, and fluctuations in revenue and the value of financial assets and liabilities. Interest rate risk is incurred as a result of interest rate structure and the characteristics and structure of the Bank's assets, liabilities and capital.

As at 31 December 2002 and 2001, financial assets and liabilities classified by type of interest rate are as follows :-

(Unit : Million Baht)

Descriptions	The Bank only			
	Outstanding balance as at 31 December 2002			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
<b>Financial assets</b>				
Cash	-	-	782	782
Interbank and money market items	3,234	5,032	5,636	13,902
Securities purchased under resale agreements	-	23,600	-	23,600
Investments	23,958	2,463	10,740	37,161
Loans	61,193	61,364	8,836	131,393
<b>Financial Liabilities</b>				
Deposits	17,518	176,878	949	195,345
Interbank and money market items	2,644	16,025	99	18,768
Liability payable on demand	-	-	156	156
Borrowings	-	4,804	-	4,804
Creditor - the FIDF	37,068	-	-	37,068

In addition, the average balances of the financial assets and liabilities of the Bank generating revenues and expenses, calculated based on the average balances outstanding during the year, and the average interest and dividend rate for the year ended 31 December 2002 and 2001 can be summarised as follows :-

(Unit : Million Baht)

	The Bank only			The Bank only		
	31 December 2002			31 December 2001		
	Average balances	Interest and dividend	Average Rate (%)	Average balances	Interest and dividend	Average Rate (%)
<b>Performing financial assets</b>						
Interbank and money market items	15,602	255	1.63	24,086	694	2.88
Securities purchased under resale agreements	12,355	204	1.65	12,415	273	2.20
Investments	41,463	1,431	3.45	22,992	984	4.28
Loans	136,860	4,170	3.05	200,458	4,431	2.21
<b>Performing financial liabilities</b>						
Deposits	190,274	5,815	3.06	170,700	6,418	3.76
Interbank and money market items	17,697	409	2.31	41,605	503	1.21
Liability payable on demand	143	-	-	223	-	-
Securities sale under repurchase agreements	1,050	4	0.33	-	-	-
Borrowings	5,166	180	3.47	6,437	313	4.87
Creditor - FIDF	39,631	1,052	2.66	40,352	1,417	3.51

### 37.2.2 Structured FX risk

Foreign exchange risk is the risk that changes in foreign exchange rates may result in changes in the value of financial instruments, and fluctuations in revenues and the value of financial assets and liabilities.

The Bank's Financial Products Trading Division is responsible in foreign currency position management, and is under the supervision of the Money Market Committee.

In addition to the financial assets and liabilities denominated in foreign currencies already disclosed in the relevant notes to the financial statements, as at 31 December 2002 and 2001, the Bank has the following net foreign currency positions categorised by major foreign currency :-

(Unit : Million Units)

	The Bank only					
	31 December 2002			31 December 2001		
	USD	EURO	Others	USD	EURO	Others
Spot	69.18	12.05	8.55	32.32	-	5.00
Forward						
- Forward contract	(69.78)	(11.92)	(8.26)	(27.36)	-	(2.58)
Total	(0.60)	0.13	0.29	4.96	-	2.42

Remark: Other currencies are stated in USD equivalents.

### 37.2.3 Risk on change of equity securities' price

Equity position risk is the risk that changes in the market prices of equity securities may result in changes in the value of investments, and fluctuations in revenue and the value of financial assets.

### 37.3 Liquidity risk

Liquidity risk is the risk that the Bank will be unable to liquidate its financial assets and/or procure sufficient funds to discharge its obligations in a timely manner, resulting in the Bank incurring a financial loss.

The Treasury Division of the Bank is responsible for liquidity management, including both short-term and long-term sources of fund procurement and debt security investment management. The overall liquidity risk management is monitored by the Asset and Liability Management Committee.

The period to maturity, of financial instruments outstanding as at 31 December 2002 and 2001 are counting from the balance sheet date as follows :-

(Unit : Million Baht)

Description	The Bank only Counting from 31 December 2002				Total
	At call	Less than 1 year	More than 1 year	No maturity	
<b>Financial Assets</b>					
Cash	782	-	-	-	782
Interbank and money market items	3,438	5,144	5,320	-	13,902
Securities purchased under resale Agreements	-	23,600	-	-	23,600
Investments*	619	4,288	25,383	6,871	37,161
Loans*	6,509	10,914	113,970	-	131,393
<b>Financial Liabilities</b>					
Deposits	18,497	120,665	56,183	-	195,345
Interbank and money market items	1,373	2,305	15,090	-	18,768
Liability payable on demand	156	-	-	-	156
Borrowings	-	2,044	2,760	-	4,804
Creditor - the FIDF	-	-	37,068	-	37,068

\* Investments classified as maturity at call of Baht 619 million are investment in defaulted debt securities and a part of loans classified as maturity at call of Baht 5,288 million are defaulted loans.

#### 37.4 Fair value

Fair value represents the amount for which an asset could be exchanged or a liability settled between knowledgeable and willing parties in an arm's length transaction. The Bank has estimated the fair value of financial instruments as follows :-

##### a) Financial assets

Determination of the fair value is dependent upon the characteristics of the financial instrument. The fair values of most financial assets, including cash, interbank and money market items, securities purchased under resale agreements, and loans, are presented at the amount stated in the balance sheets. The fair value of these financial assets is approximated at their respective carrying values since the values of such financial instruments are predominantly subject to market interest rates. Financial instruments with standard terms and conditions which are traded on an active and liquid market, such as investments, have their fair value determined by the quoted market prices.

##### b) Financial liabilities

The fair values of financial liabilities, including borrowings and deposits, interbank and money market items, liabilities payable on demand, and debentures, are considered to approximate their respective carrying values for the same reasons as described for financial assets above.

As at 31 December 2002 and 2001, the book value and the fair value of financial instruments of the Bank can be summarised as below :-

(Unit : Million Baht)

Description	The Bank only 31 December 2002		The Bank only 31 December 2001	
	Carrying value	Fair value	Carrying value	Fair value
<b>Financial Assets</b>				
Cash	782	782	659	659
Interbank and money market items	13,955	13,955	14,084	14,084
Securities purchased under resale agreements	23,600	23,600	10,100	10,100
Investments	34,768	34,774	39,207	39,825
Loans	115,442	115,442	127,476	127,476
<b>Financial Liabilities</b>				
Deposits	195,345	195,345	168,935	168,935
Interbank and money market items	18,768	18,768	36,304	36,304
Liability payable on demand	156	156	643	643
Borrowings	4,804	4,804	5,689	5,689
Creditor - the FIDF	37,068	37,068	40,143	40,143

### 37.5 Financial derivatives

The Bank engages in financial derivatives activities as required in the normal course of business of the Bank to meet its clients' needs and to manage the risks of the Bank arising from fluctuations in foreign exchange rates and interest rates.

As at 31 December 2002, financial derivatives as classified by their maturities are as follows :-

(Unit : Million Baht)

	The Bank only		
	2002		Total
	Less than 1 year	Over 1 year	
Forward and spot contracts			
- Bought	3,891	753	4,644
- Sold	6,730	768	7,498
Foreign currency swap contracts			
- Bought	-	1,437	1,437
- Sold	-	1,437	1,437
Interest rate futures			
- Sold	1,266	-	1,266
Interest rate swap contracts			
- Fixed rate payee	-	4,079	4,079
- Floating rate payee	-	6,879	6,879
- Fixed rate payee	-	6,879	6,879
- Floating rate payee	-	4,079	4,079

The Bank sets up policies and relevant risk limits by which it requires risk reporting and control procedures for the various types of risk, as a control over financial derivative activities. The Bank realises that financial derivatives involve credit risk and considers credit limits for its customers in general. The same credit approval process used when granting loans to a customer is adopted for financial derivative customers, so that the Bank is able to maintain risk at acceptable levels. However, financial derivatives may cause the Bank to incur gains or losses as they are sensitive to foreign exchange rates and interest rates, which can fluctuate materially as the market situation changes.

### 38. Presentation

The presentation of the financial statements has been made in compliance with the requirement of the Notification of the Bank of Thailand relating to the format of the financial statements of commercial banks dated 10 May 2001.

Certain amounts in the financial statements as at 31 December 2001 have been reclassified to conform to the current year's classification, with no effect on previously reported net earnings or shareholders' equity.

### 39. Approval of Financial Statements

These financial statements have been approved by the Bank's directors.



# Other Data

## 1. Corporate Data :

<b>BankThai Public Co. Ltd.</b>	
Company Registration No. BorMorJor.480	
Location of Head Office :	44 North Sathon Rd., Silom Sub-district, Bangrak District, Bangkok 10500
Business Category :	Commercial Banking
Telephone :	0-2633-9000-3, 0-2638-8000
Fax :	0-2633-9026
BANKTHAI Care Center :	0-2626-7777, press 0

## 2. Capital and Principal Shareholders

**Registered share capital Baht 52,002,500,000**

Divided into:

Common shares : 1,493,450,000 shares at Baht 10 per share, totalling Baht 14,934,500,000

Preference shares : 3,706,800,000 shares at Baht 10 per share, totalling Baht 37,068,000,000

(constituting non-cumulative preference shares that carry with them the right to convertibility into common shares and a preferred status over common shares in the event of a capital write-down).

**Issued and paid-up share capital : Baht 14,934,500,000**

Type and amount of issued and paid-up shares:

Common shares : 1,493,450,000 shares at Baht 10 per share, totalling Baht 14,934,500,000.

### Principal Shareholder Structure

Share Register as at the latest Book-Closing Date (November 28, 2002)

List of Shareholders	Nationality	No. of Shares	Percentage of Total Outstanding Shares (%)
1. The Financial Institution Development Fund (FIDF)	Thai	731,450,194	48.98
2. BT Securities Co., Ltd.	Thai	152,228,746	10.19
3. Krungthai Thanakit Finance Public Co., Ltd. for Investment	Thai	55,115,000	3.69
4. The Thai Opportunity Fund	Thai	50,000,000	3.35
5. Krungthai Total Return Fund	Thai	48,543,000	3.25
6. SCB Securities Co., Ltd.	Thai	42,290,000	2.83
7. ABN AMRO BANK N.V. SINGAPORE BRANCH	Singaporean	30,000,000	2.01
8. Com Link Co., Ltd.	Thai	23,000,000	1.54
9. Government Pension Fund and Government Pension Fund by Krungthai Bank Public Co., Ltd.	Thai	18,398,700	1.23
10. Dhipaya Insurance Public Co., Ltd.	Thai	10,000,000	0.67
11. Other Shareholders	Others	332,424,360	22.26
<b>Total</b>		<b>1,493,450,000</b>	<b>100.00</b>
<b>Thai Shareholders</b>		<b>1,430,094,929</b>	<b>95.76</b>
<b>Foreign Shareholders</b>		<b>63,355,071</b>	<b>4.24</b>

### Obligation to issue new shares

On 9 May 2001, the Bank issued 3,706.8 million non-transferable warrants for purchase of the Bank's preference shares to the Financial Institution Development Fund (FIDF). In conformity with the prescribed terms and conditions, the 10-year warrants which are due to expire on 8 May 2011, are immediately exercisable at any time from the date of issuance, each entitling the holder to purchase one preference share at a price of Baht 10 per share. To honour this obligation to the FIDF, and as part of the recapitalization process, the Bank issued 3,706.8 million preference shares at a price of Baht 10 per share and placed them privately with the FIDF with provision made for the shares to be allotted to the FIDF in any number and at any time throughout the term of the warrants.

As is known, the FIDF has not exercised any of the share purchase warrants, therefore, an option agreement has been entered into between the Bank and the FIDF, entitling the Bank to repurchase all of the 3,706.8 million warrants originally issued by the Bank to the FIDF, in varying amounts and at varying times throughout the period 23 September 2002 to 8 May 2011. Additionally, the Agreement provides for immediate cancellation of the warrants on repurchase, therefore, the cancelled portion will contribute towards alleviating the Bank's obligation to allot preference shares to the FIDF.

## Dividend payout policy

It is the Bank's policy to pay out dividends to its shareholders at not less than 40 per cent of the Bank's annual disposable net profit (after deducting juristic person income tax).

Insofar as the Bank's subsidiaries are concerned, the decision on this matter is left to the discretion of their respective Boards of Directors, depending on their individual net profit performance.

## 3. Issuance of subordinated debentures

The Bank's subordinated debentures were originally issued by the Bank and transferred from the five state-intervened financial institutions including Krungthai Thanakit Finance & Securities Public Co. Ltd. The particulars of the debentures, as at 31 December 2002, are presented in the table below.

Particulars of Subordinated Debentures	(millions of Baht)
<b>Domestic</b>	
- 7-year subordinated debentures due for redemption on 12 June 2003; interest rate of 11 per cent per annum (transferred from Krungthai Thanakit Finance & Securities Public Co. Ltd.)	1,500
<b>International</b>	
- 10-year subordinated debentures due for redemption on 1 February 2009; no interest levied (debentures valued at Baht 1,510 million were transferred to the Bank from Dhana Siam Finance Public Co. Ltd., Baht 500 million from IFCT Finance and Securities Public Co. Ltd., and Baht 750 million from First City Investment Finance Public Co. Ltd.)	2,760
<b>Total value of subordinated debentures</b>	<b>4,260</b>

Meanwhile, the Bank's liabilities comprise 62,522 long-term subordinated debentures that were transferred from Union Asia Finance Public Co. Ltd. under the merger process. The units carry a 10-year term and will become due for redemption on 22 December 2003, each bearing a fixed exchange rate of Baht 25.38 per US dollar, a face value of US\$ 1,000 per unit, and an interest rate of 3.375 per cent per annum. Of that figure, 41,068 units have been repurchased by the Bank and, in accordance with the mandate given by the Cabinet through its resolution of 9 September 2000 the remaining balance will also be repurchased by the Bank at a price of not more than 80 per cent of the face value.

### Remarks :

Long-term subordinated debentures with a term of 5 years and 6 months, valued at US\$ 20 million, bearing interest of LIBOR +1.5 per cent per annum, and issued (by the Bank) abroad, were redeemed by the Bank on 21 June 2002.

## 4. Juristic Persons in which the Bank holds at least 10 per cent stake

Company Name/Location	Type of Business	Type of Share	Paid-up Capital (No. of Share)	Number of Share Withheld	Ownership (%)
1. BT Leasing Co.,Ltd. Semmit Tower, 11 <sup>th</sup> Floor, 159 Sukhumvit 21, Asoke Road, Bangkok	Leasing	Ordinary	20,000,000	19,999,994	99.99
2. BT Insurance Co.,Ltd. 44 Langsuan Road, Bangkok	Insurance	Ordinary	30,000,000	29,999,910	99.99
3. BT Securities Co.,Ltd. 44 Langsuan Road, Bangkok	Securities	Ordinary	120,000,000	119,999,993	99.99
4. P.C. Patanasub Co.,Ltd. 1600 New Petchburi Road, Bangkok	Commerce	Ordinary	10,000	9,993	99.93
5. BT Business Consulting Co.,Ltd. 44 Langsuan Road, Bangkok	Consulting	Ordinary	130,000	129,993	99.93
6. Krungthai Thanakit Public Co.,Ltd. Semmit Tower, 15-16 <sup>th</sup> Floor, 159 Sukhumvit 21, Asoke Road, Bangkok	Finance	Ordinary	1,076,976,000	1,067,229,773	90.10
7. Nava Factoring Co.,Ltd. Phayathai Plaza, 8 <sup>th</sup> Floor, 128/85-86 Phayathai Road, Rajatheevee, Bangkok	Factoring	Ordinary	10,000,000	8,999,993	90.00
8. Nava SC Securities Co.,Ltd. .c/o 22/F, Prince's Building, Central, Hong Kong	Securities	Ordinary	95,001,000	76,155,817	80.10
9. EMC Public Co.,Ltd. Rasa Tower, 22 <sup>nd</sup> Floor, 555 Phaholyothin Road, Bangkok	Construction	Ordinary	59,027,816	15,503,279	26.26

Company Name/Location	Type of Business	Type of Share	Paid-up Capital (No. of Share)	Number of Share Withheld	Ownership (%)
10. Delta Engineering Construction Public Co.,Ltd. Bangkok Gem and Jewelry Tower, 322/12 Surawong Road, Bangkok	Construction	Ordinary	20,000,000	4,987,500	24.94
11. Worldclass Rent a Car Co.,Ltd. 19/3 Royal City Avenue, New Petchburi Road, Bangkok	Service	Ordinary	3,800,000	760,000	20.00
12. Nava Leasing Public Co.,Ltd. 16/16-1 Soi Kasemsun, Phayathai Road, Bangkok	Leasing	Ordinary	100,000,000	19,989,200	19.99
13. Thoon Ruam Karn Co.,Ltd. Siam Thanakorn 2, 9 <sup>th</sup> Floor, 133/2 Sukhumvit 21, Bangkok	Service	Ordinary	240,000	40,000	16.67
14. Sri U-Thong Co.,Ltd. SP Building, 388 Phaholyothin Road, Bangkok	Construction	Ordinary	109,202,590	16,634,682	15.23
15. Rajyindee Development Co.,Ltd. 247 Niphatuthit 2 Road, Hadyai, Songkhla	Real Estate	Ordinary	1,000,000	150,000	15.00
16. Energy and Infrastructure Development Co.,Ltd. SP Building, 12 <sup>th</sup> Floor, 388 Phaholyothin Road, Bangkok	Real Estate	Ordinary	60,000,000	8,500,000	14.17
17. Arabian-Thai International Co.,Ltd. 22/6-7 Sukhumvit 11, Bangkok	Commerce	Ordinary	4,600	621	13.50
18. Ramada Tawana Hotel Co.,Ltd. 80 Surawongse Road, Bangkok	Service	Ordinary	33,909	3,390	10.00
19. Sunshine Public Co.,Ltd. Ratchada Complex, 522 Ratchadaphisek Road, Bangkok	Appliance	Ordinary	40,000,000	4,000,000	10.00
20. Global Leasing Co.,Ltd. Maneeya Center, 9 <sup>th</sup> Floor, 518/5 Ploenchit Road, Bangkok	Leasing	Ordinary	2,000,000	200,000	10.00
21. TPF Leasing Co.,Ltd. 101 Soi Sukhumvit 25, Sukhumvit Road, Bangkok	Leasing	Ordinary	6,000,000	600,000	10.00
22. BSL Leasing Co.,Ltd. Sathon City Tower, 19 <sup>th</sup> Floor, 175 South Sathon Road, Tungmahamek, Bangkok	Leasing	Ordinary	1,000,000	100,000	10.00
23. Advance Manufacturing Leasing Co.,Ltd. Time Square Building, 11 <sup>th</sup> Floor, 246 Sukhumvit Road, Bangkok	Leasing	Ordinary	20,000,000	2,000,000	10.00
24. First International Factoring Co.,Ltd. Cathay House, 1 <sup>st</sup> Floor, 8/6 North Sathon Road, Bangkok	Factoring	Ordinary	12,000,000	1,200,000	10.00
25. Thanawat Insurance Co.,Ltd. Thanawat Building, 959 Charoenkrung Road, Bangkok	Insurance	Ordinary	30,000,000	3,000,000	10.00
26. TMB Asset Management Co.,Ltd. Abdulrahim Place, 28 <sup>th</sup> Floor, 990 Rama IV Road, Silom, Bangkok	Mutual Fund	Ordinary	10,000,000	1,000,000	10.00
27. Ace Capital Co.,Ltd. United Center, 19 <sup>th</sup> Floor, 323 Silom Road, Bangkok	Leasing	Ordinary	30,000,000	3,000,000	10.00
28. Fortis Co.,Ltd. 3 Moo 7 Kingkaew-Ladkrabang Road, Bangplee, Samutprakarn	Footwear	Ordinary	400,000	39,998	10.00
29. Zigma Concrete Co.,Ltd. 34 Moo 5 Krungthep-Nonburi, Taladkwan, Nonburi	Construction	Ordinary	8,000,000	800,000	10.00
30. Soecon Engineering Co.,Ltd. 384/1 Sukhumvit 68 (Soi Sophon) Sukhumvit Road, Bangkok	Construction	Ordinary	8,000,000	800,000	10.00
31. Sanwa Interfood Co.,Ltd. 255 Moo 5 Suwansom Road, Kabinburi, Prachinburi	Food	Ordinary	10,000,000	1,000,000	10.00
32. Thai-Ultra Auto Part 59/1 Moo 4 Highway Road, Nikompattana, Bankai, Rayong	Auto Parts	Ordinary	6,500,000	650,000	10.00
33. Bangkok SMBC Consulting Co.,Ltd. Ramaland Building, 11 <sup>th</sup> Floor, 951 Rama 4 Road, Bangkok	Service	Ordinary	20,000	2,000	10.00
34. Modern Appraisal Co.,Ltd. 3726/162-163, Rama 3 Road, Bangkok	Service	Ordinary	20,000	2,000	10.00
35. UTM Advisory & Capital Management Co.,Ltd. 44 Langsuan Road, Bangkok	Service	Ordinary	100,000	10,000	10.00

## 5. References

- Security Registrar** (Common Shares) : Thailand Securities Depository Co., Ltd. (TSD)  
62 Share Exchange of Thailand Building, 4<sup>th</sup>, 6<sup>th</sup>, and 7<sup>th</sup> Floors  
Rachadaphisek Road, Khlong Toei Sub-district,  
Khlong Toei District, Bangkok 10110  
Telephone : 0-2229-2800, 0-2654-5599 Fax : 0-2359-1263
- Auditors** : The Bank's auditor for Financial Statements of 1<sup>st</sup> Quarter,  
3<sup>rd</sup> Quarter, and 2002 Half Year Period.  
Office of the Auditor General of Thailand (OAG)  
Rama VI Road, Phyathai Sub-district,  
Bangkok 10400  
Telephone : 0-2618-5807 Fax : 0-2618-5807
- Mrs. Jaruvan Mainthaka  
The State Audit Governor
  - Mrs. Daungta Jantong  
Director of the 4<sup>th</sup> Audit Office
- : The Bank's auditor for the Financial Statement of 4<sup>th</sup> Quarter 2002 and who audited and verified the Financial Statement for the year ending on December 31, 2002.  
Ernst & Young Corporate Services Limited.  
23<sup>rd</sup> Floor, Lake Ratchada Office Complex,  
193/136-137 New Rachadaphisek Road  
(Across from Queen Sirikit Convention Center)  
Bangkok 10110  
Telephone : 0-2264-0777 Fax : 0-2264-0790
- By - Mr. Ruth Chaowanakawi, Certified Public Accountant No. 3247, and/or;  
- Miss Rungnapa Lertsuwanakul, Certified Public Accountant No. 3516, and/or  
- Miss Ratana Jala, Certified Public Accountant No. 3734

## 6. A summary of the Bank's financial data

BANKTHAI PUBLIC COMPANY LIMITED  
TABLE OF BALANCE SHEETS AND PERCENTAGE  
AS AT DECEMBER 31

BAHT : MILLION

BALANCE SHEET	2002		AUDITED 2001		2000	
	AMOUNT	%	AMOUNT	%	AMOUNT	%
<b>ASSET</b>						
CASH	781.97	0.29	659.29	0.24	633.93	0.27
INTERBANK AND MONEY MARKET ITEMS	13,954.57	5.15	14,084.29	5.19	40,664.38	17.45
SECURITIES PURCHASED UNDER RESALE AGREEMENTS	23,600.00	8.71	10,100.00	3.72	11,940.00	5.12
INVESTMENTS - Net	34,768.29	12.82	39,206.68	14.46	16,249.24	6.97
LOANS AND ACCRUED INTEREST RECEIVABLES - Net	115,441.55	42.58	127,476.46	47.00	150,856.79	64.72
PROPERTIES FORECLOSED - Net	11,013.97	4.06	10,802.55	3.98	6,740.46	2.89
CUSTOMERS' LIABILITY UNDER ACCEPTANCE	498.20	0.18	240.61	0.09	140.15	0.06
PREMISES AND EQUIPMENT - Net	3,002.02	1.11	3,517.52	1.30	4,900.54	2.10
RECEIVABLES FROM THE FINANCIAL INSTITUTIONS AND DEVELOPMENT FUND UNDER GAIN/LOSS SHARING AND YIELD MAINTENANCE AGREEMENT	61,511.82	22.69	58,045.57	21.40	-	-
YIELD MAINTENANCE INCOME RECEIVABLES	4,735.76	1.75	5,898.23	2.17	-	-
OTHER ASSETS	1,794.88	0.66	1,170.83	0.45	963.79	0.42
<b>TOTAL ASSETS</b>	<b>271,103.03</b>	<b>100.00</b>	<b>271,202.03</b>	<b>100.00</b>	<b>233,089.28</b>	<b>100.00</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>						
<b>LIABILITIES</b>						
DEPOSITS	195,345.43	72.06	168,935.18	62.29	172,569.03	74.04
INTERBANK AND MONEY MARKET ITEMS	18,767.55	6.92	36,303.77	13.39	37,394.86	16.04
LIABILITY PAYABLE ON DEMAND	155.84	0.06	643.11	0.24	80.31	0.03
BORROWINGS	4,804.16	1.77	5,688.70	2.10	6,944.39	2.98

BANKTHAI PUBLIC COMPANY LIMITED  
TABLE OF BALANCE SHEETS AND PERCENTAGE

AS AT DECEMBER 31

	2002		AUDITED 2001		BAHT : MILLION 2000	
	AMOUNT	%	AMOUNT	%	AMOUNT	%
BANK'S LIABILITY UNDER ACCEPTANCE	498.20	0.18	240.61	0.09	140.15	0.06
ACCRUED INTEREST EXPENSES	2,321.96	0.86	4,354.35	1.61	2,086.69	0.90
NOTES PAYABLE TO THE FINANCIAL INSTITUTIONS AND DEVELOPMENT FUND	37,068.00	13.67	40,143.18	14.80	-	-
OTHER LIABILITIES	1,335.02	0.49	3,318.71	1.21	3,200.08	1.37
<b>TOTAL LIABILITIES</b>	<b>260,296.16</b>	<b>96.01</b>	<b>259,627.61</b>	<b>95.73</b>	<b>222,415.51</b>	<b>95.42</b>
<b>SHAREHOLDERS' EQUITY</b>						
ISSUED AND PAID-UP SHARE CAPITAL	14,934.50	5.51	14,934.50	5.51	49,402.00	21.19
SHARE DISCOUNTS	(1,123.61)	(0.41)	(1,123.61)	(0.41)	-	-
UNREALISED LOSSES ON FUTURE CONTRACTS	(829.95)	(0.31)	(2,236.47)	(0.83)	(38,728.23)	(16.61)
TREASURY STOCKS	(2,174.07)	(0.80)	-	-	-	-
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>10,806.87</b>	<b>3.99</b>	<b>11,574.42</b>	<b>4.27</b>	<b>10,673.77</b>	<b>4.58</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>271,103.03</b>	<b>100.00</b>	<b>271,202.03</b>	<b>100.00</b>	<b>233,089.28</b>	<b>100.00</b>

BANKTHAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
TABLE OF BALANCE SHEETS AND PERCENTAGE

AS AT DECEMBER 31

	2002		AUDITED 2001		BAHT : MILLION 2000	
	AMOUNT	%	AMOUNT	%	AMOUNT	%
<b>ASSETS</b>						
CASH	782.37	0.29	659.55	0.24	634.38	0.27
INTERBANK AND MONEY MARKET ITEMS	13,110.59	4.84	14,479.79	5.33	41,079.65	17.46
SECURITIES PURCHASED UNDER RESALE AGREEMENTS	24,420.00	9.02	10,210.00	3.76	12,075.00	5.13
INVESTMENTS - Net	33,645.75	12.43	38,191.86	14.05	16,450.66	6.99
LOANS AND ACCRUED INTEREST RECEIVABLES - Net	115,799.65	42.78	128,024.96	47.10	151,309.23	64.31
PROPERTIES FORECLOSED - Net	11,017.45	4.07	10,813.07	3.98	6,763.44	2.87
CUSTOMERS' LIABILITY UNDER ACCEPTANCE	498.20	0.18	240.61	0.09	140.15	0.06
PREMISES AND EQUIPMENT - Net	3,072.99	1.14	3,605.51	1.33	4,959.80	2.11
RECEIVABLES FROM THE FINANCIAL INSTITUTIONS AND DEVELOPMENT FUND UNDER GAIN/LOSS SHARING AND YIELD MAINTENANCE AGREEMENT	61,511.67	22.73	58,066.79	21.36	-	-
YIELD MAINTENANCE INCOME RECEIVABLES	4,741.80	1.75	5,871.39	2.16	-	-
OTHER ASSETS	2,069.11	0.77	1,668.23	0.60	1,880.25	0.80
<b>TOTAL ASSETS</b>	<b>270,669.58</b>	<b>100.00</b>	<b>271,831.76</b>	<b>100.00</b>	<b>235,292.56</b>	<b>100.00</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>						
<b>LIABILITIES</b>						
DEPOSITS	195,215.12	72.12	168,807.55	62.10	172,461.79	73.30
INTERBANK AND MONEY MARKET ITEMS	17,966.36	6.64	36,303.77	13.36	37,396.93	15.89
LIABILITY PAYABLE ON DEMAND	155.84	0.06	643.11	0.24	80.31	0.03
BORROWINGS	4,804.16	1.77	5,765.27	2.12	7,207.85	3.06
BANK'S LIABILITY UNDER ACCEPTANCE	498.20	0.18	240.61	0.09	140.15	0.06
ACCRUED INTEREST EXPENSES	2,315.23	0.86	4,352.43	1.60	2,087.24	0.89
NOTES PAYABLE TO THE FINANCIAL INSTITUTIONS AND DEVELOPMENT FUND	37,068.00	13.69	40,143.18	14.77	-	-
OTHER LIABILITIES	1,820.24	0.68	4,041.00	1.48	3,656.20	1.55
<b>TOTAL LIABILITIES</b>	<b>259,843.15</b>	<b>96.00</b>	<b>260,296.92</b>	<b>95.76</b>	<b>223,030.47</b>	<b>94.78</b>

BANKTHAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
**TABLE OF BALANCE SHEETS AND PERCENTAGE**  
AS AT DECEMBER 31

	2002		AUDITED 2001		BAHT : MILLION 2000	
	AMOUNT	%	AMOUNT	%	AMOUNT	%
SHAREHOLDERS' EQUITY						
ISSUED AND PAID-UP SHARE CAPITAL	14,934.50	5.52	14,934.50	5.49	49,402.00	21.00
SHARE DISCOUNTS	(1,123.61)	(0.42)	(1,123.61)	(0.41)	2,131.40	0.91
UNREALISED LOSSES ON FUTURE CONTRACTS	(810.40)	(0.30)	(2,243.93)	(0.83)	(39,271.31)	(16.69)
TREASURY STOCKS	(2,174.06)	(0.80)	(32.12)	(0.01)	-	-
TOTAL SHAREHOLDERS' EQUITY	10,826.43	4.00	11,534.84	4.24	12,262.09	5.22
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	270,669.58	100.00	271,831.76	100.00	235,292.56	100.00

BANKTHAI PUBLIC COMPANY LIMITED  
**TABLE OF STATEMENTS OF EARNINGS AND PERCENTAGE OF TOTAL INCOME AND EXPENSES**  
FOR THE YEARS ENDED DECEMBER 31

	2002		AUDITED 2001		BAHT : MILLION 2000	
	AMOUNT	%	AMOUNT	%	AMOUNT	%
INTEREST AND DIVIDEND INCOME	9,847.40	78.94	12,280.60	91.46	6,976.68	91.64
NON-INTEREST INCOME	2,626.65	21.06	1,146.89	8.54	636.23	8.36
TOTAL INCOME	12,474.05	100.00	13,427.49	100.00	7,612.91	100.00
INTEREST EXPENSES	7,459.46	70.59	8,652.04	70.02	8,765.33	70.72
BAD DEBT AND DOUBTFUL ACCOUNTS (REVERSAL OF ALLOWANCE FOR DOUBTFUL ACCOUNTS)	-	-	-	-	-	-
NON-INTEREST INCOME	3,107.67	29.41	3,704.47	29.98	3,629.22	29.28
TOTAL EXPENSES	10,567.13	100.00	12,356.51	100.00	12,394.55	100.00
NET EARNINGS FOR THE YEAR	1,906.92		1,070.98		(4,781.64)	

BANKTHAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
**TABLE OF STATEMENTS OF EARNINGS AND PERCENTAGE OF TOTAL INCOME AND EXPENSES**  
FOR THE YEARS ENDED DECEMBER 31

	2002		AUDITED 2001		BAHT : MILLION 2000	
	AMOUNT	%	AMOUNT	%	AMOUNT	%
INTEREST AND DIVIDEND INCOME	9,860.39	76.42	12,382.94	89.05	7,078.33	79.05
NON-INTEREST INCOME	3,041.79	23.58	1,522.55	10.95	1,875.60	20.95
TOTAL INCOME	12,902.18	100.00	13,905.49	100.00	8,953.93	100.00
BAD DEBT AND DOUBTFUL ACCOUNTS (REVERSAL OF ALLOWANCE FOR DOUBTFUL ACCOUNTS)	5.41	0.05	(209.48)	(1.63)	88.32	0.64
INTEREST EXPENSES	7,447.02	67.73	8,676.79	67.61	8,822.11	64.23
NON-INTEREST INCOME	3,528.27	32.09	4,292.71	33.45	4,413.15	32.13
CORPORATE INCOME TAX	13.11	0.12	30.85	0.24	6.87	0.05
MINORITY INTERESTS	1.45	0.01	43.64	0.33	0.06	-
GAIN (LOSS) THE SUBSIDIARY (KTT)	-	-	-	-	405.06	2.95
TOTAL EXPENSES	10,995.26	100.00	12,834.51	100.00	13,735.57	100.00
NET EARNINGS FOR THE YEAR	1,906.92		1,070.98		(4,781.64)	

BANKTHAI PUBLIC COMPANY LIMITED  
**TABLE OF FINANCIAL RATIOS**  
AS AT DECEMBER 31

Financial Ratios		2002	2001	2000
Profitability Ratio				
Gross Profit	%	11.99	24.47	(45.15)
Net Profit	%	15.29	7.98	(62.81)
Return on Equity	%	17.04	9.63	(35.07)
Yield Rate	%	5.89	5.61	2.24
Cost Rate	%	3.47	4.04	4.12

## TABLE OF FINANCIAL RATIOS

AS AT DECEMBER 31

Financial Ratios		2002	2001	2000
Spread	%	2.42	1.57	(1.88)
Return on Investment	%	6.29	3.88	7.18
<b>Efficiency Ratio</b>				
Net Interest Income Per Assets	%	0.35	1.05	(1.17)
Return on Assets	%	0.70	0.42	(2.04)
Turnover of Assets	Times	0.05	0.05	0.03
<b>Financial Ratio</b>				
Debt to Equity	Times	24.09	22.43	20.84
Loan to Borrowings	%	65.60	78.65	123.80
Loan to Deposits	%	67.26	81.60	128.84
Deposit to Borrowings	%	75.05	65.07	77.59
Dividend Paid	%	N/a*	-	-
<b>Asset Quality Ratio</b>				
Allowance for Doubtful Accounts per Total Loan	%	16.28	11.97	35.46
Bad Debt per Total Loan	%	0.11	0.13	0.13
Non-Performing Loan per Total Loan	%	5.99	3.36	2.69
Accrued Interest Receivable per Total Loan	%	5.25	5.52	6.55
<b>Capital Adequacy Ratio</b>				
Capital Fund per Risk Assets	%	20.93	21.54	21.80
1 <sup>st</sup> Tier Capital Funds per Risk Asset	%	20.14	20.23	19.84

Remark : Total Loans Exclude Loans to Financial Institutions

## 7. Description of the Bank's business operations

### Background

BankThai Public Co. Ltd. ("the Bank") was established by the merger between Union Bank of Bangkok Public Co. Ltd. and the 12 state-intervened finance companies, namely Nava Finance Public Co. Ltd., Union Asia Finance Public Co. Ltd., Mahathun Finance Co. Ltd., Bangkok Asian Finance Co. Ltd., Ksit Finance and Securities Public Co. Ltd., Erawan Trust Co. Ltd., Progressive Finance Co. Ltd., Dhana Siam Finance and Securities Public Co. Ltd., First City Investment Public Co. Ltd., Vajiradhanathun Finance Co. Ltd., Thai Summit Finance and Securities Co. Ltd., and IFCT Finance and Securities Public Co. Ltd. The merger which also included the former Krungthai Thanakit Public Co. Ltd. (presently known as Krungthai Thanakit Finance Public Co. Ltd., or "Krungthai Thanakit"), was instigated by the government order of 14 August 1998, a subsequent decision taken by the Cabinet on 27 October 1998, and an official announcement of the Ministry of Finance dated 22 December 1998.

The completion of the merger between the 14 financial institutions led to the launch of a new commercial bank and change of the registered name of Union Bank of Bangkok to BankThai Public Co. Ltd., on 21 December 1998.

In early 1999, the Extraordinary Meeting of Shareholders, at its 1/2542 session, held on 15 January 1999, passed a resolution requiring the Bank to readjust its share par value from Baht 0.01 to Baht 10, and to raise Baht 40,000.0 million in capital, by issuing 4,000.0 million non-cumulative preference shares at a price of Baht 10 per share. The shares were convertible into the Bank's common shares and had a preference status over the common shares in the event of a capital write-down. Subject to the regulatory requirements, the preference shares were placed directly with the FIDF at a price of Baht 10 per share. Against that backdrop, the Bank was able to increase its registered capital to Baht 52,334.0 million, comprising paid-up capital of Baht 49,402.0 million.

Subsequently, the Extraordinary Meeting of Shareholders, at its 1/2543 session, held on 21 July 2000, passed a resolution authorizing the Bank to acquire common shares of Krungthai Thanakit, up to 100 per cent of the latter's registered and paid-up capital. Simultaneously, the Bank was authorized by the Meeting to decrease its registered capital by Baht 2,932.0 million, by canceling unsold portions of the preference shares and, at the same time, to increase its registered capital by issuing 260.05 million common shares at a price of Baht 10 per share. The shares were to be placed directly with the existing shareholders of Krungthai Thanakit at a price of Baht 5.6184 per share by means of a share-swap arrangement, thereby presenting the shareholders of Krungthai Thanakit with the offer to swap their common shares valued by the Bank at Baht 1.3566 per share (or in the ratio of 0.2414478 of BankThai share to 1 Krungthai Thanakit share), for the common shares of BankThai. Furthermore, the Extraordinary Meeting of Shareholders, at its 2/2543 session, held on 23 November 2000, decided that the balance of common shares

remaining after the share-swap arrangement should be placed specifically with Thai Thanakit Securities Co. Ltd. (presently known as BT Securities Co. Ltd.) at a price of Baht 10 per share. Following the share-swap arrangement, the Bank's registered and paid-up capital stood at Baht 52,002.5 million with the Bank having acquired the principal stake in Krungthai Thanakit, by holding 1,062,087,149 units or 98.62 per cent of Krungthai Thanakit's total share capital.

To enable the Bank to take complete ownership of Krungthai Thanakit, the Meeting of the Board of Directors, at its 3/2544 session, held on 28 February 2001, authorized the Bank to offer to purchase the remaining 14,888,851 shares from the shareholders of Krungthai Thanakit, at a price of Baht 1.3566 per share. Upon completion of that offering, the Bank was able to acquire additional 5,142,624 Krungthai Thanakit shares, bringing the total of the shares held by the Bank to 1,067,229,773 or 99.10 per cent of Krungthai Thanakit's total share capital. Moreover, and in accordance with the provisions of the financial sector restructuring package, the Bank of Thailand authorized the Bank to continue holding the shares of Krungthai Thanakit until such time that the latter manages to completely liquidate, but not later than 31 December 2003. As part of that process, Krungthai Thanakit took the initiative to apply for the revocation of its common shares as listed securities on the Stock Exchange of Thailand (SET). The application was approved on 18 July 2001. With regard to the Bank's common shares, the SET has granted its approval to revoke the cease trade order as of 30 March 2001, when trading resumed under the stock symbol, "BT".

A major development under the merger programme was the transfer of inferior assets from the 12 state-intervened finance companies, Union Bank of Bangkok and Krungthai Thanakit, to the Bank. One redeeming feature on that front was the decision taken by the Cabinet, on 19 September 2000, requiring the FIDF to compensate the Bank for loss against inferior assets classified as Covered Asset Pool (CAP), using yield maintenance and gain-loss sharing scheme. In this respect, the Extraordinary Meeting of Shareholders, at its 2/2543 session, held on 23 November 2000, passed a resolution authorizing the Bank to adopt the procedures for participating in such scheme, and to maintain proper accounting records of the proceeds so generated as of January 2001. Along with this policy move, the Bank reduced its capital by canceling all of its preference shares and refunding the share capital of Baht 37,068.0 million to the FIDF. Further, on 9 May 2001, the Bank issued 3,706.8 million non-transferable warrants for purchase of preference shares to the FIDF, each carrying a 10-year term, expiring 8 May 2011. According to the prescribed terms and conditions, the warrants are immediately exercisable at any time from the date of issuance, each entitling the holder to purchase one preference share of the Bank at a price of Baht 10 per share. To honour its obligation to the FIDF, and as part of its recapitalization process, the Bank issued 3,706.8 million preference shares at a price of Baht 10 per share, and filed them with the Registrar of public limited companies. In that light, the Bank's registered share capital amounted to Baht 52,002.5 million, divided into Baht 1,493.45 million common shares at a price of Baht 10 per share, 3,706.8 million preference shares also at a price of Baht 10 per share, and paid-up share capital of Baht 14,934.5 million consisting of 1,493.45 million common shares at a price of Baht 10 per share.

During the latter part of 2001, the Meeting of the Board of Directors, at its 14/2544 session, held on 10 October 2001, authorized the Bank to transfer qualified inferior assets to the Thai Asset Management Corporation ("TAMC"). As at 31 December 2002, the book value of the transferred assets amounted to approximately Baht 95,220 million. However, as the price of the assets so transferred was based on the assessed value of the collateral provided as security for the assets at Baht 23,958 million, the Bank suffered a Baht 71,262 million loss arising from the transfer. Of that figure, some Baht 59,378 million was in classified assets (CAP), and is kept as a separate account on the Bank's books designated as "Liabilities under FIDF in the context of the Agreement on compensation for loss against inferior assets", pending receipt of reimbursement for loss from the FIDF. Meanwhile, loss incurred through the transfer of non-classified assets (NON-CAP) in the amount of some Baht 11,884 million has been designated in the Bank's books as potential bad debt under the loan-loss provisions.

During 2002, the Ordinary General Meeting of Shareholders, at its eighth session, held on 24 April 2002, passed a resolution requiring the Bank to amend its Articles of Association in pursuance of the Public Limited Company Act (No. 2), B.E. 2544, which incorporates the following three major amendments to the Public Limited Company Act B.E. 2535:

- Repurchase of shares from the shareholders: the Bank shall have the right to own its shares by repurchasing them from the shareholders.

- Conferment of voting rights on preference shares: preference shares shall entail voting rights less than common shares.
- Transferred reserves and surplus value of shares shall be written off as accumulated loss.

In 2002, in conformity with the Government's state enterprise reform policies, the shareholding percentage of the FIDF, the Bank's major shareholder, was reduced following the distribution of 707 million common shares held by the FIDF among the general public.

Furthermore, in order to prevent the preference share purchase warrants from affecting the share value, the Bank and the FIDF entered into an option agreement entitling the Bank to repurchase all of the 3,706.8 million warrants originally issued by the Bank to the FIDF, in varying amounts and at varying times throughout the period 23 September 2002 to 8 May 2011. While the FIDF is currently precluded from exercising the warrants over the said period to maturity, nevertheless, it shall be entitled to exercise its conversion rights as prescribed in the original terms of the warrant if any such warrant should remain at maturity. Moreover, the Agreement also provides for immediate cancellation of the warrants on repurchase. In this respect, the Bank has compensated the FIDF an amount of Baht 300 million for the right to repurchase the warrants.

The offer of the Bank's common shares held by the FIDF to the general public led to a change in the Bank's shareholding structure with the FIDF remaining the major shareholder at 48.98 per cent. Other shareholders consist of institutional investors, juristic persons, and persons at 51.02 per cent. As a result, the Bank's status changed from a state enterprise to a non-state enterprise with the FIDF as its major shareholder.



## Operation Scenario

The Bank has been licensed by the authorities to operate in commercial banking and other related services, with focus on medium- and large-sized customers. In addition to credit facility, the Bank places special emphasis on providing value-added products to its customers, particularly those from which revenue could be derived such as fees and services. These include financial consulting and trading of financial products. In effect, the majority of the Bank's services fall within the scope of commercial banking operations, as summarized below.

1. Commercial banking operations: the Bank has been licensed by the Bank of Thailand to provide a comprehensive range of commercial banking services, namely deposits, loans, hire-purchase, certifications, avals, guarantees, foreign currency exchange, letters of credit, tele-banking, and ATM banking.

2. Bangkok International Banking Facilities (BIBF): the Bank has been licensed by the Ministry of Finance to operate BIBF as of 2 March 1993.

3. Financial consulting: the Office of the Securities and Exchange Commission has granted its approval to the Bank to provide financial consulting services. In this respect, on 10 September 2001, the Bank became a registered financial consultant, Category A, as prescribed by the Consultant Data Center of the Ministry of Finance (this category, recognized in this manner, refers to financial consultants that have provided consulting services to companies in more than 2 areas).

4. Securities and other related business:

4.1 Management of personal funds: the Bank has been licensed by the Office of the Securities and Exchange Commission, consistent with approval of the Bank of Thailand and Ministry of Finance, to operate in securities business relating to the management of personal and provident funds as of 30 March 2001.

4.2 Securities Registrar: the Bank has been licensed by the Securities and Exchange Commission to render services in the capacity as a securities registrar as of 12 May 2000.

4.3 Brokerage for mutual fund units: the Bank has been licensed by the Office of the Securities and Exchange Commission to render the relevant services as of 1 January 2002.

4.4 Securities trading and debt issuance: the Bank has been licensed by the Ministry of Finance to render the relevant services as of 8 August 2002.

Moreover, the Bank has invested funds at varying levels in other companies including the 14 financial institutions that were amalgamated to form the Bank. As a consequence, the Bank either has a stake in, or is represented on the Board of Directors of, the concerned subsidiary/associated/affiliated companies belonging to the following 5 business groups:

1. Financial services group, namely finance and securities companies.
2. Leasing services group.
3. Business consulting group.
4. Insurance group.
5. Commercial and other business group.

All of the concerned companies have a complementary role to play, either directly or indirectly, in promoting the Bank's business activity. However, a downside to the situation is that most of the investment fund has been acquired by the Bank under the merger process, resulting in dispersion of investment and inadequate returns. As is well known, it is the Bank's policy that the Bank maintains its position as a firm and solid establishment, capable of sustaining longer-term growth. The Bank therefore intends to reduce its investment-related expenses by disinvesting in low-priority business areas and focusing mainly on lucrative business opportunities, thereby maximizing the returns on investment.

### Operation of each product line

The Bank operates in a comprehensive range of commercial banking services, especially deposits and loans. Other supplementary services include foreign exchange, BIBF, management of provident funds, and financial consulting. These services fall within the scope of commercial banking as outlined below.

#### The Bank's services are grouped under 5 main areas as follows:

1. Financial consulting and money instrument trading, namely sales leaseback, business mergers and acquisitions, fund-raising through debt issuance, listing of firms on the stock exchange, foreign exchange, bond trading, and financial risk management.

2. Domestic credit services, encompassing overdrafts, loans, hire-purchase, domestic letters of credit, promissory note aval, bill of exchange certification, sale of discounted promissory notes to the Bank of Thailand, and letters of guarantee.

3. International banking services, incorporating foreign exchange deposits, trust receipt, packing credit, issuing and amending letters of credit, bills of lading, inbound and outbound transfers of foreign exchange, travelers' checks, etc.

4. Domestic deposit services, namely current deposits, fixed-term deposits, tax-free deposits, savings, corporate savings, and time deposits.

5. Other services including BankThai ATM, BankThai phone-banking, phone remittance, third-party-remittance through BAHTNET, public utility and other payments through ATS, over-the-counter payments for goods and services, management of provident funds, and brokerage for open-ended fund units.

At present, the Bank's network only covers the whole of Thailand. As at 31 December 2002, the Bank operates with a staff of 2,327, including head/branch offices that span across the country. Of the 81 offices, 17 are head offices, 54 full-fledged branch offices, and 10 sub-branch offices, with all of them providing foreign exchange facility. In addition, foreign exchange facility is available at 11 outlets (both within and outside branch offices) while 81 ATMs are in operation.

BANKTHAI PUBLIC COMPANY LIMITED  
TABLE OF PROFIT

	AS AT DECEMBER 31					
	2002		2001		2000	
	MILLION	%	MILLION	%	MILLION	%
<b>INTEREST AND DIVIDEND INCOME</b>						
<b>1. Loans</b>	7,957.61	63.79	10,329.07	76.92	4,491.05	58.99
1.1 Borrowings	3,761.09	30.15	3,931.09	29.28	3,931.48	51.64
1.2 Overdraft	240.90	1.93	302.47	2.25	409.31	5.38
1.3 Bills Discounts *	3,955.62	31.71	6,095.51	45.40	150.26	1.97
<b>2. Interbank and money market items</b>	458.85	3.68	967.26	7.21	1,531.05	20.11
2.1 Deposits	146.19	1.17	582.06	4.33	1,275.55	16.76
2.2 Loans	108.85	0.87	111.87	0.83	94.35	1.24
2.3 Securities Purchased Under Resale Agreement	203.81	1.63	273.33	2.04	161.15	2.12
<b>3. Securities</b>	1,430.94	11.47	984.27	7.33	954.58	12.54
<b>Net interest and dividend income</b>	9,847.40	78.94	12,280.60	91.46	6,976.68	91.64
<b>NON-INTEREST INCOME</b>						
<b>1. Fees and charges</b>	406.12	3.26	301.44	2.24	288.23	3.79
Acceptances, aval and guarantees	67.82	0.54	65.12	0.48	63.93	0.84
Others	338.30	2.71	236.32	1.76	224.30	2.95
<b>2. Gains on exchange rates</b>	35.37	0.28	13.92	0.10	47.88	0.63
<b>3. Share of profits from investments in subsidiaries and associated companies</b>	302.06	2.42	485.61	3.61	(198.67)	(2.61)
<b>4. Other income</b>	1,883.10	15.10	345.92	2.58	498.79	6.55
4.1 Gains on transfer of revaluation surplus on sold assets	172.71	1.38	-	-	-	-
4.2 Income from reversal of non-obligated liabilities	639.77	5.13	-	-	-	-
4.3 Others	1,070.62	8.58	345.92	2.58	498.79	6.55
<b>Total non-interest income</b>	2,626.65	21.06	1,146.89	8.54	636.23	8.36
<b>TOTAL INCOME</b>	12,474.05	100.00	13,427.49	100.00	7,612.91	100.00

\*1.3 Bills Discounts include yield maintenance income

The Bank's revenue in 2002 to Baht 12,474 million, decrease from the same period in 2001 to Baht 13,427 million by (7.10) per cent. Table of profit for the year ended 2002, after from the year ended 2001 have the non interest income increase 8.54 per cent in 2001 to 21.06 in 2002, interest and dividend income decrease 91.46 per cent in 2002 to 78.94 per cent.

#### Business targets

The Bank's vision sets out its aspiration to become one of the country's leading financial institutions, distinguished by its modern business applications, efficient human resources, service excellence, and its readiness to compete in this era of globalization through the provision of quality financial and banking products and services, which include the following:

- \* Commercial Banking and Capital Market Products
- \* Securities Business
- \* Non-life Insurance
- \* Consulting Service
- \* Provident Funds Management

In this connection, the Bank gives special consideration to Baht 5 million-sized companies and institutions particularly in the Greater Bangkok area and major provincial cities and towns.

The Bank has collaborated with the Government's policy to extend credit to the operators afflicted by the continuing reverberations of the economic crisis, with focus on the specific industry sectors of manufacturing, import and services, as well as those that have shown good potentials such as consumer goods, which are considered necessities of life and in high demand abroad. In extending its credit base, emphasis is given to take account of crucial elements such as competitive interest and return rates, diversification in target groups keeping in view the country's overall economic growth, as well as the specific requirements of SMEs. The rationale behind that policy move is to minimize operational risk and control credit, and hence increase the Bank's capacity to manage both its new and substandard loans effectively.

To enhance the Bank's ability to provide a broad range of products and services, special efforts are made to improve trade finance services, as well as to foster cooperation with other financial institutions in extending syndicated loans to fund mega-projects, and to monitor and enhance the smoothness of the Bank's overall operations. This includes strengthening the Bank's capacity to provide financial consulting service and to manage provident funds efficiently, and extending support to the Bank's own subsidiaries engaged in the areas of, for example, insurance and securities.

Committed to positioning itself as a "Lean, Fit and Brainy" organization, the Bank continues to place special emphasis on the following initiatives:

1. Retaining an adequate number of staff.
2. Retaining the pool of well-qualified staff.
3. Increasing the Bank's ability to conduct analysis/research, and to provide effective consulting and financial services.

These initiatives have contributed towards enabling the Bank to penetrate new markets while enhancing the capacity of small- and medium-sized customers in a tangible manner:

## 8. Risk Factors

The business of the Bank is subject to risks and uncertainties posed by both internal and external factors; some are controllable, others are not. However, all of them have the potential to impact on the Bank's business and corresponding investor returns.

### Risks associated with gain/loss sharing under the Agreement on compensation for loss against inferior assets

According to the terms set forth in the Agreement on compensation for loss against inferior assets with the FIDF, the Bank is obliged to assume the risk of loss relating to the gain/loss sharing arrangements. In this respect, the Bank would be required to reimburse the FIDF at 15 per cent of the loss to be computed at the expiry of the Agreement, at the end of 2005, provided that the loss so incurred exceeds the notional provisioned value at Baht 112,495 million. As it is not possible for the Bank to predict whether such loss would be incurred, it can only be assumed at the current point in time that the higher the loss, the greater the amount the Bank would have to pay to the FIDF, and hence the greater the affect that would have on the Bank's operating result in the long run. Notwithstanding this, the inferior assets that were transferred to the Thai Asset Management Corporation (TAMC) stand to benefit from the yield-maintenance scheme, pending the approval of the Ministry of Finance.

### Notable transactions between the Bank and the Financial Institution Development Fund (FIDF)

The FIDF has indicated its agreement to partially indemnify the Bank for loss against inferior assets, as well as to reimburse the Bank twice a year up to 31 December 2005, for any loss of revenue incurred in respect of non-performing assets. Moreover, the FIDF has guaranteed the debt instrument issued by the TAMC to fund the transfer of non-performing assets from the Bank to the TAMC.

As at 31 December 2002, no payment has been received from the FIDF, therefore, the Bank has integrated into its books an amount of Baht 66,248 million designated as liabilities under the FIDF. Of that figure, Baht 4,736 million accounts for compensation for loss of revenue including payment for the differential between the book value of the assets transferred to the TAMC and the actual book value of those assets, which the Bank would be entitled to receive under the gain/loss sharing scheme at the end of the fifth year in the amount of Baht 59,378 million. In parallel with this, the yield maintenance scheme also entitles the Bank to receive payment for that differential, including the amount due to the portion transferred to the TAMC. The remaining balance of Baht 2,134 million represents recoverable expenses and loss incurred under the Agreement.

In addition to the above, as at 31 December 2002, the Bank has integrated into its books liabilities under the FIDF in the amount of Baht 37,068 million. Such liabilities were incurred by the FIDF through the repurchase by the Bank of the 3,706.8 million preference share warrants that were originally issued by the Bank to the FIDF, and the subsequent cancellation of the preference shares in 2001. In accordance with the regulatory requirements, the Bank would be required to settle its obligation to the FIDF within 5 years however the assumption is that the Bank might be able to offset that obligation with the FIDF's obligation to pay the Bank.

### The Thai Government has not guaranteed the terms binding upon the FIDF

Although the FIDF is a state agency, the Thai Government has not given explicit guarantee that the FIDF would adhere to the agreed terms and conditions. One redeeming feature here is that the compensation for loss against inferior assets is a mandatory requirement under the decision taken by the Cabinet on 19 September 2000.

### Risks associated with debt restructuring

As is known, there are risks inherent in debt restructuring as a result of, for instance, lower interest rates or reduced principal repayment, if it was not for the fact that a majority of the Bank's inferior assets are covered under the agreement with the FIDF. Consequently, the Bank only stands to assume risks associated with non-classified assets. As at 31 December 2002, such assets amounted to Baht 54,741 million, inclusive of accrued interest receivable, and are divided into substandard, doubtful and potentially bad debts in the amounts of Baht 675 million, Baht 523 million and Baht 7,605 million respectively. These debts may be subject to restructuring in the future, but without compensation for any potential loss.

The procedures for debt restructuring include altering or adjusting the loan repayment terms by determining the present value of the potentially recoverable amount less market interest rate. For the year ended 31 December 2002, the Bank has incurred NPV loss on account of non-classified assets (NON-CAP) in the amount of approximately Baht 661 million, of which Baht 261 million was incurred in 2002 and Baht 400 million in 2001. However, this was offset by action taken by the Bank to provide for any readjustment in the asset value resulting from debt restructuring. Further, the Bank has estimated loss that may be incurred in the event that the borrower finds it possible to comply with the debt restructuring terms, resulting in reduced principal repayment or accrued interest receivable. In addition to this, the Bank has set aside loan-loss provisions for non-classified assets (NON-CAP) in the amount of approximately Baht 499 million.

### Risks associated with the increase in non-performing loans upon expiry of the Agreement on compensation for inferior assets

Presently, all of the Bank's non-performing loans fall into the category of non-classified assets (NON-CAP). However, upon the expiry of the Agreement on compensation for loss against inferior assets with the FIDF at the end of 2005, all the classified assets (CAP) which principal payment and/or interest is more than 3 months overdue will be recognized as NPLs, resulting in an increase in NPLs. With this in mind, efforts are under way to reduce the level of non-performing loans classified as CAP, with a view to pre-empting any such loans to survive the expiry of the Agreement at the end of 2005.

### Risks associated with the possibility of reinstating the Bank to the role of a state enterprise

According to the terms set forth in the Option Agreement on the repurchase of preference share purchase warrants entered into between the Bank and the FIDF, the Bank may repurchase the warrants originally issued by the Bank to the FIDF from the date of signing of the Agreement up to the year before the warrants expire (on 8 May 2011). However, if any warrants should survive the prescribed period, the FIDF may elect to exercise its conversion rights in accordance with the original terms of the warrants. Consequently, upon expiry of the Agreement, if the FIDF should elect to exercise its rights thereby bringing the total balance of its shares to more than 50 per cent, the Bank shall be reinstated to the role of a state enterprise.

### The impact of the Bank's competitive strengths on its operating results

Commercial banking business in Thailand is highly competitive. The range of services offered by the Bank to its customers is also available at other banks in the country including private commercial and state-run banks. Compounding this, the Bank also faces fierce competition triggered by the strong presence of foreign commercial banks and/or their joint venture companies in the country. As a result, the Bank's operating results will depend greatly on the Bank's ability to achieve its competitive advantages by means of, for example, improving and developing credit products, generating revenue through the marketing of fee-based products and services, and extending deposit base. Further, to minimize competition, the Bank's policies and strategies are directed towards meeting the needs of medium-sized companies based on the assumption that pressure of competition where those companies are concerned is less than that created by large-sized companies or retail customers.

### Risk from proceeding

Establishment and implementation of procedures and practices for managing the Bank's risk is supervised by the following three Committees

- \* Management Committee which is responsible for strategic risk management.
- \* Risk Management Committee which principal roles to provide and enforce risk management policies and plans in line with changing economic conditions, encompassing credit risk, market risk and operational risk.
- \* Asset and Liability Management Committee which role is to review and approve strategies, on the issues of interest rates, liquidity risk limits and structural FX risk.

### Credit risk

Credit risk exposures are caused by borrower/counter-party default or deteriorating credit, which is compounded by the Banks inability to recoup higher yield to compensate for higher risk. From this standpoint, the Bank has defined the following policies and practices for sharpening focus on credit risk management:



- **Policies regarding credit facility**

The Risk Management Committee is responsible for providing and ensuring the sufficiency of the Bank's credit risk management policy, and authorizing improvements or revisions to the underwriting guidelines. The Committee also approves the methodology and tools for assessing credit risk and loan pricing, and sets and reviews and approves policies governing portfolio management, concentration limits, capital allocation, capital adequacy.

**Management of credit risk at the transaction level**

In line with the Bank's vision to become a leading commercial and investment bank, in 2002, the Bank has focus of attention to expanding the range of credit facility it offers to medium and large-sized companies that have produced evidence of acceptable operating results. In parallel with that, the Bank's credit facility takes the form of investment, whereby shareholder's funds and the Bank's deposits are invested in such a manner that would generate yield high enough to offset any downside risk.

In general, there are two main categories of credit risk, namely default risk and security risk. Default risk generally relates to the potential risk of the borrower or counter-party defaulting on payment, in part or in whole, thereby resulting in the Bank's financial loss. Meanwhile, security risk relates to the potential risk of the security value depreciating and/or being insufficient to cover the estimated loss over the loan term. To facilitate default risk management, credit officers have been assigned to measure and monitor default risk throughout the loan term, keeping in mind the importance of achieving a proper balance between risk and return. With respect to security risk, special attention is given to re-appraise the security value regularly throughout the loan term, so as to ascertain that the security value does not fall below an acceptable level thereby minimizing risk.

The Bank's credit facility works on the principle that gives special consideration to personal accountability, audit, and counterbalance. In this respect, the Staff Credit Department operates as an independent function to identify, measure and factor into the decision-making process any potential risk, by providing the information to the Credit Committee which, in turn, has the authority to approve credit limits at different levels. To further handle risk firmly, the Bank's focus is on managing and following up on credit facility.

In March 2002, the Bank promulgated for use Risk Grading Tools (RGT) as a mechanism for measuring risk regarding individual juristic persons. Initially, the tool was implemented with new customers having a credit limit exceeding Baht 50 million, and with existing customers whose credit limits have been increased to at least Baht 10 million, or those whose application for a higher credit limit would extend their credit to at least Baht 10 million. The grading results were submitted to the Credit Committee along with other detailed comments. Thereafter, the use of the tools was extended to encompass new customers with a credit limit exceeding Baht 20 million as well as debt-restructured customers with a credit limit of at least Baht 10 million. The expectation is that the tool would eventually be meaningful for the total loan portfolio.

The development of RGT was based on a hybrid approach to considering quantitative factors and qualitative factors concurrently. Quantitative factors consist of financial ratio, accounting policy and industrial category. Qualitative factors represent an assessment of the three dimensions of the borrowers risk, namely financial risk, business and management risk, and industrial risk. The model of the original version had forecast accuracy of a quantitative model, which when combined with the qualitative results, gave an overall accuracy of 83 per cent. However, due to certain limitations the initial model did not distinguish between borrower risk and facility risk, therefore, the Bank validated the model to enhance its appropriateness. The accuracy achieved to date for the validated model which was promulgated for use in October, is 72 per cent of the quantitative model.

Implementation of the grading system led to the identification of three main risk factors as follows:

- 1) Default risk which is manifested in terms of Expected Default Frequency (EDF) of 1 year, divided into 1-14 grades, with EDF ranging from 0 to 100 per cent,
- 2) Facility risk which incorporates key facility characteristics into the borrower's ability to pay measurement.
- 3) Credit risk, indicating Expected Loss (EL) as a multiple of Loss Given Default (LGD) and facility risk, divided into 1-14 grades, and ranging from 0 to 100 per cent.

Meanwhile, grading may be utilized in 3 main aspects as follows.

1. The Credit Committee uses grading as a guideline for comparing risks among borrowers and for approving credit.
2. Account officer uses grading as a guideline for determining the frequency of visiting and contacting clients as well as reviewing credit, and
3. The Credit Audit Department uses grading as a guideline for preparing audit plan.

In the future, the Bank plans to expand functionality of RGT to cover small and medium enterprises (SMEs) as well as project finance customers, and to integrate the pricing module into RGT. The main components of pricing (interest rate charged) are expected loss (EL), funding cost, and operating expenses. The computed interest rate will be used as an indicative rate for account officer to set loan interest and linked to customer profitability analysis and the evaluation of the efficiency of the capital utilization of each business line.

### Credit risk management

As at 31 December 2002, the concentration of the Bank's credit lays in the industrial sector, accounting for 21.9 per cent of the total loan portfolio, followed by the real estate sector at 13.5 per cent, and retail and wholesale business sector at 11.6 per cent. The aggregate credit granted to the top 100 customers amounted to 38.6 per cent of the total portfolio, with the share taken by the first 15 customers accounting for 12.0 per cent. Meanwhile, the largest customer of the Bank's loan has been granted credit that exceeds the ceiling prescribed by the Bank of Thailand (not more than 25 per cent of Tier 1 capital). However, action is being taken by the Bank to limit excessive exposure to this particular customer by closely monitoring the credit utilization, so that appropriate steps may be taken to sell part of the credit to other financial institutions if the customer should fail to observe the approved credit limit.

During the past year, the Bank has achieved considerable progress in the area of sector classification, which provides the means for analysing the sectoral risk correlation within the context of the Bank's loan portfolio. Furthermore, the Bank plans to complete the grading of all juristic person loans within 2003, and to consolidate all credit risk exposures by applying the modern portfolio management discipline by the beginning of 2004. Insofar as sectoral limit setting is concerned, it is the Bank's policy to adopt an integrated approach to formulating a credit policy that governs a range of business sectors so that it may be applied by the Business Development Group in formulating marketing strategies for 2003.

In anticipation of the New Basel Capital Accord the Bank has conducted an assessment on capital returns that may be generated from the Bank's lending business as against capital funds expended by the various Business Development Departments on such business. The study also looks at the level of capital charge to cover risk in the Bank's loan portfolio. The primary emphasis is placed here on increasing the Bank's ability to utilize its funds effectively, and hence drive shareholder returns to compensate for any underlying risk.

### Collateral risk management

By and large, real and other property serve as collaterals for a majority of the Bank's loans. However, as could be expected with the recent economic developments, a reappraisal of property prices revealed that the value of property collaterals had decreased. This decline in property prices has the potential to expose the Bank to a more serious collateral risk particularly in the event of a foreclosure and auction, as well as to affect the adequacy of the Bank's loan-loss reserves. As a proactive approach to managing collateral risk, the Bank regularly assesses credit risk and reviews credit limits, and has set aside additional reserves to meet the provisioning requirement of the Bank of Thailand. At present, the Bank's loan-loss provision exceeds the regulatory requirement.

### Liquidity Risk.

Liquidity risk occurs when the Bank's ability to settle its obligations on time is compromised by its inability to convert assets to cash.

To protect itself against liquidity risk, the Bank has adopted the practice of preparing a daily report on its net liquidity. The report provides a means for the Treasury Department to maintain the Bank's liquidity at the required level by establishing a liquidity trigger level that helps prevent liquidity from surpassing the set ceiling.

In addition to the above, the Bank's attention is focused on restructuring the various types of deposit, to reduce cost while maintaining liquidity at an appropriate level. The Bank's liquidity has been maintained at a relatively high level with current and saving deposits increasing from 7.9 per cent to 9.7 per cent of the total deposit, thereby helping to reduce cost. At the same time, deposits from corporates and funds which yield lower interest than deposits from public depositors, increased from 20.1 per cent to 25.5 per cent.

In order to further strengthen the existing efforts, contingency plans have been developed by the Bank to mitigate the impact of liquidity constraint should it occur.

### Market risk

#### \* Interest rate risk

Interest rate risk occurs when the Bank's revenue or capital is affected by variations in interest rates in relation to assets, liabilities, and off-balance sheet accounts that are vulnerable to adverse movements in interest rates.

The Bank's credits are normally tied to floating interest rates that are determined through the Bank's announcements. These are MLR, MOR and MRR.<sup>1</sup> The majority of deposits take the form of fixed deposits with maturity of less than 12 months, as well as savings and current deposits. The Bank's capacity to adjust interest rates paid on deposits and credits has provided the Bank with a means of limiting interest rate risk exposures to some degree. Furthermore, if the Bank should find it appropriate to grant credit or hold assets by applying a fixed interest rate, the Treasury Department would attempt to limit the Bank's exposure to interest risk by identifying sources of fixed interest rates. A combination of these factors has enabled the Bank's transactions to benefit from positive interest rate spread. Also, action is taken by the Bank to mismatch the repricing of its assets and liabilities through

<sup>1</sup> MLR = Minimum Lending Rate ; MOR = Minimum Overdraft Rate ; MRR = Minimum Retail Rate

the use of derivative instruments such as interest rate swaps, with a view to containing the impact of variations in interest rates at an acceptable level.

To further efforts to manage its assets and liabilities appropriately and effectively, the Bank plans to exploit the information available through a new ALM system to support the Assets and Liabilities Management Committee in its decision-making process.

#### **Exchange rate risk**

\* The Bank incurs exchange rate risk when its revenue or capital is affected by exchange rate volatility. This is so because individual currencies can fluctuate over any given period of time, therefore, if the Bank has foreign exchange transactions, there is a distinct possibility that the Bank could lose money on those transactions just through the rate of exchange. This can have a great effect on the Bank's financial statements. Fluctuation of currency exchange rates also leads to a reduction in revenue from foreign exchange trading activity.

The Bank provides its customers with foreign exchange facilities in a range of currencies incorporating strategies using "spot" and "forwards", to suit specific customer requirement, with the setting of foreign exchange limits for customers falling under the jurisdiction of the Credit Committee. Furthermore, to measure pre-settlement credit exposure on such transactions, the Risk Management Department is maintaining a loan equivalent calculation based on fluctuating market exchange rates. Simultaneously, the Sales and Trading Department is delegated to manage foreign currency position, while the Value-at-Risk (VaR) models are being used extensively by the Risk Management Department to establish the benchmark for measuring and controlling exchange rate risk on a daily basis. The recognition of such risk mitigation techniques has enabled the Bank to maintain exchange rate risk at an acceptable level

#### **Operational Risk.**

Operational risk is risk of loss resulting from inadequate or failed internal processes, people and systems or from external events that may adversely affect the Bank's capital.

The Bank currently employs the Standardized Approach of the Bank for International Settlements (BIS) as a guideline to manage, mitigate and report operational risk, by defining and configuring appropriate policies and procedures. The approach involves the participation of several of the Bank's Departments including the Internal Audit Department, Compliance Department, and Risk Management Department, and requires that all departments and branch offices adhere to Standard Operating Procedures. Further, the Internal Audit Department which is directly responsible to the Audit Committee, operates as an independent function to provide an audit of transactions thereby ensuring that day-to-day operation of every department and branch office is in line with standard procedures.

In addition to the above, all of the Bank's departments and branch offices are required to measure and manage their own operational risk by using management self assessment tools, and report the outcome regularly to the Risk Management Department. The results and feedback from departments and branch offices are then summarized and analysed by the Department for use by the Risk Management Committee as a decision-making and problem-solving tool. Thereafter, the Department is responsible for evaluating the adequacy of the action taken to correct the problems. The initiatives taken by the Bank to enhance the abilities of all departments and branch offices to minimize operational mishaps and resolve problems have contributed towards bringing the Bank's internal audit procedure up to international standard, and reinforcing good corporate governance.

To further the Bank's ongoing efforts to mitigate operational risk, a operational risk management database has been developed to incorporate key risk indicators, operational risk loss data and exposure indicator data. The intention is to eventually build a statistical model for calculating operational risk capital charge in line with Advanced Measurement Approaches of BIS.

#### **Computer service risk**

The Bank uses cold site services provided by the Computer Backup Center of Bank of Ayudhya, which may expose the Bank to the risk arising from a virtual collapse of the system that requires between 1 to 2 days to rectify. Although no such difficulties occurred in 2002, however, appropriate action has been taken by the Technology Production Department to formulate a risk mitigation plan involving the construction of a hot-site, due for completion in the third quarter of 2003.

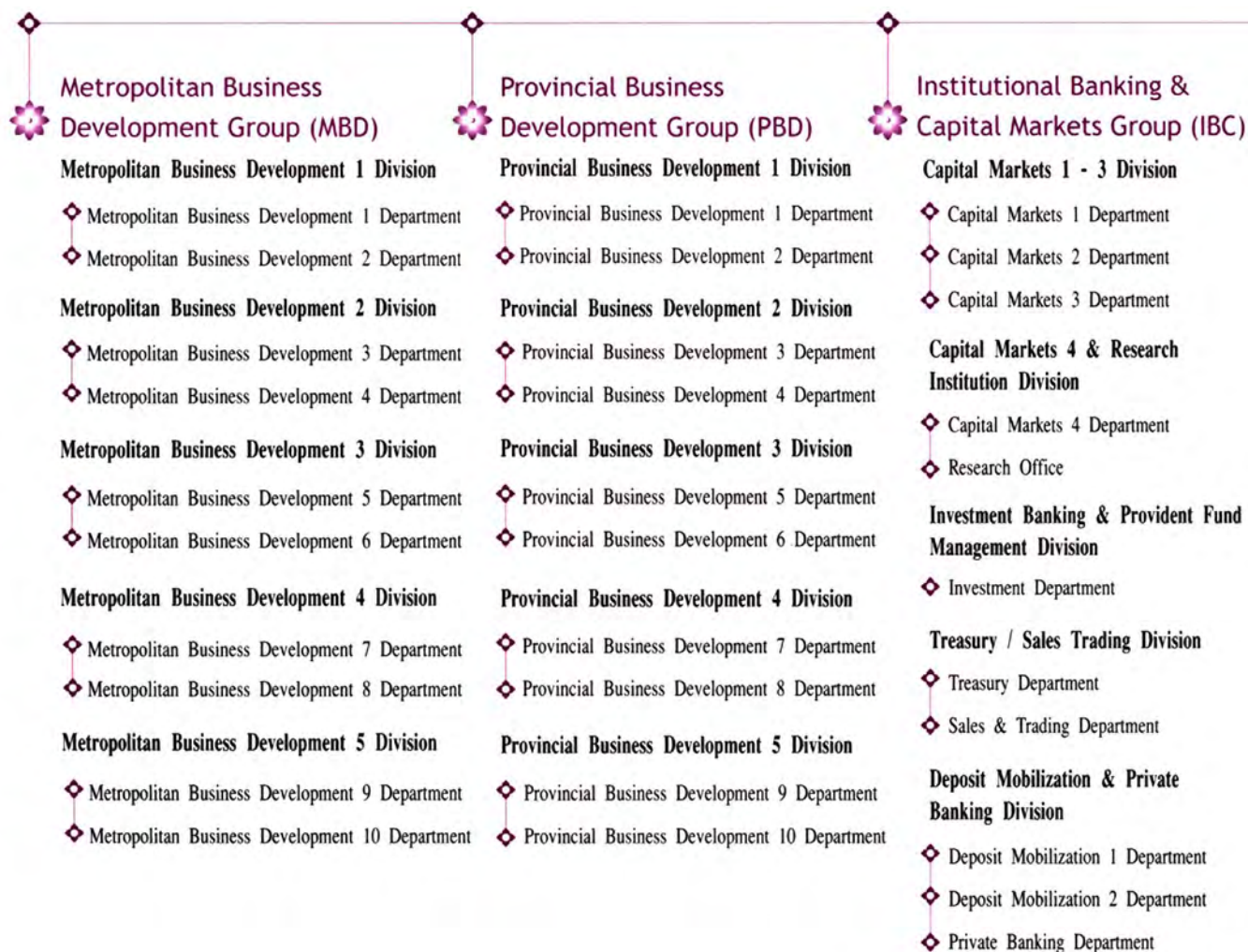
#### **Legal Aspects**

Previously, there was pending litigation against the Bank which may have an affect upon the assets of the Bank in excess of 5% of shareholders' equity as of 31<sup>st</sup> December 2001. Such litigation was transferred from the Union Asia Finance Public Company Limited and the First City Investment Public Company Limited. The plaintiff has proceeded a legal case against 6 financial institutions in the Civil Court on 26 January 2000, for the total claimed amount of Baht 26,132 million. BankThai is the sixth defendant in the case and is part of the consortium which had committed to provide credit facility to the said plaintiff. BankThai's portion in such credit facility is equivalent to 4.86% of the total amount committed or Baht 673 million. The plaintiff has filed a claim for damages due to the failure of all the 6 financial institutions to comply with the terms of the credit facilities by not providing

the credit facilities to the plaintiff. Nevertheless, if the judgment of the civil court is against the financial institutions, they will be bound to pay for damages in proportion to the credit facilities committed by each financial institution, in case of BankThai 4.86% of total credit facilities amount or Baht 11,400 million. While the total claimed amount is Baht 26,132 million, the liability of BankThai will not exceed Baht 1,270 million (4.86% of Baht 26,132 Million) in any situation. In this regard, the Bank's management deems that the result of legal dispute will not have significant financial impact on the Bank. However, at the present, the plaintiff has withdrawn the case from the Court on 27 December 2002. In this connection, therefore, there is no litigation against the Bank which may have an affect upon the assets of the Bank in excess of 5% of shareholders' equity.



# Organization Chart of BankThai Public Company Limited





# Chairman / Board of Directors



President



Advisors

- ◆ Compliance Department
- ◆ Credit Audit Department
- ◆ Fund Management Department
- ◆ Wealth Management Department



Audit Committee

◆ Internal Audit Department



Central Administration Group (CA)

### Corporate Affairs Division

- ◆ Office of the President
- ◆ Legal Department
- ◆ Office of Public Relations

### Office Management & Assets Management Division

- ◆ General Administration Department
- ◆ Assets Management Department

### Credit Administration & Credit Operations Division

- ◆ Credit Administration Department
- ◆ Credit Operations Department



Technologies & Operations Group (TO)

### Operation Division

- ◆ Domestic Banking Operations Department
- ◆ International Banking Services & Funds Operations Department
- ◆ Electronic Banking Services Department

### Technology Division

- ◆ Technology Development Department
- ◆ Technology Production Department

### Quality Management Division

- ◆ Project Management Office
- ◆ Quality Assurance Department

### Business Process Division

- ◆ Business Process Development Department
- ◆ Data Warehousing & Business Intelligence Department



Risk Management & Staff Credit Group (RMC)

### Risk Management & Staff Credit Division

- ◆ Risk Management Department
- ◆ Staff Credit Department



## 9. Report on the Effectiveness of the Bank's Management Controls

### Management control policies

To contribute effectively to the conduct of its business and thereby to reinforce long-term growth and investor confidence, both at home and abroad, the Bank has sharpened focus on establishing and supporting an adequate and effective system of management controls to direct the activities of every unit and staff member. In this context, special emphasis is placed on enhancing credibility, transparency, auditability, accuracy, reliability and timeliness of any information published in the Bank's interest, as well as on safeguarding shareholder interest through strengthening consistency with the Bank's established objectives, reinforcing in-house information protection system, safeguarding the privacy of customers' personal information, and effective complaint handling.

Furthermore, the Board attaches importance to promoting effective internal control to add value to overall organizational performance, and to isolate, measure and manage operational risk. As part of such ongoing efforts, the Compliance Department is assigned to examine and evaluate the activities of each unit including their compliance with existing laws and established rules and regulations.

In addition to the above, special effort is made to heighten understanding among senior management and staff at different levels of the importance of business ethics including the need to discharge their duties and responsibilities in compliance with the rules and regulations set forth by the Bank and the authorities, and to increase their awareness of the penalties for misconduct. The Bank considers all that to be part of effective management control. At present, 15 elements of management control as outlined below, are reflected in most of the Bank's operations, and no efforts would be spared to achieve even stronger management controls.

### Implementation of effective management controls

#### Equal rights among all shareholders

The Bank attaches importance to ensuring that the shareholders enjoy equal rights and treatment. To that end, the Board of Directors is responsible for convening meetings of shareholders for purposes presented below.

#### \* Equal rights and treatment of all shareholders

- The notice of the meeting is sent to all shareholders whose names appear in the Share Register by the book closing date given their right to attend shareholder meetings.

- Shareholders have the right to request the Board of Directors to convoke an extraordinary meeting of shareholders at any time provided that the party calling for the meeting jointly holds at least one-fifth of the total outstanding shares, or consists of not less than twenty-five shareholders holding at least one-tenth of the total outstanding shares. For that purpose, the justification for calling the meeting should be specified clearly in the letter so as to enable the Board to convene the meeting, within the time prescribed by law.

- Every shareholder has the right to elect Board Directors by casting the same number of votes as the number of shares held on the basis of one share, one vote.

#### \* Streamlined procedures and practices

- Meetings of shareholders are convened according to the standard procedures and practices.

- The registration counter is set up in a visible manner with staff assigned to facilitate registration and attendance.

- Arrangements are made for a proxy form together with the instructions to accompany every meeting notice to facilitate the nomination of a proxy to attend the meeting and cast vote on behalf of a given shareholder. Voting procedure is also sent with the notice. The possibility of appointing one of the independent directors as proxy also provides an option of absentee voting.

- Shareholders are provided with a list of credentials required for participating in the meeting

- Meeting accessories such as paper, pen, etc. are provided to the shareholders.

#### \* Suitability of the venue and cost associated with the meeting

- A meeting venue route map is prepared and attached to the notice of the meeting to all shareholders.

- The Bank's large conference room is the usual venue for a shareholders' meeting.

- Refreshments and snacks are served to the participants.

- Mementos of nominal value (for example, at a price of not more than Baht 100 per piece) are presented to the shareholders attending annual general meetings.

### The rights held by different interested groups

\* The Board of Directors is responsible for ensuring the legal rights of the different interested groups, for example, employees, shareholders, the public sector, and the customers. The rationale behind that is to build up their confidence about the Bank's intent to protect their rights and provide them with equal treatment. In this respect, confidence-building measures include the following:

- All staff members are accorded fair and non-preferential treatment with guarantee for a right to appropriate remuneration.

- All customers are accorded fair and transparent treatment in compliance with the established procedures and regulations governing credit facility, deposits, and other business transactions.

- Service, attentiveness and commitment to the customers. At present, the Bank's Electronic Banking Services Division serves as a complaint data center, assuming the responsibility for maintaining the database and classifying customer complaint by type. The details are thereafter forwarded to the Compliance Department, Internal Audit Department, and other units responsible for strengthening cooperation in addressing complaints.

- Contributions towards preserving the environment and the community. The activities generally include, for example, the organization of a charity concert, the annual Kathin offerings, and donation both in cash and in kind to needy children, as deemed appropriate.

\* Voting rights. Shareholders with vested interest in a particular issue are not permitted to cast vote on that issue, but are entitled to participate in election of the Board of Directors.

#### Meetings of shareholders

\* The Board is responsible for convening the annual general meeting of shareholders, within 4 months following the close of the Bank's financial year. Other ad hoc meetings of shareholders are classified as extraordinary meetings, and can be convened by the Board as deemed appropriate.

\* In calling for a meeting of shareholders, action is taken by the Board of Directors to prepare a notice of the meeting incorporating information about the venue, date and time, as well as the agenda and its annotations. Under each agenda item, there is an indication as to whether the issue is intended for information of the shareholders, or for seeking their approval or consideration, as the case may be. The notice also includes the following information:

#### ◇ Agenda

- Shareholders are provided with important data and information about the issues to be considered at the meeting.

- Shareholders are provided with the justification for including such and such issues in the agenda, from both the positive and negative perspective.

- Shareholders are provided with a brief account of the views expressed by the Board of Directors on the issues concerned.

#### ◇ Election of the Board of Directors

- The notice of the meeting is accompanied by important personal details about the director candidate(s), such as age, academic qualifications, expertise, experience, etc. The information can either appear as a supplementary background document or incorporated in the annual report.

- A description of a given candidates relationship with the Bank is provided to all shareholders. This would include information about, for example, the candidate's shareholder status or whether he or she holds a management position in a juristic person that has important business relations with the Bank.

- A clear indication is given as to whether the shareholders will be electing an additional director or a successor to the one whose term has expired.

- A clear indication is given as to whether the director(s) to be appointed would have authority on behalf of the Bank to sign or endorse legally binding documents.

#### ◇ Remuneration of directors

- Shareholders are provided with an account of the remuneration and other benefits that would accrue to the director(s).

- Shareholders are provided with information for use in determining the amount of remuneration such as, for example, the remuneration paid to the director in the previous year, and data from other comparable organizations.

#### ◇ Appointment of an auditor. The following information is provided in the notice of the meeting:

- The auditor's personal name and company name.

- The expected level of remuneration.

- The auditor's total term of office if a reappointment is being proposed.

- The reason for change of auditors if a new appointment is being proposed.



The notice of the meeting is sent to all shareholders and the Registrar a minimum of 7 days before the meeting. The notice is also published in the newspaper for three consecutive days at least 3 days before the meeting.

\* The Chairperson of the Shareholders' Meeting is responsible for conducting the Meeting in accordance with the rules of procedure as prescribed in the Bank's Articles of Association, and the agenda set forth in the notice of the meeting. Some amendments may be made to the agenda or in the order of the day provided that the motion to do so is adopted by at least two-thirds of the voting shares present at the meeting. At the conclusion of the meeting, shareholders representing not less than one-third of the outstanding shares may request the meeting to consider any other matters as they consider necessary.

\* The Chairperson is responsible for summarizing the discussions under each item of the agenda while ensuring the shareholders' right to intervene at the meeting. Anyone who is allowed to take the floor has the right to speak on that particular issue on the agenda, make comments or raise queries. Furthermore, the Chairperson is responsible for apprising the shareholders of the procedures for voting and counting votes before the voting takes place. At the conclusion of each agenda item discussion, the shareholders are called upon to cast their votes before the next item is taken up by the meeting.

\* Registration counter is open at least one hour before the time fixed in the notice of the meeting.

\* It is incumbent upon members of the Board of Directors and other Committees to attend every meeting of shareholders for the purpose of responding to queries except in case of last-minute exigencies.

\* Minutes of the meeting are prepared in an accurate and comprehensive manner, and normally contain, for example, a synopsis of the queries and responses as well as the views and comments expressed during the course of the meeting, the results of each voting session including the number of votes cast in favour or against as well as abstentions. Minutes of the meeting are submitted to the authorities concerned within 14 days after the meeting, with a copy kept at the Office of the President, for evidence and for audit and reference purposes.

## Organizational structure

The Bank's organizational structure consists of:

1. Board of Directors;
2. Sub-Committees namely Audit Committee, Management Committee, and Risk Management Committee, Compensation Committee.
3. Senior Management.

### Board of Directors

#### Counterbalance provided by non-executive directors

The membership of the Bank's Board of Directors consists of 10 members. Of the total, 3 are independent directors that also serve on the Audit Committee, one is representative of the Bank's senior management, and the remaining six are eminent representatives of the public sector and major shareholders of the Bank. By virtue of the Commercial Banking Act, the order of the Bank of Thailand appointing the Board of Directors is tantamount to a resolution adopted at a meeting of shareholders, therefore, the current three independent directors represents almost one-third of the Board.

#### Consolidation or division of duties and responsibilities

To provide the Chairperson of the Board with adequate freedom and flexibility while establishing a clear division of duties and responsibilities between policy formulation/ supervision and management of day-to-day operations, the Chairperson of the Board does not concurrently serve as the President or vice versa. Such division of duties and responsibilities is necessary for ensuring that no person has complete control over all aspects of the Bank's transactions.

As at 31 December 2002, membership of the Board of Directors consists of the following:

Name	Official Title
1. Mr. Pramon Sutivong	Chairman
2. Mr. Viset Choopiban	Vice Chairman
3. Mr. Phirasilp Subhapholsiri	President
4. Dr. Piboon Limprapat	Independent Director
5. Dr. Sarasin Viraphol	Independent Director
6. Mr. Dharin Divari	Independent Director
7. Mr. Pongpanu Svetarundra	Director
8. Mr. Somboon Chitphentom	Director
9. Mrs. Nopamart Manoleehagul	Director
10. Mr. Preecha Oonchitti	Director

The Directors who have authority on behalf of the Bank to sign and endorse legally binding documents are as follows:

- |                                |               |
|--------------------------------|---------------|
| 1. Mr. Pramon Sutivong         | Chairman      |
| 2. Mr. Viset Choopiban         | Vice Chairman |
| 3. Mr. Phirasilp Subhapholsiri | President     |
| 4. Mr. Pongpanu Svetarundra    | Director      |
| 5. Mr. Preecha Oonchitti       | Director      |

Two of the five Directors have the authority to jointly sign and affix the Bank's common seal to documents.

#### Leadership and Vision

##### Powers of the Board of Directors

The powers of the Board of Directors are prescribed in the Bank's Articles of Association as follows:

1. To appoint or dismiss staff or employees of the Bank; to prescribe the remuneration and other benefits payable to staff, employees or any other persons working for the Bank; and to declare a dividend payment to the shareholders.
2. To appoint as many management committees or any other committees as the Board considers necessary for conducting one or more undertakings; to provide the appropriate terms and conditions for such appointment; and to determine the remuneration and other benefits as the meeting of the Board deems appropriate.
3. To appoint advisers to assist the Board in the conduct of the Bank's operations, and to determine the remuneration and other benefits befitting their capacity as advisers.
4. To authorize one or more Board Directors or any other person to act on behalf of the Board. In this context, the Board has the right to make adjustments or changes to the names and numbers of such authorized party at any time.
5. Every member of the Board of Directors has the right to vote at meetings of the Board. However, the Directors who have a vested interest in a particular subject matter under consideration are not allowed to vote on that subject. In the event of a vote tie, the Chairperson of the Board has the right to cast the deciding vote.

##### Functions of the Board of Directors

The functions of the Board of Directors are prescribed in the Bank's Articles of Association as follows:

1. To manage the Bank in accordance with the objectives, the established rules and regulations, and the resolutions adopted by the shareholders, and to supervise the Bank's operation.
2. To hold a meeting at least once a month with the participation of half of the Directors. Decisions are made at such meetings by a simple majority of the Directors present and voting.
3. To convene the annual general meetings of shareholders within four months following the close of the Bank's financial year, and to call extraordinary sessions as and when necessary.
4. In the event of a vacant seat on the Board resulting in the Board's inability to constitute a quorum, the remaining Directors shall have no other right but to convene an extraordinary meeting of shareholders to fill the vacancy by election, within one month after such vacancy occurs.

##### Appointment and dismissal of members of the Board of Directors

1. A minimum of five Directors shall be elected by the shareholders at a meeting of shareholders through the voting system. The number of votes granted to each shareholder shall equal to the number of shares held, on a one-share, one-vote basis. It shall not be mandatory upon the candidates to hold a stake in the Bank. In voting, a shareholder shall cast all of his/her votes to several candidates or a group of candidates to form the entire Board of Directors, and shall not distribute his/her votes between different candidates. The candidates who have won the largest numbers of votes shall be recommended for appointment, in descending order. In case of a vote tie, a run-off election shall be held immediately by drawing lots in a manner that the Chairperson of the meeting may deem most appropriate.
2. The Directors shall elect one chairperson and shall have the right to elect one vice-chairperson or several vice-chairpersons as deemed appropriate.
3. At the annual general meeting of shareholders, it shall be obligatory for one-thirds of the members of the Board to vacate their directorships, or if their number is not three or a multiple of three, then the number closest to one-third, shall vacate their positions.
4. The meeting of shareholders shall have the right to remove any director from the Board provided that the motion receives a three-quarters vote of the shareholders present at the meeting.
5. Members of the Board shall be removed from their directorships by a court order.
6. If a Director should vacate his position for reasons other than that of term limit, the remaining Directors shall elect his/her successor at the next meeting of the Board except when the remaining term of such vacancy is less than two months. The appointment shall require a three-quarters vote of the remaining Directors.

As prescribed in the Bank's Articles of Association, the shareholders shall have equal rights to appoint or dismiss members of the Board of Directors, with no exceptions or special privileges attached. In this context, the number of votes granted to each shareholder shall equal to the number of shares held, on a one-share, one-vote basis. The shareholder shall cast all of his or her votes to several candidates or a group of candidates to form the entire Board of Directors, but shall not distribute his/her votes between different candidates.

By virtue of the Commercial Banking Act, the Bank of Thailand shall have the authority to instruct a commercial bank to dismiss any director or any person involved in running the bank's business on the grounds that he/she has caused significant damage to the public, or has failed to comply with any order prescribed by the Bank of Thailand. In this respect, it shall be mandatory upon that particular commercial bank to appoint a suitable replacement upon the prior approval of the Bank of Thailand. The Bank of Thailand's order shall be tantamount to a resolution adopted at a meeting of shareholders.

#### Delegation of authority of the Board of Directors

The 11/2543 and 12/2543 sessions of the Meetings of the Board of Directors were held on 19 May 2000 and 25 May 2000 respectively with the participation of two independent directors. The Meetings delegated approval authority of a general nature and authority relating to transactions that require specific approval of various departments as well as the authority for approving management procedures, and authorized the President to take the necessary follow-up action or to re-delegate the task to any person or group of persons as he considered appropriate within the extent of his approval authority. The rationale behind that policy move was to decentralize the Board's authority and power to the parties responsible for managing the Bank's operations and thereby to enhance the Bank's ability to implement its policies and master plan effectively. The delegation of such authority also has the potential to contribute towards strengthening the Bank's internal controls.

Subsequently, consistent with the regulatory requirement, the Meeting of the Board of Directors, at its 21/2543 session held on 22 and 23 December 2000 with the participation of three independent directors, endorsed the Bank's proposal to enforce the regulation specifically governing the delegation of approval authority that has the potential to create conflict of interest. The regulation clearly stipulates that, "The parties with authority delegated by the Bank shall not carry out or approve any transaction in which they have vested interest, or that which has the potential to create conflict with other interested parties, or that which concerns an interest that conflicts with the Bank's interests or those of its subsidiaries."

In addition to the above, the Board of Directors has the authority to determine and clearly demarcate responsibilities between the various Committees and Subcommittees, namely the Audit Committee, Management committee, and the Bank's senior management.

#### Rules of procedures for meetings of the Board of Directors

\* The Chairperson shall call the meetings of the Board of Directors, by sending out the letter of meeting appointment to the members of the Board or delegating that task to any other person. The notice shall be sent a minimum of 7 days before the meeting. In case of emergency, the calling notice may be sent by other means and the meeting held sooner than prescribed by rule provided that it is in the Bank's interest.

\* A clearly-defined agenda and well-structured background documents shall be prepared to include reference to the relevant rules and regulations. The agenda shall also include an item that affords the Board the opportunity to review progress in the implementation of various activities on a continuing basis. This shall entail the preparation of progress reports relating to, for example, monthly financial status, approval for credit limit increase or extension of new credit, use of credit, debt restructuring, transfer of liabilities associated with the Thai Asset Management Corporation, debt supervision, and risk management. The agenda together with the supplementary documents and the letter of meeting appointment shall be sent to every director ahead of the meeting date.

\* Two or more Directors may jointly submit a request for the Chairperson to convene a meeting of the Board. In such case, the Chairperson shall appoint the meeting date within fourteen days from receipt of the request.

\* The Board the Directors shall allocate sufficient time for considering every substantive issue at its meeting.

\* The Board of Directors shall use the opportunity afforded by its meeting to consider the proposals put forward by the Bank's senior management and may or may not endorse the proposals, and shall have the right to request for clarifications, provide advice or guidance, or propose alternative solutions.

\* First and foremost role of the Board of Directors shall be to deliberate over crucial problems and issues, and provide management control policies and strategies.

\* The Secretary of the Board of Directors shall handle the activities of the Board of Directors, prepare minutes of the meetings, and maintain complete sets of meeting documents.

\* The Board of Directors shall evaluate the performance of the Bank's senior management over the previous year.

\* Minutes of the meetings of the Board of Directors shall be prepared in an accurate and thorough manner, and shall be kept in the Office of the President as evidence and for audit and reference purposes.

The Board of Directors shall determine its own schedule of meetings for the whole year, and shall hold a Board meeting at least once a month. The reason for this is to inform members of the Board and senior management of the meetings in advance and thereby to impress on them the importance of their support. It shall be incumbent upon the parties concerned to attend the meetings except in case of last-minute exigencies. Record of attendance at the 22 meetings held by the Board, in 2002, is given below.

Name	Official Title	Frequency of attendance at meetings/ total number of meetings	Remarks
1. Mr. Pramon Sutivong	Chairman	22/22	
2. Mr. Viset Choopiban	Vice Chairman	13/22	
3. Mr. Phirasilp Subhapholsiri	President	22/22	
4. Dr. Piboon Limprapat	Independent Director	22/22	
5. Dr. Sarasin Viraphol	Independent Director	16/22	
6. Mr. Dharin Divari	Independent Director	21/22	
7. Mr. Pongpanu Svetarundra	Director	13/22	
8. Mr. Somboon Chitphantom	Director	20/22	
9. Mrs. Nopamart Manolechagul	Director	14/15	(assumed office on 1 May 2002)
10. Mr. Preecha Oonchitti	Director	6/6	(assumed office on 1 October 2002)

\* Record of attendance/total number of meetings indicate the frequency of each Director's attendance at the meetings of the Board from the beginning of 2002, or since assuming directorship, as the case may be, compared with the number of meetings held by the Bank during a same period.

#### Report of the Board of Directors

The Board of Directors has arranged for the preparation of a report on financial and performance analysis in 2002, as compared with the same period a year earlier, in a fair, accurate, thorough and justifiable manner. The Board was also responsible for developing the Bank's consolidated financial statements and those of its subsidiaries, as well as the financial data, which forms part of the annual report. In this respect, it remains the Bank's policy to prepare the financial statements in accordance with the accounting principles and practices generally accepted in Thailand as well as appropriate accounting policies, and to incorporate the Bank's financial disclosure in the 2002 Return Form under the heading, Responsibility of the Board of Directors towards the Bank's financial disclosure. In parallel with this, the financial disclosure documents have been integrated in the annual report in conjunction with the report prepared by the external auditor. Furthermore, arrangements would be made to send a copy of the annual report to the shareholders, together with the notice of annual meeting of shareholders.

#### Sub-committees

The Board of Directors has appointed the following Sub-Committees to assist in meeting the Bank's strategic business plans in an efficient and effective manner:

1. Audit Committee
2. Management Committee
3. Risk Management Committee
4. Compensation Committee

The Bank has not yet established a Selection Committee but entrusted the task of that Committee to the Board of Directors.

#### The Audit Committee

Membership of the Committee consists of the following 3 Independent Directors:

Name	Official Title
1. Dr. Piboon Limprapat	Chairman
2. Dr. Sarasin Viraphol	Member
3. Mr. Dharin Divari	Member

#### Secretary to the Audit Committee

Mr. Patom Amorndechawat,  
Senior Vice President, Internal Audit Department

### Scope of duties and responsibilities

The Bank's Audit Committee is directly responsible to the Board of Directors, and its functions are as follows:

1. To ensure transparent management within the Bank in compliance with the policies set in place by the Board of Directors.
2. To ensure that the Bank's financial disclosure documents are prepared in such a way as to provide reasonable assurance that they are complete and free from material misstatement.
3. To review the data to be disclosed by the Bank particularly as it relates to related items or those that have the potential to generate a conflict of interest so as to ascertain accuracy and completeness of the data.
4. To ensure good compliance with the laws, rules, regulations and other practices prescribed by the competent authorities, including the Bank's own rules and regulations.
5. To keep under constant review the Bank's risk management system.
6. To ensure the adequacy and effectiveness of the Bank's system of internal control.
7. To consider and endorse the work plan and annual budget of the Internal Audit Department.
8. To review audit findings and recommendations made by the Bank's internal auditor, the Bank of Thailand examiner, external auditor, and other governmental agencies, and to ensure that the information is used as a basis for deciding on ways and means of resolving the problems or issues in a tangible manner.
9. To select the external auditor and recommend to the Bank the subsequent appointment of the auditor including his/her compensation.
10. To prepare the report of the Audit Committee signed by the Chairperson of the Audit Committee, into the Bank's annual report.
11. To perform other duties as may be required by the Board of Directors of the Bank.

### Management Committee

To enhance the efficiency and effectiveness of the Bank's management policies and practices, the Meeting of the Board of Directors, at its 7/2542 session held on 18 May 1999, passed a motion to establish the Management Committee to assume responsibility for defining policies and resolving difficulties that can not be resolved at the departmental level, and to ensure that the policies are used as a basis for managing and resolving the problems promptly.

As at December 31, 2002, the Management Committee comprises 9 members of the Bank's senior management as follows:

1. Mr. Phirasilp Subhapholsiri	President	Chairman
2. Mrs. Duangphorn Sucharittanuwat	Senior Executive Vice President	Member
3. Mr. Taveeb Chardtumrong	Senior Executive Vice President	Member
4. Mr. Manit Jeeradit	Senior Executive Vice President	Member
5. Mr. Ekajai Tivutanond	Senior Executive Vice President	Member
6. Mr. Chanindh Homsilpakul	Senior Executive Vice President	Member
7. Mr. Surin Premamornkit	Senior Executive Vice President	Member
8. Mr. Phongsuree Bunnag	Executive Vice President	Member
9. Mr. Prasert Wangrattanapranee	Executive Vice President	Member

Mr. Nopwong Ramakomut, Executive Vice President for Organizational Business Development has been assigned to act in the capacity as Secretary to the Management Committee.

### Risk Management Committee

To equip the Bank with the means necessary for managing its risk in a timely manner, and to enhance compliance with the guidelines prescribed by the Bank of Thailand, the Board of Directors passed a motion to establish the Risk Management Committee, to define risk management policies and procedures.

\* **Membership of the Risk Management Committee consists of the following:**

1. Mr. Phirasilp Subhapholsiri	President	Chairman
2. Mr. Manit Jeeradit	Senior Executive Vice President	Member
3. Mr. Taveeb Chardtumrong	Senior Executive Vice President	Member
4. Mrs. Duangphorn Sucharittanuwat	Senior Executive Vice President	Member
5. Mr. Surin Premamornkit	Senior Executive Vice President	Member
6. Mr. Ekajai Tivutanond	Senior Executive Vice President	Member
7. Mr. Phongsuree Bunnag	Executive Vice President	Member
8. Mr. Prasert Wangrattanapranee	Executive Vice President	Member

Mr. Chamnarn Wangtal, Executive Vice President for Risk Management, has been assigned to act in the capacity as Secretary to the Committee.

\* At every meeting of the Committee, a quorum shall require the presence of the Chairperson and 4 members of the Committee.

\* In case of a vacancy, the officer in charge shall fulfill the relevant functions.

\* Duties and responsibilities of the Risk Management Committee

- To define and review the Bank's credit risk management policies and plans. In this context, the Committee is vested with the authority to approve improvements or revisions to the underwriting guidelines, including exceptions to credit policies and procedures; and promulgate the use of credit risk measuring tools and Loan Pricing Methodology.

- To define and review the Bank's portfolio management policies and plans; approve concentration limits, targets for RAROC, ROA, ROE, and purchase or sale of assets in order to adjust risk/return characteristics with a view to keeping RAROC targets on track.

- To define and review the Bank's operational risk management policies and plans, including the work plans, measures and resources for minimizing operational risk; approving contingency plans of the different departments; and approving or modifying the Bank's business strategy as it relates to, for example, the promotion of new or existing products.

- To define and review the Bank's procedures governing capital allocation and capital adequacy.

- To define and review the Bank's loan-loss provisions including adequacy of reserves.

- To estimate the value at risk relating to new products launched by the Sales and Trading Department, and to review and approve various limits so as to mitigate market risk.

### Compensation Committee

To enhance the efficiency of the Bank's compensation system taking into account the Bank's policies, labour market trends, and competitive factors, the Meeting of the Board of Directors, at its 4/2546 session held on 19 March 2003, passed a motion to establish the Compensation Committee.

The Compensation Committee comprises the following members of the Board of Directors and additional members:

1. Mr. Pramon Sutivong	Chairman
2. Mr. Viset Choopiban	Member
3. Mr. Phirasilp Subhapholsiri	Member
4. Dr. Piboon Limprapat	Member
5. Dr. Sarasin Viraphol	Member
6. Mr. Dharin Divari	Member
7. Mr. Pongpanu Svetarundra	Member
8. Mr. Somboon Chitphantom	Member
9. Mrs. Nopamart Manoleehagul	Member
10. Mr. Preecha Oonchitti	Member

Executive Vice President, Human Resources Training and Development Department, has been assigned to act in the capacity as Secretary to the Committee

### Duties and responsibilities

The Compensation Committee

1. To define and review policies and plans pertaining to the Bank's compensation and welfare scheme, and thereby to sharpen competitiveness in the area of commercial banking.

2. To examine variations in compensation in the commercial banking sector, which have the potential to affect competitiveness of the Bank's compensation and welfare scheme.

3. To review and endorse adjustment to the Bank's compensation and welfare scheme and/or procedures for managing such scheme based on prevailing labour market conditions.

4. To review and endorse policies for staff salary adjustment and allocation of bonus to the staff based on the annual performance of the Bank.

5. To review and endorse voluntary retirement scheme and relevant expenses.

**Secretary to the Committee**

1. To prepare schedule of meetings and agendas.

2. To prepare annotations to the agenda.

3. To facilitate the meeting based on the agenda.

4. To prepare minutes of the meetings of the Compensation Committee.

5. To submit details of the decisions of the Committee to the Bank's executive team.

### Schedule of meetings

The meeting of the Compensation Committee shall be held once every quarter within the first month of the next

quarter with the subjects of the meeting specified in advance. The quorum so constituted shall be separated from that of the monthly meeting of the Board of Directors in that month.

To accommodate the need to address urgent issues, the Secretary to the Compensation Committee shall apprise the Chairperson of the Committee of such need for the purpose of calling a special meeting to discuss the issues.

### The Bank's Senior Management

The Bank's senior management team comprises officers at or above the rank of Executive Vice President, as follows:

1. Mr. Phirasilp Subhapholsiri	Director & President
2. Mrs. Duangphorn Sucharittanuwat	Senior Executive Vice President, Metropolitan Business Development Group
3. Mr. Taveeb Chardtumrong	Senior Executive Vice President, Institutional Banking and Capital Markets Group
4. Mr. Manit Jeeradit	Senior Executive Vice President, Risk Management and Staff Credit Group
5. Mr. Ekajai Tivutanond	Senior Executive Vice President, Central Administration Group
6. Mr. Chanindh Homsilpakul	Senior Executive Vice President, Technologies and Operations Group
7. Mr. Surin Premamornkit	Senior Executive Vice President, Provincial Business Development Group
8. Mr. Phongsuree Bunnag	Executive Vice President, Human Resources Management Division
9. Mr. Prasert Wangrattapranee	Executive Vice President, Financial Control Division
10. Mr. Chit Chittivaranon	Executive Vice President, Metropolitan Business Development 1 Division
11. Mrs. Supaluck Tachasinkul	Executive Vice President, Metropolitan Business Development 2 Division
12. Mr. Kraisorng Pongpun	Executive Vice President, Metropolitan Business Development 3 Division
13. Mr. Songwud Buakhem	Executive Vice President, Provincial Business Development 1 Division
14. Mr. Grant Wattanatham	Executive Vice President, Provincial Business Development 2 Division
15. Mr. Pisit Serewiwattana	Executive Vice President, Treasury/Sales and Trading Division
16. Mrs. Duangchai Valaisathien	Executive Vice President, Deposit Mobilization and Private Banking Division
17. Mr. Chamnan Wangtal	Executive Vice President, Risk Management and Staff Credit Division
18. Mr. Nopwong Ramakomut	Executive Vice President, Corporate Affairs Division
19. Mr. Narintr Siripruksanukul	Executive Vice President, Office Management and Assets Management Division
20. Mr. Prawit Kijpaisalrattana	Executive Vice President, Credit Administration and Credit Operations Division
21. Mr. Nuekruk Baingern	Executive Vice President, Operations Division
22. Pol. Capt. Danai Khaophaisarn	Executive Vice President, Technology Division
23. Mr. Siriyot Srisuksawadi	Executive Vice President, Business Process Division
24. Mr. Prayoon Shiowattana	Executive Vice President, Project Development Division

Mr. Prasert Wangrattapranee, Executive Vice President, Financial Control Division, is presently in charge of the Bank's accounting.

### Selection of the Bank's Senior Management Team

The Bank holds the right to identify and select internal and external candidates for various posts by taking into careful consideration a given candidate's knowledge, skills, experience and abilities needed for successful performance of the duties and responsibilities prescribed by the Bank. To that end, the Bank shall apply the criteria set out below for the selection of its senior management:

1. Selection from amongst internal candidates shall be carried out by the Human Resources Committee.
2. External candidates shall be selected through, for example, newspapers advertising, walk-ins to the Bank's location, job fairs, and employment agencies. In this respect, prospective candidates shall be subject to an interview by the Interview Committee consisting of at least 3 members holding higher ranks. The Committee shall consist of a representative from the Department concerned and a representative from the Personnel Department. The said representatives shall be responsible for interviewing the candidates and submitting their recommendation to the approval authority. For the rank of First Vice President or above, the candidates shall also be subject to an interview by the President.

### Remuneration for the Committees and Senior Management

\* The Board of Directors shall provide guidelines for appraising the performance of the Management Committee for the purpose of adjusting the remuneration and other benefits annually based on the nature of the duties and responsibilities required, attendant risk, as well as value-added shareholder equity in the longer term.

\* The Board of Directors shall provide the salary scale and procedures for paying benefits and compensation to the Bank's staff members or employees, or any other persons working for the Bank, either on a permanent or non-permanent basis, as the Management may propose.

\* Members of the Board of Directors shall be entitled to receive remuneration from the Bank in the form of a reward, meeting allowance, gratuity, bonus, or other forms of benefit in accordance with the prescribed regulation, or as may be proposed by the meeting of the Board of Directors to the shareholder's meeting for approval. The shareholders'

meeting may specify a definite amount or lay down the criteria for determining a specific amount to be paid from time to time or on permanent basis until further notice. In this context, utmost precaution shall be taken to ensure that such terms do not affect the remuneration or other benefits payable to the staff members or employees that have been appointed to the post of a director.

\* The Board of Directors shall have the authority to appoint a number of committees to serve as the management committee or other committees for the purpose of conducting one or more undertakings according to the terms and conditions as the Board considers appropriate. Executive directors or other directors shall be entitled to receive compensation or other benefits as a result of such additional duties and responsibilities as may be determined by the meeting of the Board of Directors.

\* Remuneration of the Bank's Directors shall be set within a reasonable range and shall be comparable to that of other corporations of similar type and size of business.

\* The Board of Directors shall have the authority to appoint any person to serve as its adviser to assist and advice the Bank in its undertaking, and to determine the remuneration and other benefits as the Board of Directors may consider fit.

\* The remuneration amount payable to the Directors and senior management shall be revealed in accordance with the rules prescribed by the Public Company Act and the Announcement of the Securities and Exchange Commission.

#### 1. Monetary remuneration

##### (1) Remuneration for the Board of Directors

In 2002, the total remuneration paid to the 11 Directors amounted to Baht 11,932,000. Out of that figure, Baht 6,884,000 represented allowance for participation in the meetings of the Board of Directors, Baht 1,640,000 in meetings of the Audit Committee, Baht 1,464,000 in meeting of the Credit Committee, Baht 1,104,000 in meetings of the Asset Management Committee. The amount also included entertainment allowance of Baht 840,000.

Name	Official Title	Total Remuneration(Baht)
1. Mr. Pramon Sutivong	Chairman	2,400,000
2. Mr. Viset Choopiban	Vice Chairman	1,840,000
3. Mr. Phirasilp Subhapholsiri	President	528,000
4. Dr. Piboon Limprapat	Independent Director	1,176,000
5. Dr. Sarasin Viraphol	Independent Director	1,024,000
6. Mr. Dharin Divari	Independent Director	1,024,000
7. Mr. Pongpanu Svetarundra	Director	1,008,000
8. Mr. Somboon Chitphentom	Director	1,008,000
9. Mrs. Nopamart Manoleehagul	Director (assumed office on 1 May 2002)	352,000
10. Mr. Preecha Oonchitti	Director (assumed office on 1 October 2002)	708,000
11. Mr. Sawai Yakardkanong	Ex-Director (resigned his directorship on 30 September 2002)	864,000
Total		11,932,000

##### (2) Remuneration for the Bank's Senior Management

In 2002, the total remuneration paid to the 7 senior management team members at or above the rank of Senior Executive Vice President amounted to Baht 30,093,600.

#### 2. Other forms of remuneration

In 2002, the Bank's contribution to the provident fund set up for 7 senior management team members at or above the rank of Senior Executive Vice President amounted to Baht 1,310,280.

### The Bank's Shares held by the Bank's Board of Directors and Senior Management

At the end of 2002 as compared with the end of 2001

Name	Official Title	At the end of 2002 (shares)	At the end of 2001 (shares)	Differential Increase (Decrease)
1. Mr. Pramon Sutivong	Chairman	1	1	-
2. Mr. Viset Choopiban	Vice Chairman	1	1	-
3. Mr. Phirasilp Subhapholsiri	President	10,045	10,045	-
4. Dr. Piboon Limprapat	Independent Director	1	1	-
5. Dr. Sarasin Viraphol	Independent Director	1	1	-
6. Mr. Songwud Buakhem	Executive Vice President	4	4	-

## Shareholding of Directors and Senior Management Team Members in Affiliated Companies

Particulars	At the end of 2002 (shares)	At the end of 2001 (shares)	Increase (Decrease) Differential
Mr. Ekajai Tivutanond, Senior Executive Vice President			
- BT Consulting Co., Ltd.	1	1	-
Mr. Chanindh Homsilpakul, Senior Executive Vice President			
- BT Consulting Co., Ltd.	1	1	-
Mr. Prawit Kijpaisalrattana, Executive Vice President			
- BT Consulting Co., Ltd.	1	-	1
Mr. Nopwong Ramakomut, Executive Vice President			
- BT Insurance Co., Ltd.	10	10	-
- Krungthai Thanakit Finance Co., Ltd.	1	1	-
Mr. Prasert Wangrattanapraanee, Executive Vice President			
- BT Consulting Co., Ltd.	1	1	-
Mr. Phongsuree Bunnag, Executive Vice President			
- BT Consulting Co., Ltd.	1	1	-
Mr. Wisam Booranasuntikoon, Senior Vice President, Investment Banking and Provident Fund			
- BT Insurance Co., Ltd.	40	40	-
- BT Consulting Co., Ltd.	1	1	-
Mr. Somkiat Sethasompope, First Vice President, Metropolitan Business Development 6			
- BT Leasing Co., Ltd.	1	1	-
Mr. Chamnan Ngampojanavong, First Vice President, Provincial Business Development 7			
- BT Leasing Co., Ltd.	1	1	-
Mr. Tara Ratanaphiphop, First Vice President, Provincial Business Development 8			
- BT Leasing Co., Ltd.	1	1	-
Mr. Pramoth Singhanue, First Vice President, Office of the President			
- BT Insurance Co., Ltd.	10	10	-
- BT Consulting Co., Ltd.	1	1	-
- Krungthai Thanakit Finance Co., Ltd.	1	-	1

### Conflict of Interest

To prevent the conflict of interest, the Board of Directors has clearly defined procedures for protecting the Bank against and eliminating any actual or potential conflict of interest. The Board has also laid down policies prohibiting the senior management and the concerned persons from utilizing the Bank's inside information to private advantage.

#### Transactions with potential conflict of interest

The Board of Directors and the Bank's senior management team attach paramount importance to resolving conflict of interest issues that may arise from decision-making or transactions that are beneficial to the Bank but contrary to the interests of various groups. In this respect, every caution is taken to review the issues thoroughly and independently by exercising good faith and business ethics, primarily in the Bank's interests, and to share the information with the shareholders on every occasion. With that in mind, it is the Bank's policy to require any Director that has vested interest in a subject on the agenda of a shareholders' meeting to apprise the meeting of his/her involvement in the matter, and to preclude him/her from participating in the meeting while that subject is under review, as well as from casting his/her votes on that matter.

Furthermore, the Board has authorized the Bank to set in place a regulation governing the delegation of approval authority that has the potential to generate a conflict of interest. The regulation clearly stipulates that, "The parties with authority delegated by the Bank shall not carry out or approve any transaction in which they have a vested interest, or that which has the potential to create conflict with other interested parties, or that which concerns an interest that conflicts with the Bank's interests or those of its subsidiaries."

#### Related Items

The Bank's related items, 2002, may be summarized as follows:

##### (1) Description of the related items

(a) Loans/obligations secured by 5 related parties, as at 31 December 2002, amounted to Baht 6.73 million as follows.

- Loans/obligations in terms of promissory note, welfare loan, and credit card were secured by 3 Executive Vice Presidents of the Bank in the total amount of Baht 3.43 million.

- Loans/obligations in terms of welfare loan and loan were secured by 2 First Vice Presidents of the Bank in the total amount of Baht 3.30 million.

(b) Loans/obligations secured by related companies in which the Bank holds a stake and/or the Bank's senior management team members are represented on their respective boards of directors are as follows:

Name of company	Inter Company Costing Policy	Obligation	Loans	Interest rate	Loan-loss provision	Nature of relationship	
						The Bank's shareholding%	Joint Management
Thai Oil Co., Ltd.	Normal customer	-	120.00	MLR	1.20	0.99	Mr. Viset Choopiban, Director
Thai Oil Power Co., Ltd.	Normal customer	74.29	616.00	MLR average BT, RSB, SICCO.+ 0.50%	-	-	Mr. Viset Choopiban, Director with signatory power
Thai Olephins Co., Ltd.	Normal customer	-	753.00	BT's MOR +0.25% MLR Average BT, BAY, BBL, KTB, SCB, TFB, TMB	7.53	-	Mr. Viset Choopiban, Director
Petro Asia (Thailand) Co., Ltd.	Normal customer	-	9.85	BT's MOR	0.09	-	Mr. Viset Choopiban, Director
Fuel Pipeline Transportation Co., Ltd.	Normal customer	-	192.44	SCB's MLR	206.46	-	Mr. Viset Choopiban, Director
BT Securities Co., Ltd.	Normal customer	0.06	1,260.00	MLR+1	12.00	99.99	Mrs. Duangphom Sucharitanuwat and Mr. Chanindh Homsilpakul, Directors with signatory power
BT Leasing Co., Ltd.	Normal customer	0.06	93.00	BT's MLR- 0.50%	0.93	99.99	Mr. Tara Ratanaphiphop, Mr. Somkiat Sethasompope, and Mr. Chamnan Ngampojanavong, Directors with signatory power
Nava Factoring Co., Ltd.	Normal customer	-	31.74	UCR	6.35	90.00	Mr. Pramoth Singhanue, Director with signatory power
Delta Engineering Construction Public Co., Ltd.	Normal customer	94.59	211.06	UCR	1.61	24.94	-
Worldclass Rent-a-Car Co., Ltd.	Normal customer	-	40.00	MOR	0.40	20.00	Mr. Wisarn Booranasuntikoon and Mr. Samanda Lekhyananda, Directors
Fortis Co., Ltd.	Normal customer	-	16.71	MOR	0.17	10.00	-
Global Leasing Co., Ltd.	Normal customer	-	14.93	MLR	0.15	10.00	-
First International Factoring Co., Ltd.	Normal customer	-	23.30	UCR	-	10.00	-
Sunshine Public Co., Ltd.	Normal customer	-	255.00	According to court order (15%, 15.50%, 18%, 19%)	255.46	10.00	-
Thai Baroda Industries Co., Ltd.	Normal customer	47.58	311.36	BOT rate, Fixed rate, (0.01%), SCB's MLR	2.87	9.51	-
Siam Techno City Co., Ltd.	Normal customer	-	103.49	According to court order (15%)	125.18	9.00	-
Thai Granite Co., Ltd.	Normal customer	-	202.00	According to court order (21%, 19%),UCR	213.56	7.61	-
Daidomon Group Public Co., Ltd.	Normal customer	-	67.48	MOR+0.75%, MLR+1	0.55	5.65	-
Felix River Kwai Resort (Kanchanaburi) Co., Ltd.	Normal customer	-	50.35	SCB's MLR, 1%	0.24	5.56	Mr. Wisarn Booranasuntikoon, Director with signatory power
Teda Co., Ltd.	Normal customer	-	40.41	0.01%	0.40	5.00	-
Sarin Porperty Co., Ltd.	Normal customer	-	109.15	3%, part of principal, interest exempted (company rehabilitation)	-	4.08	-
New Imperial Hotel Co., Ltd.	Normal customer	-	277.50	6.5%, MOR	-	-	Mr. Taveeb Chardtumrong, Director (resigned in January 03)
Maxvin Builder Co., Ltd.	Normal customer	-	164.39	SCB's MLR, Not less than 7%, interest exempted	-	-	Mrs. Supaluck Tachasinkul, Director with signatory power
Thai Sugar Agriculture Co., Ltd.	Normal customer	0.04	129.49	MLR average (TFB, KTB, BBL) 7.083%	2.59	0.99	Mrs. Wirongrong Sukying, Director with signatory power

**Remarks:** Data pertaining to the acquisition by BT Securities Co. Ltd. of the common shares of BankThai Public Co. Ltd. is given in the supplementary note of the financial statements for the year ending 31 December 2002.

(c) The Bank has no person with the potential to create a conflict of interest holding more than 5 per cent of the voting shares of any of the Bank's subsidiaries or affiliated companies.

(2) Background of the related items

Loans/obligations secured by the 5 related parties represented part of the Bank's welfare loan scheme. The interest rate levied on welfare loans only applies to the Bank's staff. However, some of these loans were transferred to the Bank under the merger process and are, therefore, subject to the market interest rate.

Loans/obligations secured by 24 related companies in which the Bank holds a stake and/or the Bank's senior management team members are represented on their respective boards of directors and are thereby vested with the authority to sign on their behalf, were transferred under the merger process, therefore, are subject to the market interest rates.

### (3) Approval procedures and safeguard of the shareholders

The related items are subject to the Bank's credit approval procedures and in particular, review and final approval of the Credit Committee at the different levels. If any member of the Board of Directors or executive officer should have a vested interest in the item, he/she shall not be allowed to participate in the decision-making process.

### (4) Justification for and future trends in processing the related items

In the normal course of business, the Bank enters into transactions with the related parties with each transaction subject to the prescribed credit approval procedures and practices. It can therefore be expected that the related items will continue to feature as part of the Bank's business activity, and will continue to be governed by clearly defined policies and procedures in the context of credit approval.

#### **Protection against disclosure of classified information**

The Board of Directors recognizes the fundamental importance of preventing the willful use of information held by the Bank to private advantage. Accordingly, the Board has put in place policies pre-empting the disclosure of classified information to the general public, by prohibiting the parties concerned from divulging such information. In this respect, members of the Board of Directors, senior management and staff members, including their spouses and dependent children, are prohibited from using classified information known to them privately to purchase, sale, transfer, or assume ownership of the securities issued by the Bank. Specially, for any such transaction to materialize, the parties mentioned above must report the transaction to the Stock Exchange of Thailand within 3 days after initiating the transaction, and to ascertain that a copy is submitted to the Office of the President as evidence.

If a charge of willful use of the Bank's classified information is made against anyone, that person will be subject to disciplinary action in accordance with the Bank's disciplinary procedures.

In addition to the above, the Board of Directors has assigned the Compliance Department to monitor and supervise the work and activities of the Bank's units to ensure good compliance with the prescribed laws and regulations.

#### **The Bank's system of internal control**

##### **Internal Controls**

The Bank's Audit Committee holds its meetings regularly at least twice a month in order to review the effectiveness of the Bank's system of internal control that is designed to provide reasonable assurance of effective and efficient controls over the areas of management, operation, financial reporting and risk management. The Committee also reviews the work and activities of the Internal Audit Department and external auditor. In this context, it can be confirmed, taking into account the internal control framework, that: 1) The Bank has an organizational structure and corporate environment that ensure good compliance with internal control procedures. To support this, policies and instructions regarding the Bank's internal controls are documented in procedural write-ups and manual. In parallel with this, the Bank assigns priority attention to improve its transaction procedures on a continuing basis. 2) The Bank gives focus of its attention to manage risks posed by both internal and external factors. With that in mind, the Risk Management Department was established for the purpose of identifying, analyzing and managing the Bank's operational risk, with the support of the relevant systems and tools. In addition to this, the Bank set up the Risk Management Committee to define and put in place risk management policies and plans, with the Internal Audit Department assigned to keep under constant review the Bank's risk management procedures. 3) Insofar as management control is concerned, the Bank has defined the scope of authority and delegated authority for approving credit limits to its managers at the different levels. To support this, policies and instructions regarding this matter are documented. The Bank has also segregated functional responsibilities as a check and balance mechanism. 4) Constant effort is made to ensure good compliance of the Bank's operations with the prescribed laws and regulatory requirements of the concerned government authorities. 5) The Bank has kept under constant review the effectiveness of its data systems so that the information required may be retrieved accurately and expeditiously. 6) The Bank has managed its accounts in accordance with the generally accepted accounting standards that are commensurate with the Bank's business activity. 7) Last but not least, the membership of the Bank's Audit Committee comprises the whole team of independent directors whose role is to ensure the adequacy and effectiveness of the Bank's system of internal control, and review the Bank's financial statements, risk management procedures and report of the Internal Audit Department. In this respect, the Committee reviews the Department's report then submit it to the Bank's management team for further consideration and necessary follow-up action. A brief audit report is also prepared and provided to the members of the Board of Directors.

##### **Report of Audit Committee**

During the 2002 accounting period, meetings of the Audit Committee were convened regularly at least twice a month bringing the total number of meetings including special meetings to 26 in 2002. By and large, the meetings were designed to: 1) Review the report prepared by the Internal Audit Department covering all branch offices and departments at the Bank's Head Office. 2) Select external auditor and recommend to the Bank the subsequent appointment of the auditor including the auditor's compensation. 3) Review the Bank's financial statements. 4) Keep under constant review the compensation payable to the Bank from the Financial Institutions Development Fund (FIDF) for loss against inferior assets. 5) Evaluate the work plan prepared by the Internal Audit Department to enhance the effectiveness of the Bank's system of internal control and ensure good compliance with the guidelines established by the Bank of Thailand. 6) Review significant observations raised by the external auditor and the Bank

of Thailand's examiner, and ensure that the Bank's senior management use this information as a basis for deciding how these risks are managed and controlled, as well as participate in consultations and exchange views and ideas with the Bank's senior management team, the Bank of Thailand's examiner, and the external auditor, as appropriate.

It is the Committees opinion on exercising its functions that the Bank's system of internal control is conducive to the Bank's business activity. In this respect, the Internal Audit Department reports directly to the Audit Committee before the issues raised are submitted to the Bank's management team for consideration and necessary follow-up action. In parallel with this, the Bank has delegated the Compliance Department the responsibility to follow up on the recommendations made by the Internal Audit Department.



Piboon Limprapat, Ph.D.  
Chairman of Audit Committee

### Business Ethics

The Bank established staff rules and regulations and practices that are applicable to all senior management team members and staff members, and disseminate them via the Bank's intranet. In this context, the Bank is presently formulating the guidelines on staff ethics for formalizing the ethical standards and policies applicable for the Bank's staff at all levels in the exercise of their functions. In this context, continued efforts are made by the Bank to ensure compliance with the relevant rules, policies and guidelines, and to impose disciplinary measures on the parties whose conduct contravenes them.

### Relationship with investors

The Board of Directors attaches importance and endorses the fundamental importance of information disclosure that may result in the willful use of information held by the Bank to private advantage. Accordingly, it is the Board's policy to prohibit members of the Board, and the Bank's senior management and staff at all levels, including their spouses and dependent children, from disclosing confidential business information that is not publicly available but known to them by reason of their official position or their relationship with any persons of such position, in order to engage in the purchase, sale, transfer, or assumption of ownership of assets arising from the Bank's operations. If any such transaction should materialize, the parties concerned are required to report the matter to the Securities Exchange Commission and the Stock Exchange of Thailand within 3 days after the transaction has been completed, and to submit a copy of the document so submitted to the Office of the Managing Director, as evidence.

The Board of Directors attaches importance to the disclosure of accurate, complete and transparent information, and uses diverse channels and media including those introduced by the Bank of Thailand, to disseminate the information to the investors and interested parties. In this context, the following Divisions have been assigned to communicate data and information pertaining to the Bank's activities to the concerned government authorities, investors, shareholders, analysts, and general public.

- \* The Share Registration Division was established as the Bank's channel for communicating information to the investors and concerned government authorities such as Office of the Securities and Exchange Commission and the Stock Exchange of Thailand. It is also responsible for disclosing financial data and other important information pertaining to the Bank to the shareholders and other investors in an accurate, timely and transparent manner, and in compliance with the relevant announcements and regulatory requirements. Such information includes the Bank's organization structure, shareholding structure, and related items.

- \* The Public Relations Office was established as the channel for communicating the Bank's products and services to the general public.

- \* Customer complaint

The Bank has assigned the Electronic Banking Services Division to serve as the Bank's complaint data centre. The Division is responsible for maintaining the database and classifying customer complaint by type, before forwarding the details to the Compliance Department, Internal Audit Department, and other units responsible for strengthening cooperation in addressing customer complaints. In this respect, customers may lodge their complaints directly to BANKTHAI Care Center, Electronic Banking Services Division, BankThai Public Co. Ltd. every day during office hours from 08:30 - 17:00, Tel. 0-2626-7777 press O, Fax. 0-2626-7770, or through [www.bankthai.co.th](http://www.bankthai.co.th).



## 10. Executive Officers

### Board of Directors

#### Mr. Pramon Sutivong

Chairman

Appointed on March 2, 1999

Age 63

**Education** Bachelor of Science / Master of Science, Mechanical Engineering, University of Kansas, U.S.A.

**Experience** Director, Esso Standard Thailand Ltd. \* Senior Executive Vice President, The Siam Cement Public Co., Ltd.

**Other Positions** Chairman of the Board, Toyota Motor Thailand Co., Ltd. / Siam Compressor Industry Co., Ltd. / Trade Strategy Institute, The Thai Chamber of Commerce \* Chairman, The International Chamber of Commerce Thailand \* Chairman of the University Promotion Committee, King Mongkut's University of Technology Thonburi \* Director, The Navakij Insurance Public Co., Ltd. / The Committee on Foreign Business, MOC / Industry Development Foundation, MOI / Performance Agreement Committee, MOF / Saim Cement Foundation / Toyota Thailand Foundation / Advisory Council, Sasin Graduate Institute of Business Administration of Chulalongkorn University

#### Mr. Viset Choopiban

Vice Chairman

Appointed on August 14, 1998

Age 57

**Education** Bachelor of Electrical Engineering / Advanced Diploma in Electrical Engineering / Master of Electrical Engineering, Chulalongkorn University

**Experience** Chief, Energy Business Branch, National Energy Administration (NEA) \* Director, Petroleum Business Planning Division / Policy and Planning Department / Assistant Governor, Technical and Planning, Petroleum Authority of Thailand \* Executive Vice President (Acting President) / President, PTT Exploration and Production Public Co., Ltd. (PTTEP) / President, Petroleum Authority of Thailand \* Present President, PTT Public Co., Ltd.

**Other Positions** Chairman, Thai Petroleum Pipeline Co., Ltd. / Thai Loop Blending Co., Ltd. / Independent Power (Thailand) Co., Ltd. \* Vice Chairman, Petro Chemical of Thailand Public Co., Ltd. \* Director, Bangkok Aviation Fuel Services Public Co., Ltd. / PTT Exploration & Production Public Co., Ltd. / Rayong Refinery Co., Ltd. / Star Petroleum Refining Co., Ltd. / Alline & Refining Co., Ltd. / Thai Oil Co., Ltd. / Thai Oil Power Co., Ltd. / Thai Olefins Co., Ltd. / The Petroleum Institute of Thailand

#### Mr. Phirasilp Subhapholsiri

President

Appointed on August 14, 1998

Age 49

**Education** B.A., Business Administration, Yokohama National University, Japan (under the Japanese Government's Scholarship)

**Experience** Securities Analyst, Nomura Securities Co., Ltd. (Tokyo) \* Fund Management, The Mutual Fund Co., Ltd. \* Country Trade & Project Finance Manager, The Chase Manhattan Bank, N.A. \* Corporate Audit Manager, Corporate Planning Manager, Thai Oil Co., Ltd. \* Director & Executive Vice President, Asia Credit Co., Ltd. / Finance One Public Co., Ltd. \* President, Krungthai Thanakit Public Co., Ltd. \* Director, BT Securities Co., Ltd.

**Other Positions** Chairman, Krungthai Thanakit Finance Public Co., Ltd. \* Director, BT Insurance Co., Ltd.

#### Dr. Piboon Limprapat

Independent Director

Appointed on April 30, 1999

Age 62

**Education** B.S. in Economics, Thammasat University / M.A. (Economics) University of Philippines / Ph.D. (Economics), University of Illinois, U.S.A.

**Experience** Chairman, Erawan Trust Finance Co., Ltd., / President Right Product Co., Ltd. \* Director and Executive Director, First Bangkok City Bank Public Co., Ltd. \* Director, BT Insurance Co., Ltd.

**Other Positions** -

#### Dr. Sarasin Viraphol

Independent Director

Appointed on June 29, 1999

Age 56

**Education** B.A. (International Relations), The American University / A.M. (Area Studies - East Asia) / Ph.D. (History and East Asian Languages), Harvard University

**Experience** Lecturer and Assistant Professor, Chulalongkorn University \* Second Secretary, Royal Thai Embassy, Beijing \*

First Secretary, Political Department (MFA) \* Counsellor, Office of the Permanent Secretary (MFA) \* Director, Policy & Planning Division (MFA) Assistant to Foreign Minister \* Minister-Counsellor, Royal Thai Embassy, Tokyo \* Deputy Director-General, Political Department (MFA) \* Ambassador-at-large \* Ambassador to the Republic of the Philippines \* Director-General, Department of the Americas & S. Pacific (MFA) \* Deputy Permanent Secretary, Ministry of Foreign Affairs (MFA) \* **Present** Executive Vice President, C.P. Group

**Other Positions -**

**Mr. Dharin Divari**

Independent Director

**Appointed on July 21, 2000**

**Age 60**

**Education** Diploma (Banking), State School of Trade and Economy (Humburg) / Diploma, Sasin - Senior Executive Program  
**Experience** Branch Manager, Humburg Branch / Senior Manager / Executive Vice President, Thai Farmer Bank Public Co., Ltd.

**Other Positions** Director, Subsawat Co., Ltd.

**Mr. Pongpanu Svetarundra**

Director

**Appointed on November 14, 2000**

**Age 43**

**Education** Bachelor of Commerce (Econ.), University of Auckland, U.S.A. / Master of Arts (Econ.), Northwestern University, U.S.A.

**Experience** Economist, Fiscal Policy Office / Bank of Thailand \* Public Finance Specialist, Comptroller General Department \* Senior Expert for Finance, Fiscal Policy Office \* **Present** Deputy Director - General, Fiscal Policy Office, Ministry of Finance

**Other Positions -**

**Mr. Somboon Chitphantom**

Director

**Appointed on July 1, 2001**

**Age 38**

**Education** Bachelor of Economic and Bachelor of Computer Science, Rensselaer Polytechnic, U.S.A. / Master of Business, University of Wisconsin Madison, U.S.A.

**Experience** Assistant, Information System Planning Operation Dept. / Analyst, Bank Supervision & Examination Dept. / Analyst, Bank Supervision & Development Dept. / Team Executive, Bank Supervision Dept. / Team Executive, Financial Institutions Policy Dept. / Team Executive, Asset Management Dept. 1 \* **Present** Senior Executive, Asset Management Dept. 1, Bank of Thailand

**Other Positions -**

**Mrs. Nopamart Manoleehagul**

Director

**Appointed on May 1, 2002**

**Age 56**

**Education** B.A. (Economics), Mount Holyoke College, Mass, U.S.A. / M.A. (Economics), Duke University, North Carolina, U.S.A.

**Experience** Director, Office of the Governor / Director, Northern Region Office / Chief of Bank of Thailand Restructuring Coordinating Group / Director, Examination and Supervision Department II / Modernization Program Office / Assistant Governor (Strategic Capabilities), Bank of Thailand \* **Present** Assistant Governor (Operations), Bank of Thailand

**Other Positions -**

**Mr. Preecha Oonchitti**

Director

**Appointed on October 1, 2002**

**Age 57**

**Education** B.S. in Economics, Thammasat University

**Experience** Vice President, Credit and Collateral Department / Senior Vice President, Credit and Collateral Department / First Senior Vice President / Executive Vice President, Thai Farmers Bank Public Co., Ltd.

**Other Positions** Chairman, BT Insurance Co., Ltd.

**Mr. Nopwong Ramakomut**

Secretary to the Board of Directors

**Appointed on January 30, 2002**

**Age 48**



**Education** B.A. (Accounting), Institute of Technology and Vocational Education (Rajamongkhon)  
**Experience** Examiner and Analyst, Bank of Thailand \* Vice President, Internal Audit Department / Senior Vice President, Office of the President and Acting Legal Department / Credit & Marketing Department / Executive Vice President, Special Project Group, Krungthai Thanakit Public Co., Ltd. \* Managing Director, Nava Finance Public Co.,Ltd. \* Director & Executive Director, KTT Leasing Co., Ltd. \* Director, First International Factory Co., Ltd. \* Chairman, Nava Factoring Co., Ltd. \* Managing Director, BT Insurance Co., Ltd. \* Present Executive Vice President, Corporate Affairs Division

**Other Positions** Director, Nava Leasing Co., Ltd.

### Metropolitan Business Development Group

**Mrs. Duangphorn Sucharittanuwat**

Senior Executive Vice President, Metropolitan Business Development Group

**Employment Date** June 14, 1993

**Age** 51

**Education** Bachelor of Accounting, (2nd Class Hons.), Chulalongkorn University / Master of Business Administration, Thammasat University / Certified Public Account No. 5228

**Experience** Senior Auditor, Price Waterhouse & Co.,Ltd. \* Vice President, Audit Department / Senior Vice President, Accounting Department / Senior Vice President, Credit & Marketing Department, Asia Credit Limited \* Chairman, KTT Leasing Co., Ltd. \* Managing Director, Sinn Asia Leasing Company Limited \* Senior Vice President, Credit & Marketing Division, Finance One Public Co., Ltd. \* Executive Vice President, Senior Executive Vice President, Krungthai Thanakit Public Company Limited \* Director, Krungthai IBJ Leasing Co., Ltd \* Director, Interlife John Hancock Assurance Public Company Limited \* Advisor to the Board of Director, Bangkok Express Public Company Limited \* Director, BT Insurance Company Limited

**Other Positions** Councilor, Thailand Management Association \* Director, Krungthai Thanakit Public Company Limited \* Chairman, BT Securities Company Limited

**Mr. Chit Chittivaranon**

Executive Vice President, Metropolitan Business Development 1 Division

**Employment Date** June 1, 1993

**Age** 49

**Education** B.S. (Accounting), U.C. Berkeley, U.S.A. / M.B.A. (Finance), New York University, U.S.A.

**Experience** Senior Loan Officer, Mitsui Manufacturers Bank \* Assistant Branch Manager, Bangkok Bank Public Co., Ltd., Los Angeles Branch \* Assistant Vice President, Credit & Marketing Department, Siam City Bank Public Co., Ltd. \* Vice President, Bank of Asia Public Co.,Ltd. \* Vice President, Credit & Marketing Department, Finance One Public Co., Ltd. \* Executive Vice President, Credit & Marketing Department, Krungthai Thanakit Public Co., Ltd. \* Executive Vice President, Metropolitan Business Development 1-2 Division, BankThai Public Company Limited.

**Other Positions** -

**Mrs. Supaluck Tachasinkul**

Executive Vice President, Metropolitan Business Development 2 Division

**Employment Date** June 1, 1983

**Age** 54

**Education** Bachelor of Art (Economics), Queens College, Charlotte, North Carolina, U.S.A.

**Experience** Assistant Vice President, Continental Illinois Thailand Limited (A wholly owned subsidiary of Continental Illinois, National Bank and Trust Company of Chicago) \* First Vice President, Department Manager - Personal, Credit Department, Dhana Siam Finance Public Co., Ltd. \* Senior Vice President, Metropolitan Business Development 3-4 Division, BankThai Public Company Limited.

**Other Positions** Director, Maxwin Builders Co., Ltd.

**Mr. Kraisorn Pongpun**

Executive Vice President, Metropolitan Business Development 3 Division

**Employment Date** May 1, 2002

**Age** 50

**Education** B.S. (Accounting) (Hons.) Bangkok University / M.B.A. (Finance) National Institute of Development Administration and North Texas State University

**Experience** Financial / Pricing Analyst, UTC Mostek Corp., TX, U.S.A. \* Corporate Lending Officer, Thai Investment & Securities Public Co., Ltd. (TISCO) \* Second Vice President, The Chase Manhattan Bank \* Vice President, Bank of America \* Executive Vice President, Thai Thamrong Finance Co.,Ltd. \* Executive Director KGI Securities One Public Co., Ltd. \* Senior Vice President, Bank of Asia Public Co., Ltd. / Standard Chartered Bank

**Other Positions** -

**Miss. Surat Thepbanchaporn**

Senior Vice President, Metropolitan Business Development 4 Division

**Employment Date** March 1, 2002

Age 47

**Education** B.A. (Education) Chulalongkorn University / M.B.A. (Finance) National Institute of Development Administration

**Experience** Credit analyst / Branch Manager / Vice President, The Thai Farmers Bank Public Co., Ltd.

**Other Positions** -

**Mrs. Wirongrong Sukying**

Senior Vice President, Metropolitan Business Development 5 Division

**Employment Date** August 1, 1993

Age 41

**Education** Bachelor of Accounting, Thammasat University / M.B.A. (Finance), National Institute of Development Administration (NIDA)

**Experience** Authorized Signature / Branch Department, The Thai Military Bank Public Co., Ltd., \* Chief of Corporate Group / Corporate Department 2, Siam Commercial Bank Public Co., Ltd., \* Senior Vice President, Credit & Marketing Department, Krungthai Thanakit Public Co., Ltd. \* Senior Vice President, Metropolitan Business Development, 1 Department, BankThai Public Company Limited. \* Managing Director, Ksit Finance and Securities Co., Ltd.

**Other Positions** -

**Mr. Than Siripokee**

First Vice President, Metropolitan Business Development 1 Department

**Employment Date** June 1, 2000

Age 42

**Education** Bachelor of Accounting, Chulalongkorn University / Master of Housing Development, Chulalongkorn University / Master in Management, Asian Institute of Management, Philippines

**Experience** Lending Office, Corporate & Commercial Lending, Senior Marketing Office, Marketing Service Dept. Assistant Branch Manager, Silom Branch, Credit Manager, Heavy Industry Lending Group, Branch Manager, Bangkok Branch Group 2, Bangkok Bank Plc.

**Other Positions** -

**Mr. Nirun Fuganjananon**

First Vice President, Metropolitan Business Development 2 Department

**Employment Date** May 15, 2000

Age 41

**Education** Bachelor of Sciences in Agricultural Economic, Kasetsart University / Master in Business Administration (MBA) Assumption Business and administration College, Bangkok Bank Public Co.,Ltd. Scholarship student, Major in Corporate Finance

**Experience** Management Trainee, Senior Lending Office, Corporate Lending group III, Administrative Officer, Jakarta Branch, Marketing Head and Assistant Branch Manager Jakarta Branch, Assistant Vice President and Credit & Marketing Manager, Jakarta Branch, Assistant Vice President and Account Manager, Special Asset Management Dept., Bangkok Bank Plc.

**Other Positions** -

**Mrs. Patama Jirakulpattana**

First Vice President, Metropolitan Business Development 3 Department

**Employment Date** March 16, 2002

Age 38

**Education** B.A. (Education) Chulalongkorn University (First Class Honours) / M.A. (International Relations) Boston University, U.S.A.

**Experience** International Officer, Bangkok Bank Public Co., Ltd. \* Credit Manager, The Hongkong and Shanghai Banking Corporation Limited. \* Senior Relationship Manager, Credit Agricole Indosuez (CAI) Bangkok. \* Vice President Standard Chartered Bank.

**Other Positions** -

**Mr. Sonthit Chukate**

First Vice President, Metropolitan Business Development 4 Department

**Employment Date** August 1, 1995

Age 41

**Education** Bachelor of Law, Thammasat University / M.B.A., Indiana University of Pennsylvania, U.S.A.

**Experience** Manager, Bangkok Bank of Commerce Public Co., Ltd. \* Assistant Vice President, Bookclub Finance & Securities Public Co., Ltd. \* Vice President, Nava Finance Public Co., Ltd.

**Other Positions** -



**Mr. Suchart Tanakulrungsom**

First Vice President, Metropolitan Business Development 5 Department

**Employment Date** June 16, 1993

**Age** 47

**Education** B.A. (Economics), Thammasat University / M.B.A., Tarleton State University, Texas, U.S.A.

**Experience** Assistant Vice President, Asia Credit Public Co., Ltd. \* Senior Manager, Finance One Public Co., Ltd. \* First Vice President, Credit & Marketing Department, Krungthai Thanakit Public Co., Ltd. \* First Vice President, Metropolitan Business Development 2 Department, BankThai Public Company Limited.

**Other Positions** -

**Mr. Somkiat Sethasompope**

Senior Vice President, Metropolitan Business Development 6 Department

**Employment Date** February 1, 1994

**Age** 41

**Education** B.A. (Economics), Thammasat University / M.B.A., Saint Louis University

**Experience** Lending Office, Asia Credit Public Co., Ltd. \* Marketing Manager, Plan Estate Co., Ltd. \* Assistant Manager, Finance One Public Co., Ltd. \* First Vice President, Credit & Marketing Department, Krungthai Thanakit Public Co., Ltd.

**Other Positions** Director, BT Leasing Co., Ltd.

**Mr. Sarnanda Lekhyananda**

First Vice President, Metropolitan Business Development 7 Department

**Employment Date** November 2, 1992

**Age** 45

**Education** B.A. of Accounting, St. Leo College, Florida, U.S.A. / M.B.A., Florida Institute of Technology, U.S.A.

**Experience** Account Officer / Assistant Vice President, Siam Commercial Bank Public Co., Ltd. \* Vice President, Dhana Siam Finance Public Co., Ltd. \* First Vice President, Metropolitan Business Development 3 Department, BankThai Public Company Limited.

**Other Positions** Director, World Class Rent - a - Car Co., Ltd.

**Miss Noppamas Tamkaongarm**

First Vice President, Metropolitan Business Development 10 Department

**Employment Date** September 16, 2002

**Age** 42

**Education** B.A. of Economics (International Economics) Chulalongkorn University / Master of Management Sasin Graduate Institute of Business Administration of Chulalongkorn University

**Experience** Credit Officer, Thai Farmers Bank Public Co., Ltd. / Sakura Bank \* Senior Investment Analyst, First Asia Securities Public Co., Ltd. \* Manager, Credit Agricole Indosuez (Bangkok Branch) \* Second Vice President, DBS Thaidanu Bank Public Co., Ltd.

**Other Positions** -

**Provincial Business Development Group****Mr. Surin Premamornkit**

Senior Executive Vice President, Provincial Business Development Group

**Employment Date** June 16, 1993

**Age** 54

**Education** B.A. (Economics in Finance and Banking), Thammasat University

**Experience** Assistant Manager, Bangkok Bank Public Co., Ltd. \* Assistant Vice President, Credit & Marketing Division, Finance One Public Co., Ltd. \* Senior Vice President, Credit & Marketing Department / Executive Vice President, Credit & Marketing Department, Krungthai Thanakit Public Co., Ltd. \* Executive Vice President, Provincial Business Development 7-8 Division, Acting Senior Executive Vice President, Provincial Business Development Group, BankThai Public Company Limited. \* Director KTT Leasing Co., Ltd. \* President & Managing Director, Union Asia Finance Public Co., Ltd.

**Other Positions** Director, BT Insurance Co., Ltd.

**Mr. Songwud Buakhem**

Executive Vice President, Provincial Business Development 1 Division

**Employment Date** December 3, 1990

**Age** 49

**Education** Bachelor of Accounting / Bachelor of Law, Thammasat University / M.B.A., Kasetsart University

**Experience** Senior Auditor, Bangkok Bank Public Co., Ltd. \* Division Head, Bangkok Bank Public Co., Ltd. \* First Vice President, Executive Vice President, Provincial Business Development 1-2 Division, BankThai Public Company Limited.

**Other Positions** Director U T M Advisory & Capital Management Co., Ltd.

**Mr. Grant Wattanatham**

Executive Vice President, Provincial Business Development 2 Division

**Employment Date** October 1, 1996

**Age** 49

**Education** Bachelor of Accounting, Thammasat University / M.B.A., Sul Ross State University, U.S.A.

**Experience** First Vice President, Union Bank of Bangkok Public Co., Ltd. \* First Vice President, Executive Vice President, Provincial Business Development 3-4 Division, BankThai Public Company Limited.

**Other Positions** -

**Mr. Samchai Benchapathomrong**

Senior Vice President, Provincial Business Development 3 Division

**Employment Date** June 21, 1993

**Age** 43

**Education** B.A. (Financial and Banking), Thammasat University

**Experience** Chief of Credit Department (Head Office), Siam Commercial Bank Public Co., Ltd. \* Senior Manager, Credit and Marketing Department, Thana One Finance & Securities Public Co., Ltd. \* Senior Vice President, Credit and Marketing Department, Krungthai Thanakit Public Co., Ltd. \* Senior Vice President, Metropolitan Business Development 5 Department, BankThai Public Company Limited. \* President & Chief Executive Officer, Dhana Siam Finance Public Co., Ltd.

**Other Positions** -

**Mr. Vorakan Dhepchalerms**

Senior Vice President, Provincial Business Development 4 Division

**Employment Date** June 20, 2000

**Age** 45

**Education** Bachelor Degree in Business Administration (Finance), Assumption University / Master Degree in Business Administration (Finance), University of Scranton Pennsylvania, U.S.A.

**Experience** Securities Analyst, Thai Investment and Securities Public Co., Ltd. \* Loan Officer (Level 6), Special Project Dept., The Industrial Finance Corporation of Thailand (IFCT) \* Senior Supervisor, Project Appraisal Dept., Thai Airways International Public Co., Ltd. \* Executive Vice President, Nava Finance and Securities Public Co., Ltd. \* Director, Risk Department, GE Asia Finance Public Co., Ltd.

**Other Positions** -

**Mr. Witchayarat Usuparat**

Senior Vice President, Provincial Business Development 5 Division

**Employment Date** October 1, 1993

**Age** 46

**Education** B.A. (Economics), College of Business Administration Dhurakijpundit / Executive M.B.A., Kasetsart University

**Experience** Researcher, Thai Chamber of Commerce \* Manager (Business Development Department), Thai Farmer Bank Public Co., Ltd. \* Vice President, Credit & Marketing Department / First Vice President, Credit & Marketing Department / Senior Vice President, Credit & Marketing Department, Krungthai Thanakit Public Co., Ltd., \* Senior Vice President, Metropolitan Business Development 5-6 Division, Metropolitan Business Development 3 Division, BankThai Public Company Limited.

**Other Positions** -

**Mr. Boripat Kulchartchai**

First Vice President, Provincial Business Development 1 Department

**Employment Date** March 15, 1995

**Age** 49

**Education** Bachelor of Commerce, Thammasat University / Master of Business Administration, Kasetsart University

**Experience** Credit Officers, Thai Military Bank \* Chief of Business Development, Industrial Finance Corporation of Thailand \* Assistant Credit Manager, Union Asia Finance Public Co., Ltd. \* Vice President, ITF Finance & Securities Public Co., Ltd. \* Executive Vice President, IFCT Finance & Securities Public Co., Ltd. \* First Vice President, Metropolitan Business Development 8 Department, Metropolitan Business Development 10 Department, BankThai Public Company Limited.

**Other Positions** -

**Mr. Sathien Kasettratad**

First Vice President, Provincial Business Development 2 Department

**Employment Date** May 1, 1994

**Age** 48

**Education** B.A. Ramkhamhaeng University

**Experience** Assistant Manager, Credit Bangkok Bank Public Co., Ltd. \* First Vice President, Credit & Marketing



Department, Krungthai Thanakit Public Co., Ltd. \* First Vice President, Metropolitan Business Development 9 Department, First Vice President, Provincial Business Development 4, BankThai Public Company Limited

**Other Positions -**

**Mr. Chalernpol Decharit**

First Vice President, Provincial Business Development 3 Department

**Employment Date** March 1, 1995

**Age** 40

**Education** Bachelor of Accounting (Costing), Chulalongkorn University

**Experience** Credit Officer, Branch Credit Department, The Siam Commercial Bank Public Co., Ltd. \* Chief of Credit Marketing Section, Bara Finance & Securities Co., Ltd. \* Assistant Vice President, Real Estate Project Department, Kiatnakin Finance & Securities Public Co., Ltd. \* Vice President, Branch Credit Department / First Vice President, Credit & Marketing Department, Krungthai Thanakit Public Co., Ltd. \* First Vice President, Provincial Business Development 6 Department, BankThai Public Company Limited. \* Managing Director, Bangkok Asian Finance Co., Ltd.

**Other Positions -**

**Mr. Suwit Chanachol**

First Vice President, Provincial Business Development 6 Department

**Employment Date** March 1, 2002

**Age** 44

**Education** B.A. (Economics) Thammasat University / M.B.A. (Business Administration) Thammasat University

**Experience** International Banking Department, Business Development Department, Deputy Main Branch Manager, Branch Manager, Assistant Vice President Corporate Banking Department, Thai Farmers Bank Public., Ltd.

**Other Positions -**

**Mr. Wongkasem Karnthanat**

First Vice President, Provincial Business Development 7 Department

**Employment Date** May 15, 2000

**Age** 42

**Education** Bachelor of Law Thammasat University / Master of Law Chulalongkorn University / Master of Management Sasin Graduate Institute of Business Administration of Chulalongkorn University

**Experience** Assistant Branch Manager, Branch Manager, Assistant Vice President and Account Manager, Bangkok Bank Public Co.,Ltd.

**Other Positions -**

**Mr. Tara Ratanaphiphob**

First Vice President, Provincial Business Development 8 Department

**Employment Date** June 1, 1994

**Age** 45

**Education** B.A. in Economics, Dhurakijpundit University / M.S. (Development Economics), National Institute of Development Administration (NIDA)

**Experience** Economics Analyst, Faculty of Economic, Thammasat University \* Credit Marketing Manager, The Bank of Asia Public Co., Ltd. \* First Vice President, Credit & Marketing Department, Krungthai Thanakit Public Co., Ltd.

**Other Positions -**

**Mr. Chamnan Ngampojanavong**

First Vice President, Provincial Business Development 9 Department

**Employment Date** July 1, 1993

**Age** 42

**Education** Bachelor of Accounting, Chulalongkorn University

**Experience** Senior Credit Officer, The Siam Commercial Bank Public Co., Ltd. \* Finance Manager, Poolthip Housing Co., Ltd. \* First Vice President, Credit & Marketing Department, Krungthai Thanakit Public Co., Ltd. \* First Vice President, Provincial Business Development 7 Department, First Vice President, Provincial Business Development 1, BankThai Public Company Limited

**Other Positions** Director, BT Leasing Co., Ltd.

## **Institutional Banking & Capital Markets Group**

**Mr. Taveeb Chardtumrong**

Senior Executive Vice President, Institutional Banking & Capital Markets Group

**Employment Date** June 29, 1998

**Age** 54

**Education** B.A. University of Oregon / M.B.A. St.John's University, New York, U.S.A.

**Experience** Global Credit Training Program, The Chase Manhattan Bank, N.A., New York \* Second Vice President / Manager, Commercial Accounts / Team Leader, The Chase Manhattan Bank, N.A., Bangkok; \* Director and Vice

President, The Mah Boonkrong Group of Companies (MBK) \* Director and Vice President, C.P. Holdings, Hong Kong and C.P. Intertrade \* Vice President & Assistant to the President, Bank of Ayudhya \* Managing Director K.Group Co., Ltd., \* Consultant / Advisor Sirivadhanabhakdi's Group of companies \* Director, First Bangkok City Bank \* Director, Imperial Hotel \* Managing Director, Finance One \* Advisor to the President, Krungthai Thanakit Public Co., Ltd.  
**Other Positions -**

**Mr. Wisarn Boornasuntikoon**

Senior Vice President, Investment Banking & Provident Fund Management Division

**Employment Date** August 1, 1999

**Age** 43

**Education** Bachelor of Business Administration, Ramkhamhaeng University, Bachelor of Engineering, Chulalongkorn University / Certificate of Public Administration, National Institute of Development Administration / Master of Business Administration, Chulalongkorn University

**Experience** Acting Head of New Business Study Section, Research and Planning Department, The Industrial Finance Corporation of Thailand \* Executive Vice President, Bara Finance and Securities Public Co., Ltd. \* Finance Manager, Uahwatanasakul Co., Ltd. \* First Vice President, Investment Department, BankThai Public Company Limited

**Other Positions** Director, Felix River Kwai Kanchanaburi Co., Ltd. \* Director, Worldclass Rent-a-Car Co., Ltd.

**Mr. Pisit Sewiwattana**

Executive Vice President, Treasury & Sales and Trading Division

**Employment Date** March 18, 1999

**Age** 41

**Education** B.A. in Economics, Thammasat University / M.A., in Management, Abilene Christian University, U.S.A.

**Experience** FX Dealer, Siam City Bank Public Co., Ltd. Manager - FX Trading, The Chase Manhattan Bank, N.A. \* Head Treasury, Banque Indosuez \* Senior Executive Vice President, Liabilities, SCF Finance and Securities Public Co., Ltd. \* Supervision Executive, Financial Sector Restructuring Authority (FRA)

**Other Positions -**

**Mrs. Duangchai Valaisathien**

Executive Vice President, Deposit Mobilization & Private Banking Division

**Employment Date** September 15, 1997

**Age** 57

**Education** Bachelor's Degree in Commerce (Finance and Banking), St. Louis University, Philippines

**Experience** Accounting Officer, United States Operation Mission to Thailand (USOM) \* Teller, The Chase Manhattan Bank, N.A., Bangkok Branch \* Accounting Officer, Madison National Bank at Washington D.C., U.S.A. \* Funding Officer, Wardley Finance & Securities Co., Ltd. \* Senior Manager, Funding & Marketing Department / Senior Vice President, Private Banking Department, Finance One Public Co., Ltd. \* Assistant Managing Director, Liabilities Management, Ekkapat Finance & Securities Public Co., Ltd. \* Senior Vice President, Funding Department, Krungthai Thanakit Public Co., Ltd.

**Other Positions -**

**Mr. Prayoon Shiowattana**

Executive Vice President, Project Development Division

**Employment Date** August 16, 2002

**Age** 54

**Education** M.Sc.Soc. (Master of Science and Society), University of New South Wales, Australia / M.E. (Electrical Engineering), Osaka University, Japan / B.E. (Electrical Engineering), University of Electro - Communication, Tokyo, Japan

**Experience** Director, National Institute of Metrology (Thailand) \* Executive Vice President, Khunghai Thanakit Public Company Limited \* Vice President, Corporate Planning, Thai Telephone & Telecommunication Public Company Limited \* General Manager, Technology Promotion Association (Thai-Japan) \* Associate Dean for Planning & Development, Chulalongkorn University, Faculty of Engineering \* Research Follow, Thailand Development Research Institute (TDRI) \* Assistant Professor Faculty of Engineering, Chulalongkorn University \* Deputy Manager, Thai Toshiba Electrical Industries \* Manager, Technology Promotion Association (Thai-Japan) \* Lecturer Faculty of Engineering, Chulalongkorn University

**Other Positions -**

**Mr. Chalernpol Tongpaitoon**

Senior Vice President, Capital Markets 1 Department

**Employment Date** July 7, 1993

**Age** 39

**Education** Bachelor of Accounting, Assumption University / M.B.A. (Finance), Youngstown State University, U.S.A.

**Experience** Lending Officer, Asia Credit Public Co., Ltd. \* Lending Officer, Finance One Public Co., Ltd. \* Management Trainee, Bangkok Bank Public Co., Ltd., New York Branch \* Vice President, Investment Banking Department, Krungthai Thanakit Public Co., Ltd. \* First Vice President, Corporate Finance 1 Department, BankThai Public Company Limited

**Other Positions -**



**Mr. Somkiat Suebsub-anunt**

Senior Vice President, Capital Markets 2 Department

**Employment Date** September 1, 2000**Age** 38**Education** Bachelor of Engineering (Honors) Chulalongkorn University / Master of Business Administration (MBA) Asian Institute of Technology (AIT), The Netherlands Government Scholarship**Experience** Vice President - Head of Capital Markets, ABN AMRO Bank (Bangkok Branch) \* Vice President-Head of Capital Markets, Banque Indosuez (Bangkok Branch) \* Senior Assistant Vice President-Corporate Finance, Jardine Fleming Thanakom Securities**Other Positions** -**Dr. Anusorn Tamajai**

Senior Vice President, Research Office

**Employment Date** March 1, 2002**Age** 36**Education** B.A. Political Science (Public Administration) Chulalongkorn University / M.B.A. (International Management) Southeastern University, U.S.A. / M.A. (Economic) Fordham University, U.S.A. / Ph.D. (International Economics and Finance) Fordham University, U.S.A.**Experience** Executive Trainee and Secretary to Chairman and CEO C.P. Groups, Colgate Palmolive / Reporter / Journalist / Editor / Manager Newspaper / SiamRath Newspaper / Thai Newspaper in U.S.A. \* Marketing Assistant Manager C.P. (U.S.A), New York \* Research and MIS Manager Global Consumer Bank-Citibank \* Vice President Research and Public Affairs-Citibank and Salomon Smith Barney**Other Positions** Director and Audit Committee Chairman - The Bangchak Petroleum Public Company Limited \* Director - Family Know How \* Chairperson - Puay Sevanakarn \* Advisor - Predee Banomyong Institution**Mr. Sutee Losoponkul**

Senior Vice President, Treasury Department

**Employment Date** June 1, 2000**Age** 42**Education** B.Sc. (Industrial Engineering) Prince of Songkhla University / M.B.A. (Financial Management) National Institute of Development Administration (NIDA)**Experience** Production Engineer Asian Autoparts Co.,Ltd. \* Senior Vice President Nakornthon Bank Public Co., Ltd. \* Head of Business Planing and Extended Management Team, Standard Chartered Nakornthon Bank Public Co., Ltd.**Other Positions** Director, Food and Drinks Public Co., Ltd.**Mr. Paritat Lerngutai**

Senior Vice President, Sales and Trading Department

**Employment Date** March 27, 2000**Age** 35**Education** M.B.A. (Finance), Columbia Business School (Japanese Government Scholarship) / Master of Arts (M.A.) (Financial Economics), Yale University (Yale Fellowship) / Bachelor of Science (S.B.) (Economics / Mathematics), Massachusetts Institute of Technology (MIT), First - class honor, (Bank of Thailand Scholarship)**Experience** Swap and derivatives trader, Fixed income, Currencies and Commodities, Goldman Sachs Co., New York and Hong Kong Offices (Series 7 and Series 63 Qualified and Registered Member of the National Association of Securities Dealers (NASD), U.S.A.) / Summer Associate, Financial Services Group, Booz-Allen & Hamilton Management Consultants, Singapore Office \* Economist 4, Financial System Development Section, Economic Department, Bank of Thailand**Other Positions** -**Mrs. Saisamorn Duangmanee**

First Vice President, Deposit Mobilization 1 Department

**Employment Date** August 1, 1990**Age** 52**Education** B.A. (Money and Banking), Ramkhamhaeng University**Experience** Authorized Officer, Thai Military Bank (Head Office) \* Assistant Manager (Marketing), Thai Military Bank (Ministry of Defense Branch) \* Senior Vice President, Funding Department / Acting Vice President, Treasury Department, Nava Finance Public Co., Ltd.**Other Positions** -**Miss Chutamas Sombunyaviroj**

First Vice President, Deposit Mobilization 2 Department

**Employment Date** March 1, 1984**Age** 44**Education** Bachelor's Degree in Liberal Arts / M.B.A. (Finance), Thammasat University**Experience** Funding Officer, Ayudhaya Investment & Trust Public Co., Ltd. \* Assistant Vice President, Funding & Treasury Department, First Vice President, Department Manager, Funding Department, Dhana Siam Finance Public Co., Ltd.**Other Positions** -

**Mr. Parames Promburee**

Vice President, Private Banking Department

**Employment Date** March 1, 2000

**Age** 44

**Education** B.Sc. (Agriculture) Khon Kaen University / M.B.A. The University of The Thai Chamber of Commerce

**Experience** Sales Manager, John Young & Yong Group \* Marketing Director Sinn Suksawad Co., Ltd. \* First Vice President, Funding Department GCN. Finance Public Co., Ltd. \* First Vice President, Funding Department. Thanapol Finance & Securities Public Co., Ltd. \* Marketing Development Specialist Dow Agrosiences (Thailand) Co., Ltd.

**Other Positions** -

**Central Administration Group**

**Mr. Ekajai Tivutanond**

Senior Executive Vice President, Central Administration Group

**Employment Date** October 1, 1999

**Age** 51

**Education** Bachelor of Law (LLB) (1<sup>st</sup> class honour), Thammasat University / Barrister at Law / Master of Law (LLM), Columbia University, New York, U.S.A.

**Experience** Public Prosecutor, Department of Public Prosecution \* Legal and Public Affairs Manager / Member of the Management Team / Secretary of the Company, Thai Shell Exploration and Production Co., Ltd. \* Director of 12 Associated companies of Shell in Thailand \* Director of Rayong Refinery Co., Ltd. \* Member of Executive Committee / Human Resources Director and Corporate Legal Manager, Shell Companies in Thailand

**Other Positions** Director, BT Insurance Co., Ltd.

**Mr. Nopwong Ramakomut**

Executive Vice President, Corporate Affairs Division

**Employment Date** January 1, 1994

**Age** 48

**Education** Bachelor Degree in Accounting Institute of Technology and Vocational Education (Rajamongkhon)

**Experience** Examiner and Analyst, Bank of Thailand \* Vice President, Internal Audit Department / Senior Vice President Office of The President and Acting Legal Department / Credit & Marketing Department / Executive Vice President, Special Project Group, Krungthai Thanakit Public Co., Ltd. \* Managing Director, Nava Finance Public Co., Ltd. \* Director & Executive Director, KTT Leasing Co., Ltd. \* Director, First International Factory Co., Ltd. \* Chairman, Nava Factoring Co., Ltd.

**Other Positions** -

**Mr. Narintr Siripruksanukul**

Executive Vice President, Office Management & Assets Management Division

**Employment Date** June 1, 1993

**Age** 56

**Education** Bachelor of Art (Statistics), Chulalongkorn University

**Experience** Systems Development Manager, Bangkok Data Center Co., Ltd. \* Second Vice President, The Chase Manhattan Bank, N.A., Bangkok Branch. \* Senior Vice President, Thana One Finance & Securities Co., Ltd. \* Executive Vice President, Krungthai Thanakit Public Co., Ltd.

**Other Positions** Director, C & C International Venture Co., Ltd.

**Mr. Prawit Kijpaisalrattana**

Executive Vice President, Credit Administration & Credit Operations Division

**Employment Date** November 2, 1987

**Age** 49

**Education** B.B.A. (Major in Accounting ; Minor in Finance) / M.S. (Accounting), Thammasat University

**Experience** Junior Auditor at SGV-NA Thalang & Co., Ltd. (Certified Public Accountant) \* Senior Auditor Audit Department Bangkok Bank Public Co., Ltd. \* Senior Vice President handle Branch Administration Department / Administration Department / Banking Department / Organization and System Development Department / Executive Vice President Credit Administration and Standard Operating Procedures Division / Executive Vice President Credit Administration & Credit Operations Division, BankThai Public Company Limited.

**Other Positions** -

**Mr. Pramoth Singhanue**

First Vice President, Office of the President

**Employment Date** February 8, 1995

**Age** 44

**Education** B.A. (Accounting) / M.S. (Accounting) Thammasat University

**Experience** Auditor, Muang Thai Life Insurance Public Co., Ltd. \* Accountant, Siam Tyre Public Co., Ltd. \* Examiner and Analyst, Bank of Thailand \* Vice President, Internal Audit Department / Securities Operations Department / Office of The President, Krungthai Thanakit Public Co., Ltd.

**Other Positions** Director Krugthai Thanakit Finance Co., Ltd.



**Mr. Paraadorn Phakaphat**

Senior Vice President, Legal Department

**Employment Date** January 1, 2000

**Age** 48

**Education** Bachelor of Law / Master of Law, Chulalongkorn University / Master of Science in Justice (MSJ), The American University, Washington D.C., U.S.A. (Under the Royal Thai Government Scholarship) / Training in Legal Information System at the University of Santa Clara, Ca., / Certificate in Computer On-line System Design, The Okinawa International Center, Japan.

**Experience** Legal Official - Office of the Rector, Kasetsart University, \* Legal Official and Assistant Secretary to the Legislature Drafting Commission, Office of The Council of State, \* Trainee in the Case Acceleration Program, the Superior Court, Washington D.C. \* Legal Official / Deputy Director - Judicial Information Service Center, The Ministry of Justice, \* Vice President, The Industrial Finance Corporation of Thailand \* Former Lecturer, the Graduate School, Chulalongkorn University

**Other Positions** -

**Mrs. Thapthim Singhaseni**

First Vice President, Office of Public Relations

**Employment Date** September 1, 1989

**Age** 50

**Education** B.A. in Education, Silpakorn University / M.A. in Communication, Chulalongkorn University

**Experience** Director of Public Relations, Bank for Agriculture and Agricultural Co-Operatives \* Second Vice President, Office of the President, BankThai Public Company Limited.

**Other Positions** -

**Mr. Vicharn Nualsakul**

First Vice President, General Administration Department

**Employment Date** May 1, 1995

**Age** 58

**Education** Bachelor of Law, Ramkhamhaeng University

**Experience** Sale Representative, Kian-Gwan Co., Ltd. \* Lawyer, P. Sri-u-dom Co., Ltd. / Siam Motor Co., Ltd. \* Personel Manager, Sahakol Casseis Co., Ltd. \* Administration Manager, Thaiger Industry Co.,Ltd. \* Vice President, General Service Department, Krungthai Thanakit Public Co., Ltd.

**Other Positions** -

**Mr. Aegatip Rattana - ari**

First Vice President, Asset Management Department

**Employment Date** April 1, 2000

**Age** 39

**Education** B.B.A. in Accounting Chulalongkorn University / M.B.A. in General Management University of Houston, Texas, U.S.A.

**Experience** Internal Control Officer, Control Dept. Citibank N.A Bangkok \* Financial Analyst, Corporate Planning Dept. Sukosol Mazda Motors Co.,Ltd. \* Senior Project Manager and Senior Marketing Manager, Property Development Dept. Soon Hua Seng Group of Companies \* Senior Project Manager, Access International Management (Thailand) Ltd.

**Other Positions** -

**Mr. Suchart Chandsongsang**

Senior Vice President, Credit Administration Department

**Employment Date** September 1, 1993

**Age** 54

**Education** Bachelor of Law, Thammasat University

**Experience** Officer, Legal Department, Nailart Co., Ltd. \* Assistant Manager, Credit & Marketing Department, Bangkok Bank Public Co. Ltd., Surawong Branch \* Senior Vice President, Credit Administration Department, Krungthai Thanakit Public Co., Ltd.

**Other Positions** -

**Mr. Thiti Supamane**

First Vice President, Credit Operations Department

**Employment Date** June 1, 1996

**Age** 43

**Education** Bachelor of Accounting, Chiangmai University

**Experience** Head office Internal Audit, Provincial Branch Internal Audit, Metropolitance Branch Internal Audit, Head of Computer Informations and Operations Audit & Acting Head Of Computer Systems Audit / Head of Computer Informations and Operations Audit Computer Systems Audit Specialist, The Bank of Asia Public Co., Ltd. \* Head of E.D.P.Audit, Finance One Public Co., Ltd. / Thana One Finance & Securities Co., Ltd. \* Vice President, Internal Audit Office, Bara Finance and Security Public Co., Ltd. \* Instructor / Lecturer for Master Degree Student, Setting Up Control Systems, Kasembandit University \* First Vice President, Finance Operations Department / Special Project Group, Krungthai Thanakit Public Co., Ltd. \* Director Nava Finance Public Co., Ltd.

**Other Positions** -

## Technologies & Operations Group

### Mr. Chanindh Homsilpakul

Senior Executive Vice President, Technologies & Operations Group

**Employment Date** January 1, 2000

**Age** 50

**Education** B.Sc. (Management and Computer Science), University of North Dakota, U.S.A. / MBA (Finance), State University of New York at Albany, U.S.A.

**Experience** Senior Manager, Andersen Consulting Co., Ltd. \* Vice President - Country Technology Director, Citibank \* Division IS Director, Coca - Cola Southeast & West Asia Division \* Director of Information Systems and Technology Services, Price Waterhouse Management Consultants Co., Ltd. \* Senior Vice President, Information Technology Planning Division, Bank of Asia Public Co., Ltd.

**Other Positions** Director, BT Securities Company Limited

### Mr. Nuekruk Baingern

Executive Vice President, Operations Division

**Employment Date** February 7, 2000

**Age** 49

**Education** Bachelor of Commerce, Chulalongkorn University / M.B.A. University of Detroit, Michigan U.S.A.

**Experience** Vice President - Citibank N.A. Bangkok \* Vice President - Citicorp Finance & Securities (Thailand) Ltd. \* Senior Vice President - Multi - Credit Corporation of Thailand Public Co., Ltd. \* Executive Vice President-Bank of Ayudhya Public Co., Ltd.

**Other Positions** -

### POL. CAPT. Danai Khaophaisarn

Executive Vice President, Technology Division

**Employment Date** April 2, 1990

**Age** 50

**Education** B.S., Chulalongkorn University / M.B.A., Kasetsart University

**Experience** Assistant Vice President, Computer Department, Siam City Bank Public Co., Ltd. \* First Assistant Vice President, Computer Department, Bank of Ayudhya Public Co., Ltd. \* Vice President/ Senior Vice President, Information Technology Department, BankThai Public Company Limited.

**Other Positions** -

### Mr. Siriyot Srisuksawadi

Executive Vice President, Business Process Division

**Employment Date** April 16, 2000

**Age** 44

**Education** B.Sc., in Electronic Data Processing, Chulalongkorn University / M.A., in Marketing The Joint Education Program, University of Gothenburg, Sweden's Institute for Hogre Marknadsforingsutbildning (IHM) and Thammasat University

**Experience** Country Technology Head, Vice President Citibank (Thailand) \* Executive Vice President - Operations TSFC Securities Ltd. \* Chief Information Officer GE Capital (Thailand) Ltd.

**Other Positions** -

### Mr. Chanin Veerawan

First Vice President, Domestic Banking Operations Department

**Employment Date** October 16, 1990

**Age** 51

**Education** B.B.A. (Money & Banking), Thammasat University / M.B.A. (Administration), Kasetsart University

**Experience** Senior Auditor 2, Bangkok Bank Public Co., Ltd. \* Vice President, Branch Administration Department / Deposit Promotion and Business Development Department, BankThai Public Co., Ltd.

**Other Positions** -

### Mrs. Boonyapak Wanichpan

Senior Vice President, International Banking Services & Funds Operations Department

**Employment Date** May 1, 2000

**Age** 46

**Education** B.A., (Education) Chulalongkorn University / Master of Management SASIN Graduate Institute of Business Administration of Chulalongkorn University

**Experience** Assistant Manager - Trade Finance Services Standard Chartered Bank \* Manager, Import & Export The Hongkong and Shanghai Banking Corporation Limited. \* Manager, Head of Operations and Correspondent Banking Credit Lyonnais Bangkok International Banking Facility \* Managing Director THAI DANU-DBS LIMITED. \* Senior Vice President, International Banking Department, Bangkok Bank of Commerce Public Company Limited. \* Vice President, Loan Accounting Department, Bangkok Commercial Asset Management Company Limited.

**Other Positions** Executive Board Member - International Chamber of Commerce Thailand

**Mr. Tawich Virangkur**

First Vice President, Electronic Banking Services Department

**Employment Date** December 16, 2002

**Age** 40

**Education** B.Sc. Chemical Engineering University of Tulsa, U.S.A. / M.Sc. Management Southern Nazareen University, U.S.A.

**Experience** Marketing Manager Thai Oil Co., Ltd. / Thai Carbon Product Co., Ltd. \* Vice President, Point Asia Dot Com \* Head of Strategic Planning Unit Thai Tokai Carbon Product Co., Ltd.

**Other Positions** -

**Mr. Titivut Rugsaj**

Senior Vice President, Technology Development Department

**Employment Date** October 16, 2000

**Age** 47

**Education** Bachelor Degree in Economics (Banking) College of Commerce / M.B.A. Marshall University USA.

**Experience** Senior Consultant Thailand Management Association \* Senior Consultant & I/T Manager OJI Paper Plant \* Director of Business System & Director of Re-engineering Department, Samart Corporation \* Country Education Manager Implementation Manager of Revenue Department (TAX) \* System Engineer and Banking Specialist to the IBM Thailand (for The Siam Bank, Thai Farmers Bank, Siam Commercial Bank, Bangkok Bank, / Sri Ayudhaya Bank, Thai Military Bank, Bank of Thailand and Professional Computing Center)

**Other Positions** -

**Mr. Paiboon Sirichuchnin**

First Vice President, Technology Production Department

**Employment Date** April 16, 1991

**Age** 44

**Education** Bachelor Degree in Science (Statistics), Chiang Mai University

**Experience** Computer Programmer Bangkok Bank Public Co., Ltd. \* System Analyst, Sayam Bank Limited \* Chief of Online Application Division, Siam City Bank Public Co., Ltd. \* Assistant Vice President, Vice President BankThai Public Company Limited.

**Other Positions** -

**Mr. Somkeart Srisuwan**

Senior Vice President, Business Process Development Department

**Employment Date** June 1, 1993

**Age** 44

**Education** Bachelor of Accounting, Chulalongkorn University / Master of Business Administration, Kasetsart University

**Experience** Programmer, Loxley (Bangkok) Co., Ltd. \* Programmer, American Computer Center Co., Ltd. \* System Analysis Computer Department, Bank of Ayudhaya Public Co., Ltd. \* Assistant Vice President, Computer Department, Asia Credit Public Co., Ltd. \* Senior Manager, System Department (Computer), Thana One Co.,Ltd. \* Senior Vice President, System Department (Computer), Krungthai Thanakit Public Co., Ltd.

**Other Positions** -

**Mr. Chaikajohn Thampratheep**

First Vice President, Quality Assurance Department

**Employment Date** June 16, 1994

**Age** 47

**Education** Bachelor of Accounting, Thammasat University / M.B.A. (International Business Management, University of Thai Chamber of Commerce

**Experience** Audit Officer / Senior Auditor (Overseas Branches), Bangkok Bank Public Co., Ltd. \* Chief Internal Audit, Premier Finance and Securities Co., Ltd. \* Vice President, Organization and System Development, BankThai Public Company Limited.

**Other Positions** -

**Risk Management & Staff Credit Group**

**Mr. Manit Jeeradit**

Senior Executive Vice President, Risk Management & Staff Credit Group

**Employment Date** August 1, 1998

**Age** 54

**Education** B.A. in Economics / Accounting (Summa Cum Laude) Claremont McKenna College, California

M.B.A. coursework in finance Washington State University

**Experience** Reporter & Re-Writer, The Bangkok Post \* City Editor, The Nation \* Assistant Treasurer, Credit & Marketing, The Chase Manhattan Bank, N.A., Bangkok Branch \* Executive Vice President, Thailand Tantalum Industry Co., Ltd. \* Executive Vice President, Credit & Marketing, Finance One Public Co., Ltd. \* Director and General Manager, Thana One Finance & Securities Public Co., Ltd. \* Managing Director, Mahathanakit Finance & Securities Co., Ltd. \* Vice Chairman, Pornanan Property Group Co., Ltd. \* Advisor to the President, Krungthai Thanakit Public Co., Ltd.

**Other Positions** -



**Mr. Chamnarn Wangtal**

Executive Vice President, Risk Management & Staff Credit Division

**Employment Date** July 1, 1998

**Age** 49

**Education** Bachelor of Art (Biology), Saint Vincent College, Latrobe, Pennsylvania, U.S.A. / Master Business Administration (Finance), Marshall University, Huntington, West Virginia, U.S.A.

**Experience** Assistant Treasurer, Credit & Marketing Department, Chase Manhattan Bank, N.A., Bangkok Branch \* Treasury Manager, Ciba - Geigy (Thailand) Co., Ltd. \* Project Finance Manager, Banque of Indosuez, Bangkok Branch \* Director of Finance & Administration, American Express (Thailand) Co., Ltd. \* Senior Vice President, Business Development, Bank of Asia Public Co., Ltd. \* Senior Vice President, Head of Investment Banking Group, Multi - Credit Corporation of Thailand \* Senior Vice President, Credit & Marketing Department, Krungthai Thanakit Public Co., Ltd. \* Executive Vice President, Metropolitan Business Development Division 7-8, BankThai Public Company Limited.

**Other Positions** -

**Mr. Somchai Vongpiyasatit**

First Vice President, Staff Credit Department

**Employment Date** September 1, 2000

**Age** 49

**Education** Bachelor of Education, Chulalongkorn University / Bachelor of Law, Thammasat University / M.P.A (Financial Administration) National Institute of Development Administration

**Experience** Business Development Section's Head Bangkok Metropolitan Bank \* Assistant Vice President, Union Bank of Bangkok PCL. \* Assistant Vice President, Thana-One Finance and Securities Co., Ltd. \* Senior Vice President, Mahathanakit Finance and Securities PCL.

**Other Positions** -

**Financial Control Division****Mr. Prasert Wangrattanapraee**

Executive Vice President, Financial Control Division

**Employment Date** July 1, 2000

**Age** 52

**Education** Bachelor of Accounting (Honor), Bachelor of Law Thammasat University

**Experience** Manager, Senior Vice President Accounting Department, Bangkok Bank Public Co., Ltd.

**Other Positions** Director, BT Business Consulting Co., Ltd. \* Director, Nava Leasing Co., Ltd.

**Mr. Sutee Tantivanichanon**

First Vice President, Financial Control Division

**Employment Date** April 1, 2000

**Age** 39

**Education** Bachelor of Business Administration (Accounting) Assumption University / Master of Science (Accounting) Thammasat University / Master of Science (Computer Information Systems) Assumption University

**Experience** Audit Manager, Price Waterhouse Co., Ltd. \* Partner, Ariya Associates Co., Ltd. \* Financial Controller, GM Thai Co., Ltd. \* Managing Consultant, Price Waterhouse Management Consultants Services Ltd. \* First Vice President - Group Financial Controller National Finance Public Company Limited. \* Senior Vice President, Accounting & Finance Dept. BT Securities Co., Ltd.

**Other Positions** -

**Mrs. Karnchana Paiboon**

First Vice President, Financial Control Division

**Employment Date** July 6, 2000

**Age** 59

**Education** Bachelor of Accounting, Thammasat University

**Experience** Assistant Vice President, Bangkok Bank Public Co., Ltd.

**Other Positions** -

**Mr. Sunai Dancharoenvanakij**

First Vice President, Financial Control Division

**Employment Date** September 16, 2000

**Age** 59

**Education** B.A. (Economics in Finance and Banking), Thammasat University

**Experience** Vice - Manager, Phra Mae Maree School (Boy) \* Assistant Vice President, Bangkok Bank Public Co., Ltd.

**Other Positions** Chairman, BT Leasing Co., Ltd.

**Miss. Kanlaya Anocha**

Vice President, Financial Control Division

**Employment Date** November 1, 2000

**Age** 56

**Education** Bachelor of Accounting Thammasat University / Master of Business Administration, Kasetsart University

**Experience** Section Chief Officer of Taxation (AVP.) Accounting Department, Bangkok Bank Public Co., Ltd.

**Other Positions** -

**Mr. Kamol Ruangmanamongkol**

First Vice President, Management Information Systems Department

**Employment Date** November 1, 1995

**Age** 45

**Education** B.A. (Marketing), Ramkhamhaeng University / M.B.A., East Tennessee State University, U.S.A.

**Experience** Associate Consultant, SGV - NA Thalang & Co., Ltd. \* EDP. Manager, First Bangkok City Finance Public Co., Ltd. (Hong Kong) \* Senior Consultant, Tara Siam Limited \* Associate Director, Tara Siam Business Information Co., Ltd. \* Vice President Corporate Planning Department, Krungthai Thanakit Public Co., Ltd.

**Other Positions** -

**Mrs. Boonya Suphavarodom**

First Vice President, Corporate Planning & Budgeting Department

**Employment Date** December 1, 2002

**Age** 44

**Education** Bachelor's Degree in Accounting, Thammasat University / Bachelor's Degree in Operations and Manufacturing Management Portland State University / Master's Degree in Economics Portland State University

**Experience** Assistant Accounting, HLR Employee Benefits Co., Ltd. \* Assistant Budget Manager, Colgate Palmolive (Thailand) Co., Ltd. \* Budget Manager, Coca - Cola (Thailand) Co., Ltd. \* Assistant Vice President, Citibank, NA \* Operation Analysis Manager, Auto Alliance (Thailand) Co., Ltd. \* Finance Director, Mindshare Thailand Co., Ltd.

**Other Positions** -

### Human Resources Management Division

**Mr. Phongsuree Bunnag**

Executive Vice President, Human Resources Management Division

**Employment Date** December 1, 1999

**Age** 57

**Education** Northeast Missouri State University, U.S.A. - B.A. / Graduate Institute of Business Administration (GIBA), Chulalongkorn University - M.M.

**Experience** Personnel Manager, Signetics (Thailand) Co., Ltd. \* Vice President - Personnel Manager, The Chase Manhattan Bank \* Human Resources Director, Colgate Palmolive (Thailand) Co., Ltd. \* Corporate Personnel Director, Thai Oil Co., Ltd. \* Vice President - Country Human Resources Manager, Citibank \* Executive Vice President - Human Resources Group Head, Bank of Asia (Public Co.,) Ltd.

**Other Positions** Director, BT Business Consulting Co., Ltd.

**Mr. Pattanasak Chermchansophon**

First Vice President, Employee Relations Department

**Employment Date** January 1, 2000

**Age** 44

**Education** Bachelor's Degree in Art (Economic) Thammasat University

**Experience** Senior Analyst, Supervision of Regulation and Development of Financial Institution Department, Bank of Thailand \* Vice President, Business Development Department, Wall Street Finance and Securities Co., Ltd. \* Vice President, Office of the President, BankThai Public Company Limited. \* First Vice President, Internal Audit and Office of the President, Thai Thanakit Securities Co., Ltd.

**Other Positions** -

**Dr. Somkiert Kojchavivong**

First Vice President, Human Resources Training & Development Department

**Employment Date** July 1, 2000

**Age** 44

**Education** Bachelor of Education (Educational Management), Srinakarinwirot University / Master of Education, Indiana State University / Doctorate of Business Administration (Strategic Management), Southern California University

**Experience** Assistant Principal, Assumption Sriracha College, St. Gabriel's College \* Human Resources Manager, Thai Foods International Co., Ltd. \* Recruitment & Training Manager, Ciba - Geigy Thailand Company Ltd. \* Training Manager Life Insurance Agents, American International Assurance Co., Ltd. \* Human Resource Development Manager, DHL International (Thailand) Co., Ltd.

**Other Positions** Special Instructor for Market Management Course (M.B.A) NIDA, Rangsit University, Naresuan University, Kasembandit University

**Mr. Sinat Prakoonhangsit**

Senior Vice President, Compliance Department

**Employment Date** April 1, 2001

**Age** 55

**Education** B.BA.(Accounting), BL, Thammasat University / Thai Bar Thai Bar Association

**Experience** Vice President Audit Department, Bangkok Bank Public Co.,Ltd.

**Other Positions** -

**Mrs. Chantana Kanchanagama**

First Vice President, Fund Management Department

Employment Date June 1, 1984

Age 44

Education B.S., Kasetsart University / M.B.A., Campbell University, U.S.A.

Experience Credit Officer, Business Development Department / Corporate Group Manager, Money Market Division, Funding Department / Provident Fund Division Manager, Provident Fund Office / Provident Fund Office Head, Provident Fund Office, Dhana Siam Finance Public Co., Ltd.

Other Positions -

**Mr. Pinai Riensavapak**

Senior Vice President, Credit Audit Department

Employment Date May 1, 2000

Age 47

Education Bachelor of Engineering, Chulalongkorn University / M.B.A., Northwestern University, USA.

Experience Assistant Treasurer / The Chase Manhattan Bank \* Assistant Vice President, Bank of America \* Vice President, Citibank \* Senior Vice President, DBS Thai Danu Bank Plc.

Other Positions -

**Mr. Patom Amorndechawat**

Senior Vice President, Internal Audit Department

Employment Date August 1, 2000

Age 45

Education Bachelor Degree of Accounting Chulalongkorn University / Bachelor Degree of Law Thammasat University / Master Degree of Accounting Thammasat University

Experience Internal Auditor, Poonphol Co.,Ltd. (Trading Company) \* Examiner, Bank of Thailand \* Vice President, Dynamic Eastern Finance and Securities (1991) Public Company Limited. \* Senior Vice President, Wallstreet Finance and Securities Public Company Limited \* Internal Audit Manager, Thai Summit Auto Part Industry Company Limited \* Auditor, The Financial Sector Restructuring Authority (FRA) \* Vice President, Nava Vickers Ballas Securities Company Limited

Other Positions -

**Mr. Chanon Chotevijit**

Area Manager, Bang Bon Area Office

Employment Date January 16, 2001

Age 43

Education Bachelor of Economics (2<sup>nd</sup> Class honour) Chulalongkorn University / Master of Economics National Institute of Development Administration (NIDA)

Experience Researcher, Siam City Bank Public Co., Ltd. \* Branch Manager, Bank of Asia Public Co., Ltd. \* Regional Manager Region 6, 7, BankThai Public Company Limited.

Other Positions -

**Mr. Wiriya Charoensuk**

Area Manager, Bangna - Trad Area Office

Employment Date July 3, 1972

Age 53

Education Bachelor of Economics Kasetsart University

Experience Branch Manager, Sawangdandin Branch / Nakhon Ratchasima Branch / Daumbang Nang Branch / Rajadamnern Branch, Regional Manager Rajadamnern Region, BankThai Public Company Limited.

Other Positions -

**Mr. Hasdin Prothien**

Area Manager, New Phetchburi Area Office

Employment Date April 1, 1997

Age 39

Education Bachelor of Economics Kasetsart University / Master of Business Administration National Institute of Development Administration (NIDA)

Experience Group Manager, Siam Commercial Bank Public Co., Ltd. \* Credit Manager, Union Finance & Securities Co., Ltd. \* Vice President, Credit Department ITF Finance Co., Ltd. \* Assistant Vice President, Thai Summit Finance & Securities Co., Ltd. \* Vice President, Metropolitan Business Development 1, 9, BankThai Public Company Limited.

Other Positions -

**Mr. Virat Vilairuangchoowong**

Area Manager, Jawarad Area Office

Employment Date January 16, 2001

Age 47

**Education** Bachelor of Business Administration (Money and Banking), Ramkhamhaeng University / Master of Business Administration, National Institute of Development Administration (NIDA)

**Experience** Branch Manager, Bank of Asia Public Co., Ltd. \* Regional Manager Region 1, BankThai Public Company Limited.

**Other Positions** -

**Mr. Udomsak Lehleakbhai**

Area Manager, Rangsit Area Office

**Employment Date** June 7, 1976

**Age** 52

**Education** Bachelor's Degree in Economics, Chiangmai University / Master of Arts (Economics), The Middle Tennessee State University, U.S.A.

**Experience** Branch Manager, Chonburi Branch / Charansanitwong Branch / Regional Manager, Charansanitwong Regional / Senior Regional Manager, Yannawa Regional / First Vice President, Provincial Business Development 1 Department / Provincial Business Development 2 Department, BankThai Public Company Limited.

**Other Positions** -

**Mr. Suriyon Manawapat**

Area Manager, Rajadamnern Area Office

**Employment Date** January 3, 1995

**Age** 44

**Education** Bachelor of Business Administration The University of The Thai Chamber of Commerce

**Experience** Group Manager, Siam Commercial Bank Public Co., Ltd \* General Manager Thai Barge Container Services Co., Ltd. \* Vice President, Thai Summit Finance and Securities Co., Ltd. \* Vice President, Metropolitan Business Development 3, 7 Department, BankThai Public Company Limited.

**Other Positions** -

**Mr. Pakorn Prechaporn**

Area Manager, Sathon Area Office

**Employment Date** January 3, 1995

**Age** 44

**Education** Bachelor of Economics Kasetsart University / Master of Economics National Institute of Development Administration (NIDA)

**Experience** Second Branch Manager Thai Military Bank Public Co., Ltd. \* Instructor Wongchavaritkul University / Sripatum University \* Branch Manager, Kluaynamthai Branch / Lumpini Branch, BankThai Public Company Limited.

**Other Positions** -

**Mr. Ruangsit Yongpraphat**

Area Manager, Khon Kaen Area Office

**Employment Date** January 3, 1995

**Age** 44

**Education** Bachelor of Economics, Ramkhamhaeng University / Master of Business Administration, Khon Kaen University

**Experience** Assistant Branch Manager Thai Farmers Bank Public Co., Ltd. \* Credit Branch Manager, Dhana Siam Finance and Securities Public Company Limited, \* Branch Manager, Nong Khai Branch, BankThai Public Company Limited.

**Other Positions** -

**Mr. Preecha Karoonvattana**

Area Manager, Chon Buri Area Office

**Employment Date** July 1, 1996

**Age** 41

**Education** Bachelor of Arts, Ramkhamhaeng University / Master of Business Administration, Sripatum University

**Experience** Assistant Branch Manager, Thai Farmers Bank Public Co., Ltd. \* Branch Manager, Krungthai Thanakit Public Co., Ltd. \* Branch Manager, Chon Buri Branch, BankThai Public Company Limited.

**Other Positions** -

**Mr. Surapong Ongchai**

Area Manager, Chiang Mai Area Office

**Employment Date** July 2, 1997

**Age** 45

**Education** Bachelor of Economics, Ramkhamhaeng University

**Experience** Credit Officer, Bangkok Bank Public Co., Ltd. \* Credit Branch Manager, Union Asia Finance Public Co., Ltd. \* Branch Manager, Chiang Rai Branch, BankThai Public Company Limited.

**Other Positions** -

**Mr. Thanadech Kanokyurapan**

Area Manager, Nakhon Ratchasima Area Office

**Employment Date** December 16, 1994

**Age** 38

**Education** Bachelor of Commerce Thammasat University / Master of Business Administration Ramkhamhaeng University  
**Experience** Account Officer, Thai Farmers Bank Public Co., Ltd. \* Loan Officer (Level 6) The Industrial Finance Corporation of Thailand (IFCT) \* Branch Manager, Krungthai Thanakit Public Co., Ltd.

**Other Positions** -

**Mr. Wichai Pruksachartanan**

Area Manager, Nakhon Sawan Area Office

**Employment Date** April 16, 1975

Age 49

**Education** Certificate (Marketing) Bangkok Technical Campus

**Experience** Branch Manager, Bang Bon Branch / Regional Manager, Chon Buri Region / Regional Manager, Region 4, BankThai Public Company Limited.

**Other Positions** -

**Mr. Sutit Upamasintu**

Area Manager, Phetchburi Area Office

**Employment Date** June 7, 1976

Age 52

**Education** Bachelor of Economics The University of the Thai Chamber of Commerce

**Experience** Branch Manager, Lumpini Branch / Senior Branch Manager, New Phetchburi Office Regional / Manager Lumpini Region, Yannawa Region / Charansnitwongse Region, BankThai Public Company Limited.

**Other Positions** -

**Mr. Kriangsak Suksomboon**

Area Manager, Phuket Area Office

**Employment Date** July 2, 1993

Age 55

**Education** Bachelor of Business Administration The University of The Thai Chamber of Commerce

**Experience** Assistant Branch Manager, Bangkok Bank Public Co., Ltd. \* Branch Manager, Phuket Branch, BankThai Public Company Limited.

**Other Positions** -

**Mr. Kowit Nualrod**

Area Manager, Surat Thani Area Office

**Employment Date** May 1, 1995

Age 39

**Education** Bachelor of Business Administration (Marketing) / Master of Business Administration Ramkhamhaeng University

**Experience** Assistant Credit Manager, Thai Military Bank Public Co., Ltd. \* Branch Manager, Krungthai Thanakit Public Co., Ltd. \* Branch Manager, Surat Thani Branch, BankThai Public Company Limited.

**Other Positions** -

**Mr. Prasong Eursatidvong**

Area Manager, Hatyai Area Office

**Employment Date** May 1, 1995

Age 44

**Education** Bachelor of Accounting, Ramkhamhaeng University

**Experience** Second Branch Manager, Thai Military Bank Public Co., Ltd. \* Credit Branch Manager, Krungthai Thanakit Public Co., Ltd.

**Other Positions** -

**Mr. Suthep Phoowaphaisirisan**

Area Manager, Ubon Ratchathani Area Office

**Employment Date** February 1, 1995

Age 40

**Education** Bachelor of Economics, Rajabhat Institute Loci

**Experience** Credit Unit Bangkok Bank Public Co., Ltd. \* Branch Manager, Union Asia Finance Public Co., Ltd.

**Other Positions** -



# List of Branches

## Area Offices in Metropolis

### Sathon Area Office

44 North Sathon Road, Silom, Bangrak, Bangkok 10500  
Tel. 0-2638-8970-9 Fax 0-2633-9034  
Area Manager : **Mr. Pakorn Prechaporn**

### Jawarad Area Office

632-636 Yaowarat Road, Samphanthawongse,  
Samphanthawongse, Bangkok 10100  
Tel. 0-2233-8696, 0-2234-2551-2, 0-2234-4002,  
0-2234-4527, 0-2234-4941, 0-2234-6713,  
0-2266-4308-9, 0-2639-6635-7  
Fax 0-2234-4525  
Area Manager : **Mr. Virat Vilairuangchoowong**

### New Phetchaburi Area Office

2884 New Phetburi Road, Bangkok, Huey Kwang,  
Bangkok 10320  
Tel. 0-2718-0611, 0-2718-0613-8  
Fax 0-2718-0612, 0-2718-0620  
Area Manager : **Mr. Hasadin Prothien**

### Bangbon Area Office

59/145 M.6 Bangbon, Bangbon, Bangkok 10150  
Tel. 0-2416-8277-9, 0-2894-4075-6, 0-2894-4077  
Fax 0-2894-4051  
Area Manager : **Mr. Chanon Chotevijit**

### Bangna-Trad Area Office

11/31 M.7 Bangna-Trad Road, T. Bangchalong, A. Bangphli,  
Samut Prakan 10540  
Tel. 0-2312-6630-2, 0-2312-6752-3  
Fax 0-2312-6755  
Area Manager : **Mr. Viriya Jaruansuk**

### Rajadamnern Area Office

108-110 Rajadamnern Klang Road, Watbowornnives,  
Pranakorn, Bangkok 10200  
Tel. 0-2221-7679, 0-2224-8052-3, 0-2621-1288  
Fax 0-2221-7395, 0-2224-8052-3  
Area Manager : **Mr. Suriyon Manawapat**

### Rangsit Area Office

89,91 Rangsit- Pathumthanee Road, T. Prachathipat,  
A. Thanyaburi, Pathumthanee 12130  
Tel. 0-2531-3020, 0-2531-5893, 0-2567-2232,  
0-2959-1990, 0-2959-2212-4  
Fax 0-2959-2214  
Area Manager : **Mr. Udomsak Lehleakbhai**

## Area Offices in Provinces

### Chiang Mai Area Office

64 Changphuek Road, T.Sriphoom, A.Muang,  
Chiang Mai 50200  
Tel. 0-5321-1633, 0-5321-4035, 0-5341-8222,  
0-5341-8338-40, 0-5341-8400-2  
Fax 0-5321-1637  
Area Manager : **Mr. Surapong Ongchai**

### Chon Buri Area Office

726/1-2 Sukhumvit Road, A.Muang, Chon Buri 20000  
Tel. 0-3878-2161-5 Fax 0-3878-2166  
Area Manager : **Mr. Preecha Karoonvattana**

### Hat Yai Area Office

129/8 Niphat-Uthit 3 Road, A. Hat Yai, Songkhla 90110  
Tel. 0-7423-0973, 0-7423-3037, 0-7423-5777,  
0-7424-5011, 0-7422-5606-8  
Fax 0-7424-5022  
Area Manager : **Mr. Prasong Auesatidvong**

### Khon Kaen Area Office

142-148 Srichan Road, A.Muang, Khon Kaen 40000  
Tel. 0-4322-0812, 0-4322-0925, 0-4322-1457,  
0-4322-1731, 0-4332-2677-8  
Fax 0-4322-2654, 0-4322-4631  
Area Manager : **Mr. Ruangsit Yonggraphat**

### Nakhon Ratchasima Area Office

353 Mitrphab Road, A.Muang, Nakhon Ratchasima 30000  
Tel. 0-4424-3714, 0-4424-3785, 0-4424-4133, 0-4424-4153,  
0-4425-6407, 0-4425-8162, 0-4426-2447, 0-4434-3078  
Fax 0-4425-8161  
Area Manager : **Mr. Thanadech Kanokyurapan**

### Nakhon Sawan Area Office

169/4 Sawanvithi Road, T. Paknampo, A. Muang,  
Nakhon Sawan 60000  
Tel. 0-5622-1137, 0-5622-2939, 0-5622-6354,  
0-5622-7473-4, 0-5631-1611  
Fax 0-5622-4182  
Area Manager : **Mr. Wichai Pruksachartanan**

### Phetchaburi Area Office

4 Phongsuriya Road, A.Muang, Phetchaburi 76000  
Tel. 0-3241-4980, 0-3242-4206, 0-3242-5148, 0-3242-5302  
Fax 0-3242-4205, 0-3242-8227  
Area Manager : **Mr. Sutit Upamasintu**

### Phuket Area Office

31 Phuket Road, T. Talad-Yai, A. Muang, Phuket 83000  
Tel. 0-7621-1501, 0-7621-4651-2, 0-7621-7153  
Fax 0-7621-1502  
Area Manager : **Mr. Kraingsak Suksomboon**

### Surat Thani Area Office

323/1 Narmuang Road, A. Muang, Surat Thani 84000  
Tel. 0-7721-3640, 0-7721-3643, 0-7727-3574-5  
Fax 0-7721-3643, 0-7727-3574-5  
Area Manager : **Mr. Kowit Nualrod**

### Ubon Ratchathani Area Office

316 Chayangkul Road, T. Nai-Muang, A. Muang,  
Ubon Ratchathani 34000  
Tel. 0-4528-4224-5, 0-4531-3395  
Fax 0-4531-3467  
Area Manager : **Mr. Suthep Phoowaphaisirisan**

## Metropolitan Branches

### Bangkapi Branch

390/4-5, Sukhumvit Road, Phrakhanong, Bangkok 10110  
Tel. 0-2258-1913, 0-2258-1916, 0-2259-0601, 0-2663-4361  
Fax 0-2258-1939  
Branch Manager : **Mr. Prasarn Charoensuk**

### Bangkhen Branch

1883/13 Phaholyothin Road, Lard Yao, Jatujak, Bangkok 10900  
Tel. 0-2511-4353, 0-2512-1716, 0-2512-1791  
Fax 0-2511-4320  
Branch Manager : **Mr. Anugul Phinijnai**

**Bangna Branch**

4099 Sukhumvit Road, Bangna, Bangkok 10260  
Tel. 0-2393-0788-9, 0-2747-5322  
Fax 0-2393-0788  
Branch Manager : Mrs. Soontharee Rakphan

**Bangplad Branch**

195 Charansnitwong Road, Bangplad, Bangkok 10700  
Tel. 0-2424-3361-2, 0-2433-8188  
Fax 0-2424-3361  
Branch Manager : Mrs. Akanee Utamarup

**Bangpo Branch**

48/2-3 Pracharat Road, Bangsue, Bangkok 10800  
Tel. 0-2585-0192, 0-2585-8180, 0-2587-3454  
Fax 0-2585-0260  
Branch Manager : Mr. Anupap Chaiwasi

**Bangrak Branch**

1401-1403 New Road, Silom, Bangkok 10500  
Tel. 0-2234-6209, 0-2234-6435, 0-2234-9884  
Fax 0-2233-5020  
Branch Manager : Mrs. Arunsri Ratapanyawath

**Bangyeekhan Branch**

367 Charansnitwong Road, Bangbumru, Bangkok 10700  
Tel. 0-2433-5920-3 Fax 0-2433-5921  
Branch Manager : Mr. Tanatat Boonatheephisit

**Big C Bang Phli Branch**

89 M.9 Teparak Road, T. Bangphliyai, A. Bangphli, Samut Prakan 10540  
Tel. 0-2312-9695-6 Fax 0-2312-9596  
Branch Manager : Mr. Pramot Chayawisan

**Bukkalo Branch**

624 Jaroennakorn Road, Bukkalo, Thonburi, Bangkok 10600  
Tel. 0-2468-7141-2, 0-2468-8202  
Fax 0-2468-8203  
Branch Manager : Miss Karanee Chantarapalnik

**Chaengwatthana Branch**

28/127-128 M.4 Chaengwattana Road, T. Pakkred, A. Pakkred, Nonthaburi 11120  
Tel. 0-2573-8121, 0-2574-1502-3  
Fax 0-2573-8785  
Branch Manager : Miss Chunchira Wongtapha

**Charansnitwongse Branch**

529/9 Charansnitwong Road, Bangkhunsee, Bangkoknoi, Bangkok 10700  
Tel. 0-2411-0339, 0-2411-3603-4  
Fax 0-2411-2245  
Branch Manager : Mrs. Sujiphan Tantithaworn

**Donmuang Branch**

310/110-112 M.3, Seekun, Donmuang, Bangkok 10210  
Tel. 0-2566-1588, 0-2566-1610, 0-2929-9947  
Fax 0-2566-1593  
Branch Manager : Mr. Rapin Prapluettrakoon

**Huamark Branch**

2314/15-17, Ramkhamhaeng Road, Huamark, Bangkok 10240  
Tel. 0-2377-1362-3, 0-2377-2555  
Fax 0-2377-1365  
Branch Manager : Mrs. Patcharin Srisakdanuwat

**Huey Kwang Branch**

246 Suthisan Road, Dindaeng, Bangkok 10400  
Tel. 0-2277-0554, 0-2277-2863, 0-2277-9955  
Fax 0-2277-0903  
Branch Manager : Mrs. Naovanit Lekchareonsook

**Kluaynamthai Branch**

4232, 4234, 4236 Rama 4 Road, Phra Khanong, Khlong Toei, Bangkok 10110  
Tel. 0-2391-9113, 0-2392-7824, 0-2392-9208  
Fax 0-2391-9112  
Branch Manager : Mr. Suriya Yodboriboon

**Ladprao Branch**

2109 Ladprao Road, Wangthonglang, Bangkok 10310  
Tel. 0-2530-1372, 0-2538-2493-4  
Fax 0-2530-1371  
Branch Manager : Mrs. Supavadee Weerawan

**Lumpini Branch**

1032/10-12 Rama 4 Road, Thongmahamek, Sathon, Bangkok 10120  
Tel. 0-2286-0149, 0-2286-5388, 0-2286-5761  
Fax 0-2286-0223  
Branch Manager : Mrs. Eiamsri Wongpatarajitkul

**Mahanak Branch**

1168 Krungkasem Road, Khlongmahanak, Pomprabsattuphai, Bangkok 10100  
Tel. 0-2223-2650, 0-2223-6624, 0-2224-7021  
Fax 0-2224-7022  
Branch Manager : Mrs. Orawan Patimaprakorn

**Ngamwongwan Branch**

19/200-201 M.2 T.Bangkhen, A.Muang, Nonthaburi 11000  
Tel. 0-2580-1601, 0-2580-1920  
Fax 0-2580-2451  
Branch Manager : Mr. Chalor Judpoung

**Nong Khaem Branch**

12/3 M.7 Nongkhangphlu, Nongkhaem, Bangkok 10160  
Tel. 0-2421-1122, 0-2421-1460, 0-2421-1991,  
0-2421-2266, 0-2421-3787, 0-2808-9549  
Fax 0-2421-3788  
Branch Manager : Mr. Wanchai Sanworanath

**Pakklongtalad Branch**

373-375 Banmor Road, Wangburaphaphirom, Phranakhorn, Bangkok 10200  
Tel. 0-2224-7207-8, 0-2224-7210  
Fax 0-2224-7209  
Branch Manager : Mr. Thawatchai Kitiyanasap

**Phaholyothin Branch**

670/51-52 Phaholyothin Road, Samsennai, Phayathai, Bangkok 10400  
Tel. 0-2278-1079, 0-2279-5088, 0-2279-8662  
Fax 0-2279-0737  
Branch Manager : Miss Rachanee Benjatcha

**Phasi Charoen Branch**

11 M.1 Bangwa, Phasicharoen, Bangkok 10160  
Tel. 0-2467-3106, 0-2467-5453-4, 0-2868-8338  
Fax 0-2467-3106, 0-2467-5453-4  
Branch Manager : Mr. Vinij Suwanlaor

**Poochaosamingprai Branch**

279 M.2 T.Samrongklang, A.Phrapradaeng,  
Samut Prakan 10130  
Tel. 0-2384-3670, 0-2384-7604-6  
Fax 0-2384-7605  
Branch Manager : Mr. Anuchit Denprayunwong

**Prannok Branch**

307/5-7 Issarapharp Road, Banchanglor, Bangkok 10700  
Tel. 0-2412-3098, 0-2418-1572-3  
Fax 0-2418-1574  
Branch Manager : Miss Chitralada Ardharn

**Pratunam Branch**

425/1-2 Rajaprarop Road, Makkasan, Rajathevee,  
Bangkok 10400  
Tel. 0-2251-5510, 0-2251-5569, 0-2253-5542-3  
Fax 0-2251-5415  
Branch Manager : Mr. Weerachai Jangjirapath

**Rajawongse Branch**

2 Rajawongse Road, Samphanthawongse,  
Samphanthawongse, Bangkok 10100  
Tel. 0-2221-1333, 0-2224-8162-3  
Fax 0-2222-3190  
Branch Manager : Mr. Somchai Bumpenboon

**Ramintra Branch**

110/19-20 M.14 Khannayao, Khannayao, Bangkok 10230  
Tel. 0-2509-5713, 0-2510-4448, 0-2519-2203  
Fax 0-2509-5712  
Branch Manager : Mrs. Pitsamai Wanitwasin

**Rat Burana Branch**

349/2-5 M.4 Suksawat Road, Bangpakok, Ratburana,  
Bangkok 10140  
Tel. 0-2427-2249, 0-2427-4403, 0-2427-4405,  
0-2872-1383  
Fax 0-2427-4404  
Branch Manager : Mr. Jaet Netrprawong

**Sampeng Branch**

414 Trok Issaranuparb, Jakawat, Sampantawong  
Bangkok 10100  
Tel. 0-2224-2313, 0-2226-0367  
Fax 0-2224-2333  
Branch Manager : Mrs. Wannee Polpo

**Samuthprakarn Branch**

117 Prakhonchai Road, T. Parknum, A. Muang,  
Samut Prakan 10270  
Tel. 0-2387-1806, 0-2387-1849  
Fax 0-2389-1349  
Sub Branch Manager : Mrs. Kessada Chompoothong

**Sathupradid Branch**

501/98-100 Sathupradit Road, Chongnonsee, Yannawa,  
Bangkok 10120  
Tel. 0-2210-2723-6 Fax 0-2210-2723-4  
Branch Manager : Mrs. Naiyana Kaewmanee

**Srinakharin Branch**

13/31-32 M.1, Nongbon, Pravej, Bangkok 10260  
Tel. 0-2330-8343-8, 0-2330-8350 Fax 0-2330-8349  
Branch Manager : Mrs. Sayumporn Tangkarnchana

**St. Louis Branch**

10/35-36 St.Louis 3, Thungwatdon, Sathon, Bangkok 10120  
Tel. 0-2286-0335, 0-2286-0374, 0-2286-2438  
Fax 0-2286-0318  
Branch Manager : Mr. Sanguan Pumi

**Suksawad Branch**

139 M.19 Suksawad Road, A. Phrapradaeng,  
Samut Prakan 10130  
Tel. 0-2463-2130, 0-2463-5345-6  
Fax 0-2463-5344  
Branch Manager : Mr. Saravut Obsuwan

**Thanon Chan Branch**

26/33-34 Chan Tad Mai Road, Thungmahamek, Sathon,  
Bangkok 10120  
Tel. 0-2678-5670-2 Fax 0-2678-5672  
Branch Manager : Mrs. Wanphen Phengsuk

**Thatien Branch**

394/6-8 Maharaj Road, Phrarajchawang, Phranakhorn,  
Bangkok 10200  
Tel. 0-2222-4323, 0-2224-8165  
Fax 0-2224-8164  
Branch Manager : Miss Lawan Phatanapidol

**Thewet Branch**

435-437 Samsen Road, Bangkok 10300  
Tel. 0-2280-0481-2, 0-2281-5453, 0-2282-3568  
Fax 0-2282-4085  
Branch Manager : Mr. Pongsakd Thursurentra

**Thon Buri Branch**

56, 58 Somdet Phra-Chao Tak Sin Road, Bangkok 10600  
Tel. 0-2465-0442, 0-2465-8758  
Fax 0-2472-1058  
Branch Manager : Mr. Pornvith Leetrakul

**Thonglor Branch**

1031/1 Sukhumvit Road, Khlongton, Wattana, Bangkok 10110  
Tel. 0-2391-4788-9 Fax 0-2391-4790  
Branch Manager : Mrs. Wanphen Yuenyongmun

**Tivanon Branch**

1/124 M.5 T.Taladkhwan, A.Muang, Nonthaburi 11000  
Tel. 0-2525-0586, 0-2525-2561, 0-2527-0264  
Fax 0-2525-2561  
Branch Manager : Mr. Anake Kongsangprome

**Wat Sai Branch**

112/41 M.2 Bangkhuntien, Chomthong, Bangkok 10150  
Tel. 0-2415-0909, 0-2415-1235, 0-2415-1378,  
0-2415-2712, 0-2893-8852  
Fax 0-2415-2712  
Branch Manager : Miss Monticha Varanatsoonthorn

**Yannawa Branch**

2074/7 New Road, Bangkok 10120  
Tel. 0-2289-3872-3 Fax 0-2289-0560  
Branch Manager : Mr. Paisarn Likitaroonrat

**Yomaraj Branch**

806/33-36 Rama VI Road, Thungphyathai, Ratchathewi,  
Bangkok 10400  
Tel. 0-2215-7126-7, 0-2215-7382-3  
Fax 0-2215-7383  
Branch Manager : Mr. Udom Rodngern

**Bangkhae Sub Branch**

80/20 M.4 Bangkhae, Bangkhae, Bangkok 10160  
Tel. 0-2413-0739, 0-2455-3515, 0-2801-0767  
Fax 0-2801-0768  
Sub Branch Manager : Miss Nithimon Thanesthorn

**Ramkhamhaeng Sub Branch**

1991/4 Ramkhamhaeng Road, Huamark, Bangkok,  
Bangkok 10240  
Tel. 0-2319-8567, 0-2319-8617 Fax 0-2319-8575  
Sub Branch Manager : Mrs. Malinee Patimaporn

#### **Silom Sub Branch**

269 Silom Road, Silom, Bangrak, Bangkok 10500  
Tel. 0-2234-3010, 0-2236-4747-8  
Fax 0-2236-4749  
Sub Branch Manager : Miss Usanee Bhoocha-Oom

#### **Thanon Langsuan Sub Branch**

44 Langsuan Road, Lumpini, Patumwan, Bangkok 10330  
Tel. 0-2626-7101-3 Fax 0-2626-7104  
Sub Branch Manager : Mr. Sakolpat Wongchartluang

#### **Vorachak Sub Branch**

190 Luang Road, Pomprabsattuphai, Pomprabsattuphai,  
Bangkok 10100  
Tel. 0-2223-5058, 0-2223-4988  
Fax 0-2224-9011  
Sub Branch Manager : Mrs. Prathuengthip Suebsaeng

#### **Central Plaza Rama II Sub Branch**

128 M.6 Rama II Road, Samae Dam, Bang Khun Thian,  
Bangkok 10150  
Tel. 0-2872-4307-8 Fax 0-2872-4309  
Sub Branch Manager : Mr. Dhanakorn Maisuk

#### **Gmm Grammy Place Sub Branch**

50 Sukhumvit 21 Road (Asoke), Khlongtoeynu, Wattana,  
Bangkok 10110  
Tel. 0-2665-9906-7 Fax 0-2665-9908  
Sub Branch Manager : Miss Suwaporn Srisura

#### **Siam Square Sub Branch**

290-292 Siam Square Soi 4, Rama I Road, Pathumwan,  
Pathumwan, Bangkok 10330  
Tel. 0-2250-1735-6 Fax 0-2250-1737  
Sub Branch Manager : Mr. Rattavit Atharyut

### **Provincial Branches**

#### **Northern**

##### **Chiang Rai Branch**

879/14 Phaholyothin Road, A.Muang, Chiang Rai 57000  
Tel. 0-5371-4029-30, 0-5371-9377-8  
Fax 0-5371-5905  
Branch Manager : Mr. Sukapol Buapruan

##### **Manorom Branch**

331/6 M.4 T.Khung Samphao, A. Manorom, Chai Nat 17110  
Tel. 0-5649-1006, 0-5649-1223  
Fax 0-5649-1224  
Branch Manager : Mrs. Vanpen Viriyapanich

##### **Phitsanulok Branch**

209/39 Boromtrailokkanart Road, T. Naimuang, A. Muang,  
Phitsanulok 65000  
Tel. 0-5524-4060, 0-5525-2179, 0-5525-2199  
Fax 0-5524-4061  
Branch Manager : Mr. Chalerm Boonpituruk

##### **Central Airport Chiang Mai Sub Branch**

2 Mahidol Road, T. Haiya, A. Muang, Chiang Mai 50100  
Tel. 0-5328-4447-8 Fax 0-5328-4449  
Sub Branch Manager : Miss Wesarat Chaimongkol

#### **Central**

##### **Nakhon Pathom Branch**

153 Rajvithee Road, T. Prapathomjadee, A. Muang,  
Nakhon Pathom 73000  
Tel. 0-3425-1028, 0-3425-4233-4  
Fax 0-3425-4234  
Branch Manager : Mrs. Anchuree Klaichid

#### **Samut Songkharm Branch**

131/2 Tangkhaomuang Road, T. Maeklong, A. Muang,  
Samut Songkharm 75000  
Tel. 0-3471-1442 Fax 0-3471-2429  
Branch Manager : Mr. Sakchai Deeswatseepet

#### **Eastern**

##### **Rayong Branch**

144/53-55 Sukhumvit Road, T. Tapradu, A. Muang,  
Rayong 21000  
Tel. 0-3861-1220, 0-3861-1588-9  
Fax 0-3861-4870  
Branch Manager : Mr. Somchart Wannasiriphong

##### **Chachoengsao Sub Branch**

16 Srisothon Tatmai Road, T. Na Mueang, A. Mueang,  
Chachoengsao 24000  
Tel. 0-3881-3041-3 Fax 0-3881-3044  
Sub Branch Manager : Mr. Suthon Skularnoon

#### **North Eastern**

##### **Nong Khai Branch**

1245-1245/I M.5 T. Naimuang, A. Muang, Nong Khai 43000  
Tel. 0-4241-1728, 0-4241-1738, 0-4241-2791  
Fax 0-4241-2624  
Branch Manager : Mr. Weresak Auepongkaroon

##### **Sakon Nakhon Branch**

1395 M.13 Suk Kasem Road, A. Muang,  
Sakhon Nakhon 47000  
Tel. 0-4271-1190, 0-4273-0557, 0-4273-0919  
Fax 0-4271-1701  
Branch Manager : Mr. Wutthichai Chiraphornkun

##### **Udon Thani Branch**

499/I Phosri Road, T. Makkaeng, A. Muang, Udon Thani 41000  
Tel. 0-4222-3248-9, 0-4234-4097  
Fax 0-4224-7184  
Branch Manager : Mr. Kitti Krisornkul

#### **Southern**

##### **Chumphon Branch**

36/3 Paramintaramonca Road, T. Thatapao, A. Muang,  
Chumphon 86000  
Tel. 0-7750-4825, 0-7751-1698, 0-7757-0259  
Fax 0-7751-1661  
Branch Manager : Mr. Prasong Sompowin

##### **Songkhla Branch**

354 Saiburi Road, A.Muang, Songkhla 90000  
Tel. 0-7431-1906, 0-7432-4050-1, 0-7443-5002  
Fax 0-7431-4391  
Branch Manager : Mrs. Thasanee Ratanamane

##### **Namom Sub Branch**

15/16 M.8 T.Namom, A.Namom, Songkhla 90310  
Tel. 0-7438-3006 Fax 0-7438-3005  
Sub Branch Manager : Mr. Winai Wongkampoo

##### **Ocean Phuket Sub Branch**

38-44 Tilok Uthit 1 Road, T. Talat Yai, A. Muang,  
Phuket 83000  
Tel. 0-7625-6606-7 Fax 0-7625-6608  
Sub Branch Manager : Miss Thaomalee Noosing



## Branches Providing Currency Exchange Service

### Metropolitan Branches

Bangbon Area Office	Bangna-Trad Area Office	Jawarad Area Office	Phetchburi Area Office
Rajadamnern Area Office	Rangsit Area Office	Sathon Area Office	Bangkhen
Bangna	Bangplad	Bangpo	Bangrak
Bangyeekhan	Big C Bang Phli	Bukkalo	Chaengwathana
Charansnitwongse	Donmuang	Huamark	Huey Kwang
Kluaynamthai	Ladprao	Mahanak	Ngamwongwan
Nong Khaem	Pakklongtalad	Phahoyothin	Phasi Charoen
Poochaosamingprai	Prannok	Pratunam	Rajawongse
Ramintra	Rat Burana	Sampeng	Samuthprakam
Sathupradid	Srinakharin	St.Louis	Suksawad
Thanon Chan	Thatien	Thewet	Thon Buri
Thonglor	Tivanon	Wat Sai	Yommaraj
Bangkhae (Sub)	Central Plaza Rama II (Sub)	Gmm Grammy Place (Sub)	Thanon Langsuan (Sub)
Ramkamhaeng (Sub)	Siam Square (Sub)	Vorachak (Sub)	

### Provincial Branches

Chiang Mai Area Office	Chon Buri Area Office	Hat Yai Area Office	Khon Kaen Area Office
Nakhon Ratchasima Area Office	Nakhon Sawan Area Office	Phetchaburi Area Office	Phuket Area Office
Surat Thani Area Office	Ubon Ratchathani Area Office	Chiang Rai	Chumphon
Manorom	Nakhon Pathom	Nong Khai	Phitsanulok
Rayong	Sakon Nakhon	Samut Songkham	Songkhla
Udon Thani	Central Airport Chiang Mai (Sub)	Chachoengsao (Sub)	Namom (Sub)
Ocean Phuket (Sub)			

## Currency Exchange Office Inside The Bank's Premises

### Bangkapi Branch

390/4-5 Sukhumvit Road, Khlong Toei, Bangkok

### Chiang Rai Branch

879/14 Phaholyothin Road, A. Muang, Chiang Rai

### Lumpini Branch

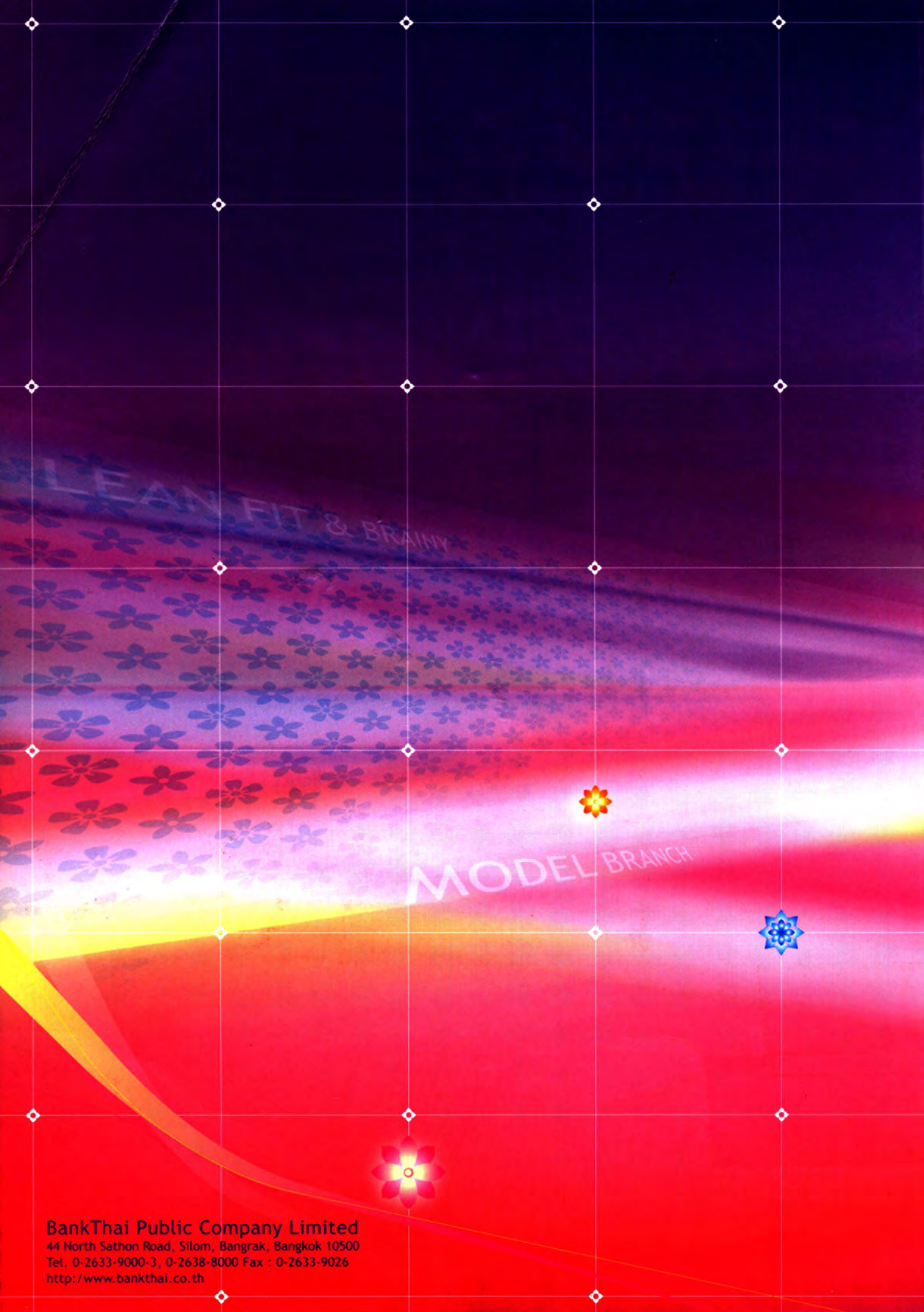
1032/10-12 Rama 4 Road, Thongmahamek, Sathon, Bangkok

### Silom Sub Branch

296 Silom Road, Silom, Bangrak, Bangkok

### Yannawa Branch

2074/7 New Road, Bangkok



**BankThai Public Company Limited**

44 North Sathon Road, Silom, Bangrak, Bangkok 10500

Tel. 0-2633-9000-3, 0-2638-8000 Fax : 0-2633-9026

<http://www.bankthai.co.th>